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Appendix

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Congressional Record

PROCEEDINGS AND DEBATES OF THE 76th CONGRESS, FIRST SESSION

Appendix

Congress and Neutrality

EXTENSION OF REMARKS

OF

HON. JOSEPH F. GUFFEY

OF PENNSYLVANIA

IN THE SENATE OF THE UNITED STATES

Thursday, July 13 (legislative day of Monday, July 10), 1939

RADIO ADDRESSES BY MARK SULLIVAN AND JAY FRANKLIN

Mr. GUFFEY. Mr. President, I ask unanimous consent to have printed in the RECORD addresses delivered over the radio last evening by Mark Sullivan and Jay Franklin on the subject of Congress and Neutrality.

There being no objection, the addresses were ordered to be printed in the RECORD, as follows:

ADDRESS BY MARK SULLIVAN

The subject tonight is Congress and Neutrality. I shall recite very briefly the recent history of Congress and neutrality.

Some weeks ago Secretary of State Hull, with President Roosevelt's backing, asked Congress, strongly urged Congress, to pass a neutrality bill.

A bill was introduced in the House, a bill of the kind Mr. Roosevelt wanted. The House, by a very narrow vote, changed the bill to one Mr. Roosevelt did not want. That made, in effect, two proposals for the Senate to choose between.

The proposals went to the Senate Committee on Foreign Relations. That committee yesterday decided to accept neither proposal at this time. The committee decided it was better, in the committee's judgment, to postpone action until the next session of Congress.

This attitude of the Senate Committee on Foreign Relations to some extent commits the Senate as a whole, though not necessarily. The present disposition of the Senate is to postpone action until the next session, which would be after next January.

This proposed postponement Mr. Roosevelt and Secretary of State Hull strongly deplore. They say that in the present state of the world there is strong need that the United States should have a neutrality law. They point out what everybody knows, that after this session of Congress ends and before the next begins, there is possibility at least of war in Europe. There is certainty of changing developments in Europe. In this condition President Roosevelt strongly desires that Congress should pass a neutrality measure now. This means that Congress should choose between the two major pending proposals.

That is the situation. I shall confine myself tonight to attempting to explain the two proposals, how they differ, how each would operate. Both proposals deal mainly with the sale of arms and ammunition by citizens of the United States to nations at war. The proposals are very different. They are so different as to be practically opposite. The question before Congress and before the country—the thing for you to make up your mind about—is to choose between these two proposals.

One proposal is in effect as follows: Whenever any foreign nations are at war, no citizen of the United States shall sell any arms or ammunition to either of the warring nations, except under one condition. The condition is that the foreign nation must come to the United States, must pay cash in full for the arms, and must carry them home in its own ships. This is called the cash-and-carry proposal, or the come-and-get-it proposal.

This looks like neutrality. This is neutrality. It treats all nations exactly alike. To both sides in any war—to any and all nations at war at any time—we say exactly the same thing. We say in effect you can buy arms from American manufacturers, provided you pay cash in full for them, and provided you carry them away in your own ships.

That looks like treating all nations alike. But, in fact, it would not work out that way. In fact, in action, it works out to the advantage of whichever nation has cash and ships, especially ships. If, for example, there was a war with Great Britain on one side and Germany on the other, Britain would be favored by our cash-and-carry proposal. For Britain would have ships, to get arms in America and carry them home, while Germany would not. Britain, because she has the largest navy, would command the sea. Britain would drive all German ships from the sea. Britain would then be able to buy arms in America and carry them home. Germany would be deprived of any access to American arms.

That is one of the two proposals for neutrality now before Congress. It is the proposal favored by President Roosevelt and Secretary of State Hull. Before I leave this proposal I ought to take care lest my hearers mistake the spirit of it.

Some of my hearers may think this cash-and-carry proposal is rather sordid on the part of the United States, that we want to sell arms but at the same time want to play safe. That, however, is not the purpose of it nor the spirit of it.

The purpose, the direct and only purpose, is to avoid America's becoming involved in war. We say under this proposal that nations at war, buying arms from American manufacturers, must pay cash. There is a reason for that—a reason designed to help us maintain neutrality. This reason we can see by putting the purpose in different words. We say to American manufacturers that they must not sell arms on credit, because if they sold on credit they would then have an interest in seeing the nation that owes them money win the war. That would tend to make us unneutral.

It is the same spirit that we say that a nation buying arms from the United States must carry them home in its own ships. We say that because if an American ship were carrying ammunition it would be liable to seizure or to sinking, and if that happened it might tend to involve us in the war.

In short, the whole purpose of this cash-and-carry proposal is to avoid our being involved in war. It is to enable us to remain neutral.

So much now for one of the neutrality proposals, the cash-and-carry proposal. I turn now to the second proposal.

This second proposal attempts to achieve neutrality for the United States in a quite different way. Under this second proposal, no American manufacturer is allowed to sell arms or ammunition to any nation at war under any conditions whatever. If war breaks out, American citizens are absolutely prohibited from selling any arms to either side. I shall call this second proposal the absolute-prohibition proposal.

Now, this absolute-prohibition proposal, like the cash-and-carry one, looks like neutrality. This absolute-prohibition proposal is neutrality. Under this proposal we treat all nations at war exactly alike. To both sides in any war, to any and all nations that may be at war, we say exactly the same thing. We say, "We in America will not sell you any arms or ammunition under any conditions."

Yes; that looks like treating both sides alike. But, in fact, in action it would not be so regarded by the nations at war. If, for example, there was a war with Britain on one side and Germany on the other, Britain would resent our refusal to sell arms. Britain would feel that we were unjustly depriving her of the advantage which she has through her superiority on the sea. Germany, on the other hand, would be much pleased by this absolute-prohibition proposal, just because it would deprive Britain of the opportunity to buy arms in America.

So you see that, while both the neutrality proposals before Congress aim at neutrality, one of them—the cash-and-carry one—would in fact favor Britain, while the other—the absolute-prohibition proposal—would in fact favor Germany.

So that, like it or not, wish it or not, when we decide between these two neutrality proposals, we will be in fact deciding to give advantage or withhold advantage to one side or to the other in any possible war between Britain and Germany.

Now, let us say that we do not want to take sides, that we are determined not to take sides. That is the fixed American policy and wish. Yet there is one thing we would be willing to do. I think America would be willing to take any reasonable step it could toward preventing war from arising. And if we are willing to accept for ourselves that purpose, the purpose of doing what we can to prevent war from arising, then, as between the two neutrality proposals, one of them would help. The cash-and-carry proposal would help to prevent war from arising. If Germany saw the American Congress adopt the cash-and-carry proposal, then Germany would know that in any war between Germany and Britain, Britain would be able to get arms and ammunition in America. And if Germany knew that, Germany would be less likely to do anything to cause war.

I have discussed the two neutrality proposals—the cash-and-carry proposal and the complete-prohibition proposal; I have discussed them from one point of view only, the point of view of their different bearing on possible war in Europe.

There is another point of view which causes some persons to prefer the absolute-prohibition proposal. These persons say that to sell arms and ammunition to a nation at war, upon any condition whatever, is an odious business. They say that on moral and humanitarian grounds we ought to refuse absolutely to sell arms and ammunition under any conditions. Consequently, persons who hold this view say we ought to adopt the absolute-prohibition proposal and not the cash-and-carry proposal.

But the virtue we would achieve, by adopting the absolute-prohibition proposal, is a technical virtue only. For the absolute-prohibition proposal prohibits sale of only two things. The two things, as formally designated in the proposal, are—I quote "arms and ammunition." Everything else, the absolute-prohibition proposal permits to be sold. As respects everything else, everything excepting only arms and ammunition, the absolute-prohibition proposal is just the same as the cash-and-carry proposal. As respects everything excepting arms and ammunition, both the proposals permit sale.

Now, this "everything else" is very inclusive, and very important. The 'everything else" includes literally everything else. It includes not only food but also metals and chemicals. And these chemicals and metals are the materials out of which arms and ammunition are made. Under the absolute-prohibition proposal, nations at war could buy metals and chemicals and could make them up into arms and ammunition. Nations could buy what are called war materials. Nations could even buy partly finished goods, which they, by a little additional work, could turn into arms and ammunition. They could even buy, for example, ordinary airplanes, and then, after getting them home, quickly turn them into military planes. So that by adopting the absolute-prohibition proposal we shall not achieve great virtue for we shall only prohibit the sale of finished arms and ammunition.

Let me sum up: Both the neutrality proposals before Congress permit the sale of ordinary goods. Both permit it on the same basis, the cash-and-carry basis. The only difference between the two proposals in that one, the absolute-prohibition proposal, picks out arms and ammunition and prohibits the sale of them, while the other proposal, the one that is called cash-and-carry, permits the sale of everything.

ADDRESS BY JAY FRANKLIN

Good evening, ladies and gentlemen: It is an old American tradition that party politics stops at the water's edge and that when we deal with the issues of foreign policy and national defense, we do so, not as Republicans or Democrats, not as Tories or new dealers, but as Americans seeking the good of our own country and the welfare of our own people. So tonight, when we discuss neutrality and Congress, Mr. Sullivan and I see eye-to-eye on so many points, that it is hard to call this a debate. Perhaps our example may help some of you to divorce the struggle over the neutrality laws from our old man of the sea—partisan politics. I hope so—for if a Nation like ours—a nation which is composed of Catholics and Protestants, Jews and Gentiles, Germans and Poles, Italians and Russians, Irish and English—begins playing racial or religious politics with foreign policy then Heaven help us!

Our ancestors left Europe to get away from that sort of thing, and as soon as we were strong enough to do so, we declared our independence of European politics and have since tried to remain on terms of friendship with all nations, rather than choosing sides—or being chosen as cannon fodder—in European wars. As a result, we have succeeded in staying neutral in all of Europe's little wars, but we have not yet been able to keep out of Europe's general wars—those so-called world wars which have come every century of history since the discovery of America. But—and this is important—we have taken part in those wars for our own reasons—good or bad—and on our own terms—wise or foolish.

During the last Great War—the war of 1914–18—we stayed neutral for the first 3 years and took part in the serious fighting for only the last 6 months. Before that we had served as one of the economic bases for England and her allies in their fight against Germany and the Central Powers. We gave the Allies invaluable support in terms of money, food, raw materials, and ammunition long before we sent a single regiment to the western front. For this reason some historians and politicians have claimed that we went to war in 1917 in order to save the Morgan loans to the Allies and to protect our war-boom prosperity. Yet of all the many motives which drove us into the World War, this was the least important. We fought because we feared the international consequences of a German victory and the defeat of the British Empire. We did not want to shoulder the tremendous burden of naval defense, political organization, and financial administration which would have fallen on our people if the Empire had gone under. Those were the reasons for our entry into the World War, and they were urged more strongly by the Republicans than by the Democrats, and were resisted by Woodrow Wilson up to the very last moment consistent with our national safety.

Now that Europe is involved in a fresh cycle of small wars and big crises, with the danger of another general war growing from week to week, it is fit and right that we should take heed to our national defense and to our foreign policies. There is one group of politicians, mainly from the West, who seem to believe that the munitions makers are responsible for all wars and that the way to avoid entanglement is to forbid the sale of arms, ammunition, and implements of war to all foreign belligerents. Senator NYE, of North Dakota, advertised this point of view in his famous investigation of our so-called merchants of death—the Du Ponts. Now no new dealer can be expected to think too kindly of the family who organized the Liberty League and other forms of tory opposition, but it seems to me sheer poppycock to pretend that the man who made the gun is responsible for the murder. Men have fought with sticks and stones, with spears and catapults, with chariots and bows and arrows, with fists and teeth. When men want to fight they fight, and they use whatever weapons come handy for murder. As a matter of fact, the wheat from Senator NYE's own State did more to win the war for England than did the Du Pont's explosives or the Connecticut arms factories. Montana's copper, Missouri's mules, Washington's lumber, Alabama's cotton, and the oil of Texas—these won the war, rather than American shells, guns, and airplanes.

Yet Senator NYE's point of view became law, and though all the other features of the Neutrality Act have lapsed it is still mandatory for the President to embargo exports of arms and ammunition to belligerents whenever he finds that a state of war exists—whenever he finds that a state of war exists. President Roosevelt believes that this embargo is unwise as a national policy. He would prefer to have the embargo repealed and to substitute for it a general cash-and-carry provision by which we would sell to all belligerents only what they can pay for in cash and can carry away in their own ships. He has also put forward the proposal that the President shall have power to name an aggressor and withhold all shipments from the aggressor. It is these proposals that the present Congress has been asked to consider. It is this issue of neutrality which has raised the great debate.

Here is the situation. Europe is again choosing sides for either a big show-down or a big bust-up. On one side are the so-called democratic powers—England, France, Rumania, Poland, Turkey, and perhaps Soviet Russia. On the other side are the so-called Fascist powers—Germany, Italy, Hungary, Spain, and perhaps Japan. Whichever way we decide on neutrality will help one side and hurt the other. Our national sympathies are strongly with the democratic powers, and our national instinct is to try to keep the British Empire a going concern, though there is a general feeling that the so-called democratic powers aren't really so darned democratic and that what it all really amounts to is another British coalition of the "haves" against the "have not" nations. Yet there is no doubt that Fascist principles of conquest, and particularly the new German racial and religious policies, are a menace to the Monroe Doctrine and to our domestic institutions. Also, we would feel very uncomfortable in a world from which the British Empire had disappeared as a political reality. If we embargo the export of arms to France and England we shall automatically help Germany and her allies, since the Germans now have Krupp and Skoda, the world's greatest munitions factories. On the other hand, if we

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repeal the embargo, we will help and encourage France and England, because they control the seas and could take advantage of the cash-and-carry proposition, where Germany and Italy could not do so. There's a third possibility—the best of all—that for the present we neither keep nor repeal the embargo, which I shall discuss in a few minutes.

First, let's get down to cases and consider the situation in Congress. The House has passed a neutrality bill which retains the embargo. A group of Senators have pledged themselves to fight to the death to prevent passage of the President's neutrality proposals. And yesterday the Senate Foreign Affairs Committee decided to postpone action on neutrality. I do not question their sincerity. I do think, however, that among them are some who are more interested in trying to hurt President Roosevelt's administration than in helping our Government maintain a wise foreign policy. I cannot forget that 20 years ago the so-called battalion of death in the Senate used the Treaty of Versailles and the League of Nations as a means of breaking President Wilson. Some members of that old battalion of death are leading the present fight—Senator BORAH, of Idaho, and Senator JOHNSON, of California. Mr. BORAH is now 74 years old and Senator JOHNSON is approaching his seventy-third birthday. Their effort reminds me of a theatrical revival of an old-fashioned melodrama, like the Black Crook or Nellie the Beautiful Cloak Model, as I see these old war horses of the League of Nations fight come steaming into action in another attempt to control our foreign policy.

Before I accept their advice this time, however, I want to see what was the result of following their advice 20 years ago. At that time, they kept us out of the League's system of collective security, set up to administer a peace treaty, many of whose clauses—including the Polish Corridor—we had insisted on. They sank our Navy and they signed a treaty to protect the integrity of China and maintain the "'open door." They insisted on having the war debts repaid, while their banking associates took over the profitable job of financing European reconstruction. It looked like a lovely foreign policy. Certainly it was popular at the time.

Let's look at the results of the Borah-Johnson policy. It didn't work. The League of Nations is a wreck, the peace treaty has been junked, there is no security for the nations of the world, and we are again menaced by the military alliances of Europe. We are again forced to build a great Navy, hoping to finish it in time to protect our interests. The integrity of China has been destroyed by Japan and the "open door" is jammed with corpses. The war debts are not being paid, except for Finland, and the banker's loans have been defaulted. The Johnson-Borah policy lies in ruins before us. It didn't work. And now they try to persuade us to take their advice a second time. I do not see how any patriotic President can afford to abandon his struggle for a sensible foreign policy, in the face of such a record and such an opposition.

Now, if we really want to help prevent war in Europe, we ought to force a long congressional debate on neutrality, here and now. Such a debate will make it impossible for the Fascist powers to count on our keeping the arms embargo; it will also make it impossible for France and England to count on our support. If we really want to help prevent war in Europe, we should continue this debate right through the summer, well into September, until the crisis months of 1939 shall have passed. Quite frankly I think that the time to be neutral is now. Quite frankly I do not think that we ought to give the green light to either side in the European line-up at this critical time.

And then, if war comes, the President can do what he has already done in China. He can refuse to recognize that a state of war exists. He can refuse to invoke the neutrality law, as lies within his power. He can follow the course best calculated to protect this country's real interests—as is his duty under the Constitution—and can count on the support of our people in doing whatever we have to do to promote our own defense by helping our friends defend themselves.

The Declaration of Independence

EXTENSION OF REMARKS

OF

HON. JAMES J. DAVIS

OF PENNSYLVANIA

IN THE SENATE OF THE UNITED STATES

Thursday, July 13 (legislative day of Monday, July 10), 1939

ARTICLE BY FRAZIER HUNT

Mr. DAVIS. Mr. President, I ask unanimous consent to have printed in the Appendix of the RECORD a feature article by Frazier Hunt entitled "Words That Will Never Die." The article appeared in the magazine section of the Pittsburgh Press for July 2, 1939.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

WORDS THAT WILL NEVER DIE

(By Frazier Hunt)

It will be 163 years next Tuesday since a little group of valiant men gave to the world that gallant document the Declaration of Independence.

No one will quarrel with the statement that this stretch of time has seen more far-reaching and profound changes than any similar period in all human history. It might even be argued that this span of 163 years has watched mankind advance further in the fulfillment of the three brave dreams—life, liberty, and the pursuit of happiness—than in any single era 10 times that length.

Vast and unprecedented social revolutions, political revolutions, and equally important mechanical and scientific revolutions all have come during these magnificent years.

The world of 1776 seems as far in the past as the world of the Pharaohs or of the Caesars. Little remains unaltered save those humble promises made by man to his fellow man, and given immortality in this Declaration of Independence.

Today, and during all these intervening years, men have spoken often of changing, and even of abolishing, the Constitution—but who would think of altering so much as a single comma in this great bill of human rights and faith? Who would add or detract one syllable from such singing words as: "We hold these truths to be self-evident—that all men are created equal * * *?"

New theories and practices of government and society have come—and some have gone—but neither today nor yesterday has there been a clearer statement of man's longings than in these living phrases penned so long ago. It is odd that such a time and circumstances should have produced such simple greatness.

It might be worth the while to take one swift glance at the state of man's life at the moment when the burning words set fire to the common heart of the world as no other document has ever done:

On that day a man could be put in jail for debt and kept there until it was paid.

With few exceptions, no unpropertied citizen, either in the American Colonies or in any corner of the globe, had the right to vote.

Not more than 10 percent of the population could read or write.

Men worked from 12 to 16 hours a day. Housewives worked even longer.

Woman's legal position was little more than that of a chattel.

Youth was bound into long and ill-paid apprenticeships.

The divine right of kings was largely accepted without question. Man was only beginning his revolt against caste and inherited position.

In few countries was there true and easy freedom of worship—or genuine freedom of speech and assembly.

The field of medicine and surgery was little advanced from the days of the Greek, Hippocrates. The priceless words "public health" had never once been hooked together.

Microbes and the whole microscopic world were as distant and unknown as the outer planets. Anesthetics and antiseptics had yet to be conceived.

The fastest means of transportation in the world was a running horse.

Only the crudest steam engine had been invented. Water, wind, horse, and man were the only known sources of power.

Electricity was but vaguely suspected.

All these and a thousand forgotten items of ignorance and injustice have largely disappeared before the restless and imaginative energy of these 163 years.

And it is correct to say that the New World that was to follow the Old World of the eighteenth century was largely born in this single document.

The Declaration of Independence released man from the mental and physical slavery that had held him for so many centuries in a peculiar bondage.

It was not "self-evident" to those generations before that "all men are created equal * * *."

It was not "self-evident" that men were "endowed by their Creator with certain inalienable rights * * *."

No one before this immortal day of July 4, 1776, had dared to contend that "governments are instituted among men, deriving their just powers from the consent of the governed * * *."

And who, save the brave Thomas Paine, had ever thrilled the world with such a proposition as "whenever any form of government becomes destructive of these ends [life, liberty, and the pursuit of happiness], it is the right of the people to alter or to abolish it, and to institute a new government * * *"?

These tremulous words and ideas permitted man to lift himself up by his own bootstraps. In a single tick of the clock of time—a brief eight-score years—man's whole spiritual and material world was to be changed as if by some great magic.

The miracle of machine leisure and the hundred and one phases of the enlarged life march steadily on. We still have far to go, but we are on our way. We are "change-minded" just as we are "air-minded." We may argue about methods and technique, but we gladly accept the fact that we march forever in a procession of new worlds.

This present world of 1939, with its wars and rumors of wars, may frighten us a little. But we need not be too discouraged. We have great momentum to carry us forward. Our tree of liberty is deeply rooted.

And we have great tradition and inheritances to feed our faith and give us courage.

For one thing, we have man's long-cherished belief in his own inherent right to justice and human dignity.

One hundred and sixty-three years ago the Declaration of Independence gave us that in words that will never die.

Administration of W. P. A. in West Virginia

EXTENSION OF REMARKS

OF

HON. RUSH D. HOLT

OF WEST VIRGINIA

IN THE SENATE OF THE UNITED STATES

Thursday, July 13 (legislative day of Monday, July 10), 1939

LETTER WRITTEN BY HON. RUSH D. HOLT, OF WEST VIRGINIA

Mr. HOLT. Mr. President, I ask unanimous consent to have printed in the RECORD a letter written by me relative to the administration of W. P. A. in West Virginia.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

DEAR FRIEND: More than 10,000 W. P. A. workers in West Virginia have been fired since January 1. Many 403's said "lack of funds."

Yet money was available for salary raises of the project bosses. I checked pay rolls of the 1936–37 fiscal year with pay rolls of the 1938–39 fiscal year and found approximately 400 bosses who had their salaries raised during that period.

Bosses in 48 counties of West Virginia had salaries raised at the rate of $500 or more per boss per year. As you know, that is more than a W. P. A. worker makes for a full year's work in many counties.

The salary raises of the project bosses (no district or State office staff included) amounts to more than $15,000 a month. Based on a yearly total at the same rate, this would mean $180,000. Think of that! One hundred and eighty thousand dollars to raise salaries, yet they claim no money to employ persons certified as needy.

Thirty-five bosses in 22 counties received salary raises at the rate of $1,000 or more each per year.

The salary raise is almost as much as a teacher receives in West Virginia for the entire school year. Remember the amount is an increase of $1,000, not a total of $1,000.

Thirty-five bosses got an increase of more than $47,000 a year. Remember, an increase, not a total. Thirty-five W. P. A. workers in most of the counties would earn only $14,700 for a year's work.

Every one of 35 bosses could be employed at their original salary, and the salary raises would pay 1,300 W. P. A. workers for a month's work. It is more humanitarian to give jobs to 1,300 needy than to raise the salaries of 35 bosses.

Four counties had 20 or more project bosses who had salary raises. Kanawha led with 33, followed by Harrison with 26, Marion with 22, and Monongalia with 20.

If you did not get the report of W. P. A. bosses in your county, write me at Washington and a copy will be sent.

Sincerely,

RUSH D. HOLT.

Youth and Our Economic Problem

EXTENSION OF REMARKS

OF

HON. GEORGE H. MAHON

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 13, 1939

ADDRESS BY HON. AUBREY W. WILLIAMS, JULY 10, 1939

Mr. MAHON. Mr. Speaker, having secured unanimous consent from the House, I include the following very interesting address on youth and our economic problem, delivered by Administrator Aubrey W. Williams, of the National Youth Administration, before the Institute of Public Affairs at the University of Virginia, Charlottesville, Va., on July 10, 1939:

Every discussion of the problems of youth should begin with the observation that the major problems of youth stem from and are a part of problems and forces that affect the whole of society. People who make the affairs of youth the subject of their special interest should forever remember that the social and economic problems which confront a boy or girl are not essentially different from those which confront their elders. At bottom, they are the same problems. Yet it is true these problems turn a different face to youth. "It feels them so intently; its sufferings are so often of such desperate character." It is not easy for them to be philosophical about a situation in which everything in their life has come to a standstill. It does not and will not interest them to be told we are in the midst of a social lag in which production has outdistanced consumption. It is small comfort to them to be told that all free land is gone and that geographical pioneering has come to an end.

What youth wants to know is, "What are we going to do about it? Are we or are we not going to do anything to give them an opportunity to show what they can do? Is it going to be possible for them to get a job, to have a home, to earn some money, to have some friends, to be somebody?"

They aren't particularly interested in all of this discussion that is going on about their problem. What they want is action—opportunity. They don't think of themselves as a problem. They have some problems, but they are no problem.

Now, what are the facts about our situation? There are 20,000,000 boys and girls between 16 and 24 years old. About 5,000,000 are out of school, unemployed and looking for jobs. About 11,000,000 have jobs, most of them at unskilled work. The fact that most of the 5,000,000 unemployed have no experience is not what keeps them unemployed. If more jobs opened up, some of the 11,000,000 could be promoted and make a place for others on the first rung of the ladder. But so long as there are not enough jobs the young people are up against questions that they themselves have no power to answer. They cannot by any effort of their own find what isn't there.

We older people cannot shift the responsibility to youth for finding the answer to its problem, and we cannot lay the whole responsibility upon such institutions as the home, the church, the school, or the university. These institutions are responsible for training young people to meet the strains and the demands of adult life. But they have no power to control the conditions of the world outside their walls. The best that any of these institutions can hope today is that its own graduates, in the fierce struggle for survival, may be able to grab a job away from someone who has not been so fortunate in his training.

No doubt, if these institutions do their work exceedingly well, and if the effects are not wiped out by the cold shock of experience in a hard world, we may hope that a new generation may come to power with better understanding and with nobler principles than our generation has shown. But that is for the long future. Friends of mine seem to believe that the schools are to blame because their graduates are not able to get work after leaving school and we make vast inquiry among young people who have left school as to what help the schools were to them in getting employment after they quit or graduated from school. All of which is proper, if kept in perspective.

But we must not deform and frustrate the schools by carelessly throwing on them the problem of youth without jobs. You and I know that the schools are neither to blame for the fact that 4,000,000 young people are unemployed nor that the schools should be expected to provide the solution. But it is possible for the schools to play an important part in both securing an understanding as far as our knowledge extends as to what is going on; and second, in equipping the oncoming young people to the greatest degree with background, capacities, tools, etc., to meet this situation. The schools obviously can't be expected to make over the industrial structure so as to provide employment for all the young people. It is no valid criticism of the schools to say that thousands of young people graduating from its classes are unable to find work. Such criticism is at once silly and extremely unjustified. On the other hand, it is fair and proper to hold that the schools should provide young people with an opportunity to acquire techniques and secure experiences and come into the possession of knowledge which will be of practical benefit to them in their efforts to make a living once they are out of school. But the problem lies at the doors of industry and government and of all our citizens as responsible members of our democracy.

Industry has created the problem of our generation, and it has done so through no fault of its own. We cannot blame the scientists and the engineers who have given us the machines to do 100 men's work with only 10 men on the pay roll. These inventions are a triumph of human brains, and when we shall have learned how to make use of them, they will be not a curse but a triumph of human welfare.

But today we are struggling to find the answer to mass unemployment. While we are straining to catch up, science and technology are striding forward faster and faster. At first, it was simple mechanical inventions like the steam engine and the cotton gin. Then science moved up into electrical machines and beyond, to ether waves, and to chemical reactions that can be described only in terms of higher mathematics.

Industry now has machines that make steel sheets or automobile frames with only a few human workers in the plant. But much more disturbing, industry has methods and formulas that will double the output of a plant with almost no investment or increase in the amount of machinery.

The same sort of high technology has come into agriculture. New breeds of animals, new varieties of plants, new chemical formulas, as well as new machinery, have invaded the farms and have thrown thousands of farm families out of work.

We have learned to produce faster than we have learned to distribute the products of agriculture and industry. We all know by this time that there is no hope of full employment until we catch up with our new powers. Meanwhile, there is every indication that labor-saving methods will soon spread far beyond the development that we have today. There are few new inventions in sight like the automobile, the movie, and the radio that can persuade people to spend money on a vast scale and so provide millions of new jobs. But there are many new inventions of labor-saving methods, already tried and proved in agriculture and industry, that when they have time to spread will do away with more millions of jobs. This is the kind of world that the young men and young women of today must live in until we or they find out how to make it something better.

Sometimes I hear people say that the old pioneer spirit is gone in young people. When Horace Greeley told the young man to go West, he had a perfect formula for saving Horace Greeley from having to think about unemployment. The young man and his problem simply disappeared in a cloud of dust. The young man had his own troubles with Indians and drought and sickness far out on the lonely prairie, but he had a chance, and therefore he had courage and drive.

As people often say, the young men of those days didn't march on Washington and demand that the Government give them a living. They just went and got it. Whereas these present-day young people expect the Government to support them, and it seems to stand to reason that their character is being undermined.

But don't be fooled by the enchantment of historical distance. Those old young men did go to Washington and did demand a living from Uncle Sam. They wanted free land. Uncle Sam had land to give away, and land was what they got. But they can't ask for free land today because Uncle Sam has already given all the good land to their grandfathers.

Don't blame the young man and his young wife because they are not up in the woods somewhere building a log cabin and warding off hostile Indians with a rifle. If they tried that, it wouldn't be hostile Indians that would come around. It would be the sheriff with a writ for trespassing on the property of some corporation. Warding the sheriff off with a rifle is not counted as a pioneer virtue. Times have changed.

And don't be fooled by the fact that there are a lot of jobs for young people opening up every day. For instance, every year 160,000 farmers die or become too old to farm, and their places must be filled by young men. If you want to travel around and keep your eyes open, you can easily observe some of the 500 farms that fall vacant every working day of the year. Why don't the young men wake up and seize these opportunities? If you want to, you can write quite a magazine article on the youth of America sleeping at the switch.

The answer, of course, is that for each 500 farms that fall vacant, 1,000 farmers' sons come on the market looking for something to do. Some are the heirs and get their farm without having to jump for it. Others have some money for a down payment, and can get a farm. When the farms for that day are all gone, 500 boys are left over. What's the use of calling people names because they are not able to make two plus nothing equal four?

It is the same in business. Workers die or grow too old to work. Everybody moves up, and some lucky boy or girl gets a job, while some unlucky one doesn't get the job.

There are 2,000,000 young people loafing on the home farm because they can't get jobs in town, and about as many more are loafing in town because they can't get a job either in town or on a farm. They can't afford to have a good time, thousands of them can't afford the books and the carfare to go to school. They can't afford to travel decently in search of work, and if they travel by way of the thumb and the hobo jungles they are apt to find more bad than good. It is a good credit to their self-restraint that so few of them lose patience and start to smash things. We should be thankful that so many of them keep up their courage and their hope.

This is a dark picture, but not a hopeless picture. During these long years of depression and experimentation, this country has not solved the problem of unemployment, but many of us have begun to see more clearly where some solutions seem to lie.

This technology that for the moment seems so terrifying is not going to turn this country into a nation of loafers, in which one superengineer presses a button and makes everything that is made, while everyone else lives on the Government. We are beginning to see that technology is not that important; it can never make everything that is made. There is more work for human hands to do than there are hands to do it, in services that are outside of the machine, outside of chemistry, and outside of the wonders of high mathematics. The function of technology, and in the long run its greatest service to humanity, is that it releases most of our human workers to do the services that people have always needed and that only the most fortunate have in the past been able to enjoy.

In 1930 for the first time the census showed more than half the employed workers of this country in service occupations. The proportion has been rising for over a hundred years. We may reasonably expect that some day 90 percent of our workers will be employed in jobs outside the direct production and distribution of physical goods.

Some kinds of services, such as operating a numbers racket or being a quack doctor, may not add anything useful to civilized life, but others offer tremendous new opportunities for improving the condition of our country.

Look, for instance, at the opportunities that medical science offers, for warding off preventable illness and premature death. We have learned how to prevent typhoid and tuberculosis and diphtheria, all deadly enemies before which our ancestors cowered in helpless fear. Yet some of the worst typhoid epidemics in history have happened since we learned how to prevent the disease. We pay more to bury people who die in the prime of youth from tuberculosis than it would cost to keep them from getting it in the first place. Diphtheria still chokes the life out of children who otherwise would have had every prospect of a happy and useful life. Here is work to do, and millions of lost dollars to be saved, by which the work can be paid for and leave us no poorer for the expense.

One-tenth of our people have been infected with syphillis, the disease that kills slowly and horribly, and now unnecessarily. After centuries of helpless subjection, we now know how to free our people from this well-named captain of the men of death. Here too is work to be done, here are thousands of new jobs in a war against the destroyer, a war that we know how to win. And the cost? I need not waste time in proving what you all know, that the American people can make a fat profit by getting rid of this disease and every other disease for which the methods of prevention have been discovered and proved.

In education as truly as in health, we all know that in spite of past achievements there still remain great opportunities that have not yet been grasped.

There are still hundreds of rural counties in all sections of the country, where the schools have neither the buildings, the equipment, nor the trained teachers to give the children an education that will fit them for the demands of modern life. There, where the birth rate is highest, the taxable real estate often is the poorest, and the local governments are straining every resource in vain to provide for the education of the children who are in their care.

The Nation, in which these children will some day take their places as farmers and city workers, must depend on their intelligence and character for the wisdom and character of democracy itself It is the Nation's interest, therefore, to see to it that the equality of opportunity that cannot be provided out of local realesate taxes is provided out of the resources of the Nation as a whole.

Even equality of opportunity at our present standards will not be enough. Improved opportunity all along the line will be required if our young people are to be prepared for the new kind of world that is opening out before us. Those who are to work in the new agriculture and the new industry must be capable of handling complicated machines and scientific methods. Many of those who will get jobs in new and expanded services must have special skills and training.

These new demands fit well with the fact that young people can conveniently be kept off the labor market by holding them longer in school. Longer schooling is, of course, not the whole solution of the problem of unemployment but when we solve the main problem, longer schooling will help.

Another fortunate combination of necessity and opportunity is the fact that young people need the experience of working with their hands, and the country needs a lot of physical improvements that young people can make. This country has in many respects been allowed to run down, and the work of millions of young people is needed to put it back in good condition. Thousands of square miles of land are being washed away and need to be protected. Millions of acres of forest land need to be replanted, or thinned, or protected against fire. Towns need to be cleaned up, schools need to be remodeled, school equipment needs repair. The old swimming hole has disappeared under a city street, the modern town needs a sanitary swimming pool, a baseball diamond, a new park where an older generation wandered in the open woods.

Young people can do much of this work. I want to discuss this business of youth and the labor market. First, it is important that heads of families be given priority over all others in employment; second, it is equally important that nothing which is done break down or weaken the standards which organized labor has been able to establish. Collective bargaining, properly protected apprenticeship arrangements of a strict legal character, and so forth, as well as a full respect and protection for those workers who have journeymen's status or some degree of it, should be conditions to every effort designed to aid youth. But, having said all of this, there still remains ample room within which we may move around in giving young people their opportunity to work and in fulfilling our obligations to their right to life, liberty, and the pursuit of happiness.

Youth can and should be permitted to contribute to the increased well-being of the Nation. They have it within their power to add vastly to the equipment and wealth of the public and private requirements of the Nation. Furthermore, this work can be done in such a fashion and under conditions which do not interfere with private business nor with adult labor.

In the National Youth Administration and the Civilian Conservation Corps, we have found a means for bringing together the country's need for maintenance and repairs, and the young people's need for hard labor to toughen their back muscles and give skill to their hands. We have found more opportunities for boys than for girls, but, as we expand our understanding of the many services that this country needs, additional opportunities for girls will be discovered.

What we have done is this: Young people are put to the simplest forms of helper types of work where they have the opportunity to find out the rudiments of some trade or profession

or skill. They are rotated at intervals of 3 months so as to afford them familiarity with more than one kind of work and to provide them with the opportunity to discover in what direction their skill or bent may lie. Skilled craftsmen or professional technicians are employed as key workers around which groups of youth are placed. These supervisors act as counselors as well as supervisors. To this project work, we join formal academic work wherever possible. Ideally this should directly supplement the work performed on the project.

Under such arrangements 235,000 youth are now employed on 11,000 projects in 3,000 counties of the Nation. These projects range from building schoolhouses to research in the vitamins—from clerical work in the county tax assessor's office to the laying of sidewalks.

My own conviction, after 4 years of experience in the organization of work projects for hundreds of thousands of youths, is that there is almost nothing, given skilled and technical supervision, that these young people can't do.

In these new services of maintenance and improvement we have the means also for supplying the young people, on an honorable basis, with some of that indispensable cash which all civilized persons, even young ones, have to have to get along. The N. Y. A. boys and girls can buy necessary clothes and streetcar fares and schoolbooks. They can associate once in a while with their friends at a soda fountain without being ashamed. That is, they can go to school, and they can be like other people. If you remember those difficult years in your own life you will recall how a small amount of money makes the difference between a world of hope and a world of despair.

In these services we have also the means for overcoming to some extent one of the most embarrassing difficulties of the young man or woman who goes out looking for a first job. That difficulty is the lack of experience. As the young people so often say, "You can't get a job unless you have had experience, and you can't get experience unless you have a job." By giving them jobs without requiring any experience we give them at least a partial escape from this common dilemma.

Beyond these immediate and practical advantages, I think we can begin to see in these services a new and valuable addition to our means of education for citizenship. It is true that these thousands of young people, like the homesteaders of a past generation, are looking to Uncle Sam for opportunity. But these modern young folks are not relaxing in the arms of Uncle Sam any more than their ancestors did. They work, and their backs ache; a few even lose their lives in a construction accident or a forest fire.

The homesteaders and miners and lumberjacks who opened up the West were not often given to philosophizing, and yet no doubt for most of them there was an undercurrent of feeling that America was a great country and they were part of her greatness. The young men and women of today who have the privilege for a year or two of helping to rebuild America do not often write poems or sing songs about their service. But from a word dropped now and then, and from the way they act in the presence of opportunity, one can guess at some of the wordless background of their minds. Perhaps some of them at first, when they get a job on Uncle Sam's pay roll, think only that here is a chance to get some money. But after days and months of hard work, seeing the land that they have made over and the trees that their own hands have planted, it is borne in on them also that theirs is a great country and that they are a part of her blood and bone.

In all of this youth itself is the most hopeful part. Youth is more hospitable to change than age. It is less wedded to the past and less fearful of its ability to adapt itself to new conditions. Consequently, youth acclaims progressiveness. It sees government putting its emphasis on human rather than material values. It welcomes and is thankful for a government that tries to bring social development in line with material development, for it knows that most of the ills to which it has fallen heir were brought about by our social organizations not keeping pace with our mechanical and economic genius as a people.

They realize that government is the means through which they can realize their aspirations and ambitions, that through government they, as citizens in a democracy, have a voice in the way the world in which they live is to be run. They do not regard this as a repudiation of private enterprise in favor of government or vice versa, but of using the power inherent in democratic government to help private enterprise to function, to furnish the opportunity and the security which we all want. There is no fundamental, irreconcilable conflict here, provided we can view these problems with fresh, unprejudiced minds. Government is the representative of the whole people. Private enterprise is the means through which the great bulk of the wants of the whole people is achieved. It is natural and right that the whole people should wish to use their power through government to assist private enterprise to meet to its fullest capacity their wants.

It may be that time will teach us all something more than we now know about the way to realize the aims that we seek. And youth itself will find that as our old disagreements over methods vanish into the past and are forgotten, new disagreements as to methods will arise to make for delay and uncertainty among themselves.

In all of this struggle and effort it has seemed to me that the more generous and thoughtful part of the youth in America has attached its social and economic thought and effort to one central purpose which can be described as the search for a peaceful, orderly, and democratic solution for the tragic economic confusions and miseries of our industrial arrangement, and that they search for these solutions within the framework of the American way of living, that is within the framework of a democratic form of government, within the framework of the institution of individual initiative and private property, within the framework of the American civil liberties and civil rights guaranteed in our basic laws.

Our present economic world can be made to yield abundance to all instead of poverty to many, happiness to all instead of misery to many. That was, to do them justice, the aim of many of those rugged individualists who have brought our industrial system to such a height of power for both good and evil. That aim, the creation of a true and stable prosperity, is the justification of our present efforts. That aim will become the aim of youth in turn, to realize by such ways and means as they in their turn will deem best.

Neutrality

EXTENSION OF REMARKS

OF

HON. ROBERT R. REYNOLDS

OF NORTH CAROLINA

IN THE SENATE OF THE UNITED STATES

Thursday, July 13 (legislative day of Monday, July 10), 1939

ADDRESS BY WILLIAM J. GOODWIN

Mr. REYNOLDS. Mr. President, I ask unanimous consent to have printed in the Appendix of the RECORD extracts from an address on the subject The Menace of the Bloom Neutrality Bill, by Hon. William J. Goodwin, a Democratic leader in Queens Borough of New York, over radio station WWRL, at Woodside, Long Island, Thursday, June 29, 1939.

There being no objection, the matter referred to was ordered to be printed in the RECORD, as follows:

One of the most dangerous measures ever introduced in Congress, and which—if it is allowed to become a law—may upset all our most cherished American traditions, may sap the very foundations upon which our republican form of government rests, and even head us toward the peril of dictatorship, is the so-called Bloom neutrality bill now before the House.

This measure is doubly dangerous, because it pretends to be something which it is not. It is sailing under false colors, like a piratical craft which conceals its guns until it is ready to open fire. It is labeled "neutrality" in order to lull the American public to sleep; but, in reality, it is anything but neutral. Instead of keeping us out of war, it will provide the very excuse for it; prescribe the theater—or, as the measure itself describes it, the "war zones"—and eventually, because of the extraordinary powers which it gives to one man—greater peacetime power than was ever placed in the hands of any President from George Washington down—will be the means of plunging us into any conflict in which that man determines we shall enter when, where, and how he alone may decide.

In a word, once this unneutral, warlike "neutrality" bill becomes a law—if the American people permit it to go that far—we shall find ourselves no longer our own masters, our Congress robbed of the powers guaranteed to it under the Constitution, and that Constitution itself so far overturned as to permit an absolute dictatorship instead of the republican form of government which has sustained and safeguarded us through the varying perils of the past 163 years.

The Bloom pseudo "neutrality" bill destroys the present real neutrality law which we have on our statute books, and which, since its enactment, has definitely and decidedly kept us out of war. This false-faced Bloom measure lifts the embargo on arms shipments abroad, permitting us to send war material wherever the President may decide. It permits the President—not Congress mind you—to declare that a state of war exists, whenever, in his judgment, he decides that such is the case. He is allowed to name the aggressor or aggressors, and having named those who, according to his lights, are the offending parties, the Bloom bill gives him the further—almost autocratic power—to prescribe war zones, isolating or, as he once described it "quarantining" the aggressor, while furnishing the other side with all the sinews of war.

Not only does this so-called "neutrality" bill of BLOOM's undermine and nullify the embargo provisions of the present neutrality law, but it likewise scuttles the present Johnson Act which forbids us to extend new loans to any debtor nation which has repudiated or refused to pay its war debts. Its language is so cunningly devised, its weasel words so clever, and its real design so well hidden that it requires a second and more searching look to discover the real import of the section which permits the President to extend credits to the belligerents favored by him. These credits may be so manipulated as to be, in effect, a war loan, even to nations which already owe us billions and which nations have never shown the slightest inclination to pay.

The very thing we hoped would never occur again, the horrors of the World War which we prayed would never again be duplicated—the maimed and mutilated men who come back to linger on through living deaths, the tears of widows and orphans, the sorrows of bereaved mothers, wives, and sweethearts, the billions lost in loans and the years of crushing tax and depression to pay for it all—all these things, which we said Congress would never let happen again, are to be repeated because, under the Bloom bill, Congress will have nothing to say about whether or not war shall be declared should the President decide to act.

The power to declare war which, hitherto, has been that of Congress, alone, will in effect be surrendered by the Congress under this iniquitous bill and its sections may be so interpreted as to give the President power to declare war himself.

This power, I contend, is too much to entrust to any one man, no matter how benignant and winning a smile that man may wear. The power to wield the scepter of dictatorship is too great a temptation to place within the reach of the best man who ever lived.

And, at this point, I may ask in all candor: Could our President, armed with this terrible power, contain himself as a neutral and resist the temptation to plunge us into war?

There is every indication that this Bloom bill is designed to carry us into the next world conflict whether we like it or not. And, in that conflict, we should find ourselves lined up as allies with Great Britain and France—as a result of which, because of the pourparlers now proceeding between those powers and Russia, we would, in the end, be fighting for the Soviet, supporting Stalin and defending a hated communistic dictatorship which had been guilty of the blood of 20,000,000 Christians.

There would be no escaping this hateful alliance—once we were under the iron heel of this Bloom law.

The naming of an aggressor or aggressors, would be tantamount to a declaration of war against such powers.

The withholding of shipments from them while, at the same time, favoring their enemies would, to all intents and purposes, become translated into an unfriendly act—the prelude to real war.

And once we were in such a war—on the side of Great Britain—we would find ourselves allies of Russia. This is what communism, in this country, and its war-mongering supporters all over the world want.

The Bloom bill, I repeat, is the greatest menace ever aimed at the American form of government. It sets the stage for our entry into the snares and structure of feared and hated dictatorship. It sends us toppling into that very maw of destruction against which the President and all of us, all along, have been declaiming.

It upsets the Constitution.

It takes away the war-making power from Congress and gives it into the hands of one man.

It gives that sole man sole power to decide and to act.

It permits him to name the aggressor nation or nations. It, in fact, allows him to choose the alliance which will yoke us once again to the red chariot of war.

It destroys, in a word, the legislative branch of government, concentrating all power in the Executive, and, as I said in a talk before the Foreign Relations Committee some days ago, tends toward the very dictatorship which the President himself has hitherto so savagely denounced.

This bill should be beaten, and there is still time and still a way to do it.

Back up your representatives in Congress. Let them know you are behind them in this fight to crush this measure or any similar measure which would lead us on to war, and which would destroy our Constitution and our liberties. Deluge them with letters and petitions. Encourage them to stand up and fight for our rights as free men and free women.

Tell Congress we must not be dragged into any more foreign wars.

Tell them the arms embargo must not be lifted.

And that, as real Americans, the heirs of those who fought at Bunker Hill, Concord, and a hundred other battles in the war to rid this Nation of an autocratic king, we shall never surrender our rights of sovereignty to any one man, no matter whom he may be.

Problems Before Congress

EXTENSION OF REMARKS

OF

HON. J. WILLIAM DITTER

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 13, 1939

RADIO ADDRESS BY HON. JOSEPH W. MARTIN, JR., OF MASSACHUSETTS, JULY 10, 1939

Mr. DITTER. Mr. Speaker, under leave to extend my remarks, I wish to insert in the RECORD the following address by Hon. JOSEPH W. MARTIN, Jr., of Massachusetts, over N. B. C. blue network, presented by the Evening Star National Radio Forum, Washington, D. C., July 10, 1939:

Every citizen of the United States is aware these days of a rising tide of determined, hopeful, and forward-looking patriotism.

The end of a tragic era of confusion, unnecessary economic dislocation, and costly administrative bungling is written large on the political horizon. A new spirit is abroad in the land.

In every walk of life our people are taking a firmer hold upon the deep traditions of our national history and are rededicating their thoughts and energies to the long-deferred hopes and aspirations of real Americanism.

Silently but steadily beneath the dust and clatter of the workaday world the great spirit of America—the spirit of daring, of enterprise, accomplishment; the spirit of thrift, frugality, and practical common sense—this great spirit is again taking a hand in the direction of our national life; and with this awakening comes the bright promise of an ultimate restoration of sanity and stability in the Federal Government.

Four months ago, on March 6, it was my privilege to address this great audience on a program which marked the one hundred and fiftieth anniversary of the First Congress under the Constitution.

At that time I recalled that the dangerous rubber-stamp days were gone forever, and pledged that in the present session of the Seventy-sixth Congress the enlarged Republican minority would drive unceasingly toward the single objective of preserving and defending our cherished American scheme of balanced constitutional government and our bountiful system of private enterprise.

We would insist, I promised, upon proper legislative consideration of every measure presented for congressional action. For that policy, I contended, was the first step toward the sustained business recovery which ultimately must make real jobs for our 10,000,000 unemployed.

There is no time for a review of the work of the Seventy-sixth Congress. Much remains to be accomplished before adjournment.

We still have more than 10,000,000 unemployed.

Wild and reckless squandering of the people's wealth and substance still rules as a cardinal policy of the New Deal administration. But we have learned by bitter experience since 1933 that nations do not live by deficits alone.

And now a dangerous policy of international meddling, which threatens to involve the United States directly in the age-old frictions of European diplomacy, is being pressed secretly by the administration, despite strong opposition from the people and vigorous congressional resistance.

In the face of these grave dangers to our national life narrow partisanship finds no voice in the public forum. Today the proposals of responsible statesmanship resound only from the platform of patriotism.

Thanks to the splendid conception of public service which has maintained the Evening Star National Radio Forum through these recent troubled years, urgent questions of the hour still may be discussed freely with the people whose destiny is at stake.

This is a distinguished service upholding the great American principle of free speech, and for this service the Washington Star and the National Broadcasting Co. well deserve the appreciation and gratitude of the Nation.

So long as the great fundamentals of freedom of speech, freedom of worship, and freedom of assembly are maintained Americans somehow will find ways and means of defending their Constitution and their precious rights and privileges as free men and free women. No conception of one-man rule—no matter how artfully disguised or how eloquently proclaimed in the empty phrases of demagoguery—ever can hope to triumph in this land so long as there remains a single national forum of honest debate on vital issues of public policy.

Foremost among the urgent problems before Congress today is the great issue of war or peace.

Shall the United States lend itself, through misguided policy, to partnership in Europe's balance-of-power intrigues?

Has not America had its lesson in fighting other people's wars?

War debts totaling $12,000,000,000 are in default since 1933. But in the intervening years these same European nations have sent almost $5,000,000,000 to America for private investment.

Free governments, by their very nature, are geared to the constructive and progressive pursuits of peace.

War at once corrupts every process of representative government. War invites dictatorship, and a war involving this country would mean dictatorship at home almost overnight.

Every proposal to promote peace through law and every proposal to lessen the ghastly social destruction of war commands our support, in Congress and out. But every proposal, secret or open, which violates the clearly defined principles of honest neutrality must be resisted as a threat to the life of the Republic.

The moral force of American public opinion is the greatest factor for peace in the world today. Let not that mighty authority be misdirected to become a factor for war.

The New Deal wants to take sides. But I do not believe the American people will tolerate any policy of direct involvement overseas.

The first obligation of Congress today is the preservation of peace for America, for that is the only road toward real social security for our people.

We must avoid military alliances and all secret commitments which might again take American soldiers to foreign battlefields.

Part of my job in Congress is to keep in touch with American public opinion. And this I know for a profound truth of our day—that the American people are determined to keep out of it.

Keep the United States out of war.

The second great challenge before America today is the issue of clean and honest government.

Recent investigations in both the House and Senate have revealed corruption, loose management—yes; even bald political racketeering in the management of the public business. Our living ideals of faithful public service are in danger.

Since 1933 our Federal pay roll has increased from roundly 565,000 persons to 900,000 today.

Partly because of this unwholesome expansion of bureaus, commissions, and councils, but more because of the New Deal sabotage of the merit system of civil service, we are confronted in several major segments of government with an all but complete demoralization of the administrative functions.

Political appointees, often selected with little regard for qualifications or experience, are taking a heavy cut of the relief funds appropriated by Congress for the W. P. A.

Local supervisory and administrative staffs have been padded to the point of national scandal.

A special Nation-wide survey ordered by the House of Representatives last February disclosed at that time more than 35,000 persons on the Works Progress Administration rolls who were found to be not in need of any public assistance whatever.

Those are the figures taken from the public record of the House. They explain how millions of dollars a month, voted by Congress to aid the needy unemployed, are being diverted to unnecessary high-salaried political supervisors and superintendents.

Spoils likewise corrode the distribution of farm bounties to the extent that in several States recently we have come upon the disheartening spectacle of county electioneering by the crop checkers and quota experts of the Government.

When partisan politics thus eats in upon the distribution of public assistance funds then the fine ideals of American public service are on the gallows.

We have the vivid memory of the New Deal national convention at Philadelphia in 1936, when, by the official record, more than a majority of the accredited delegates were active Federal officeholders.

Is the moral sense of the Republic so calloused by the incessant din of White House crises and emergencies that our people must submit to an arrangement of government manipulated by a convention of pay rollers?

It matters not a particle whether the question be third term, fourth term, or fifth term. The principle at issue touches the very heart of our American scheme of government. If we are to be managed and O. K.'d in every relationship of life by a pay-roll cabal, then the grandeur of the American dream is dimmed to the shadowy flicker of self-seeking spoilsmanship.

These, in part, are the reasons why I gave public endorsement a month ago to a bill introduced in the Senate by Mr. HATCH, of New Mexico. Senator HATCH is a Democrat, but I endorsed his bill without qualification.

Look over the map of the United States and note the blots of scandal during the recent years of New Deal political domination—a shocking string of criminal indictments against public officials or removal from offices of public trust—New York, Connecticut, Rhode Island, Pennsylvania, Missouri, New Mexico, Tennessee, Louisiana, Kentucky, Michigan. The mere roll call of the States is eloquent testimony to the need for a real house cleaning now.

I am supporting the Hatch bill because it would impose mandatory criminal penalties—including fines and imprisonment—upon all forms of political coercion or intimidation of relief workers.

It would also penalize political activity by all Federal workers, whether they be postmasters, farm agents, W. P. A. superintendents, or tax collectors.

With our Federal pay roll averaging approximately $140,000,000 per month, it is unfair to every citizen that millions should be diverted to political round-ups for the New Deal campaign.

Every dollar of the public pay roll thus directed to political activity is a betrayal of the American ideal of honest and faithful public service.

I am confident that a clean-up in these patronage scandals also commands the support of the real Democrats in both House and Senate.

Pay roll politics is now confronted by an outraged public opinion.

Our program in the House calls for a vote on the Hatch bill this week.

It will be a vote to rescue American Government from the swamps of corruption and spoils.

Another problem before Congress is, Shall we try just one more $4,000,000,000 spending and lending spree? Shall we pass the President's new glorified pork-barrel bill?

This latest proposal was advanced by President Roosevelt on June 21, just 10 days before the Treasury closed the books on the fiscal year 1939—with a deficit of $3,600,000,000—the seventh Roosevelt deficit.

Total Roosevelt deficits to date make $22,000,000,000, and the brainstorm brigade now dances around the political May pole and sings, "Let's try another four billion."

Facing this situation, we may well recall the stirring words of Mr. Roosevelt at Chicago on July 2, 1932, when he said:

"Our party says clearly that Government income must meet prospective expenditures."

At another point in the same address, Mr. Roosevelt said:

"By our example at Washington we shall point the way of economy to local government."

And to these strong promises Mr. Roosevelt added his pledge of personal responsibility in these ringing words:

"I propose that government of all kinds, big and little, be made solvent, and that the example be set by the President of the United States."

Today we have before us the whole picture—the promise and the performance. And the last touch in this picture is the new $4,000,000,000 pork-barrel proposal of June 21, another brain-trust dream, which is supposed to do all the things all the previous spending schemes failed to accomplish.

It is another cruel betrayal of our 10,000,000 unemployed.

In the light of experience during these last 6 years, is it not high time that the Nation demand a return to common sense in Federal affairs?

From today's wilderness of confusion and uncertainty our vision is forward.

Honest and orderly government would quickly put this Nation back on the track of prosperity and solid American progress.

We continue in the New Deal depression today, not because we lack the materials of recovery, not because we lack the courage of enterprise, but only because the robust, adventuresome spirit of our people is hobbled and hog-tied by an impractical spendthrift bureaucracy in Washington.

Strike down the demoralizing defeatism of the New Deal and you will at once revive the normal, forward-looking, and confident spirit of America.

Release honest enterprise from the shackles of new dealism and you will see in this country a surge of business recovery unmatched before in our history.

America is tired of nostrums and panaceas.

Our people yearn for balanced constitutional government, ordered security, the peace which flows from justice—the progress which flowers from honest work at real American wages.

Let's put America back to work.

We can do it in a crusade of patrotism.

The sensible, sound-thinking, true-blue Americans are an overwhelming majority in this country.

They demand in government sound policies, honest administration, and a decent regard for the lessons of history. They rally to the banner which beckons—"Out of the red to recovery."

In such a crusade patriotism cannot fail.

The Record of the H. O. L. C. Nationally and in Kansas

EXTENSION OF REMARKS

OF

HON. JOHN M. HOUSTON

OF KANSAS

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 13, 1939

LETTER FROM THE CHAIRMAN OF THE FEDERAL HOME LOAN BANK BOARD

Mr. HOUSTON. Mr. Speaker, under leave to extend my remarks in the RECORD, I insert a letter from the Honorable John H. Fahey, Chairman of the Federal Home Loan Bank Board, giving a history of the operations of the Home Owners' Loan Corporation in the State of Kansas, and a report on the operations of the Corporation throughout the Nation, as follows:

FEDERAL HOME LOAN BANK BOARD,
Washington, July 12, 1939.

The Honorable JOHN M. HOUSTON,
House of Representatives.

MY DEAR MR. HOUSTON: We recently have received inquiries from a number of Members of the Congress regarding the operations of the Home Owners' Loan Corporation, both nationally and in their own States. Believing that you will be interested, I, therefore, am attaching a brief, informal report as of December 31, 1938, which not only gives a picture of our current activities but outlines the permanent contributions the Corporation has made to a broader and more secure home ownership. To supplement this report, I am taking the liberty of presenting you with some interesting figures on your own State of Kansas.

The H. O. L. C. has refinanced 18,508 Kansas home owners to the extent of $34,756,906 since the beginning of its lending period, June 12, 1933. These Kansas borrowers, like all H. O. L. C. borrowers, were without private credit at the time; the average was 2 years delinquent in both principal and interest and between 2 and 3 years on taxes.

As of February 28, 1939, Kansas borrowers had repaid $5,499,440, or 15.8 percent, of their total principal indebtedness. Collections

in March were 99.2 percent of billings. Seven hundred and seventeen Kansas borrowers have paid in $1,082,424 to settle their accounts in full; 9,106 others today are current or less than 3 months in arrears, while 1,772 more are in a liquidating class, meaning that they not only are meeting all current bills but, in addition, are making regular monthly payments on their arrearages.

This means that we now have 10,878 accounts in Kansas in a satisfactory condition, representing borrowers who clearly are on their way to debt-free home ownership. There are 2,473 other borrowers who are making adjusted payments sufficient to keep their accounts active and who are being given every assistance in their effort to rehabilitate themselves.

The H. O. L. C. now owns 2,517 homes in Kansas. It has sold 467 others. Of the homes it owns, and which are available to yield income, 83 percent are rented. Rental collections in February were 98.4 percent of billings.

These figures tell a story that we believe is a credit to both home owners and the manner in which they were assisted by the Government. They show that more than 76 percent of these almost hopeless home owners H. O. L. C. refinanced either have saved their homes, are almost certain to save them, or at least have a good chance, and only 13 percent are in the last category.

Included in the original loans made in Kansas were $1,184,000 for reconditioning and repair of homes to make them sound security and about $2,388,000 for payment of delinquent taxes. Since the close of our lending period the Corporation has advanced an additional $1,050,000 for taxes, maintenance, insurance, and similar purposes to aid and protect borrowers. Further, $812,000 more has been spent on properties which the Corporation has acquired. Every dollar spent on reconditioning, of course, stimulated the construction industry and enhanced neighborhood values; the taxes we advanced provided needed revenue to Kansas communities and to the State.

The story of how the H. O. L. C. tried to serve the purpose for which it was established by the Congress is told in the attached national statement. Its constructive social purposes have been carried out in the State of Kansas to the best of our ability.

Sincerely yours,

JOHN H. FAHEY, *Chairman.*

THE RECORD OF THE HOME OWNERS' LOAN CORPORATION

The Home Owners' Loan Corporation, now in its sixth year of operations, is well on its way toward the goal set by Congress—the rehabilitation of hundreds of thousands of home owners who faced the loss of their properties during the depression. Today more than 701,000 borrowers, all threatened with foreclosure at the time H. O. L. C. stepped into the picture, are in satisfactory standing. Nearly 588,000 are either entirely current or less than 3 months in arrears, and 113,500 others not only are meeting all regular monthly bills, but in addition are making regular monthly payments on their arrearages. About 126,000 other borrowers are making adjusted payments which give hope that they, too, will be enabled to "come through"; and nearly 44,000 accounts, amounting to $101,000,000, have been fully liquidated and crossed off the books.

Borrowers have paid back more than $500,000,000 of their entire principal indebtedness; about 90 cents of every dollar due has been paid to date, with collections now aggregating about $1,000,000 in principal and interest every working day.

The accomplishments of the Corporation, however, are not confined to the relief it extended more than a million home owners in the form of loans or in helping halt the demoralization of a real-estate market that already was recording 1,000 foreclosures a day and never could have withstood the shock of a million more. In taking mortgages totaling $932,400,000 from banks and trust companies, $767,900,000 from savings and loan associations, $192,000,000 from finance and mortgage companies, and $164,600000 from insurance companies, it made those institutions liquid and allowed them to grant leniency to other distressed home owners. The rest of the $3,093,000,000 the Corporation advanced before the close of its lending period June 12, 1936, went direct to individual mortgage lenders, keeping them, too, from adding to an avalanche of foreclosures which had mounted to 1,000 a day.

The Corporation saved its borrowers $200,000,000 in concessions it was able to obtain for them from mortgage holders at the time of refinancing. It directed the spending of $78,000,000 for repairs which made their homes better investments and sounder security. And it paid $229,000,000 to wipe out delinquent taxes. It is estimated that H. O. L. C. borrowers to date have saved $175,000,000 in interest alone—the difference between the amount they have paid under their 5-percent rate and the higher rate on which they originally obtained their mortgages.

But perhaps the Home Owners' Loan Corporation's chief contribution was toward the reformation of the entire mortgage structure of the Nation. Its 15-year, 5-percent, amortized mortgage has revolutionized the home-mortgage field. It swept away the old and burdensome second mortgages of H. O. L. C. borrowers—and the second mortgage is virtually disappearing from the American home-financing picture. The old short-term loan—renewable only at high fees and which the average home owner rarely ever paid off—also rapidly is being discarded. The low-interest, long-term loan now is a recognized part of home financing in this country.

The H. O. L. C. at the present time owns 88,576 homes. It has sold 34,595. These homes—representing only about 12 percent of the number H. O. L. C. refinanced—were acquired only after every effort to save their owners failed. It is estimated that 18 percent of the homes acquired were abandoned or virtually so, and that 6 percent came to the Corporation through deaths of borrowers and refusal of heirs to assume their obligations or through legal complications. The largest single block of foreclosures, almost 40 percent, resulted either through willful default of those able to keep their contracts or utter refusal to cooperate to the best of their ability. Only a minority of foreclosed H. O. L. C. borrowers lost out through sheer inability to pay.

The personal service which the H. O. L. C. instituted was unprecedented. If borrowers were out of jobs, H. O. L. C. field men sought to get them employment; if they were eligible for relief, they were aided in obtaining a shelter allowance which could be applied on payments for their homes; if they were "overhoused"—attempting to carry homes beyond their incomes—they were helped to rental or sale. Every resource was exhausted before foreclosure action was taken—and even then 16,500 withdrawals of foreclosure actions prove that leniency was granted to the last.

It must be realized that the average H. O. L. C. borrower, when refinanced, was 2 years delinquent in both principal and interest and in arrears 2 to 3 years on taxes. The average foreclosed H. O. L. C. borrower at the time of foreclosure was again delinquent 20 months in both principal and interest to the Corporation, with unpaid taxes mounting. Since the process of foreclosure requires several months in the average State, the average borrower who has lost his home occupied it rent-free for at least 4 and probably 5 years. If he was unable to make any progress toward rehabilitation in that period, little hope could be held out for the future.

Net H. O. L. C. foreclosure authorizations dropped in November to about 2,000 from a peak of 8,000 monthly in the late summer and fall of 1936. In several States foreclosures virtually have ceased; in many others, withdrawals are about equaling foreclosures. H. O. L. C. has been able to dispose of its acquired properties almost at will, but only offers them for sale in quantities which will not adversely affect the stabilization of the real-estate market. In 1938 the Corporation sold more than four times as many as it had sold in the course of its operations up to December 31, 1937.

As rapidly as the H. O. L. C. has acquired homes, they have been placed in condition to yield income. Its reconditioning forces are spending about $100,000 each working day for that purpose and to recapture values lost through depreciation; in all, $45,000,000 has been expended to improve such homes, making a definite contribution toward safeguarding neighborhood values. Of the homes the H. O. L. C. holds, available to yield income, 88 percent are rented; 98.8 percent of the renters either are current or less than a month in arrears.

Although the H. O. L. C. was created to meet an emergency, its officials have sought to make permanent contributions toward a more secure home ownership in the future. Forced to recondition half the homes it refinanced in order to make them good security, the Corporation exposed the full extent of shoddy construction in the small-home field. As a result its technical forces conceived the Federal home building service plan, which now has been placed in operation by the Federal Home Loan Bank Board, the parent of the H. O. L. C. It is a program which links home-financing agencies, architects, materials dealers and manufacturers, contractors, and all other elements of the building industry to give better design and supervision of construction to small-home seekers for the first time in the country's history.

These technical forces now are working on a neighborhood rehabilitation program, which seeks to halt the obsolescence of what should be sound residential areas, either through blight within their borders or from the menace of encroaching slums. They believe that a united front of home owners, real-estate interests, and home-financing agencies can halt the staggering loss in property values which all major communities now bear each year.

The H. O. L. C. has a selfish interest in such programs to better home construction and protect home investments, since it owns a vast number of homes and has mortgages on hundreds of thousands more—all of which are affected by any decline in property values. But in a broader sense it is seeking to protect not only itself and its borrowers, but all home owners of the future, from the conditions which contributed to the necessity of establishing the H. O. L. C. during the most desperate period of the depression.

Accumulated Cash in Banks and its Investment

EXTENSION OF REMARKS

OF

HON. EUGENE J. KEOGH

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 13, 1939

EDITORIAL FROM THE BROOKLYN DAILY EAGLE OF JULY 8, 1939

Mr. KEOGH. Mr. Speaker, under leave to extend my remarks I include the following editorial appearing in the Brooklyn Daily Eagle July 8, 1939. I desire to call the attention of the membership to the statements of this editorial

as they bear upon the subject matter of House Resolution 218, which I have introduced and which refers to a study of the subject of determining means of employing idle cash and capital.

[From the Brooklyn Daily Eagle of July 8, 1939]

ACCUMULATED CASH AND ITS INVESTMENT

Traditionally, the banks of the country publish their statement of condition in the first week in July. It is a convenient time in which to "take stock" and survey the record of the first semester of the year.

This year it is clear that deposits are rising but that, proportionately, holdings of cash are increasing even more rapidly. Naturally the banks have increased their investments in Federal securities and, in some cases, of municipal and State securities, but no general increase in corporation or other private borrowings was discernible.

In other words, much of the increase in deposits remained unemployed. It is not possible to deduce how much of this enormous accumulation of cash is the property of foreign owners who have sent it here for safekeeping.

When it is considered that the rate of return on the "Governments" in which most of the banks are very heavily invested is excessively low, it is unreasonable to think that the banks would refuse loans to worthy borrowers when such loans are consonant with obligations to the depositors.

This, together with the trend toward holding cash rather than expanding investments at current ridiculous yields, should be full answer to those who would try all sorts of questionable expedients to force more lending. Perhaps these bank statements disclose also what might happen if some of the suggested measures were to be enacted—even the Government might find it difficult to finance these very dubious experiments.

Legislation to Extend Life of Civilian Conservation Corps Should Be Enacted by This Congress

EXTENSION OF REMARKS

OF

HON. JED JOHNSON

OF OKLAHOMA

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 13, 1939

LETTER FROM THE ACTING DIRECTOR, CIVILIAN CONSERVATION CORPS

Mr. JOHNSON of Oklahoma. Mr. Speaker, under the leave granted me I am submitting herewith a letter I have received from the Civilian Conservation Corps that I feel is of special interest to Members of Congress. This letter was sent me as a result of an inquiry made by me to the Acting Director, Hon. J. J. McEntee, at which time I requested information concerning the status of the bill (H. R. 2990) to extend the life of the Civilian Conservation Corps. I also asked him to advise me specifically what effect the failure to act on this bill during the present session of Congress would be on the Civilian Conservation Corps. The reply published herewith speaks for itself and contains the information desired. It follows:

CIVILIAN CONSERVATION CORPS,
OFFICE OF THE DIRECTOR,
Washington, D. C., July 12, 1939.

HON. JED JOHNSON,
House of Representatives, Washington, D. C.

DEAR MR. JOHNSON: This is in confirmation of our telephone conversation during which you inquired "What is the status of the bill to extend the Civilian Conservation Corps (H. R. 2990), and how will failure to act upon this bill at this session of Congress affect the Civilian Conservation Corps?"

The present status of the Civilian Conservation Corps bill, H. R. 2990, is that hearings were held by the House Committee on Labor on February 9, 23, and 24, 1939. The bill was favorably reported from the Committee on Labor on April 20, 1939, in Report No. 447 (with amendment). On July 6, 1939, an attempt was made to have the House consider the bill on the consent calendar, but objection was registered by Mr. MOSER of Pennsylvania (CONGRESSIONAL RECORD, p. 8718). What future action will be taken we, of course, cannot prophesy.

Unless Congress acts on this legislation at this session, the Civilian Conservation Corps will be placed in a very embarrassing position and a position which will add considerably to its cost of operation, for the following reasons:

(1) The corps will be unable to prepare and present a budget for the fiscal year 1941 because it will have no authority to exist, unless Congress acts favorably on H. R. 2990. As you are aware, budgets for the fiscal year 1941 are already in the course of preparation and must be ready for submittal to the Bureau of the Budget on August 15, 1939.

(2) The corps is unable to contract for any future deliveries of goods or materials beyond June 30, 1940, which contracts must be placed if the corps is to operate efficiently and economically. Deliveries on many items of clothing are not made until many, many months after advertisement for bids.

If we do not have the statutory authority to operate subsequent to June 30, 1940, in the near future, it simply means that we will have to let all of our stocks deteriorate and work them down to as small quantities as possible; and then, if the next session of Congress extends the life of the corps, we will be obliged to buy many, many things at premium prices because of the speed with which they will be required. I believe that it is entirely correct to say that if Congress extends the corps at the present session, instead of waiting until the next session, it will result in a saving of perhaps $20,000,000.

We are also unable to execute leases for a period of as much as 1 year at the present time. We are also unable to make definite commitments on worth-while projects which will take more than a few months to complete.

All of these things contribute to increased costs and reduced efficiency. Morale of field personnel, other than enrollees, tends to depreciate, and the fine cooperative relationships with the States tends to be less effective if the States have no assurance that the Civilian Conservation Corps is to continue beyond June 30, 1940.

I am sure that these instances, as well as many others which must come to your mind, indicate very clearly and forcefully the considerable advantages which will accrue to the Federal Government if Congress takes favorable action on the extension of the Civilian Conservation Corps at this session of Congress instead of postponing it until the next session. I am also aware of the very heavy legislative program which faces Congress, but I feel reasonably confident that relatively little time will be required, and slight opposition will be encountered in the consideration of a bill to extend the Civilian Conservation Corps.

Sincerely yours,

J. J. MCENTEE,
Acting Director.

The Franklin D. Roosevelt Library

EXTENSION OF REMARKS

OF

HON. SAM RAYBURN

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 13, 1939

EXECUTIVE COMMITTEE OF THE ROOSEVELT LIBRARY, INC.

Mr. RAYBURN. Mr. Speaker, to show the qualifications of our sponsors for determining the best method of preserving the President's gift, concise statements have been made about some of the individuals who are serving on our committees. We regret that biographies of all the distinguished educators, archivists, historians, and authors who, on a nonpartisan basis, are identified with the library, are not available.

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Dr. Charles E. Clark, 36 Laurel Road, New Haven, Conn., dean, school of law, Yale University. Author of numerous books on law, some of them in collaboration with Hon. Justice Douglas, of the United States Supreme Court. He drafted The Uniform Principal of Income Act for Conference of Commissioners on Uniform State Laws, in 1931.

Dr. Robert D. W. Connor, The National Archives, Washington, D. C. Archivist of the United States; author of History of North Carolina, Rebuilding of Ancient Commonwealth, etc.; member of board of editors of the North Carolina Historical Review.

Dr. Waldo Gifford Leland, 907 Fifteenth Street, Washington, D. C. Chairman of the executive committee of The Franklin D. Roosevelt Library, Inc. President of the American Council of Learned Societies. Author of Guide to Archives of Government of the United States, Introduction to American Official Sources for Social and Economic History of World War, and Guide to Materials for American History in the Archives and Libraries of Paris.

Mrs. Helen Taft Manning, 215 Roberts Road, Bryn Mawr, Pa., daughter of former President William Howard Taft and dean of Bryn Mawr College.

Dr. Samuel E. Morison, 44 Brimmer Street, Boston, Mass., professor of history, Harvard University; editor of New England Quarterly Review; author of The Maritime History of Massachusetts; Oxford History of the United States, etc.; fellow member of the Academy of Arts and Sciences and member of the Massachusetts Historical Society.

Dr. Stuart A. Rice, Central Statistical Board, Washington, D. C., sociologist, statistician, formerly professor of sociology at the University of Pennsylvania, chairman of central statistical board, author of Farmers and Workers in American Politics, Quantitive Methods in Politics, Methods in Social Science, and Social Statistics in the United States.

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Dr. Charles A. Beard, New Milford, Conn., professor at Yale University, member American Historical Association, author of Readings in American Government, Economic Interpretation of the Constitution, History of the American People (in collaboration with Bagley), etc.

Dr. Robert C. Binkley, Western Reserve University, Cleveland, Ohio, professor of history at Western Reserve University, member of the American Council of Learned Societies and member of editorial board of Journal of Modern History, author of Methods of Reproducing Research Materials, New Tools and Recruits for the Republic of Letters, etc.

Dr. Herbert E. Bolton, University of California, Berkeley, Calif., chairman, department of history at the University of California; member of California Historical Survey Committee and collaborator at large with the National Park Service; author of Guide to Materials for United States History in the Archives of Mexico, Colonization of North America, The History of the Americas—a Syllabus, and numerous monographs on history of Spanish America.

Julian P. Boyd, Esq., 1300 Locust Street, Philadelphia, Pa., librarian and editor of the Historical Society of Pennsylvania; member of Public Archives Commission, American Historical Association; author (with Roy F. Nichols) of Syllabus of Social and Economic History of the United States.

Stuart Chase, Esq., 2 West Forty-third Street, New York City, N. Y., writer and economist; member of the American Institute of Accountants; author of The Tragedy of Waste, Men and Machines, Government in Business, etc.

Edmund E. Day, president, Cornell University, Ithaca, N. Y.; president, Cornell University; director of social science for the Rockefeller Institute; member of American Economists Association and American Statistical Association; author of The Growth of Manufactures (with W. Thomas), etc.

Dr. Alexander C. Flick, 127 Manning Boulevard, Albany, N. Y.; State historian and director of archives, New York State; formerly professor of history and political science at Columbia and Syracuse Universities; member of American Historical Association and American Academy of Social and Political Science; author of History of New York, Recent World History (1926), Modern World History Since 1775, etc.

Dr. Guy Stanton Ford, University of Minnesota, Minneapolis, Minn., professor of history, University of Minnesota; member of American Historical Association and Social Science Research Council; awarded diploma "for distinguished service to science" by Minnesota chapter of Sigma Xi in 1933; author of Science and Civilization and editor in chief of Compton's Pictured Encyclopedia and Harper History Series.

Dr. Douglas S. Freeman, the News Leader, Richmond, Va., journalist and editor; visiting professor of journalism at Columbia University; president of the Edgar Allan Poe Foundation; historical consultant for Virginia for the United States Department of Interior and member of Virginia State Planning Board; Pulitzer prize winner in 1934 for his work on Robert E. Lee.

Dr. Edwin F. Gay, Huntington Library, San Marino, Calif., economist; former dean, graduate school of business administration at Harvard University; member of research staff of the Huntington Library, San Marino, Calif.; director, American Council on Foreign Relations; former president, New York Evening Post; member American History Association, etc.

Frank P. Graham, president, University of North Carolina, Chapel Hill, N. C., president and professor of history at the University of North Carolina; vice chairman, National Consumers Advisory Board; chairman, National Advisory Council on Social Security.

Dr. Ralph H. Lutz, Stanford University, Calif., professor of history at Stanford University; director of the Hoover Library on War, Revolution, and Peace; member of American History Association, American Political Science Association, Society of American Archivists; author of many works on modern history.

Dr. Harry Miller Lydenberg, New York Public Library, New York, N. Y., librarian of the New York Public Library; author and editor.

Dr. Allan Nevins, 611 West One Hundred and Forty-seventh Street, New York, N. Y., professor of American history, Columbia University; author and journalist; author of The American States During and After the Revolution; Fremont, the West's Greatest Adventurer; Grover Cleveland—A Study in Courage (Pulitzer prize for best biography in 1932); Hamilton Fish—The Inner History of the Grant Administration (Pulitzer prize for biography in 1937); The Gateway to History, etc.

Dr. Frederic L. Paxson, University of California, Berkeley, Calif., professor of history, University of California; president of the American Historical Association; author of The Last American Frontier, Guide to Materials for United States History Since 1783 in London Archives (with C. O. Paullin), The United States in Recent Times, etc.

C. Mildred Thompson, dean, Vassar College, Poughkeepsie, N. Y., dean of Vassar College, member of American Historical Association; author of several books on conditions in the South after the Civil War.

Dr. Walter P. Webb, 602 West Ninth Street, Austin, Tex., professor of history, University of Texas; lecturer in American history at London University, 1938; member of American Historical Association; author of The Great Plains (awarded Loubat prize by Columbia University) and books on other historical subjects.

STATE COMMITTEES

Dr. Herbert E. Bolton, University of California, Berkeley, Calif. (San Francisco), chairman, department of history at the University of California; member of California Historical Survey Committee, and collaborator at large with the National Park Service; author of Guide to Materials for United States History in the Archives of Mexico; Colonization of North America; The History of the Americas—A Syllabus; and numerous monographs on history of Spanish America.

Dr. Waldemar Westergaard, University of California at Los Angeles, Los Angeles, Calif. (Los Angeles), professor of history at the University of California at Los Angeles; lectured on American historical themes in Copenhagen and Stockholm in 1923; delegate to Northern Historical Congress, Gothenburg 1923, Stockholm 1935; life member American Historical Association, Economic Historical Society (Great Britain); fellow, Royal Historical Society (Great Britain); member of historical societies of Sweden, Denmark, and Norway, Hanseatic Historical Society, Medieval Academy of America, Historical Society of Southern California, Social Science Research, Conference Pacific Coast; author of The Danish West Indies, 1917, and of various articles in history periodicals.

Louis B. Mayer, Metro-Goldwyn-Mayer Studios, Culver City, Calif., first vice president in charge of production at the Metro-Goldwyn-Mayer Studios; member of Chamber of Commerce of United States, Los Angeles Chamber of Commerce; member of board of Community Welfare Federation of Los Angeles, Housing Committee for Congested Areas, Commercial Board of Los Angeles, and member of various clubs throughout California.

Dr. Frederick Denison Bramhall, Colorado State University, Boulder, Colo., Ph. B., University of Chicago; graduate study in political science and history; legislative reference librarian New York State, Albany, 1907; instructor in political science, University of Chicago, 1908–21; joined the University of Colorado faculty as instructor in political science in 1923; became assistant professor, associate professor, and later professor in 1937; member Political Science Association and city council, Boulder, Colo. Now at the Colorado State University, Boulder, Colo.

Hon. John Biggs, Jr., Federal Building, Wilmington, Del., member of American and Delaware State bar associations; association bar of the city of New York; Society Colonial Wars, Sons of the American Revolution, and American Legion; author of Demigods, 1926, Delaware Laws Affecting Business Corporations (with Stewart Lynch), etc.

Dr. Bessie Louise Pierce, 1126 East Fifty-ninth Street, Chicago, Ill., associate professor of American history at the University of Chicago; president National Council for Social Studies, 1926; member American Historical Association (member council); Mississippi Valley Historical Association; American Academy Political and Social Science; American Political Science Association; American Association University Professors; American Association University Women; secretary-treasurer of National Council for Social Studies, also member committee on civic education by radio of National Advisory Council on Radio Education; author of Public Opinion and the Teaching of History in United States, As Others See Chicago, A History of Chicago, etc., also articles in magazines.

Dr. Herman Wells, president, Indiana University, Bloomington, Ind., director of Federal Home Loan Bank of Indianapolis; member of Indiana Advisory Committee National Youth Organization; American Economic Association; Econometric Society; Indiana Academy Social Sciences; author (with others) Report of Study Commission for Indiana Financial Institutions, 1932.

Dr. Guy Stanton Ford, University of Minnesota, Minneapolis, Minn., professor of history, University of Minnesota; member of American Historical Association and Social Science Research Council; awarded diploma "for distinguished service to science" by Minnesota Chapter of Sigma Xi in 1933; author of Science and Civilization; and editor in chief of Compton's Pictured Encyclopedia and Harper History Series.

Dr. Theodore C. Blegen, University of Minnesota, Minneapolis, Minn., professor of history, University of Minnesota; superintendent, Minnesota Historical Society; awarded Guggenheim Fellowship for 1928–29; member, Society of American Archivists; author; contributor of historical articles to periodicals.

Dr. E. O. Holland, Washington State College, Pullman, Wash., president, Washington State College; member, Washington State Board of Education; member committee of selection Rhodes scholarship; joint author, College and University Administration.

Dr. Charles E. Martin, University of Washington, Seattle, Wash., professor, international law and political science, University of Washington; member, American Society of International Law; American Political Science Association; Institute of World Affairs; United States Chamber of Commerce; author, Policy of United

States as Regards Intervention, An Outline of the American Government, An Introduction to the Study of the American Constitution; editor, The Pacific Area, Pacific Problems.

Hon. O. S. Warden, Great Falls, Mont., owner and publisher of Great Falls (Mont.) Tribune; president, North Montana State Fair; president, National Reclamation Association; director, United States Chamber of Commerce; member, American Society of Newspaper Editors.

James E. Lawrence, 1315 South Twenty-first Street, Lincoln, Nebr., managing editor of Lincoln (Nebr.) Star; associate professor of journalism, University of Nebraska; member of American Historical Association; American Political Science Association; author, the Not Quite Puritans; editor, Better Citizenship; contributor to publications.

Miss Anna M. Mulheron, 2681 SW. Vista Avenue, Portland, Oreg., librarian, city library of Portland; trustee, Oregon State Library; member and former vice president of Pacific Northwest Library Association.

Dr. Herbert F. Goodrich, University of Pennsylvania, Philadelphia, Pa., dean and professor of law at University of Pennsylvania; member, American Philosophical Society; American Law Institute (advisor professional relationships); president, American Association of Law Schools in 1931; author, Goodrich on the Conflict of Laws; articles in legal and other periodicals.

Hon. Burnet R. Maybank, Governor of the State of South Carolina; former mayor of Charleston; chairman, South Carolina Public Service Authority; former member, State Advisory Board for South Carolina of Federal Emergency Administration of Public Works.

Hon. Willard C. Lusk, Yankton, S. Dak., newspaper publisher; board chairman, First Dakota National Bank; trustee, Yankton College; member, South Dakota State Press Association; chamber of commerce.

The Spanish-American War

EXTENSION OF REMARKS

OF

HON. PATRICK H. DREWRY

OF VIRGINIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 13, 1939

ADDRESS BY COL. E. W. JORDAN, MANAGER, VETERANS' ADMINISTRATION FACILITY, ROANOKE, VA.

Mr. DREWRY. Mr. Speaker, under leave to extend my remarks in the RECORD I include an excerpt from the report of the Veterans' Administration facility activities delivered before the Thirty-first Annual Encampment, Department of Virginia, United Spanish War Veterans, at Roanoke, Va., July 3, 1939, by Col. E. W. Jordan, manager, Veterans' Administration facility, Roanoke, Va.

It has now become quite apparent that the most important war the United States ever engaged in, bar the one in 1776, was the War with Spain. Today it looms on the horizon of American history as the most useful exploit of our arms since the Revolution.

Just imagine, if you please, what a sweat this Nation would be in at this very moment if Spain owned Cuba and Puerto Rico on one side of us and Guam and the Philippines on the other side, and Franco was in command on both sides with his Nazi and Fascist allies at his elbows.

Yet that might be Franco's status right now if the United States had not fought and won the War with Spain back in 1898 and in the peace settlement forced Spain to give Cuba her freedom, and taken over the Philippines and the islands of Puerto Rico and Guam.

From Cuba and Puerto Rico, Franco and his allies would be bosses of the Caribbean and the Panama Canal. From Guam and the Philippines, Franco and company would rule the Pacific, especially hooked up as they are with Japan. The good old United States of America would be boxed in by the Nazis and the Fascists both ways from the jack.

Well, as it stands now, Cuba is free and our friend. The Cubans may get a little irked at us now and then, but if ever it comes to a showdown you can bet they will be in there shooting on our side. Guam is our most important outpost in the Pacific and the Philippines count for something as a base. Puerto Rico is our ace-in-the-hole in the Caribbean, and will probably one day be a great State in the American Union. The present plan of the United States is to fix up Puerto Rico as an air base.

All this came out of the Spanish-American War. No war is a good war, we admit, but from a selfishly American standpoint we hold that this was the best war we ever fought, bar again the one for freedom. It certainly was a better war for the United States than the World War.

That war, as you may recall, was to make the world safe for democracy. We raised an army of millions of men and contracted debts from which the taxpayers have not yet recovered. We did not make the world safe for democracy. On that war alone we would not have made the United States safe for democracy; but fortunately we had already done that with the war with Spain, though we did not realize it at the time.

The realization has just recently developed after a lapse of 40 years. It is now that long that this country with tremendous fanfare hastily hustled together an Army of Regulars and Volunteers, not too well armed, not too well clad, and certainly not too well fed, and went out and gave those Spaniards a shoving around.

Strangely enough, some folks thought we should not hang on to the territory we won by conquest, though that is the identical manner in which most of the real estate that constitute these United States was originally acquired.

It is conceivable, of course, that Cuba might have won her freedom from Spain even had the United States not stepped in. Those Cubans were and still are brave and desperate fighters in a cause they love. The Philippines and even Puerto Rico might have won their independence by their own efforts, but we are dealing here with what happened, not with what might have happened.

What happened was that the United States chased Spain out of the Western World forever, and the free flag floats where the banners of the Nazis and the Fascists might today be casting shadows over the security of this land. But for the Spanish-American War, the Spaniards would likely have retained at least some holds that would be mighty inconvenient to us now, so that war takes on new stature in history as one of the greatest things the United States ever did for itself.

Report on the Florida Canal by Maj. Gen. Edward M. Markham, United States Army (Retired), As Chief of Engineers, United States Army

EXTENSION OF REMARKS

OF

HON. VINCENT F. HARRINGTON

OF IOWA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 12, 1939

Mr. HARRINGTON. Mr. Speaker, because of the apparent confusion of so much of the discussion relating to the proposed Florida canal, I should like to insert in the RECORD what appear to me to be the pertinent findings of Maj. Gen. Edward M. Markham, who, as Chief of Army Engineers, was ordered by Congress to survey and report on this project. The following extracts are taken from General Markham's report to Congress under date of April 1, 1937:

I submit for transmission to Congress my report, with accompanying papers and illustrations, on the preliminary examination and survey of the Florida ship canal, made under the authority of section 4 of the River and Harbor Act approved January 21, 1927. * * *

The Florida Peninsula separates the Gulf of Mexico from the Atlantic Ocean and is 340 miles in length from north to south and generally from 100 to 140 miles in width. From its southerly end a chain of low islands known as the Florida Keys extends for 100 miles. The peninsula is generally at a low elevation, but a ridge of higher land extends down its axis from the north. * * *

The commerce through the ports of the United States on the Gulf of Mexico increased from 38,600,000 tons in 1920 to 83,000,000 tons in 1935. * * *

Shipping plying between the Gulf ports and the Atlantic seaboard or to Europe passes around the southern end of the Florida Peninsula through the Straits of Florida. A canal across the upper part of the State would provide a route between the Gulf and the Atlantic seaboard from 300 to 350 nautical miles shorter than the present route around the southern end. * * *

Initiation of the construction of a ship canal was authorized by the President under the provisions of the Emergency Relief Appropriation Act of 1935 and in accordance with the plan recommended by the Interdepartmental Board of Review. Funds totaling $5,400,000 were allotted. A public corporation designated as the Ship Canal Authority of the State of Florida, and a special taxing district designated as the Florida Ship Canal Navigation District, both created by the State legislature for the purpose of providing rights-of-way, proceeded to acquire the land needed for immediate construction purposes. The work was suspended upon the exhaustion of funds. * * *

The cross Florida canal project differs from many others in that there can be little doubt as to the tonnage it will carry. The traffic of the Gulf ports is not speculative; it exists, and doubtless will expand. The various boards reporting on the waterway are in

substantial agreement on the amount of the commerce that the waterway would carry if constructed. * * *

I have had computations made of the total cost of the canal and of the annual charges and benefits. They show that, at current prices for materials and labor, with a construction period of 6 years, the canal can be built at a cost to the United States of $197,921,000. * * * These figures indicate definitely that the canal would not be in any sense a bad investment at this time. * * *

The following matters have weight in the balance: The great development in the Gulf States in recent years is certain to continue for many years to come, with a considerable, though necessarily indeterminable, expansion of general commerce between the Gulf and Atlantic seaboards. * * *

I therefore recommend the construction of a canal following Route 13–B, having minimum depths of 33 feet, increased to 34 feet for the outer 8.5 miles of the Gulf approach channel, 400 feet in minimum bottom width from the Atlantic Ocean to a point in the Gulf 4.5 miles from shore, * * * subject to the condition that local interests furnish free of cost to the United States all necessary rights-of-way and other lands for construction and maintenance of the canal.

The course of subsequent events has shown how accurate and conservative this eminent engineer officer's report was. The following extracts are taken from his testimony before the House Committee on Rivers and Harbors 2 years later, on March 1, 1939:

I heard last year many of these allegations, mainly by the railroad engineer, Mr. Willoughby, that the canal would cost twice the amount that it was estimated that it would cost. I believe that I could syndicate the contractors of the United States who have hydraulic plants and bond the job—good, safe bonds of the United States—and put the canal through for $160,000,000 and make a $20,000,000 profit, provided it is done in a businesslike fashion. * * *

In my judgment a ship will go anywhere, if it is not under too hazardous conditions, and pick up a dollar * * *. We have heard a lot, of course, about the theory that the canal will be hazardous. It will be the grandest canal on the face of the globe. There will be nothing comparable with it whatsoever in the world * * *. Now, I am bound to assert that all of this theory that ships will not use that canal is just silly * * *. There is not anybody in hell or heaven that dares assert, without some selfish background, that there is the slightest question about shipping safely and conveniently using that 400-foot canal * * *.

I therefore say, gentlemen, that that report of mine at $197,000,000 is a safe report, having to do with costs. I say that the canal, if built in a businesslike manner, can be built for a lot less money. I say if we are considering the 1937 commerce instead of the 1935 commerce, which I did consider, why it manifestly comes out with a very, very large surplus, after all charges have been taken out. It is something like $6,000,000 a year. I think the canal would pay out completely in 14 to 15 years, based upon the 1937 commerce * * *.

Bear in mind that this thing has become all mixed up with Florida politics and national politics * * *.

I am saying flatly, without any mental reservation whatever, that I cannot see any consequential effect upon the water of Florida from the cutting of that ditch.

On March 31, 1939, 1 month later, General Markham appeared before the Senate Committee on Commerce. The following extracts are taken from his testimony at that time:

The actuality seems to be that the 1935 traffic potential to that canal, utilized by me at the figure, I think, of 61,000,000 tons, has increased from 1935 to 1937, according to the recorded traffic of 1937, by 25½ percent per year * * *.

If I were an oil-company owner, I should not want a canal. However, they will use it because they will have to use it; * * * competition will actually shake that all out. They prefer not to have a canal because they would lose their own best customer, which is themselves. * * * They are all on a parity below Key West. If they could cut through and save 1 day each way, * * * they would merely be on a lower parity. There would be no advantage to anyone except the public.

* * * Whatever is to be gained in transportation costs between the Gulf and the Atlantic seaboard and between the Gulf and the Mediterranean will shake down to the lower price for oil, lubricants, gasolines, and everything that is purchased by the public in the territory in which these products are received.

* * * The aids to navigation provided in the Florida ship canal are far superior, both in type and position, to the aids to navigation provided for the ore and wheat and coal trade in the Great Lakes * * *.

I think there is a perfectly natural human resistance by the railroads against the improvement of anything that will transport goods on water. * * * I do not know of any exception to that; * * * it has manifested itself by the appearance here of a great many railroad representatives, in opposition, suggesting things with which I cannot agree—for instance, as to the cost of the canal as related to its economic justification, with the assertion that the canal, if dug, would never be utilized.

River Transportation Creates New Business

EXTENSION OF REMARKS
OF
HON. VINCENT F. HARRINGTON
OF IOWA
IN THE HOUSE OF REPRESENTATIVES
Thursday, July 13, 1939

EDITORIAL FROM THE ST. LOUIS POST-DISPATCH

Mr. HARRINGTON. Mr. Speaker, under leave to extend my remarks, I wish to include herein an editorial from the St. Louis Post-Dispatch, commenting on the resumption of commercial transportation on the Missouri River between Kansas City and Omaha. Within another year or two, I hope to be able to announce that steamboats are "blowing for a landing" at Sioux City, just 100 miles farther up the river.

[From the St. Louis Post-Dispatch]

BLOW FOR A LANDING

Commercial transportation by water between Kansas City and Omaha was resumed last week after a lapse of more than 50 years. Delegations from Iowa and Nebraska saw a forerunner of upper Missouri River development in the Diesel-engined tugboat that pushed two lumbering gasoline barges to the river bank at Omaha. No doubt many of the members had in mind the record of the Kansas City-St. Louis stretch of the Inland Waterways Corporation during the 2 years that section has been open—49,000 tons in 1937 and then 113,000 last year.

It is worthy of note that officials of the Union Pacific Railroad were among the welcomers at Omaha. They realize, as all railroads should, that river transportation creates new business and that there is a definite field for barge lines in carrying bulky cargoes suitable for slow transport. As James J. Hill once said, "God Almighty built the greatest railroad in the world in the Missouri." That remark, as well as the fact that this river has a predestined commercial function, has been too long forgotten.

So blow for a landing, tugboats; blow long and frequently up and down this new addition to the system of navigable waterways.

Old-Age Assistance

EXTENSION OF REMARKS
OF
HON. JOSEPH R. BRYSON
OF SOUTH CAROLINA
IN THE HOUSE OF REPRESENTATIVES
Thursday, July 13, 1939

Mr. BRYSON. Mr. Speaker, less than a month after taking oath of office, I presented to this body a resolution adopted by the South Carolina General Assembly, memorializing Congress to liberalize certain provisions of our existing Social Security Act.

Together with the submission of that resolution, I made a plea for the enactment at this session of Congress of legislation which would provide for the payment of a uniform pension to all the aged and needy of our country. I urged then, as I do now, that the Federal Government equalize pension payments throughout the entire Nation, so that the aged in South Carolina, for instance, will receive as much as the aged in New York or any other State.

As one who has stood firmly behind every legislative drive to equalize the distribution of old-age assistance between the poorer and richer States, I was greatly encouraged yesterday on learning that the Senate had adopted an amendment authorizing the Federal Government to contribute $2 for every $1 which a State raises, up to a total of $15. This means that any State which is able to put up as much as $7.50 will receive $15 from the Federal Government, making a total pension of $22.50.

While this amendment might not prove a permanent solution of our problem, it is decidedly a step in the right direction. At last it appears that we are ready to drop the fiction that all States benefit alike under the present act and accept the fact that injustices between the poorer and richer States do exist; that these injustices cannot be removed until the Federal Government offers further assistance to the State governments.

Out in many of the States I know there must be a new gleam of hope in the eyes of thousands of our old people—thousands of old people who were compelled in many States to exist during the past winter on less than $7 per month. It seems a shame that those who have given their lives to industry and the upbuilding of this Nation should be left to spend their last days in a state of such dire need and deprivation.

I have never advocated any of the "crackpot" pension plans; they are all a fraud to the old people of our Nation. But I do believe that we should provide them with a sufficient amount of money to spare them from a pitiful poverty, to assure their living with some degree of decency. To do that much is our plain duty.

It is my hope that our conferees will agree to this amendment. The House and Senate can then adopt the free conference report and send to the President a measure which will help to modify one of the gravest injustices of the existing Social Security Act and bring some measure of peace and happiness to millions of our aged and infirm in the Southland and elsewhere throughout the Nation.

President Anastasio Somoza

EXTENSION OF REMARKS

OF

HON. THEODORE G. BILBO

OF MISSISSIPPI

IN THE SENATE OF THE UNITED STATES

Thursday, July 13 (legislative day of Monday, July 10), 1939

EDITORIAL FROM WASHINGTON TIMES-HERALD

Mr. BILBO. Mr. President, I ask unanimous consent to have printed in the RECORD an editorial from the Washington, D. C., Times-Herald dealing with an interview given out by President Anastasio Somoza, of Nicaragua. The editorial deals with the construction of the Nicaraguan Canal and is very pertinent and timely.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

[From the Washington Times-Herald]

President Anastasio Somoza, of the Central American Republic of Nicaragua, returned to his own country a few days ago after a pretty triumphal time in the United States.

It was Mr. Somoza, you'll remember, who starred in the big May 5 Washington parade that got the Secret Service, Army, marines, Washington police, etc., all tuned up for the reception a few weeks later to King George VI and Queen Elizabeth.

On reaching Managua, capital of Nicaragua, President Somoza broke some news which was big news for the home folks and which, we think, is even bigger news for Americans, if true.

Mr. Somoza said definitely that the long-debated Nicaragua Canal was now assured, to be built by the United States, and that an American mission was expected to arrive in Nicaragua July 15 to begin a survey. Getting specific, Mr. Somoza went on:

"The San Juan River will be canalized, and the isthmus between Rivas and San Juan del Sur will be opened for maritime traffic to provide communications between the Atlantic and Pacific Oceans."

It may be that Mr. Somoza talked out of turn from the point of view of various Washington officials. Anyway, half-hearted denials that plans were as far along as he said they were came out of Washington after he made this speech at Managua.

We hope he was right, and that his speech won't disrupt some plan that may be hatching in Congress to pass a bill for construction of the Nicaragua Canal.

We don't see why the speech should have such an effect. A great national-defense measure is rather more important than the question whether some foreign leader has spilled some beans ahead of schedule. And the Nicaragua Canal would be a great national-defense measure.

TWO CANALS FOR ONE

Vital to naval defense of both our coasts is fast and adequate Central American passage from ocean to ocean. The airplane carriers *Lexington* and *Saratoga* can barely scrape through the Panama Canal. What happens when the new 45,000-ton battleships are built—bigger by 10,000 tons than the biggest battleship we now have?

There was a plan before this Congress to enlarge the Panama Canal and add a third set of locks at a cost of about $277,000,000, but that plan seems to have been pigeonholed for this session. It still looks like a desirable plan to us, but at best it would be a stopgap.

Why not go the whole hog and build a second water route across Central America? We are entitled by treaty to build the Nicaragua Canal, the only obstacle being a vague sort of British Nicaragua Canal right alleged to be still in existence. We should think that Britain, at this time of all times, would be willing to sign over that equity to us for a token payment of maybe $1.

Two canals are better than one. One canal, in these days of bombing planes, may be protected by antiaircraft throughout a war, but then again it may not be.

Nor can we see any call for the further prolonged investigation of Nicaragua Canal possibilities that some people urge. The proposal has been investigated several times by competent engineers. The last of these investigations was in 1931. It was occasioned by the great earthquake that destroyed Managua that year.

The engineers found that the proposed Nicaragua Canal route was neither more nor less liable to earthquakes than the Panama Canal Zone—so that if we're to be deterred by the possibility that an earthquake may some day damage the Nicaragua Canal badly, we shouldn't ever have built the Panama Canal.

The Nicaragua Canal is feasible. It becomes more desirable as a national-defense measure every time nationalistic fevers and territorial itches increase in intensity around the world. Let's get busy on it.

Two canals for one * * * and, of course, two ships for one.

Neutrality

EXTENSION OF REMARKS

OF

HON. JAMES H. HUGHES

OF DELAWARE

IN THE SENATE OF THE UNITED STATES

Thursday, July 13 (legislative day of Monday, July 10), 1939

EDITORIAL FROM BALTIMORE SUN

Mr. HUGHES. Mr. President, I ask unanimous consent to have printed in the Appendix of the RECORD an editorial from the Baltimore Sun of today, entitled "Neutrality Fiasco."

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

[From the Baltimore Sun of July 13, 1939]

NEUTRALITY FIASCO

The Senate Committee on Foreign Relations made itself and the country ridiculous in its 12-to-11 vote on Tuesday to postpone all neutrality legislation until the next session of Congress. And the country is not only made ridiculous along with the committee; it is made weak in a time of great danger.

If the action, or rather the nonaction, of the committee is allowed to stand, the United States will be in this position: It will have a law on its book which provides for an embargo on the sale and shipment of arms, munitions, and implements of war, in the event that war comes in Europe. But it will have no control, either in the form of a similar mandatory embargo or in the form of Executive discretion, over the sale and shipment of any other kind of commodity for which warring nations will be calling, and for which they will be willing to pay prices that will be limited only by their available cash. Everything from wheat and cotton to oil and iron will be available to belligerents. Every farmer, every miner, every other producer of raw and fabricated commercial commodities may become a profiteer.

From the standpoint of those who argue that economic involvement with warring nations means ultimate military involvement, this situation would be comic if it were not potentially tragic. The Sun is not among those who attribute American entrance into the last war solely or principally to economic pressures, nor do we believe that danger of American entrance into another general European war will arise solely or principally from future economic factors. But it is this idea of economic relations leading to participation in war which underlies most of the isolationist thinking in Washington. And to suppose that we shall escape the dangers of economic involvement by refusing to sell relatively small amounts of guns and shells while opening our ports to wholesale sale of wheat and cotton, oil, and iron, is to be feeble-minded.

The situation is made the worse because, in refusing further consideration of neutrality until the next session and in relying upon the truncated neutrality law now on the books, the Committee on Foreign Relations proposes to leave the Government without any effectual control over the movement of American ships or American citizens in combat areas. To the freedom to sell all the wheat and cotton, oil and iron, and similar products that we can get to the seaboard and the belligerents can buy, will be left the freedom to put these commodities into American ships, manned by American crews, and to send them wherever the war market demands. Thus, to all the dangers of economic involvement, about which isolationists talk, will be added the war-making dangers of destruction of American ships and American lives.

If the isolationists are going to be isolationists, they ought to find somewhere a little intellectual honesty and a little moral courage. They ought, first, to think their problem through with some sincerity. They ought to make themselves see that it is cruel mockery of the desire of our people to keep out of another war when legislators profess to be guarding against entanglements by embargoing the production and sale of a relatively small amount of arms and munitions, the while they promote the sale of all manner of other commodities. Legislators ought to make themselves see that it is cruel mockery to talk about isolation and withdrawal when Iowa farmers will be allowed to ship their wheat in New York or Baltimore boats as freely as they can today in peace. Seeing these facts, legislators ought to plump for true isolation—or consider reason.

Of course, if they ever are brought to the point where they look at the facts directly, and if they ever are brought to the point where they act sincerely on the facts, they will not plump for isolation. Nobody in the whole group of them will stand up and plainly tell the people what is involved in actual isolation. Nobody in the whole group will tell the people what price is to be paid in economic dislocation and in political submission. It is easy enough to denounce munition makers. The isolationists will not denounce wheat and cotton farmers who wish to continue to trade in the world markets. Nor will the isolationists frankly tell the American people of the national humiliations that may be expected if we withdraw from the world and retreat to our own shores, a policy utterly inconsistent with the genius of a dynamic nation like this one.

Common sense and self-respect demand an end to all the nonsense that has been going on in Washington. This country is not actually isolationist and it has no intention of becoming actually isolationist. It follows that we should build our neutrality legislation upon the fact that we are in the world, and that our destiny will keep us in it, for our destiny is determined by the genius and quality of our people. An end should be made to this superficial tinkering with mandatory embargoes which is leaving us in the position—foolish in politics and shabby in ethics—of barring the shipment of a carload of rifles and encouraging the shipment of a shipload of wheat and cotton. Congress should realize that isolation is impossible and that attempts at mandatory embargoes have become fragmentary futilities.

This country can lay down rules designed to reduce to a minimum the dangers that are inseparable from the life of a free people. There is no such absolute removal of these dangers as the isolationists and mandatory embargo men suggest. Dangers are as implicit in a nation's life as in the life of any individual who claims freedom and asserts responsibility for his own life. In guarding against dangers, it will be found impracticable to foresee every contingency that may arise. The rules, therefore, must be broad in scope. Narrow and rigid rules may hamper and halt positive action for the national welfare. If the rules are broad, as they must be, there must be a degree of executive discretion. And if there must be a degree of executive discretion, it is difficult to see at present a better or more sanely balanced proposal for law than that offered by Mr. Hull.

Let any intelligent citizen read the carefully reasoned proposals from Mr. Hull and compare them with the policy to which the isolationists and mandatory embargo men seek to commit us, when they propose to ban shipment of a single rifle, but leave the door wide open to sale and shipment of wheat and cotton from millions of farms in the West and South. Intelligence and character are both on the side of the Hull proposals.

Fruits of Silver

EXTENSION OF REMARKS

OF

HON. CHARLES W. TOBEY

OF NEW HAMPSHIRE

IN THE SENATE OF THE UNITED STATES

Thursday, July 13 (legislative day of Monday, July 10), 1939

EDITORIAL FROM THE WASHINGTON EVENING STAR

Mr. TOBEY. Mr. President, I ask unanimous consent to have printed in the Appendix of the RECORD an editorial from the Washington (D. C.) Evening Star of July 10, 1939, entitled "Fruits of Silver."

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

[From the Washington Evening Star of July 10, 1939]

FRUITS OF SILVER

If Congress thought it was voting for a 2-year subsidy to the silver-mining industry when it approved the conference report on the monetary bill, it will be surprised to learn what it really has done for the white metal. The act of July 6, 1939, is designed to accomplish far more for the American silver interests than any congressional statute since the adoption of bimetallism in 1792.

The act of April 2, 1792, opened the mint to the unlimited coinage of silver. For 81 years thereafter American silver producers could take their silver to the mint and have it made into currency. This system of unlimited coinage was terminated in 1873. But by the latest monetary law it now has been revived for American-mined silver. To the American miner the only difference between the 1792 law and that of 1939 is the price. In 1792, when the market price of silver was $1.29 an ounce, the mint was authorized to coin silver for "depositors" at that rate, whereas under the 1939 law producers receive 71 cents an ounce, which is 94 percent above the present weak market price.

In 1878 the silver forces secured enactment of a purchase program which was not discontinued until 1893. That program limited the amount of monthly acquisitions, but the 1939 act imposes no limit at all.

Neither the silver subsidy of 1933 nor the Silver Purchase Act of 1934 have done as much for domestic silver interests as the permanent law just enacted will do. Because of 1933 legislation the domestic silver subsidy has not depended on the 1934 act. The President's 1933 proclamation gave domestic producers a market for their silver at 64½ cents, or about 50 percent above the then market price. It gave this for a 4-year period, which was later extended by other proclamations. The last such proclamation expired on June 30. Now Congress has entirely freed the silver bloc of dependence on proclamations. No longer will the silver bloc have to step into the limelight of public opinion to get its subsidy renewed. It now has a permanent subsidy, to be paid by the American people to a handful of mining-share owners and a small number of miners.

What does the subsidy amount to in dollars? Senator ADAMS, of Colorado, author of the latest Silver Act, described it to the Senate as involving "approximately only $7,000,000 to rehabilitate the mining situation." If we estimate that domestic silver output will average 65,000,000 ounces a year under the stimulus of the 71-cent price, and if we agree with the Bureau of Mines that silver is worth less than 30 cents an ounce, the new domestic silver subsidy will cost at least 41 cents an ounce, or $26,650,000 per annum, year after year, under this permanent law. Marriner S. Eccles states that our monetary system needs no silver. Therefore, the entire cost of the unneeded silver may be regarded as a subsidy—namely, $46,215,000 per year for all time to come. In the next 10 years alone the cost of the recent silver logrolling will thus exceed $460,000,000.

Sam D. McReynolds

EXTENSION OF REMARKS

OF

HON. WILLIAM D. BYRON

OF MARYLAND

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 13, 1939

EDITORIAL FROM THE BALTIMORE SUN OF JULY 13, 1939

Mr. BYRON. Mr. Speaker, under leave granted to extend my remarks in the RECORD, I include the following editorial from the Baltimore Sun of July 13, 1939:

[From the Baltimore Sun of July 13, 1939]

SAM D. M'REYNOLDS

There was a time when the House of Representatives had little to do with foreign affairs. Treaties were referred to the Senate, and since our foreign policy was largely governed by treaty, the Senate was the only branch of Congress which concerned itself with such matters. In those days about the only thing the Foreign Affairs Committee of the House had to do was to provide for the construction of embassies and legations in foreign capitals and to scan the laws governing both the Consular Service and the State Department.

The Senate, as the Constitution provides, is still the treaty-ratifying branch of Congress, but with the rise of new economic and political problems in a world not governed by treaties, the House of Representatives has had more and more of a voice in the determination of foreign policy. Questions concerning Mr. Hull's trade-treaty program, questions concerning what by some strange twist of nomenclature we call neutrality, and various allied matters, have to be passed upon by both House and Senate. With this change the House Foreign Affairs Committee has come to occupy a

position of increasing importance in the legislative set-up, and the chairman of the committee has become one of the key figures in the House.

It had fallen to the lot of SAM D. MCREYNOLDS, of Tennessee, to hold this chairmanship during the 7 years that have elapsed since the death of the late J. Charles Linthicum, of Baltimore. These 7 years have spanned the period in which the responsibilities of the Foreign Affairs Committee and of its chairmanship have undergone their most rapid expansion. Mr. MCREYNOLDS was the center of many a fight over the trade treaties and over neutrality. He was a solid, dependable sort of man, who commanded the confidence of the House and who discharged his tasks with dignity and success, despite the turbulence of the issues with which he dealt. He was a friend of Secretary Hull, and, although he was in general a conservative, he championed the cause of the administration in all matters affecting foreign policy with vigor and to good effect. The House was always more ready to follow the administration's lead on these matters than the Senate, and for this readiness Mr. MCREYNOLDS was in part at least responsible. In his death the administration and the House sustain a loss that will be difficult to repair.

Louisiana State University

EXTENSION OF REMARKS

OF

HON. FRANK E. HOOK

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 12, 1939

Mr. HOOK. Mr. Speaker, the recent disclosures made public with regard to the Louisiana State University, a land-grant college, has given rise to a thought that is rather pertinent at this time and that is "It is high time that the political educator and crooked political rings be taken from around the necks of the real educators of this Nation in the interest of the youth of America."

During the past week the people of this Nation have been amazed and shocked by the news that the president of one of the largest land-grant colleges in the South had been arrested and jailed under charges that he had speculated with and lost hundreds of thousands of dollars belonging to the Louisiana State University. The Washington Daily News of July 6, in an editorial headed "University Builder," commented as follows:

This country has read many strange things in recent years, but the story (on p. 5 today) of a university president being returned under arrest from Canada to face charges of embezzlement surely is one of the strangest.

Whether Dr. James Monroe Smith will be able to explain away the accusation that he speculated with and lost hundreds of thousands of dollars belonging to Louisiana State University remains to be seen. Meanwhile, it seems to us, he has done the cause of higher education a service which, though unintentional, may prove very real.

In 1930 Gov. Huey Long, angry because he had failed to receive an honorary degree from Tulane University at New Orleans, determined to build Louisiana State into an institution which would make Tulane look small. To do the actual building, the "Kingfish" selected Dr. Smith, explaining that "he has a hide as thick as an elephant's."

Thereafter Dr. Smith did Huey Long's bidding. Did a student newspaper criticize Huey's attempt to appoint a football player to the State senate? Dr. Smith promptly fired the editor and suspended other students who signed a protest petition. Did Huey decree that Louisiana State must have "the best football team that money can buy"? Dr. Smith attended to that. Did Huey want the university run like a circus? That was the way Dr. Smith ran it.

And, under his administration, Louisiana State received funds to finance a marvelous expansion. In less than a decade enrollment increased from 2,000 to 8,000. New buildings sprang up on the campus, at a total cost of $13,500,000. Huey Long passed to his reward, but Dr. Smith, as he boasted, knew how to "get along" with the politicians. With amazing power in his hands, he continued to build a rich university—rich in everything but character and intellectual freedom. And then, between suns, he resigned and left that university to face the worst financial scandal in the history of American education.

Dr. Smith's service to the cause of education, we think, is this: He has provided a perfect example of how not to succeed as a university president. It is an example that may be studied with profit by other men who, envying Louisiana State's sudden growth, may have been tempted to "build" their own institutions by adopting jazz methods, suppressing freedom of thought, and getting along too well with the politicians.

Time magazine of July 10 presented in greater detail the amazing picture of political intrigue that culminated in President Smith's apparently successful effort to secure to himself the title "chief thief for L. S. U.," and calls attention to the fact that—

Meantime W. P. A., P. W. A., Congress, and the United States Department of Justice peered more intensely than ever into the use of Federal funds and the status of certain income taxes in Louisiana.

As we all know, Federal funds are appropriated for the purpose of assisting these land-grant colleges on a matching basis.

These disclosures of the situation in Louisiana are, indeed, shocking to all of us who believe firmly in higher education and particularly in the high purposes of the Federal land-grant colleges first authorized by the Congress during the Presidency of Abraham Lincoln. These institutions have made a remarkable contribution to the development of America, particularly in the field of agriculture, engineering, and home economics. In the early days of these institutions they were free from political intrigue and the honest educator of those great institutions sent out into this Nation graduates with a philosophy that built their character to the end of service to this Nation without any thought of selfishness or greed. During the past 10 years, however, the functioning of these Federal and State colleges and universities has been seriously curtailed and taxpayers' moneys have been raided by political gangsters with increasing frequency.

I have called the attention of Congress several times in the past few years to a state of affairs existing in the land-grant college in my State, the Michigan State College, mother of American agricultural colleges, that parallels, in many respects, the shocking state of affairs in Louisiana.

As stated in Time magazine's report on the Louisiana State College thefts, the late Gov. Huey Long was primarily responsible for the selection of President Smith, referred to in Time magazine as an "ideal academic puppet." The ring in control of Louisiana politics has controlled the developments of their State university.

In Michigan it is the McKay gang, of the Blue Water Bridge fame, not to forget the reported pay-off on the bonds of the million-dollar student dormitory at the Michigan State College, working through such stooges as Melvin McPherson, Clark L. Brody, member of the State board of agriculture, and college officials. They have prostituted the Michigan State College, the extension service, and the farm bureau. The actions of the past under the manipulation of this crew are mighty similar to the conditions that have been brought to light in the Louisiana State University. This crew also found a compliant president who, like Louisiana's President Smith, has suppressed freedom of thought and the same, as stated in Time magazine, "gets along with the politicians."

The McKay-Brody ring has been more successful in covering their operations than the Louisiana wrecking crew. When graft and corruption were running rampant this Republican-machine group were influential enough to have a decision rendered whitewashing their misdeeds, this influence reaching to Washington, to the Capitol itself. A politically obligated Republican henchman, Joseph Baldwin, then assistant doorkeeper of the United States Senate under the Republican regime, was brought back to Michigan, made an assistant attorney general to render service to this Republican gang who control the extension service and all county agents throughout the State by whitewashing all those connected with this affair, and particularly the college racketeers. Joseph Baldwin, now Republican State senator, while acting as assistant attorney general of Michigan on the college matter, found it necessary to have the records of this investigation burned, because many of the professors of the college who appeared before him presented facts that indicated theft and illegal and corrupt practices by high officials, board members, and others of the staff of the Michigan State College which reached into the high and mighty of the Republican Party. The influence of this political gang was also apparent in a decision of the Michigan Supreme Court that

justified the selection of one Gilbert Daane as a Republican candidate for the State board of agriculture, even though an able farmer who was honest and clean secured a majority of the votes which should have nominated him for this office at the Republican State convention—a political steal unprecedented in the annals of political history.

Several years ago I informed this Congress in a speech which is a matter of record that an investigating committee of the Michigan State Senate presented full facts regarding the corrupt state of affairs at the Michigan State College and recommended the discharge of the State board of agriculture on the grounds of malfeasance and misfeasance. The leading newspapers of the State, controlled by the Republican gang, failed to give the facts to the public. The more honest rural newspapers did a better job. Through the use of an established hush fund, the existence of which I recently ascertained directly from an officer of the experiment stations of the United States Department of Agriculture involved college officials were enabled to cover up irregularities, employ attorneys in high places to give them protection, hire lobbyists to prevent investigation, and to influence the Legislature of the State of Michigan in the interests of the gang who have worked into the vitals of the Michigan State College.

This gang has opposed all the New Deal efforts to improve the conditions of the farmers of the State of Michigan. In fact, through their deals, they have exploited the farmers through their influence as members of boards handling college affairs. They have opposed the agricultural conservation program which has done so much for the problem of agriculture and the farmers of Michigan. They have opposed the rural electrification program and have impeded the Farm Security and W. P. A. programs and even exploited the Farm Credit Administration.

It has come to my attention that a farm-bureau school representing different farm bureaus of 12 States is meeting on the campus of the Michigan State College next week for the purpose of giving instructions in regard to the highly idealistic, progressive, and fine farm-bureau program. Like college or education or extension service the farm bureau's ideals are grand, fine, working in the interest of the American farmers but in the great State of Michigan they have departed far from those ideals and have made out of the once great farm bureau that included the flower of Michigan farmers a petty brokerage agency the members of which sell insurance, fertilizer, seed, and feed and then step right in to break down the high standards of service by selling thousands of tons of a gyp feed known as Manamar and have further departed from the high feed standard as was formerly maintained by that great organization. I hope that the representatives of the different farm bureau's may have a great influence on the Michigan officials and by some miracle or twist of fate bring back into practice the high ideals and standards of service to the buyer instead of the present program of "let the buyer beware." The farm bureau is a friend of education. The extension service should be a friend to the farmer but in the great State of Michigan this has not proved to be true. True, at this time this group of political manipulators have nothing to say for the New Deal farm program but they are speculating on the fact that there might be a remote chance in 1940 that the program will go on but probably under a change of administration. They want to be prepared to jump into it and take advantage of it in a Republican way. I am positive they are wrong on that change of administration but at the present time they seem to have a little hope and have pulled their shots and are now not going against the program.

As one instance of the exploitation of the farmers by the Brody-controlled agencies, there were thousands of tons of misrepresented livestock and poultry feed sold to Michigan farmers at grossly exorbitant prices. The results of experiments at the Michigan State College proved the inefficiency of this feed and the ineffectiveness in controlling contagious abortion in cattle have been suppressed to date and the extension service muzzled by these McKay-Brody racketeers who serve on the governing board of the college.

The young men and women who attend these colleges throughout the United States, while their mind and character are in the state of being molded, cannot help but be influenced by the atmosphere that is created on account of this political racketeering. It is in the interest of good, clean education that I suggest a full and complete checking into of all funds appropriated by the Federal Government in the interest of these schools. It is appropriate in view of the disclosures of corrupt practices involving the federally supported land-grant institutions of Louisiana, Michigan, and a great majority of the other land-grant colleges of the United States known to exist—true, in a lesser degree in other States—that this Congress should enact legislation protecting these Federal funds from exploitation and preventing corrupt political malefactors from defeating the high purpose of our land-grant colleges.

I am, therefore, making research for the purpose of drafting a bill requiring the presidents and the administrators of all State educational institutions receiving Federal aid of any kind by authority of Congress and the President of the United States to render a certified account annually in complete detail of every item and a record of all income and all expenditures in detail received from any source made for any purpose and submit this full and complete accounting in detail, properly certified, to the Comptroller General of the United States, the auditor general of the respective States, and the attorney general of the respective States as a condition precedent to the receipt of any moneys from the Federal Government. This report should be placed in the hands of the Secretary of Agriculture and other Federal officials concerned with the administration of Federal funds allocated to State educational institutions so that they may be able to carry out the high ideals and principles of the land-grant institutions of these United States in the interest of education and the youth of America.

Columbia and South Carolina Lead Southeast in Business—Retail and Automobile Sales, Building Permits, and Cotton Consumption Show Gains in State; Crops' Progress Reported Satisfactory

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EXTENSION OF REMARKS

OF

HON. HAMPTON P. FULMER

OF SOUTH CAROLINA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 6, 1939

Mr. FULMER. Mr. Speaker, under leave to extend my remarks in the RECORD, I am going to insert herewith an item carried in the South Carolina newspapers some days ago, showing that South Carolina is leading the Southeast in business, indicating a real come-back in normal recovery.

COLUMBIA AND SOUTH CAROLINA LEAD SOUTHEAST IN BUSINESS—RETAIL AND AUTOMOBILE SALES, BUILDING PERMITS, AND COTTON CONSUMPTION SHOW GAINS IN STATE; CROPS' PROGRESS REPORTED SATISFACTORY

South Carolina's business conditions for May showed a substantial gain over the corresponding period last year, and Columbia was listed as one of the leading cities among the six areas in the fifth Federal Reserve district, according to the monthly business report of the Federal Reserve bank at Richmond.

This report showed an increase for Columbia and South Carolina over April and May 1938 in most of the measures of trade and industry in the fifth district. Comprising the fifth district are Maryland, District of Columbia, Virginia, West Virginia, North Carolina, and South Carolina.

South Carolina led the district in the increase of automobile registrations, with a gain of 99 percent over May 1938. In May this year 2,370 new passenger cars were registered, compared to 1,191 in May 1938. During the first 5 months this year South Carolina showed an increase of 76 percent in new-car registrations compared to the corresponding period last year.

Columbia led the entire district in the debits to individual accounts, with a 26-percent increase over April 1939 and an increase of 29 percent over May 1938.

The report listed 24 cities in these six States, with Columbia leading in percentage gain. In May 1939 Columbia's debits amounted to $31,521,000, compared to $25,072,000 in April 1939. In May last year the debits amounted to $24,474,000.

Columbia was third in permits issued for construction work in May, the report disclosed. Washington led all cities in valuation of permits with $5,370,530, followed by Baltimore with $1,367,118. Columbia's permits were valued at $937,635 in May.

South Carolina tied with Virginia for second place in construction awards increase over last May at 53 percent. Maryland led with 125 percent. In May 1938 contracts awarded in South Carolina amounted to $2,186,000 compared to $3,339,000 in May this year.

South Carolina's cotton consumption for the first 5 months of this year compared to the corresponding period last year, increased about 140,000 bales. The consumption in May increased 40,000 bales over May of 1938.

The report showed that South Carolina textile plants used 442,606 bales of cotton the first 5 months last year and consumed 587,598 bales the first 5 months this year.

In May this year the State used 120,746 bales against 80,354 in May last year.

Retail trade in department stores increased 12.2 percent in May over the corresponding month last year, the report disclosed. For the first 5 months this year the increase over the similar period last year amounted to 10.5 percent, the highest increase in department-store sales in the district.

Although the retail furniture sales in Columbia dropped 9 percent the first 5 months compared to the first 5 months of 1938, they came back in May and showed a 3-percent increase over May of last year.

South Carolina led the district in furniture sales, with a 54-percent increase in May and an 18-percent increase for the first 5 months.

Naturally, as a Representative in Congress from South Carolina, now serving my tenth consecutive term in the Lower House, I am very proud of this business record on the part of my State, and I am especially proud of the large increase in population in the city of Columbia, which is located in my district, as well as its leading position in business over the various cities of the Southeast.

The city of Columbia has numerous well-equipped hotels, is the home of the Federal land bank, veterans' hospital, and many other Federal activities.

This city can boast of the fact that they have one of the largest and most progressive farm markets, covering many blocks with ample marketing sheds and marketing facilities, established with the assistance of the present administration, which is not only supplying the people of the city of Columbia, but where thousands and thousands of truckloads of farm products are bought direct from farmers and carried into many large centers for the purpose of being distributed to the consuming public.

If there is any project that I have secured since I have been representing the Second South Carolina District of which I am prouder than any other, it is this project for the reason that it is my firm belief that the time will come when these marketing facilities on the part of the State and the Federal Government will be established in the agricultural States, and in the large centers of the country for the purpose of bringing about a proper distribution of farm products, eliminating many commissioned merchants and middlemen, many of whom are real parasites, sapping the very lifeblood out of producers and consumers, all of which I am sure will prove to be a great blessing to producers and consumers

My district is composed of eight counties—Richland, Aiken, Calhoun, Lexington, Bamberg, Barnwell, Orangeburg, and Sumter.

All of these counties have for their county seat cities which are real business centers, with untold educational and business advantages, as well as having great possibilities for the establishing of various industrial plants.

These counties comprise the leading section of the State in agriculture, business, and industry.

South Carolina was the eighth State to come into the Union. It was admitted May 23, 1788.

The name "Carolina" was derived from the Latin word "Carolus." The grant made by Charles I of England in 1629 to Sir Robert Heath was named "Carolana" in honor of the King. In 1663 Charles II gave the land, under the name of "Carolina," to eight noblemen, known as the lords proprietors.

Our State is known as the Palmetto State.

It is also known as the wonderful iodine State because of the large iodine content in its milk, fruits, and vegetables.

I am sure it will be of interest to many who may have an opportunity to read these remarks to know that the normal temperature in South Carolina is 63°, with 47° as normal winter temperature.

Because of the wonderful climate of my State, we have many interesting tourists visiting the State.

The beautiful city of Aiken is known far and wide as a great tourist center.

This is true for the reason of the splendid southern hospitality on the part of the people of Aiken and because the people of this splendid city have not left a stone unturned in building beautiful parks, recreation grounds, up-to-date golf courses, bridle paths, and polo grounds.

In Lexington County is located one of the largest power projects, on the Saluda River, in the Southeast. Lake Murray, which covers thousands of acres of land, is becoming famous for fishing and as a pleasure resort.

Poinsett State Park, located near the splendid city of Sumter, established during the present administration, contains a large acreage of beautiful woodlands, waterfalls, resembling the great Niagara Falls, recreation grounds, luxuriant shrubbery, presenting scenery of beauty and grandeur unsurpassed in any State in the Southeast.

My home city, Orangeburg, is located in the richest agricultural county in the State, on the North Edisto River, where the fishing is fine, and close by we have the beautiful Edisto Gardens, which attract crowds of visitors annually.

Barnwell County is famous for the production of the finest quality of asparagus.

Bamberg and Bamberg County are well known for farm markets, hogs, and other farm produce, which mean so much to the people of this and adjoining counties.

Calhoun County, originally a part of my home county, Orangeburg, St. Matthews being the county seat, is one of the most prosperous small agricultural counties in the State, with the smallest per capita tax of any county in the State.

We are now in the midst of building the Santee-Cooper power project, which will, when finished, furnish cheap electric power and the central and southern part of the State, all of which will present a wonderful opportunity to those who want to invest their money in manufacturing plants of various types, where they will be able to enjoy the splendid climate just referred to, and where they will find plenty of efficient laborers, and a location in the midst of untold natural resources, raw materials, and so forth.

We have Charleston, chief seaport of the Southeast and at one time the capital of the State, a very old town located on a fine harbor.

Its history is filled with adventure and romance.

In April 1670 some English settlers landed on the west bank of the Ashley River at Albemarle Point and began to build a fort and dwelling houses.

In addition to its interesting history and importance as a seaport, it has today many beautiful houses and gardens.

Near this city we have one of the most wonderful gardens in the world—Magnolia Gardens—and adjacent thereto several other beautiful gardens, located in the southeastern part of the State, where we have beautiful drives, large trees with hanging moss, a section which brings pleasure and happiness to those who are seeking interesting scenes, pleasure, and happiness.

In the northern part of the State we have the great Piedmont section, with Spartanburg and Greenville located in the cotton-manufacturing center of the Southeast.

Beaufort, in the extreme southern part, at one time one of the richest towns in America, is the second oldest town in South Carolina.

My State is second to no State in the Union when it comes to good highways.

Every city in my district has a live chamber of commerce, and I am hoping that many of my colleagues and their friends will not hesitate to call upon me and these chambers of commerce for information in planning a trip to South Carolina, as well as being of service to you when visting my State, which I can assure you will be a pleasure on our part.

Repatriation of Native-Born Women

EXTENSION OF REMARKS

OF

HON. THOMAS D'ALESANDRO, JR.

OF MARYLAND

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 13, 1939

Mr. D'ALESANDRO. Mr. Speaker, in 1936 an unjust discrimination was brought to bear upon certain American-born women who married aliens prior to September 22, 1922. By process of the Cable Act of 1922, American-born women who married aliens lost their citizenship. These women, though born in this country and never having left the United States, were considered as aliens.

The act of 1936, amending the law of 1922, committed a wrong which must be righted. By the same process of law it granted American-born women, whose marriage to aliens prior to September 22, 1922, has since been terminated, the privilege of being repatriated by merely taking the oath of allegiance. It deemed her a citizen as though her marriage had not taken place. However, those women whose marriage had not terminated were still considered aliens, and to become citizens they had to follow the regular procedure and take the citizenship examination.

Does it seem fair to you that such unwarranted discrimination should exist in a country which has been founded on sound democratic principles? It may be noted from my bill, H. R. 4185, that I am merely trying to right a wrong which has put a blemish on our democratic principles.

By the insertion of the following: "or who has resided continuously in the United States since the date of marriage," after the word "terminated" in the present law, the same privilege will be accorded to American-born women whose marriage to an alien prior to September 22, 1922, has not been terminated, as granted to those whose marriage has been terminated, namely, repatriation by taking the oath of allegiance rather than by the lengthy process now required.

This bill deals solely with American-born women who have lived here all their lives, who have never been out of the country. It restores to these women their birthright, a possession of which they have proven themselves worthy. It grants them a new lease on this country.

If this bill, which I feel is necessary to remedy an error committed by the omission of these women in 1936, is enacted into law, we will be correcting this unjust discrimination.

I wish to thank the House of Representatives, which has unanimously passed H. R. 4185 and I have contacted the chairman of the Senate Committee on Immigration and the two United States Senators from Maryland, and asked for their prompt action and cooperation, to secure the passage of this bill in the Senate.

A Tribute to Abraham Lincoln

EXTENSION OF REMARKS

OF

HON. ROBERT L. RODGERS

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 13, 1939

ADDRESS BY RABBI MAX C. CURRICK, OF ERIE, PA.

Mr. RODGERS of Pennsylvania. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following address by Rabbi Max C. Currick, of Erie, Pa., president of the Central Conference of American Rabbis, at the time of placing a wreath at the Lincoln Memorial by this conference on Saturday, June 17, 1939, at 3 p. m:

Brethren, reverently we approach this holy national shrine. This noble monument, with its imposing figure of the prophet whose faith in God made him a champion of the rights of man, is but a symbol of the spiritual portrait painted for all time by the superb moral heroism and the matchless eloquence of Abraham Lincoln when he proclaimed the immutable principles upon which our beloved country was founded and by which it must live.

In placing this wreath, the Central Conference of American Rabbis is performing no mere ritual of patriotism. By this ceremony it is indeed expressing its love of country and its profound devotion to the memory of the most beloved of Americans, he who in a time of confusion and strife like unto our own, held steadfastly to his religious faith in God and in human freedom. He has given us the assurance that if firmly we keep that faith, our democracy will survive the storms that threaten it, "for the judgments of the Lord are just, righteous altogether." This was the faith of the founders of the Republic, and it is the hope of America and of the world. By it our Republic will stand, abandoning it, it will fall.

Our act this afternoon is, therefore, also one of religious devotion, of true piety. For love of God implies love of our fellow man, and it is the fundament of American democratic life and Government. We must have a faith which is strong in the confidence in God's goodness and providential guidance in history and equally strong in the love of our fellow man and the desire to unite them and thus bring near the good day toward which we all aspire.

The good gray poet once said, "There is something profoundly affecting in large masses of men following the lead of those who do not believe in man." There are such leaders in the world today. Abraham Lincoln believed in man, in the divine quality of every man's humanity. Abraham Lincoln lived and strove and nobly died for his fellow men. So America, if it is to survive in the spirit in which it was founded and in the great hope in which he preserved it, must follow Lincoln.

While it must be safe for differences, it must be one in its will to surmount them and to preserve freedom and equality for all. "A house divided against itself cannot stand." We dare not nurture hatred and misunderstanding, bigotry and prejudice. Problems difficult as his contemporaries had confront us. In approaching them we are divided as they were, but if we attack them in his spirit we shall solve them with his success. With full and friendly assurance we shall approach our fellow citizens of all classes, creeds, and origins, and continue in the hope that they will approach us in the same way. We have differences among us, and some of them are deep-seated, but "with malice toward none, with charity for all, with firmness in the right as God gives us to do the right," let us so live as American citizens in this day and so do our duty as it comes to our hand that we may enhance the promise that "this Nation, under God, will have a new birth of freedom, and that government of the people, by the people, for the people shall not perish from the earth." God bless America, its leaders, and teachers. Under them may we follow the luminous path of the great love of freedom, justice, and brotherly love blazed for us by the teachings, the struggles, and the holy martyrdom of Abraham Lincoln.

The Age-Old Conflict of The "Haves" Versus The "Have-Nots"

EXTENSION OF REMARKS

OF

HON. JAMES C. OLIVER

OF MAINE

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 13, 1939

RADIO ADDRESS BY HON. JAMES C. OLIVER, OF MAINE

Mr. OLIVER. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following radio address delivered by me on July 1, 1939:

Citizens of the First District, during the past 2 weeks the Congress has considered legislation in two fields which, at first glance, appear wholly unrelated but in reality are closely akin. In the field of foreign relations we find the demand for neutrality legislation such as will insure our keeping aloof in the event of wars across the seas. In the domestic field we find the demand for legislation such as will assure work for able-bodied Americans and social justice for all. Both these demands stem from the same root—from the increasingly clamorous insistence of the "have nots" at home and abroad that they be given the opportunity to acquire a fairer share of the world's blessings while the "haves" who tenaciously cling to their lion's share are stubbornly determined to ignore any attempts and demands on the part of those "have not" individuals and nations to upset the status quo.

This conflict of the "haves" and the "have nots" is as old as man. Ever have the poor and overburdened cried for relief from

poverty and economic slavery. And today, my friends, we find the cries of the "have nots" louder and their determination to win social justice stronger than at any time in history. In Europe and in Asia the "have not" nations, bursting with ever-increasing population, cry for colonies and for opportunity to expand and to acquire food and other necessities with which to satisfy the mounting demands of their people. And here in America the "have nots" cry for opportunity honorably to earn their daily bread, to support themselves and their dependents, to cast off the hateful stigma of charity, and to live as they believe and know American citizens should, self-supported and self-respecting.

In attempting to safeguard America from the perils created by the conflict of "haves" and "have nots" abroad, the Congress has sought so to alter existing neutrality laws as to insure our remaining neutral in the event of foreign wars. In attempting to combat internal unrest created by the conflict of "haves" and "have nots" here at home, the Congress has sought to devise legislation which would assure some measure of work relief for some of our idle employables and some aid to our aged and dependent citizens who have been reduced to abject poverty. But the fruit of these attempts hold scant hope for the "have nots" at home or abroad, and can serve only to jeopardize further the position of the "haves" as the present economic impasse agravates the suffering and unrest of nations and individuals now seeking relief from injustice and want.

I find no merit in any so-called neutrality legislation which does not concern itself with the question of debts owed to us by other "have" nations. For I hold that legislation intended to safeguard America against foreign entanglements must protect barriers already raised and also erect additional barriers against the schemes of the diplomats and international bankers who are always ready to entangle us financially to such an extent as to render necessary our going to war later on to protect our debtors and so save our investments. Yet, such control of financial relations, the powers that be in the Congress refused to include in their so-called neutrality legislation.

Realizing the futility of any such legislation which ignored the financil-relations hazards, I attempted to introduce an amendment to the bill under discussion. My amendment was intended to prevent debt-defaulting nations from settling on some dime-on-the-dollar basis for the purpose of opening the way to a further raid upon our wealth through new loans from our Government and the sale of worthless securities to our citizens. I proposed to let these debt defaulters settle in full, if they would, and then let them wait as long to borrow again as they waited to pay. A bill to this end proposing to amend the Johnson Act which now prevents these defaulters from borrowing in this country until they pay what they owe us, was introduced by me in the House on June 6. That bill now reposes in the hands of the Committee on Foreign Affairs where, very probably, it will be lost in the rush to adjourn this session of Congress.

My intention to attach this vital amendment to the so-called neutrality bill was fruitless; the Parliamentarian of the House ruling its subject matter not germane to neutrality legislation. But this defeat in no way alters my conviction that the interests of neutrality demand as strict prohibition of foreign loans and financial assistance as of anything else deemed liable to aid and abet combatants abroad. And I hold that the schemes and the greed of foreign diplomats and international bankers are far more dangerous to the peace and tranquillity of America than even the sale of war materials could be.

Sad to relate, the exclusion of my amendment, boon to our peace though its enactment would be, is of little moment. For to my mind the work of the Congress in attempting to formulate laws to promote neutrality is simply love's labor lost. The dictionary tells us that a neutral is "a state or nation that refrains from aiding or interfering between belligerents." What profits it, then, to waste time and energy in enacting neutrality laws when the world knows that this administration already has so encouraged certain foreign-debt defaulters and so interfered in European affairs as to make the United States the avowed ally of those favored nations in all but name only? The proofs of that alliance are blazoned repeatedly in the public press for all to behold. The International News Service told us on June 22 that the British Cabinet was—I quote—"initiating a move to seek a debt settlement * * * and thereby consolidate advantages gained by the King's visit" an action I have repeatedly prophesied in my talks to you. And that same dispatch goes on to tell us that the Cabinet agreed it would be necessary to come to an agreement to make settlement by paying only part of what is rightfully due, to float a loan to get the money with which to start paying, and to make that loan "available to Americans on the assumption that renewal of payments would lower the bars of the Johnson Act."

Can you beat that for unadulterated gall? They not only want to settle for a fraction of what they owe but they want to borrow the necessary money from American citizens to pay our Government to lower the bars of the Johnson Act and permit them to vicitimize America all over again. Even the King himself is reported in an Associated Press dispatch as asserting that he and Queen Elizabeth had "in some sort succeeded" in their mission. What mission, my friends? How long have neighborly visits been considered missions? The British Cabinet has let the cat out of the bag and let us know what kind of a mission that visit was. The mission was to pave the way toward a fractional debt settlement, as I have so often declared it to have been, and the Cabinet now wants to seek such settlement to consolidate the advantages gained by that visit. They want to square up their debt, so they say. Ladies and gentlemen, there is only one honest way to pay a debt, and that is to pay it. But the British do not intend to pay their debt in full, even though they propose to borrow the money from Americans to make partial payment to us. No! Great Britain wants to settle cheap and forget the rest of the debt, as she has so long forgotten all of it.

Yes, my friends, the cat is out of the bag. As I prophesied, the King and Queen came to visit us, not in the true spirit of neighborly affection but on a "mission" and to "gain advantages" which the British Cabinet now slyly moves to consolidate. There is the real truth of the Charlie McCarthy act, with wily Chamberlain, reputed German munitions plant owner, in the role of Bergen. The truth and the proof of insincerity is disclosed for all to see, for what good neighbor, guiltless of ulterior motive, visits his neighbors and then speaks of advantages gained and refers to such visits as "missions"? What sort of neighbor would men deem such a one as came under the guise of neighborly affection, and then confessed his visit but a brazen attempt to take advantage, and then boasted of having succeeded in doing so?

The scheme is exposed, my friends, and yet we cannot be certain it will not succeed just the same. What man can doubt the partiality of this administration toward Great Britain and her allies and near-allies—France, Poland, Russia, and the rest? What proof of this favoritism needs any man beyond the facts of the constant presence of our own Ambassador at the side of Britain's leaders during the crisis, attendant upon the shame of Munich, of the President's blustering threat to the totalitarian nations to meet force with force, of the magnificence of the welcome accorded Britain's rulers on their mission to gain advantages? What sense, then, in Congress bothering with neutrality legislation where there is no intent for neutrality nor even the ghost of neutrality?

Let no man mistake the truth, my friends. Legislate as it may, neither this Congress nor another may hope to sever the bonds being woven by this administration unless that legislation establishes financial control sufficiently stringent to defeat the schemes afoot to beguile this Nation into first accepting a pittance in lieu of the billions due and then opening its coffers and the pockets of its people to another raid to provide excuse to plunge America again into war for the sole benefit of the schemers. To talk of neutrality in the face of the policies of the present administration is but a waste of breath.

So much for the neutrality legislation supposed to keep us free of European entanglements. And now let us look at the legislation devised to alleviate the suffering of our own "have nots" here in America.

The emergency relief bill as passed by the House must appeal to any unbiased citizen as being less an attempt to solve the problem of unemployment or to take care of America's needy than it is an effort to scare the wits out of the unfortunates now on the W. P. A. rolls and so make them more unhappy with their lot.

In my opinion, the House bill was a very bad one and a very cruel one. I voted for it at the last because to have voted against it would have been to vote against relief. But I voted against every one of its bad provisions and I fought as best I could to have those provisions stricken out. Unfortunately I fought in a lost cause.

The President asked for $1,477,000,000 with which to provide jobs for 2,000,000 destitute unemployed during the coming year. That figure was low enough and certainly the taking care of but 2,000,000 of the 12,000,000 or 14,000,000 now unemployed was little enough to do in the name of social justice. But the House proceeded to allot $125,000,000 of the sum requested to the Public Works Administration and thereby deprived some additional 170,000 destitute Americans of the opportunity to secure work relief.

Another bad feature of the House bill was the proposal to abolish the Federal theater. Such drastic action is bad and cruel, because it ignores the fact that actors and stage hands and other stage personnel are as much entitled to work in their own field as are any skilled craftsmen and because it proposes to deprive millions of Americans of the enjoyment provided by the work of the theater. Because the New York City unit of the Federal theater was accused of harboring Communists—a matter which might have been corrected by a change of management in that unit—the powers that be decided to oust the mouse by destroying the whole granary, casting its treasure to the four winds, and leaving those dependent upon it to starve or not, as fate might elect. The New York unit, my friends, is but one of 39 units in 20 States devoting 65 percent of all their time to free entertainment in hospitals, C. C. C. camps, orphanages, prisons, asylums, and homes for the aged. Less than 10 percent of the 1,200 plays produced by the Federal theater contain any sort of "social content," the remainder being, for the most part, religious plays, children's plays, and classics. To vote to destroy the theater project was, to my mind, cruel and ill-advised.

Another unjust provision of the House bill was that compelling W. P. A. workers who had worked as such for 18 months to be fired for a period of 60 days without any provision being made for their support during that period. This provision evidently was based on the theory that a person turned loose in a jobless world can invent a job and live on air and water, for the proponents of that provision wholly disregarded the financial status of the W. P. A. workers to be fired for 60 days, ignored their degree of need, ignored the question of whether State or local funds would be available to keep the fired ones alive, and ignored the question of availability of other jobs. They simply said "Fire 'em and let 'em live if they can," so to speak.

As I have said, I voted against these and the bill's other features which I considered inimical to the interests of the people. But the evidence remains to convince any thoughtful American that the legislation intended to provide assistance to the destitute and un-

employed was turned instead into a threat against the "have nots" and obviously directed at frightening those now on relief into sadder efforts to find jobs where there are no jobs.

And so, my friends, I can find no glimmer of promise for the "have nots" at home or abroad in the activities of the Congress during the past 2 weeks. Neutrality legislation which will in no way protect us from foreign entanglements, and relief legislation that lessens aid to the needy and frightens those now being aided, these can but encourage the "haves" in their determination to make no concessions and further discourage the "have nots." The philosophy expressed by the southern darky who said "Them what has—gits" continues to rule. And until that philosophy is replaced by a philosophy based upon the principles of social justice, we can hope for no improvement in the sorry picture at home or in the unrest abroad.

Until 2 weeks from tonight, ladies and gentlemen, good night and good wishes.

More About the Grand Coulee Dam and the Columbia Basin Project

EXTENSION OF REMARKS

OF

HON. CHARLES H. LEAVY

OF WASHINGTON

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 13, 1939

ARTICLE BY RICHARD L. NEUBERGER

Mr. LEAVY. Mr. Speaker, it has only been in recent years that the mighty Columbia River, with its unlimited possibilities of service to man, has been brought prominently before the American people. This has been as a result of the great development work under the Roosevelt administration at Bonneville and Grand Coulee.

I feel that any source of dependable information, wherein facts are stated, should be utilized to further familiarize the American people with this wonderful river and the almost limitless natural resources of the region through which it flows.

There recently appeared an article in the Survey Graphic for July 1939, coming from the pen of Richard L. Neuberger, who lives in that region and is fully familiar with it, and who possesses an unusual literary talent as well as a reputation for carefully stating facts. This article is deserving of perpetuation in the records of this great body, and I, therefore, take pleasure in making it a part of the CONGRESSIONAL RECORD. I do this in order that the Members of this Congress and those who follow in the years to come may the better know and understand exactly what the physical conditions in the great Northwest are, and what it means to America to properly utilize those unusual and exceptional natural resources for the benefit and happiness of Americans everywhere throughout our great Nation.

The article follows under the title "The Columbia Flows to the Land":

Tales around the campfire were all that the American patriots knew about the distant reaches of the land they had freed from Britain on July 4, 1776. At St. Louis geography ended and legend began. To bold, adventurous men no legend was as stirring as that of "the Great River Ourigan" which flowed out of the northland and emptied into the Pacific Ocean. Jefferson believed the river had a part in the destiny of America and sent an expedition to explore it. On October 10, 1805, a lean and tattered United States Army captain glimpsed across sagebrush flats and rocky mesas the waterway of which so many of his countrymen, whether President or fur trader, had dreamed a dream of empire.

One hundred and thirty-four years have passed since Meriwether Lewis first saw the Columbia River. That long ago white men reached the last frontier. But the river's principal part in the destiny of the Nation is yet to be played. The part is just beginning now. The sagebrush the explorer trod is sagebrush still, but soon orchards and alfalfa will grow there. On the course of the Columbia through the State of Washington rises a dam that already dwarfs any other structure ever built by human beings. This dam will irrigate more than 1,200,000 acres of wasteland. It also will generate the largest chunk of electricity produced at any one place on earth.

Here is the American dream: the conquest of the wilderness, a nudge at the final frontier. Nothing we have built is as typical of the New World as this. No country except the United States would have undertaken Grand Coulee Dam: a gigantic concrete barrier to make the upland desert bloom, to provide farm homes for 50,000 families now on the move from submarginal areas, to spin 10,708,000,000 kilowatt-hours of power in fastnesses as gaunt as when the flag first came.

The elements that make up American civilization are part of the compound at Grand Coulee. It is a project which typifies the Nation. Here are the ingenuity, the resourcefulness, and the peremptory action of big business. Block the Columbia with a wall three times as massive as the Great Pyramid; pump the river back into its old glacial course; generate so much electricity the power plant will have to be operated by remote control; move whole towns out of the way of the 151-mile lake that will stretch to Canada. This is an enterprise worthy of the world's greatest industrial country. Here, also, where the vast dam squats in fortress-like magnificance across the continent's mightiest river, is the social consciousness of the New Deal. Farmers in the backwoods live near tumbling waterfalls and have no electricity in their homes; housewives in Portland and Spokane pay private companies light bills half again as high as those charged by the municipal plant in Tacoma. Grand Coulee will span the region with steel-latticed towers carrying cheap power to ranch and bungalow. Wandering men and women, looking for new opportunity, form a migratory population all over the West. Their rehabilitation is a crucial problem. Grand Coulee will irrigate land for as many farms as there are in the entire State of New Jersey. All this will be controlled by the Government, with speculation and profit subordinated to the general welfare.

And in these Washington hinterlands, where the technical skill of big business and the aspirations of government are so spectacularly combined, perhaps there is also some trace of the constant urge of America to find new territory for settlement on the sundown side of the continent. "Almost from the day when independence was declared," Professor Beard has said, "the frontier sentinels of the United States looked upon all the territory from the Mississippi to the Pacific as their property." Grand Coulee is on the last frontier; it is a wilderness epic. It will reclaim an expansive area which now is largely sagebrush and dust. Six years ago only a couple of isolated ranchers lived where now the stupendous dam takes shape. Maybe something of the same quality that brought Captain Lewis' ragged men westward is putting together this structure so enormous that no other engineering achievement compares with it.

The proportions of Grand Coulee Dam are without precedent. Late this spring the barrier contained 6,405,000 cubic yards of concrete. The finished dam will be made up of 11,250,000 cubic yards. Contrast this with the approximately 3,500,000 cubic yards in the next bulkiest edifice on earth, the Great Pyramid of Egypt. The cement in Grand Coulee would build a standard automobile highway from Jersey City to Seattle and back by way of Los Angeles. Over the spillway of the dam will crash a sheet of water half again as long as the American Falls at Niagara and twice as high. On the parapet four ocean liners the size of the *Normandie* might be placed end to end. Sufficient water will flow through the dam each year to provide New York City's drinking supply for a century. The base of the dam covers 35 acres of ground. Each of the twin powerhouses at Grand Coulee will produce as much electricity as Muscle Shoals and the Dnieperstroy Dam in Russia combined. Behind the dam will be a man-made lake with 2,000 gallons of water for every person in the world. There will be 12 pumps at Grand Coulee, each of them adequate to take care of the water requirements of two communities the size of Chicago. From bedrock to crest the dam will be as lofty as a 40-story building. Practically all the construction features connected with this project are of unparalleled magnitude.

But not alone for these intrinsic reasons is Grand Coulee important. The breath-taking dam is not an end in itself; it is a means to an end which may have profound consequences for both region and Nation. In their astonishment over the dimensions of the undertaking, many people have overlooked the purpose the dam is intended to serve. Most Americans know by now that Grand Coulee is the biggest structure on the planet; comparatively few know why so staggering an enterprise has been begun.

This is an appropriate time to look beyond the great barrier and examine its destiny and future. Now, after construction work has been going on since 1933, auxiliary tasks of significance are under way. Twelve gaping tunnels have just been blasted in the granite cliffs above the dam. Through these passageways water from the river will be pumped into the Grand Coulee, a deep, dry chasm running at right angles to the Columbia. This basaltic cleft the river carved in glacial epochs when a frozen finger of the polar ice sheet blocked the Columbia and forced it out of its original course. The Coulee is 52 miles long, 600 to 800 feet deep, and from 2 to 5 miles in width. This immense trough will become a balancing reservoir for the water pumped through the tunnels. From the Coulee the water will be coasted to the Africa-shaped chunk of land which is the key to the project.

Men are now making an exhaustive study of that 1,200,000-acre tract. Each acre of ground is being appraised as to value, classified as to soil content, and mapped as to contour. The Government must know what the land will grow, what it is worth, and where the gravity canals must twist and flow. In the Bureau of Reclamation offices in the little town of Ephrata, the accumulation of data mounts in stacks against the day when the first spurt of water will be spewed through the tunnels and out onto the floor of the coulee. This work will continue while the dam is being completed. Late in 1941 or early the following year the dam will be finished; the Columbia will be barricaded behind 22,500,000

tons of concrete. By then there will be a thorough record of what the late Elwood Mead, for many years United States Commissioner of Reclamation, described as "the best undeveloped irrigation area on this continent, and probably the best single-developed or undeveloped area on the continent."

This tract of land has a history; like many chapters in the colonization of the Northwest, the history is not a pleasant one. Nearly 75 years ago every alternate section of the area was owned by the Northern Pacific Railroad as part of its congressional land grant. The line encouraged westward migration; settlers bought the land for wheat raising. Other parts of the tract were homesteaded. Men borrowed heavily to finance farm buildings and other improvements. Equipment was expensive. For a few years the moisture stored in the soil supported dry farming. Then the ground began to cake and harden; crops burned up in the field; the wind started to blow away the arid clods; the settlers moved on. Mortgages were foreclosed, and much of the area reverted to banks and loan companies. One bank now owns 27,880 acres; 5 percent of the land is owned by the Federal Government; 5 percent by the State of Washington, and 5 percent still by the Northern Pacific. Some of the land became so tax delinquent the counties took over: Grant County owns 35,000 acres; Franklin County, 21,900 acres; and Adams County, 13,340. A considerable portion of the area still belongs to the colonists who were able to finance themselves; these people had no mortgage companies hanging over them, only the steely blue sky from which no rain fell. They pulled out and left their farms to the elements.

Today the area is dotted with crumbling ranches and boarded-up schoolhouses that tell the story of this ruined past. And here and there a farmer still hangs on, running a herd of scraggly cattle or raising wheat with sporadic results.

Here is George Healy, who left Missouri in 1900 and homesteaded a dry farm in 1905. He remembers when the sections around him held neighbors and friends. Their children and his learned to read and write at a school just down the road. Then, one by one, the farmers surrendered to the sun's glare and the wind's might and the baked-out ground. Now the farmhouses on George Healy's horizon are as deserted and abandoned as some tottering Greek temple. Against the skyline tower windmills that have not moved for a generation. Many years have passed since lights last gleamed through the windows of those twisted, desolate ranches. Memory has all but vanished of the neighbors George Healy knew.

But some of those neighbors are coming back. A few of them got off the train at the Great Northern siding in Ephrata several months ago to help form the world's largest irrigation district. By a vote of 709 to 34 the landowners decided to organize an agency to buy water from the Government. From Seattle and Spokane and Portland came men and women, now working in the cities, who two or three decades ago left their farms to the wind and heat. From the lands themselves came men like George Healy, whose farms are dry, cheerless places, without water for irrigation or electricity for the ordinary comforts of modern civilization. These people at last were ready to believe that their dream of a promised land in the Northwest—a dream deferred almost half a century for some of them—was finally to come true. The great dam at the head of the coulee is not a railroad's glittering and evanescent assurances. It is unmistakably real. Already the tunnels await one-seventh of the Columbia's surging water supply, and the powerhouse foundations have been grooved to hold 18 generators of 105,000-kilowatt capacity each. Such things cannot be amorphous; they are as tangible as concrete and steel.

"Grand Coulee," the Oregon State Planning Board has observed, "is a conscious effort at the redistribution of American population westward." For this reason, if none other, monopolization of the irrigated area will be forbidden. A single man will be allowed to cultivate only 40 acres; the holdings of a family will be restricted to twice that much. This was ordered recently by Congress and concurred in by the 1939 session of the Washington Legislature. Lands in excess of these limitations must be sold at the price set by Government appraisers; water will not be delivered to acreage disposed of beyond the appraisal figures. The Citizens' Savings Bank & Trust Co. of Spokane will have to sell its holdings on tract 31 at substantially the same price as Chris Nyberg, of Grandview, Wash., on tract 32. The landowners once asked an average price of $86 an acre; the antispeculation law passed by Congress, at the insistence of Senators SCHWELLENBACH and BONE, will hold the price to from $7.50 to $15 an acre.

The whole Grand Coulee undertaking will cost in the vicinity of $400,000,000. The dam itself will cost $186,000,000; the irrigation canals and ditches and surveying, $208,000,000. The Bureau of Reclamation regards the project as self-liquidating. Power revenues and water rights are expected to pay the bill. The portion of the job allocated to irrigation amounts to approximately $90 an acre. Payment will be staggered over 40 years without interest. The first 4 years on the lands no payment will be demanded. This will leave the preliminary growing period free of obligation. The next 4 years the bill will be $2 an acre each year. For each of the 32 years after that the settlers will pay $2.50 an acre. This will aggregate $88 by the time the 40-year period has expired. The cost of pumping water—and this item will continue indefinitely, of course—will be $2.60 an acre a year.

Payment of the $88 for water rights on each of the 1,200,000 acres will return to the Government $105,600,000. Power must pay the remainder. Can it do so? Some statistics are in order. Firm power will be produced at Grand Coulee for 1.2 mills a kilowatt-hour. If this commercial electricity can be sold for 2.25 mills, the chief engineer on the project, Frank A. Banks, believes that "the cost of the dam with interest on the part allocated to power at 4 percent can be liquidated in 50 years with a surplus of $144,500,000 available for partial liquidation of the irrigation investment. After 50 years the annual surplus would amount to $15,000,000." Banks is a cautious, white-haired man who has constructed numerous dams for the Reclamation Bureau.

The Chicago Tribune regards all this as nonsense and madness. Grand Coulee, according to the Tribune, will be no more self-liquidating than the Great Pyramid it so humbles in size. What about these contentions?

The Minidoka project on the Snake River in Idaho is in some respects a small scale replica of Grand Coulee. Water rights there cost about $2 an acre annually. Pumping charges are approximately $2.50 a year. These figures do not differ drastically from those at Grand Coulee. The first unit of the Minidoka project was completed in 1909. Up to the summer of 1938 the sum of $8,546,-349.27 was due there in water rights to pay for construction charges. By that date $8,451,046.45 had been paid. At Minidoka a year ago, $2,273,620.94 had been required for pumping and maintenance charges, and $2,268,065.74 had been paid. A lot of businessmen preaching economy in government would like to have that ratio of collections in their own firms. For several years the adapting of additional acreage to irrigation at Minidoka has been financed by income from the power plant.

Of course, the Minidoka project where this record has been achieved is for 120,000 acres. Grand Coulee adds a big digit to that acreage: 1,200,000 acres. This is the unknown quantity about the Federal Government's principal public-works undertaking. No previous experience has prepared anyone for operating an enterprise of such magnitude. The Columbia River is a new element in the conservation of the country's physical resources.

The Columbia is unique among the rivers of America. It has the immensity of the sluggish Missouri and the speed of the savage Colorado. In its basin is 42 percent of all the undeveloped hydroelectricity in the United States. The Tennessee River ranks second among the country's power sources. It can produce 23,000,000,000 kilowatt-hours, slightly more than one-third the capacity of the Columbia, 62,000,000,000 kilowatt-hours. Into the Columbia rush the glacier-nourished creeks that come down from the Canadian Rockies. Its maw is fed by the angry Snake, still writhing from its passage through the 7,900-foot crevice of Hell's Canyon. The Kootenai, the Clark Fork, the Spokane, the Deschutes, and a score of other streams foam out of the uplands to plenish this second largest of America's rivers—a river which humbles the Hudson in size and the Potomac in speed. In some stretches the Columbia is slow and ponderous. It is like a giant that waits to spring. Then, suddenly, it breaks through a granite canyon and where the whitecaps toss on the expanse of green, enough horsepower goes to waste to move a thousand trains and light a million homes.

Yet until a few years ago the Columbia flowed to the sea almost as unharnessed as it did on October 10, 1805, when the Indian girl Sacajawea pointed a thin arm westward and Captain Lewis knew he had found "the Great River Ourigan." Grand Coulee and Bonneville Dams, both formally begun in 1933, are the first attempts of any considerable magnitude to utilize the Columbia's power potentialities. Until Grand Coulee was authorized the river was not used for irrigation at all. "To let this immense, dependable water supply run unused," said Dr. Mead, "is an economic waste, the extent of which is only realized by those who know the country."

All over America men and women are living on submarginal agricultural areas. Crops are meager and uncertain. Houses are shabby and bare. In other parts of the Nation people are jammed into crowded tenements. Where can they go? What about the 1,200,000 acres in the Washington wastelands that need only water to bloom like the Garden of Eden? In 1937 at Grand Coulee the President said:

"There are parts of this Nation that are not as favored as the Northwest. Mistakes have been made. They have cut off their timber. Their land is played out, or they plowed up prairie land which is now blowing away. I am thinking about those people as well as you people. You have got room for them here in the Northwest, where they can make homes, where they can live happily and prosperously."

The irrigation of 1,200,000 acres which now are unproductive will have an effect on the whole Nation. Just east of the Africa-shaped chunk of territory to be reclaimed at Grand Coulee are the 414,000 acres of the Yakima project. This undertaking was started at about the turn of the century. In the first 10 years of the Yakima project population there increased 26.2 percent, as compared with an increase for the whole State of 18.8 percent. Farm values in Yakima County have virtually doubled since 1910; in adjacent counties where there has been no irrigation they have descended as much as 25 percent. In 1929 the Yakima Valley produced $52,348,938 worth of agricultural commodities; the value of the gold mined in Alaska the same year was $7,761,000. More than half the income of Yakima is spent for merchandise manufactured on the eastern side of the Rocky Mountains. In this fashion irrigation benefits people far from the irrigated areas. Irrigation farmers are consumers, too. Railroad revenues for shipping Yakima fruits and vegetables annually amount to $4,500,000. Eighty-nine percent of all the hardware implements bought by Yakima farmers is sent from the East. Yakima's status as the center of the principal irrigated area in the State is an enviable one in Washington's economy. In 1935 retail sales per capita in the community were $901. This compares with $446 in Seattle and $368 in Tacoma. On land in the Yakima Valley, where once sagebrush grew, farmers now raise asparagus, straw-

berries, corn, canteloupes, pears, potatoes, prunes, peaches, onions, sugar beets, hops, lettuce, apples, apricots, beans, cherries, and numerous other crops.

"The soil in the Yakima Valley is of the same general character as that of the Grand Coulee lands," says the Washington State Planning Council. "Whatever is true of the development of the Yakima Valley will be equally true of the Columbia Basin area. The planning council believes the Coulee land will eventually produce a yearly minimum of $150,000,000 worth of farm products. There will be approximately 30,000 farm homes, with a farm population of about 200,000 people. Providing essential services for these people will be another 200,000 men and women in towns throughout the irrigated area. The National Resources Committee wants this to be a model region. Schools, streets, sewage systems, hospitals, recreational centers, and transportation facilities will be carefully arranged and planned. Substandard districts in the towns will be prevented if it is humanly possible to do so. Over maps and charts in Portland technicians and social scientists of the Resources Committee are studying the preliminaries of this task.

Yakima has been a testing laboratory for what may occur on a larger scale at Grand Coulee. In 1910 there were 55,000 people on the Coulee lands and 78,000 in the Yakima Valley. A few years ago Yakima had a population of 115,000; the Coulee lands, 38,000. People in the Yakima Valley spend for manufactured goods from the East a sum three-fourths the value of our annual export trade with Brazil. What will be the result when three times the area of the Yakima project is crisscrossed with canals in which Columbia River water swirls and flows? Yakima was desolate once. It still bears the mark of the past. The desert stretches up to the peach orchards. Spots of land not watered are pocked with sagebrush. The irrigation ditches that tap the Yakima River are the line of demarcation; they separate Canaan from the wastes.

Frequently the advances of a planned society confer important benefits upon the instrumentalities of capitalism. While the power companies writhed as Booneville Dam was constructed, the Union Pacific bolstered its freight revenues hauling vast quantities of material for the project. On the Grand Coulee lands the franchise values of the Northern Pacific, Great Northern, and Chicago, Milwaukee, St. Paul & Pacific will be increased $7,000,000. For the whole region, development of the 1,200,000 acres of land will stack an additional $26,015,000 on the worth of railroad franchises. Dr. Walter E. Packard, of the Department of Agriculture, believes the railroads and other groups to be benefited should assist the farmers in retiring the cost of the enterprise. Why should the men tilling the soil carry the burden alone? "The railroads, the cities in the vicinity, food distributors, and middlemen will be aided materially by Grand Coulee," says Dr. Packard. "They should help amortize the Government's investment there."

The lands to be reclaimed at Grand Coulee, an area twice the size of the State of Rhode Island, will not be developed at one fell swoop. Approximately 150,000 acres will be ready for settlement in 1943. Each year thereafter about 50,000 additional acres will be colonized. This gradual process is irksome to some of the people in the National Capital. Even if all the Coulee lands were ready now, Secretary Ickes says they could take care of only half the farm families forced out of the Dust Bowl since 1934. "Almost all the drought immigrants," declares the Farm Security Administration, "could, under favorable farming conditions and with adequate assistance, once again become self-supporting."

All this brings up one question about New Deal economics. Why is the Government curtailing crop production in many parts of the country and adding 1,200,000 acres of croplands in another? The late Paul Y. Anderson, brilliant Pulitzer Prize correspondent for the St. Louis Post-Dispatch, asked this at a Hyde Park press conference after the President's 1937 transcontinental journey. Mr. Roosevelt grinned amiably and made no direct reply. Obviously, inconsistencies constantly confront any program which limits food production while people are in need. But Grand Coulee will grow only negligible quantities of the four crops which present the most aggravating surpluses—corn, cotton, wheat, and tobacco. With Yakima as a standard for measurement, the principal products at Grand Coulee will be alfalfa, fruits, and vegetables. The country has not yet plowed under pears or strawberries or tomatoes or peas or forage for hungry livestock.

The far West needs more farm lands. The region is not agriculturally self-sustaining. Nor has it sufficient manufacturing. It is literally a colonial empire for the East. Its raw materials are taken from the ground and shipped across the continent to be processed. It is a long way from the markets for the things it grows and a long way from the industries which make the things it buys. There is even a serious transportation problem. Trains and ships leaving the Northwest carry timber, minerals, and other bulky material. They come back with manufactured merchandise which requires infinitely less room; thus the returning carriers are inadequately loaded. The balance of trade in the Northwest is out of kilter. A study by the National Resources Committee has shown that the area exists mainly by exploiting its physical resources. Forests are gutted, mines cleaned out, and streams fished to the last salmon egg. Much of this raw material is exported across the Continental Divide to be manufactured.

A lumberjack in Oregon cuts downs a Douglas fir; the lumber is sent to Michigan to be made into a table; the lumberjack buys the table for his house; the lumber has had a round trip almost across the continent. A wheat rancher in the Idaho hills sells his crop; it is shipped to Battle Creek or Chicago and made into cereal; the farmer buys a package of the cereal at the village store for his breakfast.

Commerce between the regions is desirable. The vast amount of goods purchased from the East is one of the reasons used to justify Federal reclamation undertakings. But some sort of balance is necessary; a region cannot realize its full potentialities as long as its natural resources are extracted and then processed elsewhere. A man never gets anywhere selling logs and buying back chiffoniers.

Grand Coulee will help to make the Northwest more self-sustaining agriculturally. The vast treasure-trove of hydroelectricity tapped may also result in the manufacturing the region is seeking. Representative CHARLES H. LEAVY, of Washington, has pointed out that not far from Grand Coulee, in the highlands of Idaho, the Government owns public domain containing 6,600,000,000 tons of raw phosphate. The Northwest has 91 percent of all the phosphate rock in the country; these beds have been penetrated only superficially. Idaho's raw phosphate developed by Grand Coulee's electricity might create a supply of fertilizer which would renovate farming in America. There are other possibilities. The cheapest power rates in the Nation will result in the widespread use of electric ranges, heaters, and freezing units. The Northwest will need this equipment. The mountains contain rich deposits of bauxite, the source of aluminum; this process requires huge blocks of electricity.

Already the transmission lines from Bonneville Dam stretch over the frontier. Those from Grand Coulee will be constructed soon. Whatever industries are established in the Columbia Basin as a consequence of these projects will probably be decentralized; they will not be concentrated in crowded urban areas, where the perils of slums and tenements are omnipresent. At Bonneville, in 1937, the President said new manufacturing units should be spread out over the whole area. Lewis Mumford seconded this recommendation last year. Factories in the hinterlands along the surging Columbia, rather than jammed wall to wall in Portland or Seattle? And why not? What would be so unorthodox about every worker having his acre or so of peas and beans back of the house, as an anchor to windward if the work should give out?

The desperate need of the Northwest for new farm lands and new industries has produced a curious distinction between the Nation's two seaboards. In New England, the Republicans are denouncing the dam-building program of the Federal Government. Along the swift Columbia, just the opposite situation prevails. Senator MCNARY, of Oregon, the Republican minority leader, was the principal sponsor of Bonneville. The Spokane Chamber of Commerce has a special department to promote Grand Coulee. Every Republican Senator and Congressman from the Northwest is supporting the bill to construct a new dam on the Columbia at Umatilla Rapids. The Republican Spokesman-Review of Spokane, and the Oregonian of Portland, frequently issue special sections telling of progress on the Federal dams in their localities.

Indeed, the most conservative forces in the Northwest approve what is taking place. Senator Rufus Holman, of Oregon, supporter of that State's antilabor law, continually urges extension of the program started at Bonneville and Grand Coulee. Yakima County is the nucleus of a vast public development in land usage. Yet Yakima voted decisively last autumn for the Washington initiative measure restricting the activities of organized labor. So did the counties located in the heart of the Coulee lands, the counties which have accepted so enthusiastically the principle of public power and Government responsibility for submarginal farming areas. Grant County, for example, voted for the antilabor bill and also for a people's utility district to replace the Washington Water Power Co. Approval in the Northwest of the New Deal's premier public works project has not meant, by any stretch of the imagination, approval of the New Deal's attitude toward labor unions.

Maybe there is a reason for this which is neither social nor economic. Perhaps it lies in the human love for magnitude and heroic deeds. About Grand Coulee there is a universality of appeal which no one can resist. The biggest structure on the planet; making the desert bloom; orchards where now sagebrush grows; power on the last frontier; the final wilderness reclaimed. These are phrases and objectives and aspirations which find acceptance among men of widely conflicting faiths. Secretary Ickes has gathered inspiration at the foot of the towering bulwark, and so has Garet Garrett, of the Saturday Evening Post. The Crown Prince of Sweden was silent a moment as he viewed the barrier and the tunnels and the arid hills in the distance, and so was Prof. Harold J. Laski.

There it is across the river of which Thomas Jefferson dreamed—Grand Coulee. Millions of tons of concrete, millions of tons of steel, a monument of our time, the mightiest rampart yet erected by any men in any nation at any time. Here is democracy in action; here something is really being done. The everlasting bickering over ideologies and "isms" and theories seems far away now, as the concrete buckets move up and down and the dam rises inch by inch above the water. The people in Portland lost their savings in the Central Public Service debacle; the people in Spokane pay light rates which are too high; thousands of farmers in the backwoods have no electricity at all. And down in the river bed the foundations for the world's biggest powerhouses take form. The men and women on the Coulee lands have struggled with dry farming long enough and must be rehabilitated now; on the roads from California and the Dust Bowl the migratory workers look for a new chance in life.

The sun drops behind the uplands and twilight shrouds the flats. The gaunt, tumble-down farms are black against the sky. A kerosene lamp flickers in the window of George Healy's house. The wind comes up after the hush of sundown and stirs the sagebrush. There are ghosts abroad on the flats tonight. Off there on the far-away ridge is where the frontiersman stood, with the American flag whipping at his back, and claimed all this territory for the little Republic on the other side of the continent. Here thousands of men and women once fought a losing struggle with caked and crumbling soil—and at last gave up. Yet victory may still be theirs. The battle is not over. Down the long, rock-bound corridor of the Coulee high-voltage transmission lines soon will reach, and after them the surge of water that means fertility for the piece of land shaped like Africa.

Another Ingenious Problem

EXTENSION OF REMARKS

OF

HON. GEORGE H. BENDER

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 13, 1939

Mr. BENDER. Mr. Speaker, third-term aspirations, so fondly cherished by the thousands of subordinate new dealers now basking in the Washington limelight, were sent soaring by the newest spend-lend program conceived by the White House as the summer heat reached the Nation's Capitol. Behind all the phraseology, brilliantly concocted by the brains of the Roosevelt regime, was the basic belief so aptly expressed in the celebrated phrase, "We shall tax and tax, spend and spend, elect and elect." On this theory the Democratic Party rises and falls in the firmament of national politics.

But no portion of the entire scheme was more deceptively created than those sections dealing with loans to foreign nations. As the spokesmen of the Capitol put it, each of these proposed loans was designed to aid American industry. It was an ingenious plan. Our Government was to play a very innocent role in the drama. Let us suppose that Brazil was extremely interested in purchasing tractors from one or another country. Our national administration proposed this seemingly sensible solution. The Brazilian Government could enter into contract negotiations with a tractor manufacturer in the United States; to finance the purchase, Brazil would offer bank guaranties of its own money, and this, in turn, would be accepted by our National Treasury, which would pay out the contract price to the American manufacturer, accepting from Brazil the bank guaranties.

On the surface, there seem to be no valid objections to this interesting transaction. To the untutored international mind nothing whatever can be urged as an obstacle to its complete success of the entire affair. But have no doubt. There is a rub, and a very distinct one at that.

For years gone by our neighbors to the south have been consistently defaulting on their obligations. Their best intentions have fallen into the discard, but bondholders have been left holding the bag. What assurance does our Government have that the many borrowers who have been utterly unable to pay their debts in years gone by will suddenly become able to pay in the immediate future? No sacred ties of economics compel nations to respect their solemnly contracted obligations. We in America have witnessed the greatest spectacle of international repudiation in the history of the world. We have debtors scattered throughout the world who give us no promise whatever of repayment.

The New Deal, whatever may be its true motives, is deceiving no one in promulgating this latest device of international credit. In effect, the "brain trust" proposes simply to advance funds to our sister nations in an effort to promote American business, with no assurance whatever that we are not making a very generous gift to our unreliable neighbors.

If our potential borrowers really owned honest credit, they would be able to finance their purchases directly without the intervention of a banking device such as the New Deal proposes. The very fact that this intermediate step becomes necessary indicates sufficiently the weakness of the whole plan.

American taxpayers who are already finding it virtually impossible to shoulder the mounting burden of our own national debt must think twice before they permit their representatives in Washington to place another debt upon our wearying shoulders. It is asking enough of our people today to order them to bear our own $45,000,000,000 obligation to posterity. We cannot honorably be urged to assume the debts of other nations.

The War Debts

EXTENSION OF REMARKS

OF

HON. ERNEST LUNDEEN

OF MINNESOTA

IN THE SENATE OF THE UNITED STATES

Thursday, July 13 (legislative day of Monday, July 10), 1939

EDITORIAL FROM THE SATURDAY EVENING POST

Mr. LUNDEEN. Mr. President, I ask unanimous consent to have printed in the Appendix of the RECORD an editorial from the current Saturday Evening Post on the subject of the war debts.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

No argument in defense of our defaulting European war debtors has been pressed so hard as the one that pretends to involve you in the mysteries of foreign exchange. It begins by telling you that you know nothing about foreign exchange and the very complex problems of transfer. Then it proceeds to instruct you.

In order to pay a debt in the United States a foreign country must have dollars. How may it get dollars? It must either borrow them or buy them. We have stopped lending American dollars in Europe, wherefore our debtors cannot borrow them from us to pay us back with, as formerly they so freely did, and, therefore, that way of acquiring dollars is out.

Now, how may a foreign country buy dollars? In either one of two ways. It may buy them with goods or it may buy them with gold. In order to buy them with goods, it must be able to sell its goods in the American market. But we raise a tariff wall against foreign goods. So that way goes out.

And as for gold, how can we expect them to pay us with gold when we have already two-thirds of the world's monetary gold buried in a hole? Conclusion: Our European war debtors cannot get the dollars to pay us with; therefore, they cannot pay us at all, and it is our fault, not theirs.

In the course of time we have answered thousands of letters written to confound us on this point. Recently, for any reason you may like to imagine, there has been a recurrence of them. So now, wearily, though in hope to save ourselves some trouble, we print the following from the June bulletin of the Federal Reserve Board at Washington:

"Between April 26 and May 24 earmarked gold and foreign deposits to the Federal Reserve banks increased by $330,000,000. * * * On May 24 earmarked gold and foreign deposits at the Federal Reserve banks amounted to $1,265,000,000."

Earmarked gold is foreign-owned gold on deposit here; foreign balances are simply dollar bank deposits standing to the credit of foreigners, such as your deposit and ours at the bank we keep our money in. Not all of it, but most of this enormous sum of money belongs to those European war debtors who have defaulted on their obligations at the United States Treasury, upon the pretext, among others, that they cannot acquire the dollars to pay us with. But that is not all. This is only the money they have on deposit with the Federal Reserve banks, which are public banks. It is only the Federal Reserve banks that report foreign balances. There are similar enormous foreign bank deposits in the great private banks of Wall Street unreported.

If the foreign-exchange market was so impassable that our war debtors could not get through it with dollars to the United States Treasury, how could they have converted their pounds sterling and their francs into the dollars represented by these large, free, dollar bank deposits, which they may take home at any moment by writing a check for them? You cannot suppose that the Red Sea of foreign exchange parted itself and let them through all at once with their dollar bank deposits and then immediately closed behind them, so that they were unable to pass with even one dollar to the United States Treasury, for, as you see from the matter just quoted, it has been a continuous transfer.

going on for some time, wherefore any such miracle as that could hardly have escaped notice. Well, again, that is not all.

How does a British investor buy American securities? He buys them with dollars. It is supposed that he has pounds sterling to begin with, and that he converts his pounds into dollars to pay for his American stocks and bonds; the dollars, of course, will have to be transferred through the foreign-exchange market. This year the British buying of American securities became so active that the British Government and the Bank of England, acting together, put a taboo on it, not because the dollar payments could not be arranged but precisely because they were arranged too easily—and they did not want the money to be going out of Great Britain.

You may say these transactions are very largely of a private character, whereas the war debts are not private debts, but public debts owed by other governments to the American Government. That is so. But when you speak of that, you have stopped talking about the impossibility of finding dollars in the foreign-exchange market. If their nationals could find the dollars there, so could the governments have found them there if they had wanted to.

The fact is that the governments themselves, Great Britain and France notably, very easily find the dollars for what they want to buy here. When the American dollar was devalued, they took advantage of it as a bargain and bought it very heavily with gold, and with the American dollars so acquired they created here a great war chest, and have it still. They have found dollars by the hundreds of millions to buy war stores, munitions, and bombing planes, but not one to pay on account of their old war debts.

If they had remembered to apply some of their dollars on account of their war debts, they could now be buying their bombing planes on credit, for we should be trusting them again, and that would be altogether better business for them. They are beginning, now, to see that truth for themselves, but to confess it would cost them some face.

The Spending Program

EXTENSION OF REMARKS

OF

HON. RALPH A. GAMBLE

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 13, 1939

EDITORIAL FROM THE NEW YORK TIMES

Mr. GAMBLE. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following editorial from the New York Times for today:

[From the New York Times of July 13, 1939]

THE SPENDING PROGRAM

The administration's newest lending-spending program is now before Congress in the form of a bill calling for credits of $2,660,000,000 for various kinds of public works. Only one major change has been made in the plan since it was first advanced by the President. The proposal for an extension of $500,000,000 in foreign credits has been dropped like a hot cake. It has been dropped because opposition in Congress to foreign loans is politically much the safest kind of opposition to any spending program. Foreign governments have no votes.

As it stands, the plan calls for loans to be made by various credit agencies of the Government for waterworks, sewage-disposal plants, bridges, hospitals, toll roads, railway equipment, rural electrification, and farm-tenant programs—all of which are light-heartedly lumped together by the President as "self-liquidating projects" which will add nothing to the national debt. But if these projects are actually self-liquidating, if there is every reasonable prospect that they can pay their way commercially, there is no shortage of idle private capital ready to go into them, and if they are not self-liquidating in this sense, they are bound to add to the Government's "contingent debt," which is just as real a debt from the taxpayer's point of view as the formal "public debt" which the Treasury carries on its books.

Despite the temptation to spend more money in an election year, the plan ought to be voted down in Congress for three solid and convincing reasons: (1) This type of public spending—spending outside the Budget—is in fact the most dangerous of all kinds of public spending, since it conceals the real extent of the Government deficit by means of a bookkeeping device. (2) Five years of experience with pump priming on a gigantic scale has shown that Government spending cannot by itself achieve a sound and lasting recovery of business. (3) To the extent that Government spending succeeds at all, it succeeds merely in producing a series of minor speculative booms that tend to obscure the necessity of changes in governmental policy.

With the greatest debt in the country's history and a Budget completely out of hand, it is time to call a halt on spending and to face the realities of the situation.

West Virginia Day at the New York World's Fair

EXTENSION OF REMARKS

OF

HON. GEORGE W. JOHNSON

OF WEST VIRGINIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 13, 1939

BRIEF ADDRESS BY COL. HEBER H. RICE

Mr. JOHNSON of West Virginia. Mr. Speaker, under leave granted to extend my remarks in the RECORD, I include the following words of greeting delivered by Col. Heber H. Rice, of Huntington, W. Va., upon the occasion of West Virginia day at the New York World's Fair, June 24, 1939:

It was my sincere hope that we should have with us on this occasion the one who was scheduled to speak at this stage of the program at the New York World's Fair, but who is prevented from being present by causes beyond his control, and who asks me to transmit to you his sincere good wishes and highest personal regards. I refer to that great son of West Virginia, the past national commander of the American Legion and Assistant Secretary of War, Hon. Louis Johnson, who champions the President's mighty and worthy cause of national defense in this awakening hour.

Governor Holt, as president of the West Virginia Society of Washington, and on behalf of the West Virginians at the Nation's Capital, I pay tribute to our great State on this momentous occasion and join with you today in this seventy-sixth birthday celebration in commemoration of her admission as a State into the Union. We are proud of West Virginia's industries, her traditions, her sons, and her daughters. May those sun-kissed summits forever reflect the magnitude and splendor of her future progress.

Radio and Its Relation to Government

EXTENSION OF REMARKS

OF

HON. ALBEN W. BARKLEY

OF KENTUCKY

IN THE SENATE OF THE UNITED STATES

Friday, July 14 (legislative day of Monday, July 10), 1939

RADIO ADDRESS BY HON. STEPHEN EARLY

Mr. BARKLEY. Mr. President, I ask unanimous consent to have printed in the RECORD an address on Radio and Its Relation to Government, delivered before the convention of the National Association of Broadcasters at Atlantic City, N. J., on July 11, 1939, by Stephen Early, secretary to the President.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

President Miller, members of the National Association of Broadcasters, fellow guests, I come here today not in the role of White House "spokesman," for that mythical creature of evasion was interred on the 4th day of March 1933, and, insofar as I am concerned he will never be resurrected—certainly not by the incumbent President. Any views which I express to you, therefore, reflect solely my personal beliefs, based upon experience as a newspaperman and upon observations made during the past 6 years of official life.

When I accepted your invitation to appear before this convention, I emphasized to your president, Mr. Miller, that none could presume to speak for the President of the United States. I wish now to reiterate that as a preface to my remarks to you.

Usually when a Government official appears before the trade association of an industry his remarks include—

1. A solemn plea for cooperation to attain some general and usually undefined objectives; or

2. A stern admonition to reform certain of its practices under the penalty of a paternal spanking; or

3. A soothing reassurance that the Government has no immediate intention of taking over their business, leaving its operators to the mercies of a dictator with designs against the capitalistic system; or

4. A pious affirmation of faith in the profit system.

I prefer to avoid such banalities, although, like a famous Vermonter, I, too, could assure you that I am "agin sin."

Broadcasting, it seems to me, mostly craves reassurance. That I can bring you. I have no knowledge of any Marxist plot for Government to "take over" and operate radio stations. Nor am I informed concerning any subversive movement to put the Government in the retail hardware business. If such reassurance will serve to alleviate the jitters, I am glad to pass it along.

When the time comes that this Government dictates what its people shall hear, what they shall read or see, then freedom ends and democracy is no more.

Perhaps most of you are familiar with the recent utterance of the President concerning freedom of radio. Speaking in a transcribed interview conducted by Lowell Mellett, executive director of the National Emergency Council, the President said, in part:

"But now in our own time, there has come into being another great institution for the general diffusion of knowledge—the radio. Still in its infancy, it already rivals in importance the schools and the press. The Government, as the people's agent, has had and has now, a still different relation to radio from that toward the school and the press. It has encouraged and aided its development on the one hand, and, on the other, it has set up such controls of its operation as are necessary to prevent complete confusion on the air. In all other respects the radio is as free as the press."

What, then, is this freedom? The President, in the statement just quoted, spoke of the Government's having a "different relation to radio from that toward the schools and the press." To my mind, this relationship implies more than mere technical regulation necessitated by the physical phenomena of radio and goes somewhat beyond the statutory prohibition against broadcasting obscene, indecent language or information concerning lotteries, etc. Fortunately or unfortunately, the radio spectrum limits the number of broadcast stations and Government must determine who is to operate them. This necessarily involves a duty upon the part of the Government and a peculiar responsibility upon the part of broadcasters who are licensed to operate a franchise in the public interest.

Were the physical characteristics such that an unlimited number of broadcast stations could be established, the relationship of the regulatory authority of government to the broadcast operator might be simply that of parceling out wave-lengths and enforcing recognized statutory prohibitions against false and misleading advertising that apply to all media alike. However, if predicted engineering advances materialize and the number of broadcast stations can be expanded to approach infinity, I doubt if the present operators will be particularly jubilant over the prospect of such additional competition. You might yearn then for the good old days of regulation and questionnaires. The present F. C. C. might become a synonym for peace and exclusive frequencies.

Therefore, it should be assumed that broadcasters are not hostile to a periodic scrutiny of their record to determine whether they have fulfilled their obligation to the people in performing a public service.

As I understand it, grants are made essentially to the highest bidder for public service. The licensee then assumes an obligation to render the type of service he specified in obtaining his grant. If someone thinks he can perform a better broadcasting service in your locality than you, under the law, he has a right to file application for your license, and, if he can prove his case to the satisfaction of the Commission, he can supplant you.

Consequently, I take it, your best insurance to defeat such potential antagonists is consistently to render the very best public service you can. A cumulative record of good service is an excellent insurance policy.

Extremists of the "hands-off" school may advocate that when a licensee is granted a station, the licensing authority should kiss him goodbye, wish him luck, and renew his license every 6 months or a year as a matter of course. This would grant a perpetual franchise to each licensee and the Government, as the agent of the people, would have no opportunity to determine whether a proper public service was being rendered.

I would not advocate that the licensing authority lay down in advance definite, detailed, and rigid standards of public service, implemented by specific rules and prohibitions. It would be difficult, if not impossible to draft such standards free from the odium of censorship. But the elements that compose public service are not vague or mysterious. Each of you broadcasters knows whether your station is doing the right kind of job and, for my part, I would be willing to leave to a jury of broadcasters any specific instance involving the right of a station to have its license renewed.

You would know the answer. Only recently, I am advised the Communications Commission has extended the license period from 6 months to a year for standard broadcast stations. The requirement that a broadcast licensee make annual justification for the use of a franchise granted him by his Government is in no sense incompatible with freedom, as we understand it, and it is not necessary to lay down tight regulations to prevent flagrant disregard of the fundamental decencies of broadcasting. The Commission, it seems to me, has ample authority to proceed against any licensee who persists in a course of conduct which reasonable men agree is contrary to any rational standard of public interest.

The question then arises whether, in the process of making this determination, any violence is done to the freedom of radio. Of the 700-odd radio stations, the vast majority of whom have had their licenses regularly renewed since 1927, I am told that less than a half dozen have had their licenses revoked for cause. Since the Communications Commission was created in 1934, the records show that only a single station has failed to obtain its renewal of license—and that for some violation of technical engineering regulations.

Yet it is said that you gentlemen live in a constant state of fear that your licenses may be taken from you and that, therefore, you must spend too great a part of your time and give up too great a part of your time on the air in trying to please the big, bad Government. The big, bad Government, standing over you with hand outstretched ready to snatch away your precious license. Of course, I know and I am certain you agree that this just isn't so.

Thus it would seem that there has been no perversion of the duty of the regulatory authority to examine periodically the station's record. What, then, is the basis for the clamor that radio's freedom may be invaded? Certainly the brief history of radio regulation affords no conclusive evidence of any threat to the fundamental American right of freedom of speech.

Nevertheless certain myths have grown up which deserve examination. The first myth that should be cracked is censorship. The Communications Act of 1934—I am certain you have recently read this section—says "nothing in this act should be understood to give the Commission the power of censorship * * * and no regulation or condition shall be promulgated or fixed by the Commission which shall interfere with the right of free speech." There is nothing ambiguous or equivocal about that language. Legalists may quibble over its commas and semicolons, but I stick to the interpretation that it means what it says. And should this Commission or any of its successors promulgate any regulation that violates that section, broadcasters have the remedy of judicial review and, if you can't get in the courthouse, you can ignore the regulation until the Commission takes you there.

The recent outcry over the regulation relating to international broadcasting demonstrates that the people of our country would never tolerate censorship. In this instance the Commission, as you might expect, disclaimed any attempt at censorship, and I understand it now has convened a hearing to determine whether the rule should be revised. It is my personal hope that the final regulations governing this class of broadcast stations will leave no doubt that freedom of speech is American culture and that no agency of government intends to supervise or control the programs broadcast.

In my opinion, censorship of radio, the press, and other media of public information, should it ever develop, would be preceded by a real upheaval in the basic structure of our Government and economic system. Professional alarmists may spin learned and fanciful parallels of events here and abroad, but these United States of ours defy comparison.

And I reiterate. I am the last person in the world to advocate censorship of what is said by broadcasters in the United States or by newspapers in the United States. I say this not only because I am a firm believer in the constitutional provision for freedom of expression, but also because I am an equally strong believer in the common sense of the American people within our own borders. No "columnist," "interpreter," or "broadcaster" who misinterprets, misquotes, or invents news out of a clear blue sky survives long. The good sense of the American people catches on to the fact that he is a perverter rather than a purveyor of news.

In the same way the American people soon lose confidence in the type of individual who seeks to stir up prejudice—prejudice against race, against religion, or against color.

Thus I can conceive of no permanent danger within our country, even though great temporary harm is often done to our national welfare by such people. The average American citizen realizes that in most cases their principal motive is to seek notoriety either for the sake of notoriety itself or because they are paid large sums of money by people who have special axes to grind.

There is a real danger—a permanent danger, however—in news stories which might originate in the United States and be directed by foreign agencies to the citizens of other nations. The people of other nations are not as familiar with our own background as we are and the most fantastic stories about what is going on within the United States are readily believed by foreigners when they hear these stories over the short wave or read them as so-called news stories in their newspapers. They get wholly erroneous ideas not only about facts in the United States but also about public opinion in the United States. The result is that these foreigners, because of false impressions, become less friendly to us and make it more difficult for us to maintain or to make friendships with them. This affects, of necessity, what we call our American relationship to international affairs as a whole.

I do not have to cite instances or to give illustrations. I do not have to name names. You are just as aware as I am that within the past few years there have been newspaper columnists and radio commentators whose words have been hailed with glee in certain portions of the earth as proof that the United States

is friendly to certain principles of international conduct, which, as a matter of fact, the overwhelming majority of Americans dislike and abhor. To say that false news of this kind emanating from the United States does harm not only to us but to civilization as a whole is putting it mildly. But that does not mean that the time has come for Government censorship over such false news.

It is obvious that those who operate international broadcast stations have a very definite public duty to keep their programs free from false news. Definitely this is their duty—and definitely the Government is watching and will continue to watch with great interest to see whether those in control of these stations continue to observe this public obligation. International broadcasting is but a single aspect of this problem. It is my information that international broadcasting by American stations, largely because of the accuracy of their reports, are relied upon by constantly increasing numbers of foreign listeners. While it is a sad commentary on our civilization that harried citizens elsewhere under the penalty of incarceration or worse must obtain accurate news from without their borders, you international licensees are performing a genuine service for them. Free men everywhere, I hope, will continue to crave truth even if they must bootleg it.

Although I am not familiar with them in detail, I know that the networks and many independent stations have developed enlightened policies dealing with religion, political discussions, and commercial continuities. One specific policy which impresses me with radio's own recognition of its stewardship is that which prohibits the sale of time for propaganda purposes. To permit the individual or group with the greatest financial resources to utilize radio to peddle their own particular brand of social or economic philosophy would be a grave mistake for radio. Among other things, it would deny equality to groups with lesser resources.

In dealing with radio, the White House in 1933 adopted and has maintained a policy of equal treatment of networks and stations. When the President speaks, the microphones of any responsible broadcasting organization may seek and obtain their place on his desk. Certain restraints have, as a matter of necessity, been imposed in the relationships of radio to the White House. For example, we have insisted that radio announcers in dramatized news broadcasts or otherwise refrain from imitation of the President's voice, unless specifically authorized with a direct quotation and appropriate explanation that it was not the President speaking. It had been our experience that such imitations resulted in deception and after such a broadcast the White House mail was heavily loaded with inquiries of bewilderment.

The myth of censorship and the fallacy that broadcasters goose-step to official pressure seem to a side-line observer to be the twin bogeymen of radio. In my opinion freedom from official censorship, freedom from domination by any administration or political party rests with the radio itself. So long as its operations reflect the doctrine of fair play, as expressed by the provision of the statute governing political broadcasts, so long as programs are interesting, informative, and clean—in brief, so long as radio serves democracy, it will remain free.

I belong to what may be the old-fashioned school in that I believe a reporter should stick to the facts with appropriate elucidation to make the news understandable and let his reader or listener reach his own conclusions. And I like that portion of your proposed code which says:

"If a broadcaster devotes a reasonable amount of time to fair and two-sided discussion of controversial public issues, using representative speakers to give differing points of view, he is providing debate and the expression of opinion on controversial issues in a far more effective way than it can possibly be provided by one or even a handful of commentators, regularly expressing personal points of view on every conceivable subject."

Let me speak in conclusion of my own amazement of the growth and development of this industry. It is an old story to you but fascinating to those not engaged in broadcasting to contemplate the fact that in 15 years more than 81 percent of our families have acquired radio sets. That broadcasting must have done a good job is further evidenced by the fact that these sets are in use almost 5 hours a day. Through the medium of network systems more than 90 percent of our population can listen to the voice of their President or his critics, hear the greatest in music and the drama, and the world is brought to our door. Contrasted with what has been done in other countries, we are convinced that the pattern adopted in America not only is the most consistent with our democratic traditions but affords the greatest opportunity for the development of a superior service.

No one can predict when radio will become of age because the miracles of science apparently have no boundaries. Of this much I am certain—radio in the hands of private enterprise has done amazingly well. With the Government assuring free competition in the service to our people, with that sense of public responsibility your codification efforts imply, with that awareness to needs of scientific research you have manifested, there is every reason for you to receive the continued and enthusiastic support of the public—that ultimate tribunal of success.

Life Insurance—the American Way

EXTENSION OF REMARKS

OF

HON. RUFUS C. HOLMAN

OF OREGON

IN THE SENATE OF THE UNITED STATES

Friday, July 14 (legislative day of Monday, July 10), 1939

ADDRESS BY HON. ROBERT A. TAFT, OF OHIO

Mr. HOLMAN. Mr. President, I ask unanimous consent o have printed in the Appendix a particularly interesting and important address on the subject Life Insurance—the American Way, delivered by the able junior Senator from Ohio [Mr. TAFT], before Philadelphia's golden birthday party for the National Association of Life Underwriters, ponsored by the Philadelphia Association of Life Underwriters, at Philadelphia, April 28, 1939.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

I am truly honored by this invitation to meet with you on this fiftieth anniversary celebration of the National Association of Life Underwriters. During these 50 years you have created and built up the institution of life insurance to a point where it has become one of the great forces of America both for stability and progress. Its entire existence is associated with America and the American way of life. It provides a great machinery through which American ideals can be accomplished and made effective.

America today faces an economic and social crisis. The latest reports show that 11,400,000 people are unemployed. The business activity of the country is at a low ebb, and prices, particularly agricultural prices, reflect the lack of purchasing power which results. Our income is much lower than it was in 1928, 10 years ago, because apparently people are unwilling to save money and invest their savings in business enterprises of any kind. Every day a new panacea is suggested to deal with these problems, and many of such panaceas are in course of experiment. But in this institution of life insurance we have, without Government subsidy and without Government regulation, a great weapon to return America to a condition of prosperity, and substantially aid in the solution of its social problems.

Our most serious task today is to put the unemployed back to work in private industry. If we could increase our per-capita income to the point where it was in 1928, we would increase it by $25,000,000,000 a year, and undoubtedly the rolls of the unemployed would be tremendously decreased. We have experimented with the theory that prosperity can be restored by Government spending, by building up purchasing power through Government handouts, thereby stimulating production, and the expansion of industry. If we can learn anything from experience, we should know by this time that for one reason or another Government spending cannot produce the desired result. We have spent more than $20,000,000,000, and we are practically in no different situation from that we were in when we began. We came out of previous depressions without any spending philosophy, and as we look back I think we can see that progress in the United States has rather resulted from investment in private enterprise.

Spurred on by a desire for reward, a better standard of living, a better provision for one's family, men have been willing to put their time and money into the development of new enterprises, commerce, agriculture, mining, and manufacturing. They have often started with a few employees or none, and built up employment until they have given jobs to hundreds and thousands. They have saved more money and put that money into additional capital to expand little enterprises until they become great ones. This is the only reason why millions more people were employed in 1930 than were employed, say, in 1900. American prosperity was created by industry, saving, and investment.

In the 1920's we saved anywhere from five to ten billion dollars a year, and all of it went into new capital. But since 1930 savings have been tremendously reduced, and even what has been saved has been hoarded in the banks or Government bonds, instead of trying to find a return in private industry. The American people have been taught that the road to prosperity lies through individual spending. The idea was not invented by the New Deal. I remember when Henry Ford, back in 1927, urged every workman to spend freely, particularly on automobiles, in order that a general prosperity might result. Probably it is true that in 1929 there was an excessive saving. Everyone was trying to make his fortune, and live without working the rest of his life. But this condition has long ceased to exist, and only by

pouring additional savings into private enterprise can we now hope to resume progress.

I have heard a suggestion that the stopping of Government spending in 1937 caused the depression of 1937, but there is little ground for that belief. In the first place, the Government never did stop spending, and never did balance its Budget. In the second place, the falling off in the capital-goods industry which precipitated the depression was obviously due to a too rapid increase in taxes, wages, and material costs, which forced all railroads, utility companies, and most manufacturers to cease any further expansion of plant, and even forced a postponement of ordinary replacements. It was caused further by the unwillingness of people to put their money into new buildings or machinery, or capital of any kind. The steel industry, the machinery industry, and other capital-goods industries collapsed to complete inactivity as soon as the recession began, increasing unemployment and ultimate depression in all industries.

This whole country, its cities, with buildings great and small, its factories, its railroads, its utilities, was built up through the willingness of men to save money and put that money into bricks and mortar, with the hope of obtaining a reasonable return. That process has largely stopped, and even the life-insurance companies themselves have invested huge sums in Government bonds instead of financing the further construction of buildings.

But life insurance is one of the most active and effective weapons to meet this need of saving and investment. It is the greatest savings institution in the world. Even in the midst of a period dominated by the spending philosophy the owners of life-insurance policies have saved a billion and a half dollars a year. Fifty years ago, when your national association was born, there were a little over $3,000,000,000 of life insurance in force in the United States. Today the life-insurance companies of America have guaranteed future delivery of $110,300,000,000 to be distributed to you and to me and to our families when we face the tragedy of either physical or economic death. To guarantee fulfillment of these promises to deliver money in the future, you and I have amassed a common savings fund of more than $27,000,000,000.

This common fund does not lie idle. It is a constant source of additional investment in the basic enterprises of the Nation. It is loaned on mortgage to finance construction; it is invested in bonds to finance corporate expansion. True, it cannot be invested in equities involving risk, where investment today is so vitally essential and so lacking; but, after all, capital is to some extent a common pot, and the availability of a market for bonds releases other capital to be invested by individuals in more speculative enterprise. I hope that the insurance companies will invest less money in Government bonds and encourage the direct development of industry and building.

We hear a good deal today about investment by the Government, and whenever some new enterprise or industry is to be developed those interested in it immediately rush to Washington to seek Government assistance. This country has succeeded in a different way. Industry and employment have been developed by private initiative, directly or through banks or through life insurance, and that is the American way of business progress. Once the Government sits in in any industry, no matter how small its part, it is likely to be there for good, discouraging further private investment, and gradually stifling the industry through bureaucracy, excessive regulation, and political control. All others are discouraged from entering the industry for fear of subsidized Government competition.

Investment through life insurance makes our industrial progress free and independent, with the initiative and determination so characteristic of past American growth.

But life insurance is not only an economic benefit but a social benefit. Obviously it prevents dependency and makes men and women secure. It is unfortunate that it was not even more extended in 1929, when the depression of that year brought so many millions of Americans to poverty, and impressed on the United States the necessity for Government old-age pensions to take care of those who were not taken care of by life insurance and other savings.

So now we have an elaborate system of government old-age pensions, with a huge reserve plan. We have numerous State pension systems and countless alternative proposals, all depending upon Government paternalism. Undoubtedly such old-age pensions are necessary, but they cannot accomplish what life insurance accomplishes. In the first place, it may be disguised as you please, but if the pensions are produced by a tax, even though it be a pay-roll tax on the individual, the recipients are bound to realize that it is a form of charity, for they have not created it through any effort of their own or any voluntary saving of their own. Furthermore, no system of old-age pensions will ever provide more than bare security. They must be raised by taxation and that means that the rest of the population who are working are supporting the old by their labor. The burden of taxation is so heavy that there will be constant difficulty to raise enough money to pay the pensions.

If a man really wishes to provide for his old age in comfort and security, he had better rely on life insurance, whether he can hope for a pension or not.

Life insurance provides the best means of extending a private form of social security. It is a system in which men voluntarily provide for their own old age and for their families, and such a system is the American ideal. You have helped 64,000,000 free Americans attain this ideal by giving them a convenient method of saving and incentive to work in order to save. You are the front-line defenders against those who would substitute dependence for independence, charity for self-reliance.

You have succeeded because you have appealed to the individualism, self-reliance, and pride of achievement of the American people. These qualities are so deeply rooted in our national character that they have given you a public more than responsive to your gospel of self-help, for after all, while your money has aided business progress and created jobs, its main purpose has been to work for those to whom it belongs. Every day in the year during these last 9 years of depression, the payments made by life-insurance companies have averaged more than $7,000,000 every 24 hours. Who receives this money? It goes not merely to beneficiaries of deceased policyholders; more than 60 percent of it has been paid to living policyholders. This constant outpouring of money which does not have to be repaid relieves individual financial embarrassment and stabilizes our entire national income.

A theory has grown up that low interest rates are a tremendous benefit. Undoubtedly rates of interest can be and have been much too high, but the other theory can also be carried too far. The return for saving and investment must not be so reduced as to remove the incentive to save and invest. It is never easy to give up present enjoyment for something in the future. We are suffering today from lack of investment, and rates of interest certainly should not be so reduced that no one will see any advantage in saving.

That this great cooperative enterprise has so constantly grown in stature and importance is due to the efforts and ability of the American life-insurance agent. It is not only the financial record of this great institution of life insurance that seems important today on your fiftieth anniversary. We have seen the principles of thrift and individual self-reliance abandoned, and the only reason that it has continued in life insurance is the aggressive and progressive character of the American agency system. It has sold thrift and individual self-reliance to the people of the United States against every force that was operating through the midst of the depression.

There are those today who criticize the development of salesmanship and advertising in the United States, and some of the economic planners would enjoy wiping them out, but I am convinced that they are essential to progress in every field. The automobile, electrical appliances, the radio, all modern inventions have contributed to our standard of living and our increased national wealth. These are present satisfactions. People see them and want them, and yet there would not be many sold, and these industries would not have developed as they have, except for advertising and salesmen. Advertising supplies the lubrication necessary to speed up our tremendous industrial machine. Of course it is even more essential with life insurance. No matter that its principles are humanitarian, and that application of those principles produces great good for the individual and for the community. If it is not represented at the court of the consumer, it is not bought. At no time has it been more important than during these years of depression. Spendthrift philosophy has met little organized resistance except from the life-insurance agents.

Furthermore, the life-insurance agent today must be vastly more than a salesman. He must know his business down to the ground. I do not mean that there is need for supersalesmanship, only a clear and accurate picture of the real situation—what will happen when a man dies without making adequate provision for his wife and children. Furthermore, there are many forms of life insurance today, each devised to meet a specific situation, and the only way a man can thoroughly understand what is offered and required to meet his own needs is to obtain the intelligent advice of a qualified agent.

A qualified life-insurance agent has a real record of social contribution to his fellow men and to his community. He has been able to save millions of families from poverty. I wonder what the condition of many families would be, what the cost to all the rest of us as citizens would be, if the life-insurance agent had failed to seek them out and to divert their thoughts from today's immediate needs to tomorrow's possible emergencies. I wonder how few of these families would have been saved from bankruptcy if there had been no agency system to carry to their doors the benefits of life insurance. The life-insurance agent is the first man we throw out of the office when we are hale and hearty, the first to whom we turn in an emergency. He has to do a good job. He is a dealer in self-help, and he can perform a tremendous social service to the Nation as well as advance generally the cause of one of the Nation's great institutions.

We owe a debt of gratitude, therefore, to the agents for their work. We owe a debt of gratitude to your association, because the greatest contribution you have made during these last 50 years has been your leadership in educating and training the life-insurance agent so that he may know his job. You have raised the standard of performance. You have seen that your service has kept pace with the development of your product.

There are those who would have the Government take over all life insurance, and relieve the individual of any concern about his future or that of his family. Such a proposal is simply impossible. It would mean the entrusting of the savings of the people to the Government to invest. It would place in the hands of the Government all the capital of the country, and any government which owns all the capital will soon own all the labor. The proposal is advanced by people who are in fact opposed to all individual thrift and saving, and all development of private industry through private investment. They are naturally opposed to building up an institution based on thrift and individual independence.

Compulsory saving is really not saving at all, but a form of taxation to be distributed as the Government sees fit, and almost certainly in the nature of a dole, which would destroy the character of the entire people.

The greatest protection against the degeneration and weakness of any people lies in their determination and willingness to work for their own improvement and that of their children, their earnest desire to improve the conditions of tomorrow even at the cost of self-denial today. When we say that American citizens lead the world in their purchase of future security through life insurance, we express our confidence in the strength of American civilization.

Federal Relief Appropriation

EXTENSION OF REMARKS

OF

HON. KENT E. KELLER

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 15, 1939

LETTER FROM ROSCOE PULLIAM, PRESIDENT OF THE SOUTHERN ILLINOIS STATE NORMAL UNIVERSITY

Mr. KELLER. Mr. Speaker, under leave granted to extend my remarks in the RECORD, I include a letter from Dr. Roscoe Pulliam, president of the Southern Illinois State Normal University at Carbondale, Ill.

The letter is as follows:

CARBONDALE, ILL., *May 31, 1937.*

Hon. KENT E. KELLER,

House of Representatives, Washington, D. C.

DEAR MR. KELLER: My attention has been called to the fact that as the Federal relief appropriation is now drawn it does not make specific provision for Federal student aid. We have had 300 students from the impoverished Illinois farms and the coal-mining towns on Federal student aid at this college, and I can testify to its great value and importance. The average scholarship of students on Federal student aid here is almost a whole grade point higher than for the school as a whole, and many of our finest students presumably would not be in college at all if it were not for this help.

The Congress and the President have just made permanent the C. C. C. camps, a move which has my heartiest approval. I would submit, however, that much as it may help him physically and morally, the C. C. C. camp discharges a boy no better economically than he was when he entered, yet it costs the Federal Government many times as much to maintain him as it does to maintain a student on student aid. Also, the C. C. C. camp does nothing whatever for girls. Federal student aid, on the other hand, sends its beneficiaries of both sexes back into society as highly trained professional people. We and other colleges have made a special point of trying to secure positions for them, and our college had a placement record of 92 percent last year.

It is my most earnest belief that the Federal Government might well consider making Federal student aid permanent. The English Government has been subsidizing the education of the superior people who come up from the lower classes for several generations. There is no reason in the world why this Government cannot do the same. By foregoing the luxury of a single obsolete new battleship, we can more than pay the $14,000,000 annual cost of the whole student-aid program.

I hope you will give this matter your most earnest attention.

Sincerely yours,

ROSCOE PULLIAM.

Seventy-five Years Ago at Fort Stevens

EXTENSION OF REMARKS

OF

HON. GEORGE A. DONDERO

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 13, 1939

ADDRESS BY HON. STEPHEN BOLLES, OF WISCONSIN

Mr. DONDERO. Mr. Speaker, a memorial ceremony was held Wednesday afternoon at Fort Stevens, one of the 58 forts and redoubts erected to defend the National Capital. It was the seventy-fifth anniversary of the attack on the Capital and the battle at that fort when Gen. Jubal A. Early and his Confederate troops swept up through Virginia and Maryland and threatened the capital of a nation.

Under leave to extend my remarks I desire to include herein the address delivered by my colleague, Representative STEPHEN BOLLES, of Wisconsin, Wednesday afternoon, at the ceremonies at Fort Stevens.

Mr. BOLLES said:

It is a far cry, indeed, from this calm and peaceful evening to that other afternoon 75 years ago when fratricidal strife placed brethren of one great family in tragic combat—one against the other—on this spot.

This, my friends, is not a celebration. It is a memorial. It is well that we do remember; it is well that we keep unbroken these golden gossamer threads that stretch back from the human hearts of this moment into the past.

There is here this afternoon no echo of the thundering hoofs of the horses of Jubal A. Early's army riding down the roads from Monocacy to invest the National Capital. There is little sign of the scene when blue coats met the ragged, sweat-encrusted gray.

Macauley says history is, "To make the past present, to bring the distant near, to reveal the patriotism and heroic struggles of yesteryear—these are the duties which belong to the historian."

Out of the yesterdays, romance of war rides on horseback. Cavalry made its picture. Attila and his Huns, Alaric and his Visigoths, Sulieman and his Turks, Kubla and Ghengis Kahn sweeping Asia to the coast of Cathay, Henry of Navarre, white-plumed, the old guard of Napoleon smashing all opposition to die in the sunken road of Ohain—all are a part of the sanguinary picture of war and conquest and death smeared with bloody brush across the historic pages.

Those hoofbeats are silent—Jeb Stuart and Ashby and Sheridan and Kilpatrick are dead. Hard riders with scores of others with clanking saber and ready carbine.

Here close by a few moments now, a few hours away, next door to the Nation's Capital, was sung a requiem of death or a paen of victory, and over all and above all the sobbing cry of war's turmoil.

I speak here where some beautiful bird of the South "has made its nest in the cannon's mouth." I speak here where tears have long since been dried, where trees and flowers have grown over the places where blood was shed, where 75 years have come and gone and our eyes are lifted to the heavenly stars of a glorious transfiguration of peace.

I'm not going to talk to you of war—a war 75 years ago. The chivalry of the South rode a horse. It had Jeb Stuart, Ashby—a hundred others. The North had Sheridan, Buford, Kilpatrick. Cavalry gave romance to war—gave saber and carbine. But the plodding, haversack-carrying, walking doughboy with the musket, was the final answer, as he has been in every war from the days of Alexander to now.

It was the man with the musket who furnished the strong bulwark of battle and who furnished the cannon fodder. There was, nor is, any glory in war. It is a story of sweat and blood and tired feet and aching bodies.

Here in Washington are scores of monuments to men on horseback. In the last few weeks I have been asked to support a movement to have a monument, fitting in its meaning, to the veteran of the Grand Army—to the private soldier—the doughboy of his day. These were the men who successfully defended this fort 75 years ago and the man with the musket was here on both sides—the blue and the gray. A poet whose name I do not know wrote:

"They are building, as Babel was built, to the sky
With clash and confusion of speech;
They are piling up monuments massive and high
To lift a few names out of reach;
And the passionate, green-laureled god of the great
In a whimsical riddle of stone,
Has chosen a few from the field and the state
To sit on the steps of his throne.

"But I, I will pass from this race of renown,
This anthill commotion and strife,
Pass by where the marbles and bronzes look down
With their half-frozen gestures of life,
On, out to the nameless, who lie 'neath the gloom
Of the pitying cypress and pine;
Your man is the man of the sword and the plume,
But the man with the musket is mine.

"In the cyclone of war, in the battle's eclipse,
Life shook out its lingering sands,
And he died with the names that he loved on his lips,
His musket still grasped in his hands;
Up close to the flag my soldier went down
In the salient front of the line;
You may take for your heroes the men of renown,
But the man with the musket is mine!"

After all, the great monuments to the heroic dead and to events are erected in the hearts of the peoples. The Republic of the United States, its solidarity, its unity of North and South, East and West, is the living memorial to what happened here and on a hundred other battlefields 75 years ago.

Stone may, in the passing centuries, crumble and fall to dust; bronze feel the corroding finger of time; books and papers chronicling valiant deeds turn to dead ashes; orations and eulogies die as the last echoing word falls from the lips of the speaker; memory may fail and the historian distort—but the foundation principles of this memorial of common people in this Nation of ours are everlasting as Omnipotence.

For 10,000 years or more there has been a struggle between liberty of the individual and authority of the few. We gained that liberty in war 160 years ago. We have spent that 160 years in a struggle for peace. We set a new plan for a war-torn world. We never raised any sons to be professional soldiers. The few who went to school for military training we kept busy at engineering or policing the West against the Indians. And while we have deviated a few times from the course set down by the fathers of the Republic, we have never forgotten that we were the apostles of peace and freedom in the world.

It may be that such a course, that such a belief and faith in my America is to invite the charge of being old-fashioned. If to believe in this Nation and its manifest destiny is to be old-fashioned, then I am old-fashioned. If to believe in the integrity of the Constitution and the fundamentals which were written into that document and to give support to the early attitude of this Government in relation to other nations is to be reactionary, then I shall be proud to be called reactionary.

In his first inaugural address, Abraham Lincoln spoke these prophetic words. They should not be forgotten.

"While the people retain their virtue and vigilance no administration, by any extreme of wickedness or folly, can very seriously injure the Government in the short space of 4 years."

It may be that my feet are stepping on soil that Lincoln trod, when, unawed by cannon or rifleshot, he came here to see and be a part of the conflict of arms with his fellow countrymen who had a rendezvous with death.

Not a thousand feet from where I live in a Wisconsin city is the street—once a road; before that an Indian trail—along which Lincoln marched in the Black Hawk Indian War 107 years ago. And there is something here typical of this our Lincoln. A few miles away from my home, rising high above the Rock River, is Big Hill. It was this hill, highest of all in my neighborhood, from whose summit the Indians made their smoke signals, repeated from hilltop to hilltop, that told the story of war or peace, of epidemic or disaster, of famine or plenty.

Today the Indian has gone, but one may know that in that land, along whose trails Lincoln trod, the signals still go up and the smoke fires of peace, repeated from State to State, city to city, hamlet, and village, the far isolation of countryside, tell the world we are a united nation.

My friends, this is hallowed ground.

"What's hallowed ground where heroes sleep?
'Tis not the sculptured piles you heap!
In dews that heavens far distant weep
Their turf may bloom;
Or genii twine beneath the deep
Their coral tomb.

"What's hallowed ground? 'Tis what gives birth
To sacred thoughts in souls of worth!"

The Indianapolis Star Commends President Roosevelt for Appointment of Paul V. McNutt

EXTENSION OF REMARKS
OF
HON. LOUIS LUDLOW
OF INDIANA
IN THE HOUSE OF REPRESENTATIVES

Thursday, July 13, 1939

Mr. LUDLOW. Mr. Speaker, one of the best newspapers in the United States and, for that matter, in the world, from the standpoint of general excellence, is the Indianapolis Star.

The only morning newspaper in a large city, with unparalleled transportation facilities radiating in all directions, it holds its great reader clientele by a policy based on truth, fairness, and justice. Though it is a Republican newspaper and ardently devoted to Republican philosophy, it is as fair to a Democrat as it is to a Republican. While its editorials reflect Republican principles, its news columns are free to tell the unbiased truth. It is refreshing to read this newspaper and to find that, unlike so many journals of the present day, its news articles are not twisted and perverted and colored and cork-screwed to make them fit around an editorial policy.

Our public men know that what the Star prints in its news columns is the truth, insofar as is humanly possible to obtain and print the truth. A reputation of that sort creates general confidence and it is the biggest asset any newspaper can have.

Mr. James A. Stuart, who presides over the editorial department of the Star, not only is a great editor but a splendid Christian gentleman. The chief of the Star's Washington bureau, Everett C. Watkins, one of the best-known correspondents at the National Capital, enjoys the esteem and confidence of our public officials from President Roosevelt all the way down the line. I was for more than 10 years a member of the staff of the Star and when I extend to it this humble tribute it may be said that I am doing so because blood is thicker than water. While it is true that there are many in the Star's organization with whom I have a feeling of the closest comradeship my wide experience as a writer and an observer of newspapers enables me to form a detached judgment, and knowing as I do the Star's faithfulness to high principles and the best ethics of our profession, I feel that I speak with moderation when I say that Indiana may well be proud of this great American newspaper in a typical American city.

All of this is preliminary to calling attention to an editorial which appeared in the Indianapolis Star on July 11 commending President Roosevelt for appointing ex-Gov. Paul V. McNutt as the head of the new Federal Securities Agency. The editorial is as follows:

[From the Indianapolis Star of July 11, 1939]

NEW HONOR TO M'NUTT

The appointment of Paul V. McNutt as Administrator of the recently created Federal Securities Agency is certain to become the subject of much political speculation and gossip. In view of the United States High Commissioner to the Philippines, announced candidacy for the Democratic Presidential nomination and the third-term talk for the President, the political prognosticators and analysts may be expected to figure many things as back of the appointment. At least, they will have to concede that it shows very plainly that the Hoosier former Governor is not "in bad" with the administration at Washington.

Mr. McNutt is reported as having said that there will be no change in the program at the Indianapolis headquarters of the organization that is urging him for the Presidential nomination. If, as many believe, the President is planning to become a candidate for another term, it is not logical to expect he would want an administrator of the important new department who would make a campaign for delegates in opposition to him. Mr. McNutt has distinctly said he is loyal to his chief and would step out of the race if Roosevelt enters.

It is not likely that the appointment to the new post involves any Presidential campaign complications. If the President is in the field, Mr. McNutt will be out. The fact that he will continue the work of his headquarters organization in this city might be accepted as an indication that he does not expect there will be a third-term issue. If he does not have to make way for Roosevelt in a Presidental contest, the place as Administrator of the new agency will give him an advantageous start with at least the tacit endorsement of the administration forces.

The appointment is a great compliment and quite likely was made in recognition of his executive and organizing ability rather than because of 1940 considerations. Mr. McNutt has impressed those at Washington by the record he made in Manila. He showed organizing ability when he was Governor of Indiana. A man of his talent and initiative will be needed to get the Federal Securities Agency under way. It has under its jurisdiction the Social Security, C. C. C., National Youth Administration, Unemployment and Health Services, and the Office of Education.

A Political Preview of 1940

EXTENSION OF REMARKS
OF
HON. HARRY S. TRUMAN
OF MISSOURI
IN THE SENATE OF THE UNITED STATES

Friday, July 14 (legislative day of Monday, July 10), 1939

RADIO ADDRESS BY HON. JOSEPH F. GUFFEY, OF PENNSYLVANIA, ON JULY 13, 1939

Mr. TRUMAN. Mr. President, I ask unanimous consent to have printed in the Appendix of the RECORD a very able radio address delivered by the distinguished Senator from

Pennsylvania [Mr. GUFFEY] on the evening of July 13, 1939. The address is entitled "A Political Preview of 1940."

There being no objection, the address was ordered to be printed in the RECORD, as follows:

If any citizen of the United States wants to gaze into the crystal ball and see what plans the Republican leadership has in store for our country, he has only to turn his eyes to Pennsylvania and see for himself.

In Pennsylvania we have a Republican administration, elected after 4 years of liberal democratic government. The sole owners and operators of that administration are the same forces that control the National Republican organization and will formulate its policies for their hand-picked candidate next year.

When I say the same forces, I think of such individuals, dynasties, and great corporations as Joe Pew, of the Sun Oil Co., who is in charge of finances for the Republican National Committee; the Mellons, of Pittsburgh, czars of finance and heavy industry; former Senator Joseph R. Grundy, leader of the powerful Pennsylvania Manufacturers' Association; the du Ponts, whose influence is not restricted to their own dutchy of Delaware; the House of Morgan, which operates unobtrusively but effectively through its Philadelphia banking connections; the public utilities, which have supported the Republican State and National machines for generations; and diverse other potent financial and industrial interests.

These men and these interests call the turn at Harrisburg—and their word is the final word in the leadership of the Republican Party in the Nation.

Last fall the mouthpieces of these self-professed patriots and public benefactors went up and down Pennsylvania like so many medicine men with their patent remedies.

Their witch doctors and tom-tom beaters shouted that a straight Republican vote was the sovereign specific for all governmental ills.

The package and sales talks were streamlined, but it was the same old quack remedy in the bottle, the same Indian herbs, the same snake oil that their barkers had been selling on street corners since the days of Quay and Penrose.

They shouted that the liberal policies of the Democratic administration were driving business out of the State, forcing factories to shut down, piling up tax burdens for generations yet unborn. They drew dark pictures of disaster, warning that the heavens would fall and the earth split asunder if they were not returned to power.

They succeeded in fooling the voters and, in 6 short months, they have turned out to be the greatest collection of political fakers, the most gaudy assortment of political hypocrites and political medicine men who ever worked a shell game under the political big top.

Their barkers promised everything in sight. Nothing was too good for the dear public—before election.

They promised less spending, lower taxes, a balanced Budget, jobs for everybody, "humanized" relief, and more W. P. A. They were for everything that the voters were for; they loved business, they loved the farmer, and they loved labor; they were the little pals of all the world—before election.

Along with these fancy promises, they conducted a campaign of personal character assassination against Democratic leaders that is still a stench in the nostrils of decent citizens; they flung reputations wantonly to the winds; they vied with each other in slandering the Democratic candidates.

They proclaimed that the "Little New Deal" at Harrisburg was compounded of radicalism and the worst kind of subversive doctrine.

They yelled to high heaven that extravagance and waste were ruining the State, that inefficiency was rampant, that nothing was right and everything was wrong.

But time has a way of taking its own reckoning. The months have gone by, and those who campaigned have been called upon to deliver.

Those who voted Republican very likely believed they were voting for deliverance from a governmental monster; actually they were calling a bluff. Because it was a bluff, the most monumental bluff in Pennsylvania's political history.

These prophets of employment and plenty, of less taxes and more relief, of economy and efficiency, these self-styled paragons of civic virtue, have been in office for 6 months.

At the legislative session recently ended they were in command of both houses, with a clear track for the entire program that was to restore prosperity overnight.

And what happened?

Ask Pennsylvania's Republican newspapers. Ask the thousands who voted Republican because they believed the campaign speeches.

Just a few samples of Republican newspaper editorial comment on the sad record of the James administration and the Republican legislature:

The Evening Bulletin of Philadelphia, the State's largest afternoon newspaper, said on May 31, 1939:

"The legislature did not reduce taxes, promised, because it couldn't. * * * It is only by courtesy that the 1939 legislature can be called a general assembly of representatives of the people. By and large it did the bidding of political managers whose concern * * * was largely advancement of partisan interests."

The Evening Ledger of Philadelphia, another Republican organ, in an editorial under the caption "A Legislature Ruled by Politics" said:

"After being in session for 21 weeks, the general assembly adjourned with a record of which it has no reason to be proud. * * * From the first there were plenty of indications that the major purpose of the Republican majority would be to make the session entirely political and devoted to building up its strength in the State and in Philadelphia."

"This was to be expected, with former United States Senator Grundy in control of the senate and the discredited former State Senator McClure in the driver's seat in the house. Under their guidance legislation was submitted which had for its purpose putting Pennsylvania back into the same position it was when the Democrats swept the Republicans from power in 1934, despite dozens of speeches made in his campaign by Governor James promising to keep relief out of politics, he advocated changes which were adopted.

"A bill was passed which compels relief recipients to do work given them or forfeit their dole. There is grave danger of tyranny in the compulsory work for reliefers. As the relief appropriation for the next 2 years is $80,000,000 short, an extra session is in sight already."

In another editorial under the caption "Record State Budget," the Ledger said:

"The general assembly which adjourned this week authorized the biggest budget for operating Pennsylvania's budget ever adopted. It accepted the Governor's recommendation of $537,000,000, which is the second half billion dollar financial program in the history of the State."

Let us look for a moment at the record of the first legislative session under the new Republican administration.

Take spending. The Republican candidates went up and down the State proclaiming that the State's budget was the largest in history, assuring the electorate they would put it through the wringer and squeeze out items which they labeled graft, extravagance, and the like.

Did they do it?

Let us look at the record. Pennsylvania's new Republican budget is the largest budget in the history of the Commonwealth, and still more than $100,000,000 out of balance.

What happened to the wringer? I'll tell you what happened. It wrung out a few dollars by drastic purging, and by coincidence this purging was largely in agencies still controlled by Democrats.

The largest slash, for example, was in public utility regulation which is paid for by the utilities and not by the general taxpayer—and the records show that heretofore every dollar spent in regulation has brought back $20 in rate reductions from chiseling utilities. So the utilities gain, and the rate payer loses—all in the name of economy.

The Siamese twin of the "no spending" pledge was tax reduction.

Reduction was to increase business confidence, and that was to increase employment, and that was to reduce relief needs, and that was to make the reduction possible.

It sounded good around the political campfires, and it fooled a lot of people.

During the campaign the Democratic tax program was "ruinous, vicious, extravagant, a creature of evil, and an abomination." No adjective was too strong to describe that hated and reviled program—before election.

Was that program repealed? It was not.

Was it modified? It was not.

Was any item changed? It was not.

Word for word, line for line, item for item, dollar for dollar, the so-called ruinous, vicious, extravagant Democratic tax program was reenacted by the Republican antitax crusaders.

The businessman who voted for lower taxes got fooled. The citizen who voted for less spending got fooled. The voter who cast his ballot for a balanced Budget got fooled, because even the Democratic tax program wasn't enough to match the Republican spending program.

I am utterly disgusted with these political breast beaters who promised what they had no intention of performing and knew from the beginning they couldn't perform.

They knew the Democratic expenditures were not extravagant. They have proved it by spending more. They knew the Democratic taxes were not vicious and unfair. They have proved it by reenacting those taxes.

They deliberately lied in their campaigning, clearly operating on the theory that a lie repeated often enough is believed.

It is clear and unmistakable that they obtained votes under false pretenses, and that they hold office in Pennsylvania today only because those false pretenses were not discovered until it was too late.

The farmer voted for the Republicans in Pennsylvania because he expected something. What he wanted most was protection from the raiding of the Milk Trust, which through the years has been fighting to reduce the Pennsylvania farmer to peonage.

What did the farmer get? He got a bill to destroy his only defenses against the Milk Trust by emasculating milk control.

Fortunately for the farmer, the bill was so vicious and destructive that a few Republicans themselves defied the administration in the senate and killed it.

Though the bill was killed, the dairy farmers of Pennsylvania are still "being sold down the river" by Governor James through the orders of his milk board, which orders, under the law, must be approved by him.

Many small-business men, like the farmer, expected the new Republican administration to break the grip of monopoly that has been rapidly ruining "rugged individualism" in Pennsylvania.

They were fooled too. Not only did the new Governor uphold monopoly in milk—he fought to the bitter end to fasten a monopoly of Wall Street coal operators on the Pennsylvania anthracite

region—his own home, where he once allegedly worked as a "breaker boy" in the mines.

The bill was killed only at the last minute, when thousands of miners poured into the State capital in a gigantic mass demonstration against it.

Just as he has turned utility regulation over to the utilities, just as he has turned milk regulation over to the Milk Trust, so he has tried to turn the mining regions over to Wall Street.

If both business and agriculture were deluded and deceived by castles-in-Spain promises, what of the people on relief? They had been promised "humanized" relief, free from all taint of politics.

But that, of course, was to be only for those unable to work—all others were to get jobs instead of the dole.

The jobs are still only in the Governor's imagination. The "humanized" relief, it developed, meant that anyone refusing a job offered to him would be dropped from the rolls and, left to starve, even if it meant cut-throat competition to slash wage scales or even strikebreaking.

The "nonpolitical" relief was achieved by ripping out all nonpartisan-relief boards and substituting boards recommended by county Republican leaders, and by abolishing civil-service protection for relief employees.

Before election day the Republican machine posed as the "friend" of labor—and there has been no greater betrayal of any "friend" since the days of Judas Iscariot. Workmen's compensation was slashed, women's minimum hours of labor were increased, the law against antilabor injunctions was repealed, and the State labor relations law was torn and twisted to make it one of the greatest instruments of labor oppression ever devised.

Workers by thousands, both A. F. of L. and C. I. O., stormed the State capital in protest against this ruthless destruction of their hard-won gains against industrial serfdom in Pennsylvania.

William Green, president of the American Federation of Labor, who supported the James candidacy last fall, castigated the new labor-relations bill as a "vicious antilabor measure."

It was "inconceivable," he said, "that the great State of Pennsylvania should subscribe to a labor philosophy which harks back to the days of slavery."

Inconceivable—yes; to Bill Green and to leaders of labor everywhere, as well as to the people of Pennsylvania generally, but not to the Republican organization.

The Governor signed the bill, and leaders of the organization openly boasted of their victory over the forces of labor.

The one man in Pennsylvania who probably knows more than any other individual about the effect of the Republican legislative program on labor is Thomas Kennedy. As international secretary-treasurer of the United Mine Workers, he has been a leader for many years in the fight to provide justice for labor in Pennsylvania.

As Lieutenant Governor, he presided over the Pennsylvania State Senate when the liberal Democratic legislative program was written into law in 1937. His opinion of the Republican legislative program is:

"The General Assembly of Pennsylvania, which is controlled by the Republican organization, which in turn is controlled by Joe Pew, Joe Grundy, and others of their ilk, has left a legislative record which in every conceivable way is detrimental to labor and designed to destroy the gains made by labor under Democratic leadership."

"The workmen's compensation law was emasculated to the point where the minimum benefits are less than those allowed by the Federal Government for relief project workers. The Labor Relations Act was virtually destroyed; labor would have been better off if the act had been repealed altogether.

"The anti-injunction law was scuttled. The relief law was amended to remove every element of humane consideration for the unemployed. The general assembly did everything in its power to protect and advance the interests of big business and special privilege at the expense of labor."

You may ask what this all means. To that I answer that in Pennsylvania you have a curtain raiser of what may be expected of Republican leadership in the Nation.

And what does this show? It shows that if business is beguiled into supporting the Republican cause on a promise of lower taxes it is deceiving itself, for the Republican record in Pennsylvania shows that it will not, cannot, make good.

It shows that if agriculture is looking for help, it cannot find help in that leadership, for in Pennsylvania agriculture has tried the Republican machine and found it wanting.

Let every citizen, of every State, measure Republican promises against the record of the new Republican administration in Pennsylvania.

Believe facts, for they are on the record, written in large letters for all to see. As for the Republican promises, they are as the leaves of autumn, scattered and blown by the wind, or as the snows of yesteryear.

Pennsylvania is "stuck" with Governor James and a Republican administration for 3 more years. Let us make sure we are not "stuck" again in village, town, or city, in State or Nation, this year or next year. Let no one be deceived by false prophets, by medicine men selling magic cure-alls.

Let Pennsylvania's experience be the Nation's lesson, and let us all profit thereby, for we have seen in the Keystone State that the Republican alternative to the New Deal of Franklin Roosevelt is not prosperity, not progress and hope for the future, but only broken faith, broken pledges, the chaos of fumbling futility, and the exploitation of the country for their own greedy interest.

Failure

EXTENSION OF REMARKS

OF

HON. JOHN G. TOWNSEND, JR.

OF DELAWARE

IN THE SENATE OF THE UNITED STATES

Friday, July 14 (legislative day of Monday, July 10), 1939

ADDRESS BY FRANK GANNETT

Mr. TOWNSEND. Mr. President, I ask unanimous consent to have printed in the RECORD a radio address entitled "Failure," delivered by Frank Gannett on Friday, June 30, 1939.

There being no objection the address was ordered to be printed in the RECORD, as follows:

Do you remember what happened 7 years ago tonight? In a Chicago convention hall men and women were jubilant, dancing behind huge placards which said "Out of the red with Roosevelt." Tonight, 7 years after that slogan of hope, another fiscal year closes. Let us take stock.

When President Roosevelt took office we were thrilled by his clarion call "the only thing we have to fear is fear itself." His gallant courage raised us from the depths. He cut expenses 25 percent—we had started out of the red with Roosevelt.

He applied recovery methods that had been tested and proved successful in other countries. For 100 days we had such recovery as had never taken place in the Nation's history. Farmers' prices and buying power increased two-thirds. In 4 months, three and one-half million men and women went back to work. In market places everywhere values rose. Ten million stockholders saw their investments come out of the cellar. Private enterprise, like Lazarus, was rising from the grave. The whole Nation was filled with new hope. We were going out of the red with Roosevelt.

Tonight, as the Government closes the fiscal year 1939–40, we find the pledge of those nomination placards unfulfilled. Instead, we have gone into the red with Roosevelt—more than $20,000,000,000. You and I will never live to pay that bill. It will be presented to our children and our children's children.

But that is not all. Seven days ago the President asked for nearly $4,000,000,000 more. Already flattened by debt and punch-drunk from taxes, the Nation is asked to go further into the red with Roosevelt.

We are no longer on the road on which the President so courageously started. When did he turn from the right road? By a coincidence, about 6 years ago tonight. By the end of June 1933 it became apparent that a change in policy was under way. For mysterious reasons that have never been explained, successful recovery policies were laid aside in favor of Government control and regulation. Every farm, every factory, every retail business felt the fumbling hand of Government.

Reemployment, business, recovery were throttled by inept, time-wasting, bureaucratic intervention. Only when the Supreme Court declared that this program was unconstitutional was there any upsurge. But in the meantime another wrong policy had been adopted, and in consequence our national economy went into another swoon.

The "brain trust" had invited the English economist, J. Meynard Keynes, to visit this country. Dr. Keynes had a remedy: Spend, spend, spend. His own country refused that nostrum on the ground that such expansion of Government activities would paralyze the private enterprise upon which reemployment would ultimately depend. The undaunted Dr. Keynes met President Roosevelt and urged deliberate unbalance of our Budget. He set the figure of $400,000,000 a month of deficit spending—and to this prescription Congress set its rubber stamp. We moved into the red with Roosevelt—$4,800,000,000.

Where do we stand tonight at the end of this fiscal year? More than forty billions of public debt; taxes so heavy that they stifle initiative and new development that should be creating employment. Twenty-five cents out of every dollar goes for taxes. We have 12,000,000 of unemployed. Twenty-six million men and women are living at the expense of the Government. That means one person in five of our entire population is dependent upon taxpayers through Washington.

The Government promises security but gives us insecurity, not merely because the lending and spending program carries the Treasury further and further into the red; there are other far more sinister effects. They were well described a few days ago by Adolf A. Berle, Jr., a member of the New Deal's inner circle, when testifying before the O'Mahoney committee. Describing the consequences of prolonged Government lending-spending, he said:

"Briefly, the Government will have to enter into the direct financing of activities now supposed to be private, and a continuance of that direct financing must mean inevitably that the Government ultimately will control and own those activities.

"Put differently, if the Government undertakes to create wealth by using its own credit at the rate of four billions or so a year, and

if its work is well done, the Government will be acquiring direct productive mechanisms at the rate of four billions' worth a year or thereabouts.

"Over a period of years the Government gradually will come to own most of the productive plants in the United States."

Note Mr. Berle's estimate of four billions a year and mark that only a week ago the President asked for $3,860,000,000 for spend-lending, exactly 96½ percent of the Berle figures.

Here we have, then, a statement from an Assistant Secretary of State which proves the point that I have made, namely, that this lending-pending program and the foreclosures that will follow will put the productive plants of America into the hands of the Government and end our system of free enterprise.

If this isn't collectivism, then I don't know the meaning of that term. When our Government takes over our production, when our Government entrenches itself in office beyond the possibility of removal, then we have the same conditions that exist in Russia and Germany and Italy.

It is easier to get into that condition than out of it. The greater the dependence of business and employment upon government, the more Federal money is needed. Almost every business sells a part of its output to Government or to concerns manufacturing for the Government. Thus the administration's spending program becomes in effect a club over all business. It becomes a bribe, paid with taxpayers' money, for perpetuation of the New Deal.

Any government with the power to be the economic guardian of its people cannot long tolerate dissent from its plans or political opposition. If we keep on lending and spending billions in the manner now proposed, effective political opposition to the administration entrenched in office will disappear. Already the number dependent upon government is so great that many ask whether Mr. Roosevelt is not already in a position to use this control to renominate and reelect himself. Ask yourself this question: If you had 26,000,000 people dependent upon you, might you not be tempted to keep them that way? If they become self-dependent, you might lose them and their votes.

With the destruction of the system of free competitive enterprise, inevitably we shall lose those precious rights that we now enjoy—freedom of the press, freedom of speech, the right of assembly, and trial by jury. That is not only the record of the past—that is the record of our own time. Wherever government manages the economic life of a people the liberties and rights of the individual citizen disappear.

Have you listened to the New Deal's propaganda about security? Are you more sure of your job? Have you money in a savings bank for your future? How much interest do you receive? A few years ago a thrifty American who had saved up $1,000 received 4 percent interest. Today he is lucky if he gets 1½ percent. He must save $2,660 to get as much security as he formerly got from laying aside $1,000. The income from church, hospital, and college endowments is shrinking in the same way.

Have you bought life insurance lately? If so, you have found that the cost of your new policy has gone up because the New Deal has caused all investments to yield less. Going further into the red with Roosevelt means destruction of thrift and writes the end of self-earned security. Once upon this toboggan of spending, other nations found that they could not stop. In the end their governments were driven to printing-press money. Should that desperate day come here, the thrifty, hard-working, self-supporting men and women of America will find their savings, insurance policies, and working capital wiped out by a hurricane of paper money.

All this is unnecessary. When the President promised recovery we gave him powers so great that he himself said that in other hands they would become shackles upon our liberties. At his request we gave him unlimited billions, more to spend at his personal discretion than all Presidents since George Washington. There is no alibi. The President has failed. We do not have recovery. We have debt, depression, and unemployment. With such a record, the president of any university, the manager of any business would be asked to resign.

Nations which followed the road of encouraging private enterprise which President Roosevelt traveled in his first 100 days have far greater prosperity than we. During the past 4 years 21 nations, with 600,000,000 population, had a total cumulative deficit of only $312,000,000; while the United States, with one-quarter as many people, added $12,000,000,000—40 times as much—to its debt. These nations have had more prosperous agriculture, two to four times as much building per capita, higher employment, more profitable business without endangering their solvency by growing debt. These nations did not undermine private enterprise by government lending and spending.

And yet we should be far better off than they are. Our natural wealth is greater. We have the productive capacity—factories, mines, farms. We have efficient management and ambitious workers to give us, projected on the century-old rate of growth, an annual income of $105,000,000,000. After 6 years of fruitless experimentation, the Roosevelt administration has left the Nation with a shrunken income of $65,000,000,000—forty billions of lost income.

These forty billions would give every farm owner $800 a year more; every nonagricultural gainfully employed worker an increase of wage or salary of $365 a year; eleven billions for increased taxes, rents, interest, and dividends; and there would still remain $1,000 a year each to give employment to 10,000,000 jobless without burdening the Federal Treasury.

Our democracy is the greatest heritage that any people in the world has ever possessed. The American way of life has demonstrated itself through a century and a half and has stimulated more new enterprise and invention; has given us constantly rising standards of living, better housing, more food, greater freedom in our civil, religious, and personal lives than any people in history have enjoyed. We need Government policies that will permit this system to function as it formerly did.

These forty billions are your stake. This is what we are fighting for when we strive to restore and preserve our constitutional system of free enterprise. All you who listen tonight have a citizen's duty to perform. Discuss these issues in your family and with your friends. Arouse others. Tell the precinct captain and county chairman of your party that in 1940 you will vote only for men pledged to restore free enterprise and halt Government spending. Your own and your children's future depends upon the outcome. Act tonight when this talk is over. Write to your Senators and Congressmen or, better still, telegraph them your protest against the dangerous new spending program. Write for a copy of this talk. Show it to others. Get them to do likewise.

Conditions of the Woolen Industry

EXTENSION OF REMARKS

OF

HON. JOHN M. HOUSTON

OF KANSAS

IN THE HOUSE OF REPRESENTATIVES

Friday, July 14, 1939

ARTICLE FROM THE WALL STREET JOURNAL

Mr. HOUSTON. Mr. Speaker, during the present session of Congress there have appeared in the CONGRESSIONAL RECORD tables showing the increased imports of woolen products, allegedly the result of the trade agreement with the United Kingdom. There has also appeared in the RECORD certain correspondence between woolen manufacturers and the State Department relative to this matter.

The conditions of the woolen industry have been represented as distressing. The picture has been painted in somber colors. The following statement from the Wall Street Journal of July 13, 1939, would seem to be a sufficient answer to the fears which may have been generated:

[From the Wall Street Journal of July 13, 1939]

AMERICAN WOOLEN SALES IN HALF YEAR SEEN DOUBLE 1938 MONTHS—OPERATIONS MAY SHOW SMALL PROFIT AGAINST $4,750,487 LOSS A YEAR AGO—FURTHER UPTREND INDICATED

Sales of the American Woolen Co., largest domestic woolen textile manufacturer, for the first 6 months of the year are understood to be about double those of the same 1938 period.

As a result estimates are that the company's report for the 6 months ended June 30, which will be issued early next month, will show operations at about the break-even point or at a moderate profit compared with a loss of $4,750,487 in the comparable months of 1938.

Earnings have been adversely affected during the first 6 months of 1939 by generally inadequate profit margins. However, a continuation of the present sales trend, combined with the present hardening of the price structure for woolen goods, should result in a good second half for the company.

FIRST HALF-YEAR SALES SATISFACTORY

From a sales standpoint, the first half of the year has been generally satisfactory, with demand showing vast improvement over the first 6 months of 1938. In that period, sales of American Woolen, reflecting the widespread liquidation of inventory by retailers and clothing manufacturers and the almost complete stagnation of forward buying, declined sharply to $16,746,242, as compared with $45,284,752 in the first half of 1937. The demand in the first half of 1937, however, was abnormally high due to the tendency in the period for manufacturers to accumulate large inventory in anticipation of a rising retail demand and higher prices.

The increase in retail trade during the past months, which has been especially marked in men's clothing, has been the most important factor influencing American Woolen's operations. At the present time, the retail trade is optimistic concerning the outlook for the fall, with the result that company's plant for the past 2 months has been operating at around 88 percent of capacity on orders for next season's cloths.

Also on the constructive side is the fact there has been little accumulation of inventory in the channels of distribution, which has resulted in the belief that sales of American and other woolen manufacturers during the second half should be at least

as good as in the first 6 months. This prospect is, of course, conditioned by the assumption consumer demand does not decline to any great extent.

STIFFENING PRICE STRUCTURE HELPS

Aiding the earnings outlook for American Woolen during the coming months is the steady hardening in the price structure for most woolen and worsted goods—a trend that started earlier this year and is expected to continue during the next months. Sharp fluctuations in prices of both raw wool and finished products is one of the chief problems the woolen industry has to contend with. Falling prices and sales in the last half of 1937, for example, resulted in American Woolen reporting a loss of $1,854,902 for the year, despite a profit of $3,393,552 for the first half of the year. The declining trend continued into 1938, company showing loss of $4,750,487 in the first 6 months of 1938, with sales down to $16,745,242 for the period while loss for the year totaled $4,911,502.

The Constitution

EXTENSION OF REMARKS

OF

HON. JAMES M. MEAD

OF NEW YORK

IN THE SENATE OF THE UNITED STATES

Friday, July 14 (legislative day of Monday, July 10), 1939

ADDRESSES BY LAURENCE H. REILLY AND JOHN H. BERMINGHAM

Mr. MEAD. Mr. President, I ask unanimous consent to have printed in the RECORD two addresses on the American Constitution, delivered in New York City on Memorial Day. One is by Laurence H. Reilly, and the other by John H. Bermingham.

There being no objection, the addresses were ordered to be printed in the RECORD, as follows:

THE CONSTITUTION: PROTECTOR OF MINORITIES

(Address by Laurence H. Reilly)

"Render unto Caesar the things that are Caesar's and unto Caesar the things that are God's also" is the battle-cry of the twentieth century world. And in Russia, Mexico, and Germany enslaved and exploited citizens are forced to their knees to offer unwilling sacrifice, not to the God who made them, but to a tiny, brazen statue that is clothed in the red robes of communism and which holds in its hand as sceptre—the swastika. In America we of the twentieth century are the inheritors of constitutional government. And indeed it is only fitting that the United States Constitution should today be the protector of minority rights, for it was as a minority that our forefathers first startled Europe with their epoch-making words "All men are created equal"; it was as a minority that they stood upon the steps of Independence Hall and proclaimed to the world their freedom; it was as a minority that they shouldered their rusty muskets and struggled for 6 long years, ragged, ill-trained, starving patriots, to shatter the chains of servitude which hung about their necks. Thus it was a minority that gave birth to that undying defender of minorities, the divinely inspired Constitution of the United States.

The architects of our Constitution meant that the structure they were building would be a mighty cathedral to endure through the storms of the ages. With this in mind every specification was examined and every detail plotted out at the Constitutional Convention of May 1787. Realizing that the evil most likely to undermine their edifice would be unchecked majority rule, James Madison sprang to his feet and with these immortal words laid the cornerstone of our Constitution, "The greatest danger to popular government lies in passing laws not according to the rules of justice and the rights of the minor party but through the superior force of an interested and overbearing majority."

And those early patriots builded well. For down through our history the Constitution has ever stood, a mighty fortress, in defense of the rights of free citizens. Firmly imbedded in the first 10 amendments are those fundamental rights, the glory and heritage of every American citizen, the envy of all peoples—free speech, free press, free assembly, and free practice of religion. Came the day when an American minority, in violation of these principles, felt the unfamiliar and galling yoke of slavery. And we waged a Civil War, during which our homeland was stained with its own blood; brother fought brother, and State fought fellow State to insure the Negro his rights to liberty under the Constitution. And using the same sword which had been so reluctantly held against the throat of his fellow citizens, the Great Emancipator carved forever into the granite of the Constitution these immortal words of the fourteenth and fifteenth amendments: "The United States shall not deny to any American citizen the privileges of citizenship because of race, color, or previous condition of servitude." Today, turning from our shores we see Europe tottering upon the brink of another war. All its rulers are poised and tense, ready to unleash their armies upon a mission of conquest and destruction. The German lash has scarred the Jewish minority; the Russian sickle has slashed the throat of the Christian people; the bloody Communist machine has roared over Spain, leaving bloodshed and unrest in its wake. Little governments are being swallowed up by mighty and greedy neighbors. "Oppression of minorities" is the song of the day, a song which is rolling Europe on to another Hindenburg line.

Alert to the injustices around us, and mindful of the soverign justice which our forefathers cherished for every citizen, it is our earnest prayer that the swords which threaten world war may be quickly beaten into the plowshares of peace, that the love of peace which glows in the heart of every American may radiate over the face of the earth, that peace which is founded and can only be founded on defense of the weak, restraint in the might, and infinite respect for the rights of the individual—the peace of the Constitution of the United States.

THE CONSTITUTION IN THE FUTURE

Address by John H. Bermingham

One summer evening as I pondered the words of the Constitution a vision appeared to me. First a mist, then the mist cleared away and I gazed—into the future. There was the mountain of the accumulated knowledge and experience of all civilization. On its summit there flamed a golden goddess, and in her hand flashed the masterpiece of government—sketched by Madison, painted by Washington, preserved by Lincoln, and protected by every crimson drop of blood that American patriots have shed, from the cruel blotches on the snow at Valley Forge to the deep red river which flowed over France—there it was! The silver sheen of a sword in the sun, the sword of the Constitution of the United States.

But up that mountain there were marching the crimson ranks of communism, and the brown shirts of a brutal Nazi force, to overthrow that fair goddess representing the Government of our country. And now they are face to face with the sword.

A militaristic Nazi soldier who has marched over the plains of a weeping Austria, and watched a dying democracy fall beneath Germany's manacled fist, shouts out Hitler's Mein Kampf, "We demand the annihilation of all not of pure Aryan blood; the state shall be supreme; the Nordic people shall crush all before them; what is to be right we manufacture by our might."

Frowning, the goddess-spirit of our Government replies sternly in the inspired words of the Constitution, "No State shall make or enforce any law which shall abridge the privileges or immunities of citizens of the United States." That is the creed of Americanism—all are equal before God and the law, and the state exists for one and all, Protestant, Catholic, and Jew, Negro and white, rich and poor.

Would that such nations who worship the power of bombs, shrapnel, and the gigantic machine of propaganda could realize that the bayonet, as it tears the flesh of a son, pierces straight through the heart of a mother to the soul of that country.

Then the deceitful whisper of a Communist, hardly concealing the sickle which has cleaved Europe into two hostile camps, pleads, "Lower that sword; we shall only preserve your democracy and save the oppressed." But written large in letters of blood upon his soul is the insidious desire for the obliteration of religion, the death of free speech, free press, and of every custom and right of a free, proud, independent people who have sacrificed their sons for those liberties. In a towering rage our protectress answers, "As long as God speaks through this Constitution, that freedom of speech, press, religion, and private property shall always be assured; thou, communism, shall never destroy the work of our immortals who lived and died that we might be free."

Then I saw the sword of the Constitution, striking, slaying, and forever eradicating the destructive ideologies of communism and nazi-ism.

Slowly my vision faded, but deep in my heart was the divine, burning inspiration of a great truth—that always the Constitution will protect us. It would be eternal, forever our light, our faith, our hope; forever a mother shielding her child; forever strong in adversity, unswerving in duty; forever educating, legislating, cherishing her people; forever a lighthouse on the rocks of the despairing world, sometimes battered by the winds and waves of ignorance and class hatred, but forever triumphant, forever glorious, forever and ever man's defender and God's child—the Constitution of the United States.

Admission of Refugee Children

EXTENSION OF REMARKS

OF

HON. ROBERT R. REYNOLDS

OF NORTH CAROLINA

IN THE SENATE OF THE UNITED STATES

Friday, July 14 (legislative day of Monday, July 10), 1939

ARTICLE FROM THE CINCINNATI POST

Mr. REYNOLDS. Mr. President, I ask unanimous consent that there be published in the Appendix of the RECORD an article from the columns of the Cincinnati Post, the issue of June 1, 1939, entitled, "Jury of Opinion Against Admitting Refugee Children."

There being no objection, the article was ordered to be printed in the RECORD, as follows:

[From the Cincinnati Post of June 1, 1939]

JURY OF OPINION AGAINST ADMITTING REFUGEE CHILDREN—WOMEN VOTE 77.3 PERCENT IN OPPOSITION TO PROPOSED CHANGE

Proposals for amendment of immigration laws to permit European refugee children to find a haven in America is opposed more than 3 to 1 by the Greater Cincinnati jury of public opinion.

A poll on such proposed legislation brought answers from all except 13 of the 1,000 women who comprise the jury.

The question was submitted to the jury in the following form:

"Do you favor the opening of the doors of the United States to a considerable number of European refugee children who cannot now be admitted because of our immigration laws?"

The result of the poll was as follows: No, 77.3 percent; yes, 21.4 percent; no answer, 1.3 percent.

Under the terms of the Wagner-Rogers bill, now pending in committees of both branches of Congress, 20,000 children would be permitted to enter this country outside the immigration quota. The measure was drafted with the object of providing for the welfare of children in central Europe whose parents have been the victims of racial and political persecution.

The Greater Cincinnati jury of public opinion is composed entirely of women, most of them housewives, and it votes on topics of vital interest. The jury's opinions usually reflect what the citizens generally think in such matters.

Keep America Out of War

EXTENSION OF REMARKS

OF

HON. JOSH LEE

OF OKLAHOMA

IN THE SENATE OF THE UNITED STATES

Friday, July 14 (legislative day of Monday, July 10), 1939

MEMORIAL DAY ADDRESS BY ELMER L. FRAKER

Mr. LEE. Mr. President, I ask unanimous consent to have printed in the Appendix of the RECORD an address delivered in Oklahoma Cemetery, Cherokee, Okla., by Mr. Elmer L. Fraker, my good friend and former commander of the American Legion of the Department of Oklahoma.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

We stand today, with heads uncovered, beside green-tinted mounds that mark the resting places of those whom we have loved and lost awhile. Within our heart of hearts we would that they might be with us this morning, their eyes to behold gaillardias nodding from prairie grass, their voices to be heard again, their hands once more to hold our own. But that is not to be, for they have completed the earthly work a divine destiny set for them to do.

Within this city of the dead lie the mortal remains of some who began life on the Russian steppes, others who grew to manhood along the German Rhine, and still others who were cradled under the thatched roofs of Old England. Most, however, are descended from generations of American forbears. Regardless of origin, they who now dwell here were men and women who believed in a way of life that would give to each individual the opportunity of developing to the full extent of his or her ability. In this concept of democracy and with the inherent urge to individualism, savored by the spirit of cooperation, our pioneer men and women set, on the soil of these Great Plains, the foundations of a community and a commonwealth built to stand forever.

All Americans are descended from or are themselves people who have shaken the dust of old worlds from their feet and have sought new homes where they might be free from the intolerances, hatreds, inequalities, and jealousies of peoples divided against themselves. They fled regions of diverse languages, economic barriers, snobbish nobilities, tyrannical dictators, and military despots. Behind them they left a continent that in all the centuries since the days of Roman grandeur had been seething with strife and discord.

Today those lands across the sea continue their age-old scenes of unreason and unrest. They selfishly beckon us, who have found a new and better home, to return to that house divided against itself, to make ourselves a part of their controversies and of their ill will. Each old faction seeks that return to the end that we may fight their particular battles, win their self-centered wars. Once we forgot the warning of the Father of his Country and returned, like the knights of old, to right the wrongs of the European world; forgetting that those wrongs are the hopeless heritage of that distracted land; forgetting that our hope of a new order must come from the knowledge that only here on the plains, in the valleys, and on the hillsides of America can be fulfilled the aspirations which were bequeathed to us by those who wrought this Nation.

Our eyes must not be dazzled by the ermine and purple of royal robes. Our reason must not be unseated by the bitter words of fanatical leaders of frustrated peoples. Rather, we should see and know them for what they are; see them considering Americans as tools to be used—know them as seeking only the welfare of themselves, and counting not the cost to others.

By the graves of these, our sacred American dead, let us pledge our hearts and our minds to the preservation and development of American democracy; to the turning of our backs on the bickerings and hatreds of the Old World; to the offering of fellowship to those who would walk in the paths of peace and order; to the fighting of only America's fight; and to the making of America first by being Americans first.

Taxes Now Consume 30 Percent of Nation's Income

EXTENSION OF REMARKS

OF

HON. GEORGE H. BENDER

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Friday, July 14, 1939

Mr. BENDER. Mr. Speaker, Roger Babson, one of the Nation's leading economists, has recently published a survey of the amount of taxation levied today for governmental purposes. His findings are of major interest to every American. Under present Government spending policies, every family head must work 100 days to meet his tax bills. Ten years ago Federal, State, and local expenses consumed 15 percent of the national income. That figure has doubled in the last decade.

What this means to the average American is frequently obscure. New Deal publicists have attempted to becloud the issue by making it appear that our great corporations are the principal taxpayers affected by governmental spending policies. They have soft-pedaled the obvious truth that every tax levied by our Government is passed along, to be borne by the ultimate consumer who purchases the product.

Mr. Babson points out that no nation can ever continue to spend more money than it takes in without developing a program of inflation to meet the inevitable financial crisis. Our Nation has lived under unbalanced budgets for 9 years. Estimates indicate that between 30,000,000 and 40,000,000 men, women, and children receive benefits of one kind or another from local, State, or Federal agencies. A million Federal officeholders have become vitally interested in retaining their jobs on the Nation's pay roll. Each of these vast groups has

acquired a definite and understandable interest in maintaining governmental spending at the highest conceivable level.

A table of governmental expenditures and receipts illustrates the startling extent of our continued expenditure policy.

Year	Receipts	Expenses
1930	$4,200,000,000	$3,900,000,000
1933	2,100,000,000	5,100,000,000
1936	4,100,000,000	8,800,000,000
1937	5,300,000,000	8,100,000,000
1938	6,200,000,000	7,700,000,000
1939	5,600,000,000	9,100,000,000

To those who assert that any discontinuation of the policies of the present administration will lead to widespread distress on the part of our needy citizens, Mr. Babson offers statistics which support the position repeatedly taken by the Republican Party. He points out that of the $9,000,000,000 spent by the Federal Government in the last year, only a little more than $2,000,000,000, or 25 percent, was spent for relief purposes. The remainder is being used for the maintenance of a vast system of bureaus, pegging commodity prices, military preparations, and outright subsidies.

In the past few years our Treasury has purchased almost $1,000,000,000 worth of silver from nations all over the world. Our efforts have served to maintain the Government of Mexico, whose thanks has been expressed by the confiscation of American-owned properties. This amazing experiment has meant the purchase of silver at a price almost three times as large as its selling price in the normal commercial market.

All of this has added tremendous burdens to the tax bill of our people. Whatever may be the belief of individual workers the facts support only one major conclusion—the wage earner, whether his income be derived from manual labor or from a white-collar job pays every tax in the last analysis.

Roger Babson has performed a distinct service to the Nation in analyzing the trend in statistical terms. We are heading straight for national bankruptcy or its desperate alternative, inflation. Unless a sharp reversal in our governmental policies takes place quickly one or the other of these twin results looms before us. Neither offers any hope for the survival of our great democracy.

The Unfairness of the Wagner Act

EXTENSION OF REMARKS

OF

HON. CLARE E. HOFFMAN

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Friday, July 14, 1939

ARTICLE BY WESTBROOK PEGLER

Mr. HOFFMAN. Mr. Speaker, from time to time in this House and elsewhere, efforts have been made by me to point out the unfairness of the Wagner law and the biased and prejudiced manner in which it is interpreted and administered by the National Labor Relations Board.

Much of what I said I find reiterated in far more forceful fashion by Westbrook Pegler in this morning's issue of the Washington Post. That article is as follows:

[From the Washington Post]

FAIR ENOUGH

(By Westbrook Pegler)

A RIGHT RESTORED

It was nice of the Labor Relations Board to restore to American citizens who employ workmen their constitutional right to "petition the Government for redress of grievances," but a few more gracious concessions must be made before employers and workmen, both, may consider themselves safe from the tyranny of the Board and the vicious dictatorships which the Board has fostered in labor unions.

Employers still lack the right to speak freely—a right specifically granted by the Constitution, but suspended by the Board with the casual high-handedness of a Soviet court deciding to knock off a handful of political dissenters—and Americans who prefer not to belong to labor unions and thus pay cash tribute out of their wages to the funds of the New Deal, the Spanish Communists, or the Communists' conspiracy against the United States may be compelled to join up and pay or forfeit their right to work for a living in their own country.

ACTS OF COERCION REMAIN UNCURBED

An alien with hatred in his heart and soul for everything that is American, by subscribing to union policies and contributing to union funds, which then vanish into activities that strike at the American form of government, may acquire the power to vote away a native American's right to earn his living in a land for which he can be compelled to fight while the alien sits it out.

And the Board has done nothing noticeable as yet to curb fiendish acts of coercion by which labor racketeers with a strike on their hands, even a strike manipulated solely for the extension of individual power, may terrorize the families of American citizens who stand on their right to retain their jobs. The employer may not even speak a word of sympathy to a persecuted American citizen who has the courage to oppose the union when a strike is on, for that would be a coercive attempt to influence the worker. But the union may throw rocks through the windows of his home, gang him on his way to and from work, beat his head off at the picket line, insult and maul his wife and terrorize his children, and, when the strike is won by such methods, may blackball him from his occupation for the rest of his life. That is fair union practice on the part of the union regardless of the individual's standing as a citizen, his record of service in his country's war, or the contrast between his character and that of the unioneer in command of the machine or racket.

EMPLOYERS' RIGHTS ABOLISHED BY DECREE

The effrontery of the Board in abolishing by dictatorial decree the employer's right to discuss union matters with men in his employ on the ground that he might be trying to coerce them has never been sufficiently appreciated. Here was an outright abrogation by a subdepartment of the Government of a right which the Government itself protects with the mad-eyed fury of an avenger when the complaint comes from the saboteur, and the abrogation of this right of American citizens in these circumstances has been followed by rulings that it was unfair labor practice on the part of an employer even to send an employee a document criticizing union tactics through James A. Farley's mails.

The union, however, may circulate among the employees the most scurrilous libels and misrepresentations of the facts of a controversy, with intent to influence them by a deceit or to whip them into submission by threats of terror. There is no established limit to the coercion that may be practiced on workmen by the union, and not even the faintest pretense has been made of an attempt to restrain promoters and closed-shop racketeers from the use of moral, physical, and economic intimidation.

The fake cry that unioneers represent labor is accepted by the public with no really audible dissent, because those who refuse to join unions, or do join them under silent protest, have lacked a means of presenting their case. The employer and the labor faker can make themselves heard, but the persecuted individuals in the middle receive no hearing from the public and no respect from a Government board which was established for the frank purpose of assisting organized labor. Men who rebel at union extortions and job trusts and suffer from union politics have no protection from practices and rules which are no less ruthless than those which industry was accused of and equally destructive of their rights as American citizens.

These are a few little wrinkles in labor administration which might be ironed out before the Labor Relations Board can sit back and sprinkle itself with praise for guarding the sacred rights of labor.

Tribute to the Late Justice Charles H. Robb

EXTENSION OF REMARKS

OF

HON. ERNEST W. GIBSON

OF VERMONT

IN THE SENATE OF THE UNITED STATES

Friday, July 14 (legislative day of Monday, July 10), 1939

EDITORIAL FROM THE BELLOWS FALLS (VT.) TIMES

Mr. GIBSON. Mr. President, I ask unanimous consent to have inserted in the RECORD an editorial which appeared in the Bellows Falls (Vt.) Times, on July 13, paying tribute to the late Justice Charles H. Robb, of the United States Court of Appeals for the District of Columbia.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

[From the Bellows Falls (Vt.) Times, July 13, 1939]

AN IDEAL JURIST

Many men have gone forth from the hills of Vermont to take their places in the world of letters, law, business, the Navy, the Army, and many other walks of life, and have performed distinguished service in their chosen fields of endeavor, as the pages of Who's Who will give evidence. Among these distinguished sons of Vermont was Justice Charles H. Robb, of the United States Court of Appeals for the District of Columbia, who died recently in Washington in his seventy-second year.

In his early manhood, Justice Robb gained a reputation as an able lawyer while practicing in Bellows Falls. He attracted the attention of the late Senator Dillingham, of Vermont, who secured his appointment as Assistant United States Attorney General. While in that office he won the approval of President Theodore Roosevelt, who appointed him to the court of appeals in 1906. After a service of 31 years, he retired in 1937.

From 1906 until 1931, Justice Robb was also a member of the law faculty at National University. At the end of 25 years' service there he was named professor emeritus. For many years, he was a member of the Board of Trustees of the National Training School for Boys.

In a decidedly complimentary editorial following his death, the Washington Evening Star spoke of Justice Robb as "the ideal jurist" who dispensed justice "pure and untainted." The editorial said of him:

"He was a religious interpreter of the code, guarding its principle against attempted invasion regardless of the source of attack. Expediency weighed little with him if it impinged upon the purpose or intent of the statute doctrine. He lived and labored neither for the past alone nor the sole advantage of the present. The future was his anxiety and his enthusiasm. In other language, he desired that later generations of Americans should not be led astray by the precedent of any unwise tampering with legal fundamentals in his own day."

Certainly that is a fine tribute to a conscientious jurist.—Burlington Free Press.

Congress Has a Responsibility To Enact Sound Neutrality Legislation Before Adjournment

EXTENSION OF REMARKS

OF

HON. JENNINGS RANDOLPH

OF WEST VIRGINIA

IN THE HOUSE OF REPRESENTATIVES

Friday, July 14, 1939

Mr. RANDOLPH. Mr. Speaker, several days ago I received the following letter:

THE UNITED STATES NEWS,
Washington, D. C., June 27, 1939.

Hon. JENNINGS RANDOLPH,
Chairman, the District of Columbia Committee,
The House of Representatives, Washington, D. C.

DEAR MR. RANDOLPH: When Congress adjourns there undoubtedly will be a great deal of unfinished legislation that ordinarily would go over to the 1940 session. The vital problems involved make the question of prompt action on many of these measures a matter of national concern.

In view of this situation, The United States News would appreciate your opinion in answer to the following question:

Do you think Congress should take 6 weeks' vacation this summer and come back to Washington in September and resume consideration of important legislation?

A similar inquiry is being addressed to others in Congress. We would appreciate, therefore, from you a letter of about 200 or 300 words by or before Friday, June 30, for publication in our issue of July 3. We will take pleasure in sending you the issue in which your answer appears.

Sincerely yours,

E. WORTH HIGGINS,
Managing Editor.

A few days following its receipt I replied as follows:

JUNE 30, 1939.

Mr. E. WORTH HIGGINS,
Managing Editor, The United States News,
Twenty-second and M Streets NW., Washington, D. C.

MY DEAR MR. HIGGINS: Replying to your inquiry of June 27, let me say I am very strongly opposed to the suggestion that Congress take a 6-weeks' vacation this summer and resume the session in the fall.

It is my sincere belief that the legislation pending before us at the present time is of the utmost importance and should be handled as promptly as possible. I have particular reference to the amendments to the Social Security Act, which would liberalize benefits; the proposed amendments to the wage-hour law, which would be helpful to horticulture and agriculture and certain small industries in need of this legislation; and, of course, neutrality legislation.

It would seem to me that with conditions as they are abroad at the present time it is most urgent to enact a well-defined policy of neutrality so that we in the United States will know just what path we are pursuing in the event hostilities break out across the water. In my humble judgment, this question is too important to every one of us to consider adjourning without reaching some agreement. I personally feel we should remain in session until this is accomplished.

Very sincerely,

JENNINGS RANDOLPH.

I have listened carefully this afternoon to the reading of the message from the President on the subject of neutrality and the reasons set forth by the Chief Executive for his belief that action should be taken on this important matter.

I feel it is rather significant that three Washington newspapers have within the last 24 hours carried editorial comment with a rather strong unanimity of opinion which coincides with the view held by the President and many Members of this body. I shall quote in full at this point the three editorials.

From the Evening Star of Thursday, July 13, we read the following:

THE NEUTRALITY CRISIS

President Roosevelt and Secretary Hull have good cause to be gravely concerned over the failure of the Senate Foreign Relations Committee to act on the vital neutrality problem at this session of Congress. Their anxiety is shared by many well-informed persons who realize the dire implications of such inaction. In the light of the smoldering fires of European unrest, it is dangerous for Congress to shut up shop without repealing or modifying the present Neutrality Act, the embargo section of which is a definite menace to world peace—and consequently to American peace—because it has the effect of alining the United States with the aggressors in their visions of conquest. The latter would suffer no ill effects from an arms embargo because they are well equipped with planes and bombs and guns and bulwarked by great munitions plants—some of them recently seized in Czechoslovakia. France and England, on the other hand, need additional arms and planes. The United States, by refusing to repeal the embargo provision, serves notice on the aggressors that their prospective victims will be deprived of an important source of essential instruments of defense. The heils with which the Nazi press greeted the recent embargo stand of the House and the action of the Senate committee is indicative of the encouragement which this sort of isolationism gives the dictators.

But there are even greater hazards in the course to which the Senate committee has subscribed. It does not require an alarmist point of view to envision the reaction of the American people if the worst happens this summer or autumn across the Atlantic, as many competent observers fear it will. It would take little more than a few ruthless air raids on London and Paris—with possibly the death or injury of some American citizens or the destruction of American property—to stir the passions of our people to fever heat. There would be demands for action by this Government—for a special session of Congress to consider the emergency. And undoubtedly the most insistent demand would be for repeal of the Embargo Act handicapping the democracies in their fight for existence. But then it would be too late to change our foreign policy without risking the wrathful charge of the aggressor nations that we were casting neutrality to the winds and taking sides while the battle raged. Lifting of the embargo after war has broken out well might be regarded by Europe's troublemakers as an act of war on the part of the United States. The very entanglement feared by the isolationists would come swiftly, inescapably. It is with these ominous possibilities in mind that the President and Secretary Hull have determined to continue their efforts to obtain at least some of the safeguards against involvement contained in the legislative program proposed by Mr. Hull. The foundation of that program was repeal of the embargo provision. Its keystone was a cash-and-carry policy of trade with belligerents, under traditional rules of international law. That the Senate should turn its back on these reasonable peace proposals without even considering them in committee is unworthy of the "greatest deliberative body in the world."

In the Washington Post of this morning we find the following:

DOUBLY DEFICIENT

Few Americans who set national welfare above imaginary partisan advantage are deriving any solid satisfaction from the situation created by the Senate Foreign Relations Committee when it refused to consider neutrality-law amendment at this session.

In doing so the committee prolonged the status quo. But that status quo is viewed with misgiving by all who appreciate the precariousness of peace. An intelligent Republican viewpoint was voiced by Representative WADSWORTH, in his thoughtful radio speech on Wednesday night. He then asserted his belief that the inflexible embargo provision of the present law "is a great mistake," that it "places the United States in a false position," and that "in the end it will prove dangerous to our peace."

At the same time this automatic-embargo provision is anything but satisfactory to those administration leaders who believe that the surest way to make war less probable is to avoid giving aid and comfort to aggressors, and to avoid weakening their potential victims by prohibiting them from buying American arms, munitions, and implements of war in time of conflict.

There is still a neutrality law on the statute books. It is the law passed in 1937, minus the so-called cash-and-carry clause which expired May 1. But the expiration of this clause means that, in the event of a European war, Americans would be permitted to sell and to transport to belligerent countries all kinds of commodities indispensable to modern warfare. The embargo to be applied would affect only manufactured weapons.

It would be naive to assume that American farmers, laborers, and manufacturers would refrain from using the occasion of a European war to improve their economic position. They would be only too eager to sell wheat and meat and copper and oil and everything else not prohibited by law to belligerent nations. Nor, under the law, would they be prohibited from sending those goods in American bottoms into whatever war zone may exist.

There are those in this country who believe that there is a fundamental distinction between what has been described as "lethal weapons" and other articles and materials. Belligerents will make no such distinction. There is all too good reason to believe with Senator PITTMAN that the Neutrality Act as it stands contains practically all the seeds of involvement in future war which existed in 1917.

The Neutrality Act without the cash-and-carry provision does little or nothing to insure against American involvement if war breaks out in Europe. But it does, as Representative WADSWORTH points out, encourage an aggressive policy by the strong nation which "is armed to the teeth and does not need to purchase weapons in the carrying out of its plan of conquest."

All who are not hopelessly confused on the issue realize that we have on the statute books a so-called neutrality law with a decided tendency to precipitate the scales on the side of war. At the same time this law now carries no effective insurance against our involvement if war does break out.

It is in this dangerous and tragic situation that the present Congress proposes to leave the neutrality problem.

This afternoon the Washington Daily News carried these words:

"MY FRIENDS—

"From the beginning I have believed that this automatic, inflexible embargo (on arms exports to belligerents) is a great mistake; that it places the United States in a false position; that in the end it will prove dangerous to our peace. * * *

"This act has automatically placed in the hands of foreign nations, some of them possibly our future enemies, the decision as to with whom this country shall carry on some of its trade and commerce. * * *

"In case of a European war, we should see ourselves penalizing only the democracies. The only certain results would be an outburst of popular feeling which would force Congress to drop the embargo. * * * Such a change of rules during the course of the war would almost inevitably mean our own involvement. * * *

"If wholesale attack were made upon women and children by the deliberate destruction of cities from the air, then the indignation of the American people could not be restrained from action. * * *

"I fear for America's ability to stay out of a prolonged war. * * *"

Is this President Roosevelt speaking? No. The quotations come from five Republicans, in the following order: Representative James W. Wadsworth (Republican, New York), former Secretary of State Henry L. Stimson, former Undersecretary of State William R. Castle, Herbert Hoover, and Alf Landon.

Foreign policy is not a partisan issue.

Cost of Production and Attacks Made On It

EXTENSION OF REMARKS

OF

HON. SAM C. MASSINGALE

OF OKLAHOMA

IN THE HOUSE OF REPRESENTATIVES

Friday, July 14, 1939

Mr. MASSINGALE. Mr. Speaker, on April 20, last, I addressed the House the second time this session on the mechanics of H. R. 2371, which is the cost-of-production bill, and is the same as S. 570. In that address, I used cotton for illustration and showed that the smallest class of cotton farmers, all those cotton farmers raising 2 bales of cotton or less, would double their annual incomes from cotton under the terms of my bill. The same reasoning applies to all crops covered by my bill. I believe this sufficiently answers all attacks made on this bill by those who seem deeply concerned because the bill does not take care of the tenant farmer or the small farm unit. Certainly a bill that will double the annual income of 2,400,000 of the smallest cotton farmers out of the 2,700,000 total number of cotton farmers, ought to appeal to the critics of this measure who seem so much distressed because the small farmer is not taken care of by this bill. The small farmer is taken care of because he will receive the cost of production for his products.

There is no doubt about the dire distress of the cotton farmer. H. R. 2371 and companion bill S. 570 will accomplish much for him. These bills will at least double the income he now gets under the Agricultural Adjustment Act of 1938. During the last 2 years 280,000 cotton farmers have been turned out of their homes. More than a million people that heretofore derived their living from the cotton farms of the South cannot in the future derive their living from the cotton fields unless there is a change from the present farm program to the principles of the cost-of-production program as embodied in my bill and S. 570. Secretary Wallace was right in his statement that the farmer cannot have either cost of production or parity price for his farm products under the Agricultural Adjustment Act of 1938. Congress has just voted about $1,250,000,000 for the Agriculture Department, including payments under the Agricultural Adjustment Act of 1938, trying to do something for the farmer. Even if the full appropriation for parity payments and for soil conservation is made available, the farmer will still be far short of parity prices or parity of income, much less receiving the cost of production.

Farming is as much a business as banking, merchandising, or manufacturing. Everybody that engages in business is motivated by the desire to make profits from which he can live in reasonable security and decency. The American standard of living for labor was the argument upon which the tariff wall to protect manufacturers was built. Surely nobody would deny labor his hire at such a rate of pay as will enable him to live according to that American standard. The tariff is a fine theory for the laborer and the manufacturer that hires him, and both are helped materially by the tariff, though less than 15 percent of the industrial labor of America receives any protection whatever from the tariff; the other 85 percent goes somewhere, and it must go to the manufacturer. At any rate, we know that all of it goes to the manufacturer and the laborer he employs.

Now, if every person were engaged in manufacturing or were a laborer working for a manufacturer, then there would be no particular objection to a tariff. But this is not the case. These two classes comprise a very small percentage of our population. At the inception of the tariff theory, it was recognized by Alexander Hamilton, the sponsor of the movement, that it discriminated against agriculture. He said, as I have stated before in these discussions, that he would not favor its enactment himself if he did not feel that Congress would speedily pass appropriate compensating legislation to cover the losses the farmer is compelled to take by reason of the tariff. In truth, Mr. Hamilton was mistaken about the speed of Congress. I think it safe to say that the slow-moving, deliberative giant, known as Congress, is not going to be aroused from his 150 years' slumber to repeal the tariff law within the lives of any of us who are now Members of the Seventy-sixth Congress. Then we owe it to the agricultural interests of America to try out some compensating law that will bring to the farmer some relief from the recognized unfair economic status he has found surrounding himself for the past century and a half. The tariff forces the farmer to buy his goods from the American manufacturer who is protected from outside competition. Of late, the reciprocal-trade agreements make it possible for the manufacturers to send their products to foreign countries and take their pay in such raw products as they may wish to use in their factories in the United States, free from the very high duties that are imposed by the tariff law itself. These concessions to the big manufacturing interests in America have made

an opening in this tariff wall for use only by the manufacturers.

The farmer, however, does not have the privilege to ship his farm products abroad in exchange for foreign-made goods unless he pays the full tariff duty on them. It appears that what little hope the tariff left for the farmer has been snuffed out by the trade agreements. With the tariff wall in front of him, the trade agreements back of him, and surrounded by lower and lower prices for farm products, and forced to plant fewer and fewer acres of his land each succeeding year, the farmer's economic ruin will soon be complete. If he raises large crops, the dollar value is increased to make the prices low. If he raises no crops and money is cheapened, it does the farmer no good. His economic condition could hardly be worse. If he raises six bales of cotton, he has to give two bales for his part of the tariff tax, and one bale for State and county tax. This leaves him and his family three bales at one-third of its value, on which to exist. Indeed, there is little if anything left for the subsistence of himself and family after his landlord has been paid. The foreign consumers of American cotton want that cotton, but they have no gold to buy it with. However, they do have ample supplies of goods made from American cotton that they want to exchange for our raw cotton. But the tariff law will not permit this to be done. This is the realistic situation we face. The principles of H. R. 2371 and companion bill, S. 570, have been offered for the purpose of protecting the American market for the American farmer at a cost-of-production price in precisely the same manner as the American manufacturer has enjoyed the American market at a price that will yield him the cost of production for his products and to enable the farmer to go into the markets of the world with his surplus at world prices in the same manner that the manufacturer goes into the markets of the world with his surplus at world prices. We should trade with the world with our surpluses regardless of and without respect to forms of foreign governments in just the same manner as we compel the world to respect the form of government of our own choosing here in America.

The farmer must have cost of production if he is to stay on the farm and live. Secretary Wallace has testified to that effect, both in the hearings on S. 570 before the Senate Committee on Agriculture, and in the hearings on H. R. 2371 before the Agriculture Committee of the House. Hemmed in as the farmer is by tariffs and trade agreements, he is a wanderer in the wilderness of low prices and continuous reduction in the number of acres he may plant; he is refused any exchange or swapping rights or privileges in handling his products for products manufactured abroad; he is forced to buy only from American manufacturers at tariff-protected prices, and denied the right to sell his own farm products to his own countrymen except he enter into competition with the coolie labor of the world; just imagine his economic status. This cost-of-production bill will partly remedy the matter for him. There should be no necessity for a cost-of-production bill, but as long as the manufacturer has protection, it is a manifest wrong to the farmer not to give him the same measure of protection in the way of compensation to him for the loss that has been put upon him by the tariff. The farmer feels that he is as much entitled to the whole of the American market for his product as the manufacturer is entitled to the whole of the American market for his products. To help bring this about, my bill places a virtual embargo on all competing agricultural imports. This will give the American farmer at least one delayed right. That is the entire American market, to the fullest extent of his ability to supply it. This will be nothing more than justice.

Deny the farmer this, and in a short time you will have finished him as an economic factor in the sociology of American life. When he has been gotten rid of or eliminated from our social life, then, indeed, there will be in America a monster of such mien as to seriously concern us for all time to come. It means that there will be upward of 40,000,000 people who will be set adrift economically. These people do not know how to make a dollar except by working in the cotton fields. The few sporadic complaints that we have heard occasioned by the loss of our export cotton trade and incidents of unemployment necessarily depending upon export of cotton, may have been disturbing, but if this thing should break out in all its fury—and it will when men, women, and children are hungry—many of us who are sitting in this Congress will rue the day that we became Members of the Congress of the United States.

It is interesting at this point to discuss the theory of Senate bill 570 and House bill 2371. These bills are not just happenings. The origin of this theory was as far back as the panic of 1920. In their state of distress the farmers of America were convened for the purpose of considering their financial condition. There it was conceived to be the right of the farmer to receive the cost of production for his products raised in and consumed in the United States. Every farmers' organization in America, I believe, participated in the conferences at that time. The Farmers' Union was there. The Grange was there. Mr. John Simpson, of Oklahoma, was there; and Henry A. Wallace, of Iowa, now Secretary of Agriculture of the United States, was there, as was every man vitally interested in the welfare of the farmer. The cost-of-production concept, of course, had its origin in business long before 1920. Prior to that time it was never thought that business principles should be made applicable to the farm business. Since that time the business of farming is becoming more and more recognized as a business, and, of course, entitled to its cost of production. It is significant that the present Secretary of Agriculture in 1928 in addressing a Farmers' Union convention in Iowa, made the statement that he desired to challenge anybody in America who said that the principles underlying the Farmers' Union cost-of-production figures were unsound.

It appears that the Farmers' Union is not what it used to be. When the cost-of-production bill, S. 570, was being heard during the 8 weeks before the Senate Committee on Agriculture and by the Agriculture Committee of the House, the national and many State officials of the Farmers' Union were here in Washington, supposedly for the purpose of giving their comfort and support to the passage of this bill. But they appeared before neither committee either for or against the bill. They remained as silent as the grave. It suddenly developed that they must have been here as guests of somebody that was carrying a dagger for the farmers of the United States. The papers announced that Mr. John Vesecky, president of the National Farmers' Union, upon coming to Washington and visiting the Department of Agriculture, gave out an interview in which he outlined in substance the attack that some of these present farm leaders have launched against the cost-of-production bill. The present officials of the National Farmers' Union take the position that John Simpson and his friends and coworkers of his day were laying the framework for sending the farmer up a blind alley to be wholly discredited in a welter of confusion, chaos, and failure. This cost-of-production bill is what they all stood for in John Simpson's day. Now, however, just listen to these Farmers' Union leaders, when they issued their brand-new April 1939 attack on the cost-of-production bill, after it had been unanimously passed out by the Senate Agriculture Committee and was pending before the House Agriculture Committee for consideration.

This is what they had to say after the 8 weeks of hearings were over:

> The market price for agricultural commodities and the many grades and varieties should be permitted to seek their natural level as determined by consumer demand in the course of normal market operations in established commercial channels.

The words just quoted are the identical words of the officials of the present set-up of the National Farmers' Union. They mean that John Simpson and the Farmers' Union of his day did not know what they were about. They mean that Henry A. Wallace, of Iowa, has completely changed his spots since becoming Secretary of Agriculture. It was John Simpson's idea and the idea of Henry A. Wallace that the farmer's

hope lay in the cost-of-production price for domestically consumed farm products. The officials of the Farmers' Union of today, the attackers of this bill, say, "No; there is nothing to that old and cherished notion of the Farmers' Union." They are advising now that everybody get out of the way and let the gamblers in the market places handle farm crops as they please, and as they have been doing, and the farmer will be happy. The quoted thought above expressed to the effect that there is no need for any interference, but that the only thing the farmer needs is to let the market price for commodities seek its natural level as determined by consumer demands, is a complete flip-flop, a reversal of the history of the Farmers' Union, and a betrayal of the great spirits who first directed them in the cost-of-production movement. It means that the Farmers' Union has capitulated, but to what and to whom I am unable to say. Why these modern officials take this position is something that somebody else will have to ascertain or explain, if they can.

When this group of Farmers' Union officials appeared on the battlefield here in Washington 4 months after the battle had begun, they made nine belated attacks on the bill and then left alternative proposals. In one attack the complaint was that the tenant farmer and the small farmer would likely be imposed upon and that he would not get the protection that he should have. I showed in a recent speech that the small farmer would have his income doubled if this cost-of-production bill should be passed. That certainly would be twice as good as he has now.

Another ground of attack by these modern officials is that they are fearful that the Secretary of Agriculture would have too much power. The authors of this bill do not feel that way. They feel that the farmer would be liberated from the arbitrary power of the Secretary of Agriculture, and that he could plant what he wants to grow. He would receive for the products which he does grow and which are consumed in the domestic market the cost of production. He would get the world market, which is as much as he gets now for all of his crops, for his surplus. Under the cost-of-production bill the Secretary is given duties to perform, not powers to assume. He is required to ascertain the cost of production according to a rule laid down by Congress. He is required to announce his findings. He is required to get the farmer the cost of production for his products. He is required to follow a rule to protect the American farmer from competing agricultural imports. In short, uncontrolled discretionary powers are taken from him, and he is given definite duties to perform to bring about agricultural prosperity.

The third attack is that somebody in testifying for the cost-of-production bill referred to the fact that Mussolini called in the wheat growers of Italy and told them about how many bushels of wheat he wanted the farmers of that country to grow, and he told them that if they would grow that quantity of wheat he would fix a minimum price to farmers of Italy of $2.12 per bushel.

The farmers of Italy raised that quantity of wheat, and Mussolini paid them $2.12 per bushel in American money, while our farmers were getting from 40 to 60 cents per bushel for their wheat. Now, because Mussolini did this these attackers say that the present bill is so fascistic as to give them the jitters because mention of the fact was made that Mussolini caused the farmers of Italy to get so much for their wheat. In this connection it might be mentioned that France was doing practically the same thing. France was paying her farmers $2 per bushel for wheat this year, while our farmers were selling their wheat for what they could get—usually 50 cents per bushel.

Another attack made by the presently manned Farmers' Union is that cost of production would make it possible to feed foreigners at less cost than we can feed our own people, and some of them take the jitters again, and frantically exclaim that they do not propose to vote for any measure that will feed at a lower cost the producers of competitive articles that come into competition with American farm production. This is not the argument of friends of the farmer. This old argument was borrowed from Andrew Mellon and Senator Fess, of Ohio, when they were fighting the McNary-Haugen bill. John Simpson whipped these gentlemen into line, and the McNary-Haugen bill was passed, though vetoed.

Another attack made on the bill is that the present Farmers' Union officials are afraid that the farmers cannot readily sell the volume of their products needed for domestic consumption due to the fact that there is not sufficient purchasing power in the people to pay the cost-of-production price. These gentlemen overlook the fact that the main argument that supports the cost-of-production price is that it will increase the buying power of the farmer. If you increase his income, which you can do by giving him the cost of production for his domestically consumed part of his products, he will have the purchasing power to put all business in America in gear. The principle of national prosperity, based upon agricultural prosperity, was understood by Governor Roosevelt in the campaign of 1932 in which he, in substance, said that the way to start the wheels of the mills and factories to turning and take the millions of idle men off the streets and put them to work in private industry was to give the farmer a price for his products above cost. But the attackers of this bill have the cart before the horse, and they want prosperity established before the farmer will be allowed to sell his crops. Their position, of course, is too asinine to even require comment. There is another attack made by the gentlemen above mentioned. They are much worried because they are afraid that under this bill, wrong grades and classifications will be made of farm products which will mean a lower price than the farmer ought to get. The formula for price-fixing in this bill is as old as business itself. Nobody ever thought it was hay wire, unconventional, or impractical until the present bunch of attackers came into Washington to kill the cost-of-production bill. The formula for determining the cost of production is the same formula that the manufacturer and the merchant and every other businessman in America uses. It is just being applied for the first time to farm business.

These attackers come in now, and, in their wisdom, say "It can't be done." The most regrettable thing about these gentlemen is their statement that while it cannot be done, the idea is very near their hearts. That statement does not ring true. They make specious pretenses of their own sincerity. They protest too much. How these Farmers' Union leaders can recognize the right of business and industry to receive the cost of production plus a profit and deny the same right to the farmers, whom they pretend to represent, is more than a reasonable and prudent man can understand.

Another attack on the bill is that the bill applies only by its terms to those agricultural commodities entering interstate commerce, and the attackers are afraid, so they say, that intrastate commerce will not be protected. These gentlemen have not kept up with the way business is done in this country. They are afraid, so they say, that there will be another secession in America among the 48 States of the Union if the farmer is given cost of production and this bill becomes a law. Anybody knows, and he does not have to be an official of the National Farmers' Union to know it, that Congress has no jurisdiction to regulate intrastate commerce, and that it can only deal directly with interstate commerce, but he knows just as well that when interstate shipments of cotton, wheat, or anything else raised on the farm, will bring the cost of production, inevitably intrastate cotton or wheat or other farm products is going to feel the effect of the interstate regulation, and intrastate prices will be raised to the same plane as interstate prices.

The next attack is that it is going to require too many men, a big police force—so big that it will stagger the imagination. I should think that modesty would restrain these gentlemen just a little and that their fear need not completely unhorse them, for be it remembered—and I am sure that these gentlemen never thought of it at the time they made this attack—that the Department of Agriculture has now 88,800 employees engaged in the administration of the present Farm Act. They have about 87,000 too many. This bill is designed to get rid of them. Just as a matter of idle curiosity, I cannot help from wondering if too many jobs may not be lost to the

faithful 88,800 on the Secretary's pay roll if this bill is enacted into law. Perhaps even some who signed the letter attacking the cost-of-production bill may be separated from the Secretary's pay roll if the cost-of-production bill were to become the law. I cannot help but wonder who wrote the attack. I am sure in my own mind that Secretary Wallace did not write it, because Secretary Wallace testified that the cost-of-production bill was the only remedy offered to Congress that would give either parity or cost-of-production prices to the farmer. Such cost-of-production prices would only raise the cost of living to the American people by a billion dollars. He further testified that it would double the national income to farmers. He said that it would raise their income from $7,500,000,000 a year to $15,000,000,000 a year. The economists all seem to be agreed that the farmer's part of the national income multiplied by 7 plus will indicate approximately the national income.

If this is true, a $15,000,000,000 cash farm income would mean a national income of approximately eighty-five to one hundred billion dollars a year. Now, it is estimated that two-thirds of the people in the United States live in the cities, and one-third live in the country. If this one-third are farmers, they will have their incomes doubled each year under the cost-of-production bill. The city folks will receive about twice as much increase in their incomes, because there are two of them to one person not living in a city. If the cost of living would be raised a billion dollars a year, as Secretary Wallace estimates, if the cost-of-production bill is put into effect, then the farming class of people will be required to pay one-third of that billion dollars increased cost of living, or $333,333,333.33, while the city dweller will have to stand two-thirds of that billion dollars, or $666,666,666.66, for his part of it. The farmer ought to be glad to pay his one-third, or $333,333,333.33 increase in his cost of living out of the increase in his income of $7,500,000,000. This is a good bargain. Our urban friends would not object to paying an increase of $666,666,666.66 in their cost of living out of an increase of fifteen to twenty billion dollars increase in their annual income. This is not only a good bargain for the farmer—it is a good bargain for our urban friends. It is a good bargain for labor. It is a good bargain for the whole Nation.

Another attack is that the bill is poorly drafted and that it is full of loopholes. This is a shoddy argument. This is the argument that is always used by enemies of liberal legislation. However, I happen to have been on the committee that prepared the bill. We procured the services of the most expert draftsman of legislation in Washington. We had the counsel and advice of the best legal and practical minds, both in Congress and outside Congress. We had the benefit of the suggestions of the 20 members of the Senate Agriculture Committee and of the 25 members of the House Committee on Agriculture. You may be sure that this bill was not drafted to suit the notions and fancies of the enemies of the American farmer or the enemies of the cost-of-production principles of legislation.

Now, let us see the sudden and complete change of front. In 1928, before Mr. Wallace became Secretary of Agriculture Wallace, he made a speech in Iowa, and I am quoting from that speech:

> It will be necessary to give farmers $6,000,000,000 more annually if the farm housewives are to have the modern conveniences in their homes, if the farm children are to have the same kind of an education as the children in the cities have. All this would mean an increase in price of farm products—of wheat, corn, hogs, oats, etc., of at least 60 to 70 percent. It would mean prices approaching the standard as set by the cost-of-production committee of the Farmers' Union. A fair share in the national income is just what the Farmers' Union definition of cost of production means. You can say you are going to have a fair share in the national income or you can say you are going to have the Farmers' Union definition of cost of production.
>
> I don't say the Farmers' Union figures are exactly right, but I say the principle employed is absolutely right, and I would challenge any experiment station or United States Department of Agriculture or any other organization to prove that the principles back of the Farmers' Union cost figures are unsound.

You will note in Secretary Wallace's speech he stated that it would require $6,000,000,000 annually to put the farmer on about the same plane of living that other people enjoy. This bill brings the farmer's part of the national income up to approximately $15,000,000,000 a year. To accomplish that Secretary Wallace's proposed price schedule would demand 60 percent increase in the price of cotton of 1928. In 1928 cotton was worth 20 cents—60 percent of 20 cents is 12 cents—and Wallace's proposed price schedule to give the farmer his just part of the national income would require a price of 32 cents for lint cotton.

Let us bear in mind that Henry A. Wallace, the speechmaker of 1928, and Secretary of Agriculture Wallace, is one and the same person. For this reason, we may assume that Secretary Wallace never wrote or inspired the attacks and criticisms of the cost-of-production bill offered by the officials of the Farmers' Union.

It is equally reasonable to assume that the Farmers' Union membership of today are just as much in favor of the nonpartisan, cost-of-production farm bill, H. R. 2371, and companion bill, S. 570, as the same Farmers' Union members were under the leadership of John A. Simpson. The same Members of the United States Senate and House of Representatives that supported and voted for the principles of cost of production in 1933 and 1937 are supporting H. R. 2371 and S. 570 today. The farmers of the United States have not changed their minds about being entitled to the cost of production. The Members of the Senate and House of Representatives that supported cost-of-production legislation in previous years have not changed their minds today. They are supporting cost-of-production legislation for the farmer and will vote for it if they get an opportunity to do so. The Farmers' Union leaders are the only ones, it appears, who have changed their position.

I cannot fully understand the attack or the things that motivate the attack upon the cost-of-production bill by the Farmers' Union leaders. Probably the farmers of America understand this better than I do. I trust that the rank and file of the farmers in the United States will make it their business to ascertain just why this change of front on the part of their officials on the cost-of-production principles of legislation. There is plenty of time left for the individual membership of the Farmers' Union to find out why their national officials have changed their attitude on the cost-of-production bill.

The Agriculture Committee of the Senate unanimously reported the bill out of committee and recommended its passage by the Senate. The Agriculture Committee of the House has not reported the bill out. May I advise the individual farmer of America to write his Congressman and write Members of the Agriculture Committee of the House, and let them know whether or not he favors the cost-of-production bill as represented by H. R. 2371 and S. 570. Organize and hold meetings and demand of your national leaders that they support the kind of legislation that you are in favor of having the Congress pass. Find out why it is that cost-of-production principles, so popular with all farmers of the John Simpson type, has been condemned and branded as too unsound for the present officials of the Farmers' Union.

Most of our larger newspapers that are in the habit of condemning practically everything that the common people of the country want, criticize the cost-of-production bill and brand it as poppycock and balderdash and as a "cockeyed" economic theory. The argument is that it is pure insanity to try to fix a standard cost of production on all farms because sometimes it rains and sometimes it is dry and sometimes the dust blows and sometimes the grasshoppers come, and for that reason, there can be no such thing as an average cost of production.

The farmer is used to this kind of logic and does not expect anything better from such papers. I think I know that when the farmer contemplates growing crops, there is nothing quite so important as the price he expects to receive for his products. He is not going to get these prices if he has to depend upon the advice of such papers and upon the advice of the officers of the National Farmers' Union as demonstrated in the recent flop of their attitude toward cost of

production for farm products. I should think it would be much easier to determine the average cost of producing a pound of lint cotton than it is to determine the cost of carrying a ton of merchandise from New York City to Oklahoma City. The farmers know this is true. The boxcar that carries the merchandise has many lines to travel over en route between the two points. The coal or oil that is used for fuel costs more in some of the regions through which the boxcar passes on some routes than on others. Taxes are more in some States than in others through which the train runs. Yet are you going to say that the Interstate Commerce Commission has not the power to make a rate that is fair to the railroads and fair to the communities through which that car of merchandise passes? So it is with the cost of production for farm products. The balderdash and poppycock of cost-of-production theory for farm products is the same balderdash and poppycock and is just as cockeyed, and no more so, than the cost-of-production theory for industrial products.

I will agree that if it were not for the tariff that discriminates against the farmer and if it were possible to have a money system that would guarantee a dollar of stable value, that could not be manipulated to the prejudice of the farmer, we probably could get along without cost of production for farm products. These things have not been controlled for 150 years. I am unwilling to have the farmer wait another indefinite time for some relief.

Old-Age Assistance

EXTENSION OF REMARKS

OF

HON. JOSEPH R. BRYSON

OF SOUTH CAROLINA

IN THE HOUSE OF REPRESENTATIVES

Friday, July 14, 1939

Mr. BRYSON. Mr. Speaker, yesterday I had extended into the CONGRESSIONAL RECORD my remarks on an amendment to the Social Security Act, which would increase the amount of the Federal contribution for old-age assistance. This amendment, introduced by Senator CONNALLY, of Texas, was adopted by the Senate on July 12, 1939.

It was my understanding that under provisions of the Connally amendment the Federal Government would contribute $2 for every $1 which a State raises up to a total Federal contribution of $15. Thus, if a State were to raise $7.50, the Federal Government would contribute $15, making a total pension of $22.50.

However, it now appears that under this amendment the Federal Government will match the State $2 for $1 until a total amount of $15 is reached, after which the Federal Government will match the States dollar for dollar. Under this arrangement a State raising $7.50 would receive $10 from the Federal Government in return for its first $5 and $2.50 for its additional $2.50, making a total pension altogether, including both State and Federal contributions, of $20, or $2.50 less than the figure I estimated yesterday.

It should be said here that, regardless of how we look at the figures, the old people of our poorer States are receiving but a mere pittance of what is actually needed to live with a reasonable degree of decency and comfort. As I remarked yesterday, it seems a shameful thing that those who have given their lives to industry and the upbuilding of this Nation should be left to spend their last days in a state of dire need and deprivation.

While the Connally amendment does not go far enough in wiping out the injustices which exist between the aged of the poorer and richer States, it is a step in the right direction. It is at least an encouraging indication that the Federal Government is now recognizing its responsibility to the welfare and security of the aged of the Nation.

Oil Control Plan for Anthracite Industry Recovery

EXTENSION OF REMARKS

OF

HON. IVOR D. FENTON

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Friday, July 14, 1939

FEDERAL CONTROL OF PETROLEUM PRODUCTION IS URGED BY COMBUSTION ENGINEER IN THE ANTHRACITE TRI-DISTRICT NEWS, UNITED MINE WORKERS OF AMERICA PUBLICATION

Mr. FENTON. Mr. Speaker, under leave to extend my remarks, I wish to insert in the Appendix of the RECORD an article that appeared in the Anthracite Tri-District News, official organ of districts 1, 7, and 9, United Mine Workers of America, by Henry de Soto, combustion engineer:

(By Henry de Soto)

The anthracite industry has been utterly neglected and abandoned to an abject decadence. Among its most ruthless enemies are listed extraneous, heartless bankers, bounty-exacting absentee owners, the ne'er-do-well railroads, its powerless operating managements, and last, but not the least, its most effective competitor, the petroleum industry.

We are well acquainted with the undeniable fact that fuel oil is replacing 10,000,000 tons of domestic size anthracite coal annually in the Middle Atlantic States. In the year 1926–27 anthracite comprised 76 percent of the fuel used for domestic heating in Massachusetts, while by 1936–37 it dropped to 25 percent. During the same period furnace and range oil consumption grew from 4 percent of the total fuel used for heating in Massachusetts to 48 percent. Oil has replaced anthracite at the rate of 2,000,000 tons yearly.

The growth of domestic heating oil has amounted to 160 percent from 1930 to 1938. The proportion of oil sold for heating to total sales of gas, oil, and fuel oil for other purposes has increased from 11 percent in 1930 to 26 percent in 1938. These percentages are of more critical importance than at first glance estimated.

However, it is a very well-known fact that the petroleum producers have been marketing this byproduct of their refineries at a less-than-cost price with the express purpose of inducing the coal consumers to shift to their less expensive fuel oil, yet, with the intention, after its need is definitely assured, to increase its value considerably.

This practice is not only unethical in business methods; it is also a prearranged scheme to gain new markets through the medium of their surreptitious access into the confidence of a sincere population that have been presently led to believe that the existing fuel prices, which are incompatible to reason, will be maintained indefinitely.

Thus has been the manner through which the petroleum producers have supplanted anthracite fuel in New England and in the Middle Atlantic States with fuel oil.

This exposition of an overlooked fact needs to be presented that it may be of common knowledge throughout the anthracite-producing fields and throughout the anthracite-consuming fields.

As far north and west as British Columbia the same complaint has been uttered by coal producers and dealers. Their spokesman, Mr. M. A. Macdonald, chairman of the British Columbia Fact-Finding Commission, expresses his views thus: "It has been the policy of the oil companies to make gasoline 'pay the freight.' Fuel oil is sold in British Columbia at uneconomic prices, and does not carry its own fair load of costs. These costs are unjustifiably shifted to gasoline. Consumers of gasoline have for many years been paying excessive prices for gasoline to enable oil companies to sell heavy fuel oil at a loss. Gasoline users have therefore been paying in effect a bonus to heavy fuel-oil users, not to benefit, but to impair the local coal industry."

The statement by Mr. Macdonald of the British Columbia Fact-Finding Commission is the same statement that coal producers and dealers in the eastern United States can readily make. It is an obvious fact, a corruption of business ethics contrary to sane reason and established methods.

In a Federal-control plan of the petroleum industry rests the immediate recovery of the anthracite industry.

This proposal is hereby addressed to the Pennsylvania Representatives in Congress, to the anthracite coal-producing companies, to the United Mine Workers of America, to the anthracite region chambers of commerce, and to the Honorable Arthur H. James, Governor of Pennsylvania, to concurrently request the President of the United States to embody a group of worthy and dependable men well acquainted with the petroleum industry with the purpose of formulating a Federal control plan of petroleum production.

This control plan is deemed of utmost necessity, because, primarily, at the present rate of unregulated production and un-

checked consumption the domestic-oil reserves will be exhausted in 10 years approximately; secondarily, the petroleum industry, following its present trend of reckless production and cutthroat competition, is detrimentally squandering the short-lived domestic reserves of a very necessary product which is undeniably a very vital part of the growth of our country to its outstanding position among the world's nations; tertiarily, the national-defense plan is unworkable without the assurance of present and future domestic supply of this important product so much necessary as steamships' fuel, as Diesel engines' fuel, as locomotives' fuel, and as airplanes' fuel.

The Federal control plan of petroleum production should perform the following duties:

(a) Regulate the production of the oil fields throughout the Nation, with the purpose of avoiding unnecessary squandering of petroleum and its many derivatives. Mining quotas to be allocated to the different fields which contain companies organized efficiently enough to use farsight and prudence in their enterprises without the detrimental recourse to censurable squandering of the mined product with its resultant overproduction conducive to unfair competition and price cuts.

If, to the attainment of the desired end, it might be necessary for the Federal Government to provide a subsidy proportional to the required curtailment of production, such procedure should be recurred to.

(b) Check consumption by all different users, industrial and domestic, with the purpose of encouraging economy through the medium of a general, national educational program. The "underproduction price" marketing of domestic heating fuel oil as presently done should be curtailed.

(c) The Federal Government should proclaim the prohibition of the use of petroleum products for domestic heating and industrial power purposes throughout the immediate vicinity of the coal-producing fields and throughout the adjacent regions served by this commodity which possesses reserves that will survive for another 4,000 years at the least.

Through such proclamation, the present fuel oil, a byproduct of the necessary gasoline, should be purchased by the Federal Government at a fair cost-plus price and kept in reserve for future use through storage in convenient locations throughout the Nation. This stored oil will be of ready use for our oil-burning Navy, the Diesel-powered locomotives, and Diesel-powered auto trucks, which are extensively increasing in use.

In intelligent apprehension, item (c) is a peremptory coefficient to the realization of the national-defense plan.

(d) Should a compromise be necessary in the formulation and acceptance by the oil producers of item (c), then the Federal Government, to partly provide oil-fuel preservation for the national-defense plan and partly to allow the much harassed coal industry to gradually recover, should levy a 1-cent Federal tax upon every gallon of fuel oil sold for domestic heating and for industrial power purposes.

It is worth while to here note that the Federal Government does not tax fuel oil for domestic heating, thus enabling the oil producers to more effectively compete with coal producers.

Evidences of the necessity of a Federal control plan for the petroleum industry are borne by the following facts: (1) that our national petroleum reserves are but 13,000,000 barrels; (2) that our yearly unregulated production and unchecked consumption average 1,180,000,000 barrels; (3) that at that rate, allowing for possible discoveries of new fields, the domestic oil reserves will be exhausted in 10 years, approximately; (4) that the limited oil reserves, accurately estimated, should be regulated intent at preservation as a national defense vital commodity and should not be permitted to be employed in unfair competition against fuel as coal which has reserves that will survive for 4,000 years as per actual consumption; (5) that the 100,000,000 barrels of fuel oil annually dumped unnecessarily in the competitive market against coal should be preserved by Federal regulation for future lean years of oil scarcity.

It is well to point out the following: That the demand for fuel oil for use in Diesel engines has increased to the extent that, approximately, 2 years hence, it will be necessary to divert much of the refinery product that presently goes to supply the demand for the domestic heating market; that the number of trucks built with Diesel drives are increasing in such a number that another large demand for fuel oil will have to be satisfied; and most important of all, that the present marine transportation depends to a 60-percent extent on fuel oil, which trend will increase in an immediate future to 100 percent; that the economy of Diesel engine drive is such that its use will continue even after the expected decline of production of petroleum.

Therefore, the growth of demand for fuel oil and Diesel oil which has been relatively greater than the rate of increase of gasoline demand, will result, in the immediate future, in the substantial and unannounced increase of the price of fuel to an unpredictable new level, rendering it unattainable by the domestic-heating consumers.

A technical summary of the progress made during the near past in the artificial production of oil will further reveal the need of Federal control.

Two artificial-oil processes are in operation in Europe. These are the Bergius process for the hydrogenation and liquefaction of coal, and the Fischer-Tropsch process for the catalytic synthesis of hydrocarbons from water gas.

Our Pittsburgh laboratory of the United States Bureau of Mines has produced artificial oil from coal using the Bergius process of hydrogenation, and has informed the scientific world that from 100 pounds of soft coal they have produced 10 gallons of oil which in turn have been refined to produce 8.3 gallons of gasoline. Yet, they inform, the production cost is too high for commercial production as the cost of the finished product will render it prohibitive, and that gasoline derived from the process will need to sell for approximately 50 cents a gallon.

Production and Exports of Lard

EXTENSION OF REMARKS

OF

HON. FRED L. CRAWFORD

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Friday, July 14, 1939

LETTER FROM DR. WILHELM TANNENBERG

Mr. CRAWFORD. Mr. Speaker, yesterday I took occasion to call the attention of the House to the corn-pork-lard crisis which confronts us, and just a moment ago I received a somewhat startling communication from a high German official in this country revealing that Germany is in the market for millions of pounds of American lard, that she is a potential buyer of approximately 250,000,000 pounds of lard annually, and that this German official is at the moment empowered by his country to enter into negotiations for the purchase of this pork product. Yet circumstances are such that the American farmer loses this market.

Under leave to extend my remarks, obtained for me by my colleague from Michigan [Mr. MICHENER], I desire to submit for the further consideration of Members of the House representing not only corn-hog States but also the cotton States—because they likewise have a vital interest in this serious situation—a communication I have just received from Dr. Wilhelm Tannenberg, first secretary of the German Embassy.

I am reliably informed that during the last quarter century we have exported as high as 214,000,000 pounds of lard to Germany in one year. In 1938 our exports reached an all-time low to that country of only 1,380,000 pounds.

As we Members from the corn-hog-cotton States prepare for a meeting to be held in connection with the great corn and lard surpluses tomorrow, we should give serious consideration to the circumstances which have cut off the American farmers' flow of export lard to this particular country, which once ranked among our best foreign markets.

I am informed that in the years 1910 to 1914 an average of 51 percent of all American lard production was exported, and that Germany took 31.3 percent of those exports. In the years 1925 to 1929 our lard exports were about 45 percent of our production and again Germany took more than a quarter of our exported lard—averaging about 26.6 percent.

Germany was our second best lard customer in 1929 when we exported from American farms into German trade channels 214,933,000 pounds of lard in a year when our production totaled 1,763,143,000 pounds.

In 1934—although we had a production of 1,340,796,000 pounds of lard in this country, Germany ceased being such a good customer and took only 26,608,000 pounds and her lard purchases continued to decline until last year—1938 she took only 1,380,000 pounds, or less than 1 percent of our total lard exports.

The American farmer is entitled to know the reason for the loss of this export market. He is also entitled to have Congress and other officials here at Washington give more serious attention to the facts which reveal that one of our lard customers once took over 31 percent of our lard exports and now, still in need of millions of pounds of American lard, purchases less than 1 percent of our export last year.

I have previously stated this is of interest to the cotton farmer. I am authoritatively advised that even at this moment the German spindles which were built and constructed to spin American staple cotton are being changed so as to spin

Brazilian cotton. There is no great secret about this. Must the German people change their diet and, after using hog lard as a cooking fat for almost a century, will they now turn from lard from American farms to vegetable and jungle oils, to say nothing of the animal and fish oils which will pour into that country from other nations?

In view of an already diminished export cotton market and a crisis in the corn-hog-lard situation in this country we find the German people at this time wearing clothes made of synthetic fiber instead of American cotton they have purchased for more than a century, and they are now sending whaling expeditions to the South Pole for whale oil instead of depending upon the historical American lard market for their fats. It is high time, Mr. Speaker, that we recapture some of the agricultural exports markets which have heretofore so benefically served the American farmer. There is no question about the German people being ready to again consume our agricultural products.

We have Government estimates of 4,793,000 head more of hogs on farms January 1, 1939, than there were the year previous, and estimates that there were 8,246,000 head of sows bred for spring farrowing as compared with 6,815,000 head last year. Assuming that the size of the litters will be the same we would have some 52,557,000 head of pigs as compared to 43,437,000 a year ago. Accordingly, we can assume a material increase in the production of hogs and lard in 1939 over that of 1938 of 1,076,152,000 pounds.

Hogs are rapidly increasing on farms. Germany wants lard and pork products generally; Germany is trying to get the poundage from America. It is now time to remove the anchor from around the market's neck so that lard can move into consumption and hogs can be sold at a price level which will permit the farmer to carry on his business. Congress is in session, Mr. Speaker, and we can well afford to remain here until some kind of a plan is worked out that will permit goods to be traded in between countries and people be fed.

Mr. Speaker, under permission granted, I submit for the RECORD the letter addressed to me today by Dr. Wilhelm Tannenberg:

DEUTSCHE BOTSCHAFT,
Washington, D. C., den 14, Juli 1939.

MY DEAR CONGRESSMAN CRAWFORD: I just saw your splendid statement in yesterday's CONGRESSIONAL RECORD on the hog and lard situation confronting you here in this country, and I desire to say that we have historically used American hog lard, and even at this moment are in the market for your lard, your cottonseed oil, and other agricultural products.

It is needless to advise you that we can and will pay in the same manner and kind in which we have always paid, in the same kind of noncompetitive industrial goods for which there has always been a ready and useful market in your country, as there has always been a similar market in our country for your agricultural products.

When I was in Germany last fall, I had occasion to discuss with our competent departments the question of American lard, and was officially advised that there exists an unlimited market for this product and that we could at this moment take at least an annual supply of 250,000,000 pounds of American lard. The Embassy has now authority to enter into negotiations with American suppliers for this quantity.

It is an unfortunate fact that Germany no longer receives the same tariff treatment extended to other nations, but despite this handicap we continued to buy of your goods for more than 400,000,000 reichsmarks last year. It was not until after additional, countervailing duties were imposed upon all dutiable German goods that the trade with the United States fell to the lowest levels in decades.

An American exporter recently sent me the February 23 issue of a trade journal entitled, "Grain and Livestock Herald," which on its editorial page contains an article on Germany and the American Hog Market. This article, to my mind, describes the true status of this country's relations with Germany so far as the possibility of marketing American agricultural products in Germany is concerned. May I take the opportunity of enclosing this copy of the journal in question and also a market letter issued by the Chicago firm of Pickell-Daniel on February 17, 1939, which likewise exhibits very interesting statistical data on Germany and the Export Lard Trade of the United States. I should appreciate it if you would kindly return these two enclosures to me at your convenience.

I am, my dear Congressman CRAWFORD,
Very respectfully yours,

WILHELM TANNENBERG,
First Secretary of Embassy.

National Advisory Committee for Aeronautics

EXTENSION OF REMARKS
OF
HON. JOHN M. HOUSTON
OF KANSAS
IN THE HOUSE OF REPRESENTATIVES
Friday, July 14, 1939

Mr. HOUSTON. Mr. Speaker, it is my desire to bring to the attention of the House of Representatives before the closing of this first session of the Seventy-sixth Congress the remarkable work that is being done by the National Advisory Committee for Aeronautics and to pay tribute to the personnel of the committee, who are devoting and dedicating their services to the best interest of their country and performing this service without ostentation or public display. Like true soldiers they are working with all the spirit which men of profound sincerity can summon, and their achievements in scientific research and technical investigations speak for themselves.

My work on the Committee on Appropriations has brought me in contact with Dr. Vannevar Bush, vice chairman; Dr. George W. Lewis, director of aeronautical research; Mr. John F. Victory, secretary; and Mr. Edward H. Chamberlain, assistant secretary; and as long as the committee has men of their ability and devotion to duty, the United States Government need not fear the future insofar as aircraft development is concerned if the Congress will only give them the necessary funds for research work. I am confident the succeeding Congresses will meet their responsibilities without equivocation.

It has been my privilege to visit on several occasions the Langley Memorial Aeronautical Laboratory at Langley Field, Va., and I was particularly impressed with the work that is being done at that laboratory in aeronautical research, aircraft structural research, and other technical service; and to learn that most of the youthful personnel there are men selected entirely from civil-service lists resulting from examinations for the different grades in aeronautical engineering and other required branches of engineering. They are the cream of the students from our greatest universities and technical schools; a loyal, efficient, and zealous group of young engineers performing a great service to their country and inspired by the character and ability of the men conducting the business of the National Advisory Committee for Aeronautics. The facilities at Langley Field should be supplemented by similar or improved facilities, one on the west coast and one in the interior; all working in harmony with the Army, the Navy, and the Civil Aeronautics Authority, and with private aircraft builders.

A statement by Dr. Bush before the subcommittee of the Committee on Appropriations, when the appropriation of funds for the fiscal year 1940 for the N. A. C. A. was under consideration, contained much interesting and valuable information, and under leave to extend my remarks in the RECORD I quote the statement:

In the early history of aviation, airplanes were very simple structures which were considered satisfactory if they could rise from the ground. With the outbreak of the World War the airplane became a military weapon and was later adapted to purposes of transportation and commerce. The increasing demands of military and commercial aviation for large high-speed and long-range types and the rapidly altering technique of aerial combat have created a multiplicity of problems which can be solved only by continuous and well-planned research. It is the duty of the National Advisory Committee for Aeronautics to meet these research demands.

Aeronautical research can be classified in two broad and overlapping divisions. There is applied research, in which problems are attacked with a view to immediate and practical solution and long-range fundamental research, in which a general aeronautical problem is thoroughly investigated with a view to obtaining a theoretical and practical basis for the solution of both future and immediate problems.

It is a matter of considerable importance that the committee, because of research and test work requiring immediate attention, has found it necessary to suspend for the present important long-

range fundamental research projects. This is a serious matter, since it is these long-range fundamental researches which lead to important new developments such as are necessary for the United States to maintain its leading place in military and civil aeronautics.

Aeronautical research, to be successful, requires a wide variety of special research equipment. Wind tunnels, for example, are designed to meet the needs of definite types of research investigations. It is feasible to make some aerodynamic investigations in small wind tunnels with cheap models. In other cases large- or full-scale models are required to give practical data. There are also special investigations requiring wind tunnels for producing vertical gusts and free-flight investigations demanding a wind tunnel which can itself be inclined at various angles.

It is necessary for the National Advisory Committee for Aeronautics to design and construct new equipment to supplement and to replace or modernize existing research equipment in order to meet the needs of both military and commercial aviation in the rapidly advancing science of aeronautics.

The crisis in Europe in the fall of 1938 brought forcibly to world-wide attention the overshadowing influence of air power in international affairs. The realization by the public that aircraft had been built in great numbers and developed to a point where they were capable of operating at high speeds over long distances with large bombing loads thrust upon the world a new concept of national defense. The imminent prospect of noncombatants being subject to indiscriminate attack by aircraft stirred the imagination and fears of all people. The sudden and rather general appreciation of the potentialities of modern air power is a highly significant event which has changed the whole concept of adequate national defense.

The history of 1938 bears witness as to how one nation in the space of a few years, by concentrating its scientific and industrial resources largely on the development of air power, could gain, for the time being, a dominating position. The continued effectiveness of an air arm, however large, is dependent upon constant progress in the new engineering science of aeronautics. The efficiency of an air force is approximately in direct proportion to the emphasis that is placed upon scientific research in aeronautics, combined, of course, with engineering development, production, and training.

What has happened during the past few years that has so greatly increased the relative importance of air power in the national-defense programs of nations? Of first importance are the contributions of research laboratories which have so greatly extended the speed, range, and carrying capacity of aircraft. Methods of construction also have been improved. These have included a trend toward designs of aircraft that would make possible the duplicating of many of the parts by the use of machinery, and thus has an approach to mass production been made. Although the designs of military aircraft of the different categories and the manufacturing methods employed in the United States have not differed widely from those in Europe, nevertheless, in Europe the larger quantities manufactured have led to greater progress toward mass-production methods.

Once a nation has embarked upon a program intended to develop its air strength to maximum effectiveness, the provision of adequate laboratory research facilities and the training of skilled research personnel become of fundamental importance. The major European powers at the present time are engaged on relatively large aircraft building programs which are being prosecuted under feverish pressure. Mere numbers of aircraft, however, are not in themselves sufficient for an adequate modern air force. Superiority in the air depends, as it did during the Great War, more upon the speed, maneuverability, reliability, and ruggedness of aircraft, than it does upon mere numbers. It is of just as great importance as it ever was that the aircraft be of the most efficient design. The advances in aeronautical science are so rapid that some types of military aircraft may be obsolete within 2 years. It is therefore not only good policy from financial considerations but also vital from the standpoint of national defense that American aircraft have superior performance or a performance at least equal to that of a potential enemy. This principle necessitates serious consideration of American aeronautical research and experimental facilities.

The President and the Congress of the United States have wisely supported what has heretofore been considered a liberal program of scientific research in aeronautics. This program for years was in advance of that of other nations, and the result was that American aircraft—civil and military—have for years had superior performance, efficiency, and safety. In the commercial field, where direct evidence is available, this is proved by the large number of American-built commercial airplanes used by foreign air lines.

Looking to the future, the progressive nations are making sacrifices and expending their national energies and resources for the purpose of expanding their military air forces and advancing their air commerce.

You will find in the hearings on the independent offices appropriation bill for 1940 other statements of equal interest and of a technical nature given by Dr. Bush, Dr. Lewis, Mr. Victory, and Mr. Chamberlin, and the Committee on Appropriations and the Members of the House owe a debt of gratitude to these brilliant leaders in aeronautical research who know their business and can state it in terms the nonprofessional can understand. I commend them to you as experts in their line and gentlemen all.

Arkansas State Sunday, Washington Memorial Church, Valley Forge, Pa.

EXTENSION OF REMARKS

OF

HON. E. C. GATHINGS

OF ARKANSAS

IN THE HOUSE OF REPRESENTATIVES

Friday, July 14, 1939

ADDRESS BY HON. E. C. GATHINGS, OF ARKANSAS

Mr. GATHINGS. Mr. Speaker, at the Washington Memorial Church at Valley Forge, Pa., each State has her own Sunday, and recently I was proud to be in attendance at the Arkansas State Sunday at this church, which service was sponsored by the Arkansas State Society of the Daughters of the American Revolution.

At this time I respectfully ask unanimous consent to have printed in the Appendix of the RECORD the text of a short address which I made at this meeting.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

Friends of the Arkansas State Society of the Daughters of the American Revolution, distinguished guests, ladies and gentlemen, I am indeed proud to participate on the occasion of the sixteenth annual State Sunday under the auspices of the D. A. R. of Arkansas.

I feel honored in being asked to take part in the exercises today and I assure you it is a pleasure for me to do my bit, because I have a very high regard for anything and everybody connected with this organization.

I, therefore, count this meeting as one of the events in my life to be remembered. There comes to all of us transfiguring moments when the skies seem to dip down and embrace our lives, when the soul is swept by a wave of enthusiasm and melts into a great current of intense thought and feeling. This is such a moment for me.

We admire the members of the D. A. R. for the things that you have done. We admire you for what you are at the present time and for your future plans and hopes.

If I were called upon to summarize briefly the past years of your activities, I think I would tell the story that is told of Mark Twain's first visit to the Atlantic coast. As he stood looking out upon miles upon miles of water before him his host asked, "What do you think of our ocean, Mr. Clemens?" To which Mr. Clemens replied, "It seems to be a huge success."

On the outset I would not be a true citizen of Arkansas if I did not bring to those individuals in this audience who have not had the opportunity to become familiarly acquainted with our great Commonwealth some word concerning that State.

Arkansas has had a romantic past. When Hernando De Soto reached the banks of the Mississippi in 1541, after a long and desperate struggle through the jungles of the South, he entered the region now known as Arkansas, thus becoming its discoverer. He found the country well populated with natives of a fine type—tall, strong, and brave. The Spaniards did not remain to settle in this land, but after the death of their leader made their way to the Gulf.

In 1682 they were followed by the famous French explorer, the Sieur de La Salle, who reached the Arkansas country in the month of March of that year. He there planted a post, on which he hung the arms of France, as notice that the Mississippi Valley was claimed by that country. The first actual settlement within the present limits of the State of Arkansas was made in 1686 by Henri de Tonti, at Arkansas Post, which afterward became the residence of the French and Spanish Governors in succession as the country changed hands. This post was the headquarters for missionaries in early days, and became an important trading station during the first period of American occupation.

Of the name of Arkansas it may be said at once that the idea that it was produced from the word "Kansas" by the addition of the French prefix "arc," a bow, is only another of those foolish attempts to explain a name by its sound. That this theory is utterly without foundation is proved by the form in which it appears in the original French and Spanish documents—(Oc-con-sah). The best authorities agree that the meaning of the word is unknown but that it is undoubtedly of Indian origin, probably the name of a tribe or village, and was pronounced originally as Oc-con-sah. The name was first applied by white men to the principal river, which bisects the State diagonally, from northwest

to southeast. Marquette and other French explorers, as well as the Spanish, use the spelling "Alkansas" or "Akansaes." Much argument has taken place as to whether the name should be pronounced Ar-kan-saw or Ar-kan-sas. The original spelling, Oc-consah, certainly favors the first, though no doubt the French, who first adopted it from the Indian, gave the last syllable the sound of "sah" rather than "saw." At any rate Ar-kan-saw has been adopted by the State legislature as the legal pronunciation.

It is probably owing to the fact that Arkansas, as a trading post, retained its wild frontier ways, including the custom of duelling, longer than some of the other States, that it was given the nickname of the "Toothpick State," in reference to the famous bowie knife, invented by Col. Jim Bowie, who fell in the Texan War.

But Arkansas' claim to greatness does not lie inclusively in the history of her past. This important Commonwealth, the twenty-fifth in rank in population, and the twenty-sixth in point of size, currently commands the admiration of the entire Nation.

"Arkansas," says BRUCE BARTON, "is where the Southland meets the great Southwest." Geographically, the State lies directly south of Missouri, west of Tennessee and Mississippi, north of Louisiana, and east of Texas and Oklahoma. Its area, 53,335 square miles, is as large as that of Pennsylvania and New Jersey combined.

The highlands of the State lie to the north. East and south of the highlands is the Gulf Coastal Plain area, comprising 27,620 square miles and consisting of some of the most fertile and productive land in the Nation. Rich in agricultural and forest products, and oil and gas, Arkansas invites both agriculturist and industrialist.

Arkansas has the climate of the balmy South tempered by the invigorating atmosphere of the highland country. Extremes of either heat or cold are seldom experienced. Winters are comparatively short and mild. Snow, ice, and freezes of consequence rarely occur except in the extreme upper part of the Arkansas Valley and in the northwest part of the Ozark area. The summers are modified by the mountain ranges, streams, forests, and refreshing south winds blowing off the Gulf.

Arkansas' 1930 census reported a population of 1,854,482 with 74.1 percent white and 25.8 percent Negro. Of the white population 99.3 percent are native-born Americans and 73.2 percent native-born Arkansans.

Arkansas cities and towns are clean, well managed, and afford up-to-date civic, social, and educational advantages. Public schools, city and rural, are accredited and on a par with those of other States. In the higher education group are the University of Arkansas, five State-supported colleges, seven church-supported colleges and accredited junior colleges. Public elementary and secondary school enrollment approximates 82 percent of the total population of the State between the ages of 5 and 17 years.

Thus Arkansas answers the labor and social questions. A low density of population, no overcrowded communities, and adequate civic, social, and educational advantages.

Can anyone therefore blame us Arkansans from exclaiming, "God bless Arkansas!" We would not part with one atom of her soil or one line of her history. Would that with the discriptive power and vivid imagery of Byron I might portray the lives and actions of her heroes and statesmen. Would that I were gifted with the sublime and soaring melody of Milton that I might charm the world with the song of her glory. But even then I should be unable to reproduce the verdure of her fields, the grandeur of her hills, the brightness of her skies, and the patriotism of her people.

One factor that has exerted a great and all-influential force in the creation and maintenance of that patriotism is the organization under whose auspices we are here assembled—the Arkansas State Society of the Daughters of the American Revolution.

In 1890 a number of American women, believing that to be the descendent of a Revolutionary soldier was an honor worth perpetuating, organized the Daughters of the American Revolution. That it struck a responsive chord in the hearts of many American women is seen in the fact that the present membership of the society numbers almost 150,000 patriotic daughters.

The first president-general of the order was Mrs. Benjamin Harrison, whose husband was President of the United States at the time the national society was organized.

The first chapter in Arkansas was organized at Little Rock in December 1893 by Mrs. Clifton R. Breckenridge, with 12 charter members. Mrs. W. A. Cantrell was the first State regent. The first State conference was held at the Hotel Marion in Little Rock on February 22, 1909, called by Mrs. John McClure, then State regent. At that time there were but four chapters in the State. The work of the State conference stimulated an interest in the order and during the next year eight new chapters were organized.

Since then the growth of the order in the State has been satisfactory to the members, and all the chapters have contributed liberally in aiding in the establishment of public libraries, the collection and preservation of historic relics, documents, etc. Furthermore, every individual daughter has worked with diligence to secure for her State and Nation that ideal condition of affairs wherein the ideals upon which this country was founded shall again be the goal of every citizen.

The importance of this latter activity cannot be too highly emphasized, especially when we take cognizance of a trend that has had the tendency to become prevalent during the past two decades, particularly since the World War. I refer to the miscellaneous efforts to belittle our national traditions and heroes. Many books have been written in which national characters have been held up to ridicule. It has too often become the "smart" thing among so-called intelligent people to scoff at patriotism and to assume a cynical attitude toward our national traditions and institutions. Even in some of our schools patriotism is regarded lightly. These facts warrant our attention and challenge our devotion to our country.

You and I, alike descendants of men who fought for freedom in the stirring days of the American Revolution, believe in the United States of America, the country that was born of their efforts and of their sacrifices, conceived in liberty, and dedicated to humanity and justice.

For my part I subscribe most heartily to that stirring toast attributed to Commodore Stephen Decatur: "Our country! May she always be right! But our country, right or wrong!" I am aware that this sentiment has been criticized in recent years. I am aware that there are those who say conscientiously that we should never be parties to the support of that which is wrong, but I am equally aware of that inherent quality of human nature that binds people together in support of those they love. If a member of a family gets into trouble, even though it may be entirely his own fault and the result of actual wrongdoing, it is the first instinct of those closest to him—the members of his own family—to rally to his aid, and to see him through, at least to the extent of securing justice for him. If that is true of the human family, and I am sure you will agree with me that it is, it is equally true of the larger family—the Nation.

The memories of the glorious past, the achievements of our splendid statesmen, the heroism of our great military will always be preserved within our hearts. Our presence at this patriotic shrine is evidence of that fact. Our task, however, like theirs, is to overcome the difficulties of our day, to make sure that we bequeath to our posterity the liberties their efforts gave to us.

We must have the heart to meet present emergencies or such celebrations as this are worse than useless. We must realize that the principles of human liberty are not safe until we inscribe them in letters of living light in the hearts and in the minds of our people. We must inspire the downtrodden and oppressed of other governments with a love for our own sacred traditions and institutions. We must retain by our own perseverance the institutions of government which are the natural inherent prerogatives of mankind everywhere. We must make democracy secure for our own posterity by our loyalty to its principles.

We, therefore, have a duty to perform, a responsibility to carry forward, an ideal to perpetuate. The challenge of the so-called new modern totalitarian state, which holds that religion and government cannot continue in accord, must be exposed by those who believe in the liberties for which our Nation was established. All these heresies against democracy spring from the same source. They are the offspring of communism or fascism—of the despot and the dictator. They are fostered through the enforced ignorance of suppression of a subjected people. Democracy must triumph and with it religion, and men must be free.

Our forefathers built into the fiber of our national life a fundamental concept which every true patriot should cherish. It is the ideal of democracy. Here we have preserved the human rights of economic opportunity, social equality, religious liberty, freedom of speech, press, and petition. Military regimentation, dictatorship, and suppression of public will are foreign to us. A matchless record, one no dictatorship can equal—one that speaks well for a government of, for, and by the people. Let us all, therefore, pledge ourselves to the patriotic defense of democratic processes, methods, and expressions of citizenship under any and all conditions.

I am certain that we can depend upon the Arkansas State Society of the Daughters of the American Revolution for its undiminished and unswerving support in this patriotic activity. Its chapters, among the many hundreds in this country, are, in reality, glowing hearthstones of patriotism. It is by labors and by sacrifices such as have been made by the Arkansas D. A. R. that careful, affectionate, and accurate records have been and are being made of men and women, of happenings, of events, of undertakings, of movements, of opinion, and of action that are worth remembering. Your society and other societies like-minded bring these records together and make of them a hearthstone on which the fire of patriotism continues to burn with the bright flame of 100 percent Americanism!

And in years to come, when the history of this age is written by the impartial thinker, who at that distance of time may be able to gain a right perspective and may then be able to say which were the most striking features in our national development, it may well turn out that he will point to the birth of our new interest in that supreme patriotism which was born in the hearts of those heroes who suffered at Valley Forge, and which has been kept alive and glowing by the valiant efforts of their daughters, as being among the events of first importance.

Meat Imports in One Week—Foreigners Not Only Competing With Our Farmers But Also With Our Cooks

EXTENSION OF REMARKS

OF

HON. VINCENT F. HARRINGTON

OF IOWA

IN THE HOUSE OF REPRESENTATIVES

Friday, July 14, 1939

LETTER FROM CARL H. WILKEN LISTING IMPORTS OF MEATS AT THE PORT OF NEW YORK

Mr. HARRINGTON. Mr. Speaker, under leave to extend my remarks I include herein a letter from Mr. Carl H. Wilken, of Sioux City, Iowa, secretary of the Raw Materials National Council, listing shipments of foreign-produced meats admitted to the port of New York for the period of 1 week. It will be noted from a perusal of the imports listed here that this meat is not only produced abroad but much of it comes in already cooked. Therefore the conclusion is evident that these imports constitute unfair competition not only for our farmers but also the culinary profession of the United States.

SIOUX CITY, IOWA, *March 29, 1939.*

Hon. VINCENT F. HARRINGTON,
House of Representatives, Washington, D. C.

DEAR CONGRESSMAN: During the past 6 years there has been a wave of propaganda in the United States as to the value of foreign trade. Farmers have been led to believe that they were to be greatly benefited but the proof is in the pudding. Facts are facts, and I submit the following table showing imports at one seaport, New York, for the week ending March 10:

Point of origin and commodity:	*Amount, pounds*
Argentina:	
Canned corn beef	170,737
Roast beef in tins	28,026
Brazil: Canned corn beef	270,000
Canada:	
Fresh chilled pork cuts	3,985
Fresh frozen ham	4,890
Fresh frozen beef livers	607
Fresh frozen beef cuts	7,624
Smoked sausage	677
Smoked bacon	3,224
Denmark: Cooked ham in tins	25,817
England: Meat paste in jars	86
Estonia:	
Cooked ham in tins	91,155
Smoked bacon	82
Cooked picnics in tins	13,630
Cooked pork loins in tins	504
Tinned cooked pork butts	402
France: Liver paste in tins	423
Germany:	
Cooked ham in tins	5,866
Smoked hams	1,153
Smoked sausage	7,216
Holland:	
Cooked ham in tins	120,760
Cooked pork loins in tins	2,287
Smoked hams	3,320
Tinned cooked shoulders	24,685
Cooked picnics in tins	13,362
Cooked pork butts in tins	7,914
Tinned liver paste	994
Hungary:	
Cooked ham in tins	62,907
Cooked picnics in tins	26,204
Cooked pork loins	5,760
Irish Free State:	
Smoked bacon	3,169
Smoked hams	1,230
Italy: Smoked sausage	37,332
Lithuania:	
Cooked ham in tins	24,425
Cooked picnics in tins	6,187
Paraguay: Beef extract in tins	1,653
Poland:	
Smoked bacon	3,749
D. S. pork butts	3,000
Cooked ham in tins	143,901
Cooked pork butts in tins	4,392
Cooked shoulders in tins	3,989
Cooked picnics in tins	5,859
Cooked pork loins in tins	2,952
Rumania:	
Cooked hams in tins	46,156
Cooked picnics in tins	20,532
Switzerland:	
Granulated bouillon	227
Bouillon cubes	14,903
Soup tablets	3,462

This record is from the National Provisioner, the magazine of the meat-packing and allied industries. And the farmers are told of the surplus while their markets are thrown open to all nations so that we may have prosperity. It's a great game of raiding the American market.

Yours sincerely,

CARL H. WILKEN,
Secretary, Raw Materials National Council.

The $4,000,000,000 Lending Program

EXTENSION OF REMARKS

OF

HON. ALBERT E. AUSTIN

OF CONNECTICUT

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 13, 1939

WEEKLY COLUMN FROM FAIRFIELD COUNTY, CONN., NEWSPAPERS

Mr. AUSTIN. Mr. Speaker, under leave to extend my remarks in the RECORD, I include herein the following weekly column written by me and published in Fairfield County, Conn., newspapers, under date of June 29, 1939:

From where I sit in Congress and attempt to give you the highlights of legislation, the most important happening of the week did not occur in Congress at all. From the stunning effect on many Members of Congress it certainly did concern itself with this body. Reference is made to the epoch-making letter sent to Senator BYRNES by the President of the United States in which letter was proposed what is now known as the $4,000,000,000 lending plan. Under formerly prevailing conditions such a bombshell would have thrown confusion into the minds of your Representatives, but so accustomed have they now become to such emanations from the source of all wildcat expenditures that it was received more in an attitude of resignation.

During the 8 years of the present administration money has been lavishly bestowed upon States, counties, and municipalities throughout the United States. In other instances projects have been financed in part by the Government. Now a departure appears which is technically called a self-liquidating program. In honeyed words it is explained that as expense will ensue to the Government (which, of course, means the taxpayers ultimately), but that the huge sum entailed will be given to those who can use it and then paid back with interest within a certain period of years. It has apparently occurred to someone that there is still money in the pockets of the private individual, which money has not been touched by the extensive system of taxation now existent and which must be reached by the Federal Government.

Consequently an attractive-looking bond is to be offered to the private investor, who, according to well-informed sources, has still been trying to save at least some of his capital from the searching eyes of the tax expert. A low rate of interest is intriguing. A peculiar twist of the "self-liquidating plan" is the idea that as repayments come in these amounts again will be loaned, and the vicious circle continued. If anyone has one of my recent articles in mind, wherein the public debt was discussed, he naturally wonders how four billions can be added to our present indebtedness without passing the legal limit of the public debt. The attempt is made skillfully to evade this issue by considering this loan as no part of the public debt for which the Government is responsible. Why it does not hold its place on the books as a contingent liability remains to be explained.

SUGAR-COATED PILLS

Let us imagine that your town desires to extend its municipal plants, such as sewers, hospitals, public buildings, and so on. Let us also suppose that your town has a bonded liability beyond which it cannot go without legislative approval on the part of your general assembly. Let us assume also that for reasons manifold your citizens are already taxed to the limit of their ability

to pay to support your town. In some wildly enthusiastic public meeting a majority of your fellow citizens vote a project easily taken care of because the Federal Government will finance it as a loan at low interest.

Don't you think that some morning its most ardent advocates will awaken to the knowledge that what appeared free must be paid for, and that a high tax has become higher and that participation in foolish finance has proven a costly venture? Assessments laid upon property owners may be defaulted, and in the end the municipality will pay, and pay good and plenty. Sugar-coated pills are sweet to the taste until the coating melts away.

Many of the Congressmen with whom I talked felt that some of this program might pass the Congress. All were unanimous in believing that the section which had to do with the lending of $500,000,000 over a period of 2 years to foreign governments to finance the purchase of commodities and other goods in this country had no chance. Let us take some of our South American neighbors who are still in default to private investors in this country. The Johnson Act passed by Congress prohibited loans to nations in default. The President explains his new scheme by stating that the defaulters were talked into borrowing money from us by high-power salesmen really against their will. He claims that such debts should not be held against the debtors. Can you follow this argument?

It does not take a wild stretch of the imagination to prophesy that if the law can be circumvented in this way loans to European nations still in our debt can perhaps be made. Would you favor lending Great Britain, France, Italy a few more billion dollars to increase their armaments even though purchased in this country? The result would be that borrowers, whether in South America or in Europe, would buy American goods, as they once did, with a consequent but fleeting prosperity. It has ultimately eventuated that we furnished both the money and the goods. Call it high finance, call it Government participation, call it the Export-Import Bank, call it anything you please, it all amounts to this—that Uncle Sam once again would be Santa Claus. To such a concept I have been, and am, unalterably opposed. I stand for sound money and sound finance and a balance on the credit side of the ledger.

CHANGED ATTITUDE NEEDED

All of us who have given this thought in the past few days reach the same inevitable conclusions. The first is that we are confronted with another instance of Government competition against private capital and private industry. If my memory serves me, about 2 years ago a high Government official warned the banks of this country that if they did not loosen up and lend the money of their depositors, even with frail security, to business, the Government would be compelled to go into the banking business. It rather looks as if this were putting the threat into effect.

The results of the "self-liquidating plan" could have only the most deleterious effect upon the banking system of our country. Apparently nothing by way of investment would be left except the purchase of these new Federal bonds. Industrial, utility, even municipal bonds would be left out in the cold. Business is stagnant or, at any rate, not on a definite upward trend. Investors are ready and willing to put their savings into business, but not with conditions as they are. Why not change the entire administration attitude toward business? Then and not until then will capital be forthcoming. This plan will absolutely negative any such investment in private business by the individual. Governors of States, mayors of cities, heads of municipalities must think twice before adopting this plan.

The second conclusion is the more devastating. Look at this plan as you will, it is nothing more or less than an extension of the spending program adopted by the present administration carried on without cessation, and even now not only showing no sign of success, but actually plunging us deeper into financial stress.

It is more "pump priming" dressed up in new clothes and presenting a more specious appearance. It is once more a pretended stimulus to industry based upon a theory just as fallacious as its predecessors had. All of our borrowings and spendings have been intended to bring about recovery and to restore the national income. Nothing but disappointing results have followed. Some new scheme such as this has been prophesied for the last 6 months in Congress. Here it is.

A THOUGHT FOR THE PUBLIC

Let us get down to brass tacks. There is an election in 1940 and the New Deal is on the defense. The exploitation of our financial structure for political purposes may play an important part in the launching of this "self-liquidating plan." This plan may furnish a temporary, and temporary only, increase in industry calling for capital goods; it may increase employment through municipal projects; it may give a seeming picture of prosperity. A public project contemplated under this plan is finished and then comes the lay-off. Private business and industry under natural and not artificial policies have one turnover following another and a continued and progressive improvement. Every thinking man and woman in this country should bear this in mind and separate actual and lasting good from political maneuvering.

Let me be counted among those who are unalterably opposed to unsound money, unsound financial theories, unsound business principles, unsound Government policies, interference with private business rights, Government competition, all measures which may result in inflation or repudiation.

WASHINGTON, D. C., *June 24, 1939.*

Wage and Hour Textile Code

EXTENSION OF REMARKS

OF

HON. SAM HOBBS

OF ALABAMA

IN THE HOUSE OF REPRESENTATIVES

Friday, July 14, 1939

Mr. HOBBS. Mr. Speaker, the estimable and amiable gentleman from South Carolina [Mr. BRYSON] gave an interview to the press on July 1 which has just been called to my attention.

As reported under a Washington date line, the article quoting Mr. Bryson is as follows:

SOUTHERN GOVERNORS ASSAILED FOR STAND—REPRESENTATIVE BRYSON, OF SOUTH CAROLINA, CRITICIZES WAGE-HOUR LAW OPPOSITION

WASHINGTON, July 1.—Two southern Governors, Frank N. Dixon, of Alabama, and Hugh White, of Mississippi, were lambasted tonight by Representative JOSEPH R. BRYSON, of Greenville, S. C., as "not voicing the sentiment of the South" in their opposition to the Wage Hour Act, and declared the people of the South "are just as much in favor of placing a floor under wages and a ceiling over hours as the people of any other section of the Nation."

Representative BRYSON said, "Strangely enough we find the Governor of Mississippi, a State with only eight-tenths of 1 percent of the textile industry within its borders, and the Governor of Alabama, a State with only 7.2 percent of the textile industry, appearing at this hearing on textile wages and hours (Textile Industry Committee hearing now being held at Atlanta, Ga., on recommendation of 32½ cents minimum wage). This is to be sharply contrasted with the fact that southern Governors representing such States as South Carolina, with 22.1 percent, and North Carolina with 23.1 percent of the textile industry have not intervened in this matter."

The South Carolinian declared that "unfortunately the appearance of these Governors at the hearing might prove somewhat misleading to those of the general public who, in recent weeks have been led to believe that the attitude and actions of these Governors represent an effort to save the textile industry of the South from destruction by the wage-hour law."

While in the quoted portions of the article Mr. BRYSON neither "assailed" nor "lambasted" Governors Dixon and White, it seems to me that his major premise is utterly fallacious. He regards it as strange that the Governors of Alabama and Mississippi should appear and testify at the hearing on textile wages and hours because Alabama has only 7.2 percent of the textile industry of America and Mississippi only 0.8 percent. He says:

> This is to be sharply contrasted with the fact that southern Governors representing such States as South Carolina with 22.1 and North Carolina with 23.1 percent of the textile industry have not intervened in this matter.

He describes the appearance of these Governors at the hearing as unfortunate and fears that it might prove somewhat misleading.

Most respectfully I submit to the Members of this House and to the Nation—no matter what may be their views with respect to the merits or demerits of the wage-hour bill or its administration—that any citizen is entitled to exercise, without criticism, the right of free speech guaranteed by the Constitution. The fact that two citizens of our Republic, whose appearance at the hearing in Atlanta, the gentleman from South Carolina [Mr. BRYSON] calls strange and unfortunate, happen to be Governors of sovereign States does not deprive either of them of his right of free speech. But Governors have not only a right to speak but a duty whenever, in their judgment, any interest of the people they serve is jeopardized. It can make no possible difference how large or how small that interest may be.

Neither Governors Dixon nor White claimed any right to speak for any State other than his own. They are no more to be criticized for speaking than are the Governors of South and North Carolina for not speaking.

While I have not had the pleasure of seeing a transcript of the remarks made by Governor White, I have a copy of Governor Dixon's. It gives me pleasure to append hereto Governor Dixon's statement in full, in order that you may

pass judgment upon it. As I see it, it is a clear, cogent, scholarly presentation of irrefutable facts, deserving the most respectful consideration of all who are interested in national prosperity. The profound impression made by Governors Dixon and White is evidently the cause of my distinguished colleague's comp'aint. It is natural for us all to squirm when the opposition scores so powerfully.

STATEMENT OF GOV. FRANK M. DIXON, OF ALABAMA

We appear in support of the recommendation of the minority of Industry Committee No. 1, not with the purpose or intent of arguing for a low-wage level for our people, nor joining with any of those who might seek to bring this condition about, but solely because we have been forced to the belief that in the administration of the act, particularly the set-up of Industry Committee No. 1, and the decision of a majority of that committee, the interests of the wage earners have been lost sight of and the act is being used as a weapon in the economic warfare which now and for more than 100 years past has been waged by the industrialists of the North against the people of our southern region.

The economic exploitation of our southern region by the North has proceeded for more than 100 years. Tariff subsidies, Civil War pensions, freight-rate differentials, control of credit, and patent rights, these and many more devices have been used to retain in economic serfdom all of the States of the South, and of the West as well.

Our region has been used and retained to supply raw materials to be shipped to the manufacturing centers of the North and brought back by us as finished products. In consequence of this policy, deliberately conceived and deliberately executed by virtue of economic control, the resources of the South have been drained away year after year to enrich the North. Steadily our people have become poorer in comparison to those of the North, until today our per capita wealth is less than one-half the national average and our per capita income a little more than one-half.

On this level our schools and public-health services cannot be adequately maintained, and our State and local governments cannot furnish the services essential in a modern state. The buying power of our people has lowered to the point that they can no longer be worth-while customers for the factories of the North.

Inescapably our southern people have been forced to the conclusion that their only way out is to bring about a balance between agriculture and industry, to begin to turn into finished goods a portion of our abundant raw materials, to create pay rolls to care for a portion of our workers made idle through loss of markets for the products of our farms. In that way, and only in that way, can our section achieve a standard of living comparable to the rest of the Nation.

There came about, as a result of this realization, the encouragement of industry in the South. We have sought to start in each community a small industry, large enough to employ a reasonable percentage of our idle workers, willing to pay reasonable wages, and to carry its share of the public burden. In this way we hope to enable our people to earn a decent living, to increase our tax values to a point where government can function as it should. Under no circumstances could the claim be made that we do not want high wages for our workers. As to any possible controversy between capital and labor in this matter of wages and hours, our sole interest is in building up the per capita income of our people, and we want to pay to our workers as high a wage as is possible to pay without destroying the source of employment itself.

Our people, and the Southern Governors' Conference as well, supported the principle involved in the Fair Labor Standards Act, this in spite of the fact that the Southern States are predominantly agricultural and will thereby pay increased prices for what they buy. In the minds of many of us some regulation of wages and hours was necessary to prevent exploitation of our people. The act contained what we thought were safeguards against our further economic exploitation by the northern industrialists. But it now clearly appears to us that this act is being interpreted and administered in line with the policy of oppression followed since the Tariff Act of 1828, and unless our people realize what is happening and combat it we are likely to remain in economic serfdom for another 100 years.

The act provides for the appointment of industry committees in each industry, to be selected "with due regard to geographical regions in which the industry is carried on." The cotton industry might properly be called a southern industry, since about 80 percent of the spindles are located in the South, and we grow all of the cotton. In the personnel of the committee, however, we find representatives of silk and rayon fabrics which are highly competitive to cotton, and further we find that the committee as constituted is controlled by a majority membership from non-cotton-growing States. Seven committee members were selected to represent the public—four of them from the North—seven employee members were selected—five of them from the North; seven employer members were selected—three from the North. So that not only do we find the cotton industry controlled by a committee having on it representatives of its competitors, but we find that 12 members of that committee out of 21 are from a section which always has sought, and succeeded, in keeping us in economic subjugation.

The act provides that the committee shall recommend the highest minimum wage which, "having due regard to economic and competitive conditions," will not substantially curtail employment. Yet the committee recommended the same minimum in the South as in the New England States, brushing aside the known unfair freight and other differentials existing against the South, and brushing aside the factors which are recognized by the Federal Government when it pays our W. P. A. workers less than two-thirds the monthly wage it pays in the New England States. We are informed that the vote of the industry committee in failing to recognize any of the differentials existing against us was nearly entirely on sectional lines, with the northern members brushing aside the factors involved and the southern members insisting on the danger to southern industry in not admitting the necessity for southern differentials so long as differentials exist against us.

By the original selection of a committee composed largely of members from other sections and representing its competitors and the delivery of the cotton industry into the hands of this committee, it is evident that the foundation was laid for the use by this committee of the power of the law in preventing the expansion of southern industry. By failing to recognize the validity of the need for a southern differential so long as the differentials exist against us, it appears that Industry Committee No. 1 is functioning in a manner adverse to the interests of our southern people and to the purpose and intent of the act as a piece of social legislation.

There is no question but that the absence of a southern differential will cause a distressing degree of unemployment in the South. We call attention to the fact that, whereas in the North upon the closing of an industry there is a reasonable probability of the employment of the discharged wage earner in other industries, we in the South have no such other industries. Our people, upon the loss of their jobs, have to return to the 5-cent-an-hour wage of agriculture or to the relief rolls.

In view of the situation in which the southern cotton industry finds itself as the result of the original appointment of Industry Committee No. 1 and the recommendations of a majority of that committee, we are in deep anxiety about the effect of the wage and hour law upon southern industry as a whole. In the cotton industry, a nearly purely southern industry, it was to be expected that the voice which predominated would be that of the South. We fear not only the effect of the recommendation of the majority in this instance, but future recommendations of this committee as well aimed at further destruction of our interests. We fear the organization of industry committees in other industries not now represented in the South dedicated to preventing the industrial expansion of our section. And, if this comes about, our inevitable industrial expansion may be postponed for many years to come, and our people forced to continue to live as a part of economic problem No. 1.

We call attention to the unanswerable fact that our national welfare must suffer so long as great regions of the Nation are kept in poverty. The low purchasing power of our people is all that keeps our section from being the greatest new market on earth for the factories of the North. Such industries as we of the South build up will not and cannot supply our people with their actual needs to any appreciable extent, but by raising our income and thereby our purchasing power will bring benefits to every part of the Nation.

Deadly Menace of the Chains

EXTENSION OF REMARKS

OF

HON. VINCENT F. HARRINGTON

OF IOWA

IN THE HOUSE OF REPRESENTATIVES

Friday, July 14, 1939

LETTER FROM J. A. TODD, OF SIOUX CITY, IOWA, TO THE SECRETARY OF THE TREASURY

Mr. HARRINGTON. Mr. Speaker, under leave to extend my remarks in the RECORD, I include herein copy of a letter from Mr. J. A. Todd, of Sioux City, Iowa, to the Secretary of the Treasury, Hon. Henry Morgenthau, on the subject of the chain-store evil. I might explain that Mr. Todd has been an independent merchant in Sioux City for a number of years and speaks with authority upon his experience with the chains.

The letter is as follows:

SIOUX CITY, IOWA, *February 28, 1939.*

Hon. HENRY MORGENTHAU,

Secretary of the Treasury, Washington, D. C.

DEAR MR. MORGENTHAU: I hope you will find time to read this letter, as I believe the message it contains is of vital interest to the United States, because, as I see it, there will be no chance to balance the Budget so long as about half of the circulating medium

is being taken out of each community each year in the form of net profits which the big interstate chains have been doing on a big scale since about 1927.

If in good times money changes hands between 15 and 20 times annually (it changed 23 times in 1929, I believe), you will readily see that every dollar of net profits permanently leaving a community like Sioux City kills between $15 and $20 worth of new business, because if and when said net profits are made by residents of a community, as was always done prior to the chain era, every dollar is spent into circulation and percolates through the community and on down to the laboring classes.

Therefore W. P. A. has become necessary in order to replace the circulating medium which the big outside-owned chains take out in the form of net profit; and as nearly as I can figure it out, close to $2,000,000 leave Sioux City each year via the chain net-profit route. If this all stayed here, as it did prior to the coming of chains, it would have to change hands only 15 times to double the present volume of business, on which 2-percent sales tax was paid in each of the last 3 years.

Of course, you read or heard Dr. Isador Lubin's testimony before the Monopoly Investigating Committee, in which he stated that $2.25 per day additional in the hands of the families receiving $1,200 per year or less would cause both industry and agriculture to operate at full capacity.

Using Sioux City, which has about 20,000 families, as a yardstick, I find that the approximately $2,000,000 which the outside-owned chains take out each year in the form of net profits would have to change hands only 8 times annually (not 23 times, as in 1929) to produce the $2.25 per day per family which Dr. Lubin stated would cause agriculture and industry to operate at full capacity. * * * What more do we need to eliminate unemployment? The only part of the net profits which the interstate chains take out ever to be returned to this or any other community is that which the Government takes away from them as income taxes and pays out in the form of W. P. A. funds and old-age pensions, and this operation must be continued so long as the big chains are permitted to take out all of their net profits untaxed from each community and each State.

This, then, it will be seen, is a new menace which did not exist during any previous depression period, because chains have grown by leaps and bounds since the middle twenties, and even in the early twenties they did not operate with such deadly effect, because they were small in numbers and comparative volume of annual business done by them.

There is a remedy, thank Heaven, for this deadly menace if it can be passed, and that is the Patman chain-store-tax bill, H. R. No. 1, and if after looking into the foregoing statements you find I am correct, I sincerely hope, as an overburdened taxpayer, that you use your powerful influence to correct this fast-growing evil which is threatening the very foundations of democracy in this country. Second-rate business property no longer has any value because the taxes take about all of the income, due to the fact that a few large units of the interstate chains concentrate about 65 percent of the retail business in a few stores in what is called 100-percent locations in each community, all other storerooms go abegging for whatever a faltering independent can pay, and in some cases this is less than the local real-estate taxes.

On February 21 I was privileged to address a joint session of the Iowa Legislature in the interest of the passage of the community preservation bill, which is a copy of the Louisiana law which was upheld, and made my strongest plea for the elimination of the secrecy clause of the sales-tax law, so we will know exactly how much business the interstate chains do, because I was aware that they would challenge my statement that Iowa was losing over $40,000,000 annually in the form of net profits which the outside owned chains take out untaxed. If all of this net profit were being made and spent into circulation by residents of Iowa, it would have to change hands only 16 times to double the present volume of retail business, which was approximately seven hundred and fifty million in each of the last 3 years.

A recent Department of Commerce statement shows chain average gross profit to be over 32 percent, and I am sure their local expenses will not average 15 percent, and a careful estimate shows they do over one-third of Iowa's volume.

J. A. TODD.

"Hot Oil" and Interstate Oil Compact Legislation

EXTENSION OF REMARKS

OF

HON. WILLIAM P. COLE, JR.

OF MARYLAND

IN THE HOUSE OF REPRESENTATIVES

Friday, July 14, 1939

Mr. COLE of Maryland. Mr. Speaker, during consideration by the House of House Joint Resolution 329, which provides for ratification of the interstate oil compact, I had hoped for sufficient time not only to discuss a little more in detail the provisions of the compact and some of the reasons presented for its continuance following 4 years of operation but also to answer some of the remarks of my distinguished colleague, the gentleman from Washington [Mr. COFFEE], found in the extension of his statement at the time the "hot oil" bill passed the House. Due to the lateness of the hour and the crowded condition of the docket at this time, I refrained from entering into any lengthy discussion along these lines on Wednesday, July 12, when the interstate-compact resolution passed, but I do desire to present before this session of Congress adjourns something in answer to the statements made by the gentleman from Washington, Representative COFFEE, in the RECORD of June 20 last.

President Roosevelt, Secretary of the Interior Ickes, and the Governors of practically all of the great oil-producing States, and a large majority of the Members of Congress have, session after session, endorsed the "hot oil" and compact legislation. Personally I have always felt that these laws have been helpful to the preservation of our petroleum resources and that both have been necessary and advisable legislation. It is unfortunate, I think, that those expressing opposition to these worth-while measures do so in the use of such generalities and present little argument of a concrete nature. Such generalities contain statements that both the "hot oil" law and the compact resolution foster monopoly. Naturally those statements draw to the support of the authors thereof many who are not familiar with the operations of the law but who do not want their position in opposition thereto misunderstood.

Following the discussion on the floor of the House on June 20, 1939, at the time we were considering the "hot oil" law, many of the arguments advanced by the opposition were answered by the various members of the Committee on Interstate and Foreign Commerce and by others who participated in the debate. The RECORD, however, contains quite a lengthy extension of remarks by the gentleman from Washington [Mr. COFFEE], but which contained matters not available to us at the time so that they could be successfully challenged and effectively and convincingly answered.

Rather than assume the burden of answering the remarks referred to, I took the liberty of calling to the attention of the Honorable Harold L. Ickes, Secretary of the Interior, under whose direction the "hot oil" legislation is administered and in whose Department so much activity pertaining to our petroleum resources has been handled in the past and is today being carried on in an effective and highly intelligent manner, with the request that he address a letter to me in answer thereto. I received from Secretary Ickes, letter under date of July 5, 1939, which is printed in full at this point:

THE SECRETARY OF THE INTERIOR,
Washington, July 5, 1939.

Hon. WILLIAM P. COLE, JR.,
House of Representatives.

MY DEAR MR. COLE: I appreciate your having called my attention to the statements as to the Connally law made by Hon. JOHN MAIN COFFEE, Member of Congress from the State of Washington, before the House of Representatives on June 20, 1939, as printed in the CONGRESSIONAL RECORD for that day.

Among his remarks Mr. COFFEE of Washington stated that, by restraining trade in crude petroleum and its products, the Connally law prevents effective competition in the purchase of crude oil and the sale of refined products; that the act is nothing more than a trade barrier against the oil-consuming States; that it applies only to the East Texas area and there is enforced rigidly against independent producers but not the major oil companies; that the State laws which receive the support of the Connally law are not true conservation laws but are administered purely on the basis of maintaining crude oil at a price above its economic level; and that the Connally law is a full-fledged dam that has been built around the production of crude oil, holding the supply at or below demand, thus fixing the price.

In my opinion, such allegations are erroneous and are not supported by the facts. The experience of the East Texas field amply illustrates the efficacy of joint Federal and State action to prevent waste in oil and gas production. The importance of the East Texas field as a source of oil is not pictured adequately by referring to it as a small area or considering it only as being located in part of five East Texas counties. The significance of the field, which is one-sixth as large as the State of Rhode Island, is portrayed more adequately by the fact that it contains more than half of the flowing oil wells of Texas; produces as much oil as the combined output of all of the wells in Louisiana and Kansas; and that its remaining recoverable oil reserves are estimated as being equal to the present proven oil reserves of Oklahoma and Louisi-

ana, the third and fourth ranking States in oil production. The prevention of waste in oil production in the East Texas field is equivalent, in terms of recoverable oil, to a corresponding effort in the widely scattered oil fields in two States and, on such basis alone, in my opinion, the attention accorded this field by the State of Texas and the Federal Government is amply warranted.

The Connally law does not establish the allowable production of oil in the East Texas field. Neither does it do so for any other oil field. The allowable oil production in the East Texas field is determined monthly, pursuant to the Texas law, by the Railroad Commission of Texas. In doing so, the commission limits the total daily production in such manner that the reservoir pressure is maintained and the physical waste of oil and gas is avoided. Engineering testimony before the commission on numerous occasions has established the maximum allowable for the field at approximately 500,000 barrels daily. Obviously, when this maximum is divided among some 26,000 oil wells in the field, the average allowable per well will approximate 20 barrels daily.

In the most recent litigation under the Texas law *Rowan & Nichols Oil Co.* v. *Railroad Commission of Texas et al.*, the complainant and defendants agreed that the limitation of production for the East Texas field to approximately 525,000 barrels a day has prevented to a considerable degree the dissipation of the reservoir energy and has minimized damage from premature and irregular water encroachment, thereby materially increasing the ultimate recovery from the field as a whole over what would have been recovered if there had been no such limitation. The complainant stated that it is clearly established that an excessive allowable for the field, say 1,000,000 barrels a day, will result in a lower ultimate recovery than that which would occur under a smaller allowable of some 500,000 barrels a day.

The East Texas field once had, as Mr. COFFEE of Washington states, a daily oil production allowable of nearly 1,000,000 barrels. That was from April 25 to June 12, 1933. When I appeared before your subcommittee on April 27, 1937, I called attention to the drop in reservoir pressure of 65 pounds which occurred at that time, when 12,000,000 barrels of oil were produced in 15 days. If that rate of decline had continued, most wells in the East Texas field would have been reduced to pumping by the close of 1933. Since production control became effective in the East Texas field in June 1933, more than 1,000,000,000 barrels of oil have been produced with a pressure decline of 139 pounds, or 40 times as much oil per unit of pressure decline as when the field, without restriction, was producing nearly 1,000,000 barrels daily. It is the conservation policy of the State authorities, such as is illustrated by the actual accomplishment in the East Texas field, which is supported by the Connally law.

Even such an accomplishment should be questioned if it restrained trade in crude petroleum and its products, maintained crude-oil prices above economic levels, and threw some 30,000 East Texas refinery employees out of work, as stated by Mr. COFFEE of Washington.

Since the Connally law was enacted in February 1935 the domestic demand for oil in the United States has increased 26.7 percent, or from 2,500,000 barrels daily in February 1935 to 3,167,000 barrels daily in February 1939. During the same 4-year period crude oil production has increased 28.4 percent, or from 2,599,000 barrels daily in February 1935 to 3,338,000 barrels daily in February 1939. From March 1935 to April 1939, inclusive, the domestic demand for oil in the United States was 4,612,000,000 barrels. Domestic crude-oil production during the same period totaled 4,843,000,000 barrels. There does not appear to be any restraint of trade in such a situation.

In February 1935 the posted field price of the average grade of Oklahoma-Kansas crude oil was $1 per barrel, and at present it is $1.02. East Texas crude oil was $1 per barrel, and now it is $1.10. Average Gulf coast crude was 98 cents per barrel, as compared with the present posted price of $1.02. Bradford-Allegany, Pa., crude oil was $2.35 per barrel, and now it is $2. Typical Michigan crude oils then sold for $1.02 per barrel, as compared with the present price of 97.5 cents. Typical California crude oil was $1 per barrel in February 1935, and the present posted price is $1.10. Since the discovery of the Drake well near Titusville, Pa., 80 years ago, approximately 21,000,000,000 barrels of oil have been produced in the United States with an aggregate value at the well of about $25,000,000,000, or an average of $1.20 per barrel. The present average crude-oil price is about $1 per barrel, or 20 cents per barrel less than the 80-year average, which certainly contradicts the allegation that conservation maintains crude oil prices above economic levels.

There is no factual support for the statement that some 30,000 men who once were actually employed in East Texas refineries now are practically all out of work and that more than 75 independent refineries in the East Texas field have all been closed since the Texas oil-conservation law became effective, if the period referred to is that since the Connally law was enacted. The records of this Department show that the peak of employment in East Texas refineries was reached in October 1934, when 2,540 employees were at work. In February 1935, when the Connally law was enacted, there were 1,880 employees in the East Texas refineries.

When the Connally law was enacted, there were 81 refining plants in the East Texas field, 70 of which were "skimming" plants and 11 were equipped with "cracking" facilities. It is well known that "skimming" plants do not produce as much gasoline per barrel of crude oil refined as do plants which are equipped with "cracking" units and accordingly "skimming" plants find it difficult to compete with the more efficient operation which combines "cracking" with straight distillation. This condition may have been responsible for the fact that, of the 81 plants existing in East Texas when the Connally law was enacted, only 42 were operating, the remaining 39 having been shut down for several months prior thereto.

With one exception, the refineries in the East Texas field have been independently owned. The exception was a "skimming" plant owned by one of the major oil companies. This plant, however, has been shut down, so that all refineries now operating in the East Texas field are independently owned.

The enlarged use of cracking equipment at East Texas refineries has resulted in a pronounced increase in the number of gallons of gasoline produced per barrel of crude oil refined. During February 1935 East Texas refineries produced 17 gallons of gasoline per barrel of crude oil refined. During 1938 these refineries produced 6,308,000 barrels of gasoline from 10,848,000 barrels of crude oil, or 24.4 gallons of gasoline per barrel of crude oil refined. If these refineries had operated during 1938 on the basis of the February 1935 yield of 17 gallons of gasoline per barrel of crude oil refined they would have had to process 15,558,000 barrels of crude oil to produce 6,308,000 barrels of gasoline. The increased efficiency of East Texas refining accordingly represents a saving during a single year of 4,710,000 barrels of crude oil. At a value of $1.10 per barrel, this represents a saving to East Texas refineries of $5,181,000, a sum of money approximately equal to the total present valuation of the East Texas refining plants.

In conclusion, the regulations which have been issued under the Connally law apply with equal force to all operators, whether they be majors or independents; and the Connally law applies to all States which have enacted legislation to control the production of oil. Several investigations are being made at present in areas outside of the east Texas field. For example, two examiners have just completed an investigation in Michigan, where an oil-conservation law was enacted recently.

I appreciate greatly the interest which you have shown in the conservation of the Nation's oil and gas resources. If there is any further information which may be helpful to the understanding of the many problems associated with the administration of the Connally law, I shall be glad to attempt to furnish it.

Sincerely yours,

HAROLD L. ICKES,
Secretary of the Interior.

I hope the Members interested in the important subject of legislation as it shall apply to our petroleum resources will read this very interesting letter; and if there is additional information and facts on the subject which they desire and will communicate with me for that purpose, I will be glad to try to supply it.

When I Speak in Favor of Constitutional Government and When I Denounce Communism Is It Fair to Call Me a Nazi or a Fascist?

REMARKS
OF
HON. J. THORKELSON
OF MONTANA
IN THE HOUSE OF REPRESENTATIVES
Friday, July 14, 1939

Mr. THORKELSON. Mr. Speaker, it was my intention to rise to the question of personal privilege, not because I desire to occupy the time of the House but to correct an injustice to myself which I believe is due to an erroneous interpretation of my remarks by the distinguished gentleman from New York [Mr. BARTON]. I do not object to being criticized if such criticism is leveled at the soundness or unsoundness of my remarks. I do, however, object to anyone presuming to interpret my thoughts and upon such assumption make a general accusation against me which has no foundation in fact.

I was a little bewildered on June 28, 1939, when a Member of my own side of the House stepped forth to apologize for remarks I had inserted in the RECORD on June 22, 1939. I could not recall having stated anything but facts. I recalled having mentioned the names of the five gentlemen in question, but I did not refer to either their race or creed. I am not interested in race or faith, for I consider all Members of the House Americans and their religious beliefs a personal matter.

Since that time I have refreshed my memory on all matters that I have inserted in the RECORD, but particularly on the remarks which I inserted on June 22. I shall now quote from

the CONGRESSIONAL RECORD the preceding and succeeding paragraphs to that in which I mention the names of these distinguished gentlemen:

In time of stress the safety of the Nation should be our first consideration, and we look for unstinted patriotic aid from leaders in Congress and from chairmen on important committees.

The leaders in Congress are well known, but the chairmen of the committees often remain in obscurity. We have the following distinguished gentlemen occupying the following important positions as chairmen and ranking members of committees.

I then named the five gentlemen in question, and I continued with the following paragraph:

I realize that these gentlemen are interested in all things which concern the welfare of the Government of the United States; in free debate without restrictions; in opposition to immigration, particularly of those of proletarian communistic philosophies; in the protection and safeguarding of patents; in clarification of the civil service; in a straightforward statement of the real facts in the merchant marine. The distinguished ranking member of the Judiciary Committee should also endeavor to eliminate unconstitutional and confusing legislation that gives Congress a continual headache.

In these remarks you will note that I not only expressed a most profound admiration for the five gentlemen in their success, but I also expressed my respect for their important positions on congressional committees. How anyone can read evil intent in these remarks, I cannot understand, for I have stated nothing but truth. I should not be ashamed or object to having my name inserted in the RECORD as chairman of such important committees. I sincerely regret that the gentleman from New York misconstrued my remarks, but if he still believes that my statements are not applicable to the five gentlemen, I shall be glad to withdraw all of them.

However, when the gentleman from my own side of the House, after having stated my remark was "infamous," began to apologize and acquit me for having inserted such remarks in the RECORD, I was astounded, particularly when he referred to them as being untrue and cruel. I could not believe that he did not agree with the profound admiration I had expressed for the five gentlemen, for I am sure that he holds them in no greater esteem than I.

It is not my intention to dwell upon the statements of the gentleman from New York and on his unwarranted attack upon myself, but in order to keep the record straight I want the Members to know that I did not mention either "Jew" or "faith." Why the gentleman should use the words "acquit," "infamous," "untrue," "cruel," and why he should apologize for me, I do not understand. Why he should refer to race, creed, and color, as he did, is in itself a clear attempt to instill racial prejudice. I am not concerned with any of his remarks except where he uses the words, "stain the pages of our CONGRESSIONAL RECORD," and I want the gentleman from New York to know that facts and truth cannot stain any RECORD. I realize the gentleman from New York is deeply concerned, as he said, with the honor of the Republican Party. In this, I presume he refers to his own city. I am also interested in the Republican Party, and the principles which I have expounded are based upon the Constitution itself, which the Republican Party should not be averse to using in the coming campaign.

In order that there will be no future misunderstanding in respect to what I have said, I shall now discuss all the remarks that I have inserted in the RECORD.

My first article is dated January 20, 1939, in which I addressed myself to the House on the responsibility of Congress. This article was given in view of the number of letters which I had received demanding more than a billion dollars for relief. In these remarks I observed:

I do not look upon such public interest and reaction lightly, for there are definite causes for such mass protests. It is said where there is smoke there is fire, and I believe it is well for Congress to remember that our Nation is smouldering. Some day it may break into a destructive fire of public upheaval.

In all my remarks, I have tried to look ahead so as to anticipate eventualities, and it occurs to me that we are rapidly approaching that very public upheaval

I further said:

Congress cannot evade responsibility by general accusations because the people are too intelligent, and they are doing their own thinking. If I am right, and I believe I am, let us begin now to get business going in a businesslike manner so that our idle people may be gainfully employed. We cannot increase consuming power by Federal spendings. It just does not work—never has and never will. All business must either be run by the people or by the Government. There is no middle road. To expect business to operate and to furnish money to the Government so it in return may use such money to foster or enter into competition with its own benefactor—business—can only end in idleness, poverty, suffering, and revolution. Yes; revolution against professors, dreamers, crystal gazers, and horoscope entrepreneurs. The people are ill from technicalitis, graphitis, and statisticitis. The people are sick of laws, restrictions, and regulations, and, Mr. Speaker, I am in accord and in sympathy with them.

On Monday, January 23, I discussed the Gold Reserve Act and its danger. I have already said this act is clearly unconstitutional, and the Attorney General, Mr. Cummings, concluded his argument before the Supreme Court with these words:

I do not assume to suggest what the future may develop with regard to this aspect of the constitutional question. I do not know. These things will follow in due course.

So, according to Attorney General Cummings himself, the constitutionality of the act hangs in the air, like many other experiments of the New Deal. The greatest power of all is the control of money, and it was recognized as such by Alexander Hamilton. In credit to him, it must be said that he was willing for the American people at least to own gold and to be secured by gold and gold securities. As a Republican, no one can fail to give him credit for this democratic principle. The New Deal managers have, however, outdone Alexander Hamilton by depriving the people of their right to own and be secured by gold, and have established imperialistic control over money instead of the Hamiltonian democratic common ownership thereof.

"Congress has the right to coin money, regulate the value thereof and of foreign coin, and fix the standards of weights and measures." The power to coin money is not questioned. To regulate the value means exactly that and nothing else. Gold is an international standardized metal with a fixed value, and therefore is the security upon which all money and currency is based. The grain content in each piece of money regulates the value of each coin, and the number of grains regulates the value to each other and to that of foreign coin. Gold, of course, is used because it is permanent metal. It can be melted, refined, and weighed; and each grain represents a fixed value, which regulates the value of all money. When gold is removed as the standard security for money, nothing is left but inflated, valueless currency; and that is what we are using today.

On January 30, speaking on Constitutional Government, I discussed many topics in which I am sure my colleagues will find nothing radical. As a matter of fact, it might be interesting reading for the Members, and I shall be glad to meet any objection if those who read it find it is incorrect.

During my attendance in the House, my Democratic colleagues often challenged the Republican Party to present a plan superior to the bureaucratic plan now in use, and believing this challenge fair, I suggested the following:

First, "the United States shall guarantee to every State a republican form of government."

Not a bureaucratic, not a socialistic, not a communistic, and not a "liberal" form of government, whatever that may be, but a republican form of government, as the Constitution provides.

My second proposal is that Congress resume its rightful position in its relation to the people it represents.

My third step is to replace the money in circulation with gold-secured currency, and set aside a gold reserve, as security for all money. This will give a standard, stable value to the dollar, just as it was in 1926. We have two types of money today, something that we have never had before. One is the international money which is used in foreign transactions and in payment of interest and principal in foreign investments—the dollar which is used to balance international credit. The foreign dollar contains 15.521 grains of gold, nine-tenths fine, but all transactions are still based upon the old valuation of 25.8, the generally recognized international standard.

The money we use at home, you and I, has no gold value. It is not secured by gold or silver and is therefore a commodity or man-

aged dollar that may collapse at any time. It is a dollar which has deprived the American Nation of its character and has destroyed public confidence in the Government. I ask Congress to restore sound money as the third step toward recovery.

I cannot but warn Congress that if this is done an embargo must be placed upon the gold in the United States Treasury until such time as it is again accepted as a liquid monetary medium of exchange by international agreement.

For Congress to regain its power to coin money and regulate the value thereof I believe it must repeal the Gold Reserve Act. This presents a peculiar situation because the President might veto such repeal and that would necessitate a two-thirds majority vote of this body to retrieve its own power. I mention this so that Congress may realize how dangerous it is to relinquish to anyone its constitutional power as given to us by our people.

I concluded this article with:

If Congress will again resume its rightful position it will establish courage in business and confidence in Congress. We cannot be wrong when we face the Constitution, but we are wrong when we turn our backs upon it.

On February 7, the article is entitled "The Day of Liquidation is Near." In these remarks, I viewed with apprehension the widely publicized discussions on war in Europe, and our own chaotic state. I referred to the Government ownership of business directly competitive with private industries. On February 14, I discussed H. R. 3790, taxation of public officers and employees. It is not my intention to quote these articles at length, but I shall call your attention to the following paragraphs:

Today the newspapers are full of war news and the State Department is beating the war drums. The State and other departments talk about foreign governments and meddle in their affairs, while their own Government is tottering and wobbling on the mountain of unsound policies. Congress sits here and lays golden eggs for the wonder boys who run the Government by graphs, charts, and statistics. They are the boys who make the profit on paper and balance budgets by borrowing more money on the credit of the United States. We seem to be unable to determine whether legislation is constitutional, and the Supreme Court fails to do any better, judging by the mass of unconstitutional and unsound legislation now in force.

On February 16, I referred briefly to the motion picture The Plow That Broke the Plains. You recall that nasty piece of propaganda developed by one of our Federal departments as a bid for public approval.

On February 22 I discussed our interests in the Pacific and in the Orient, stating why we should develop colonies in the Pacific. I am sure that this article will be interesting to the Members, and there is nothing radical in it.

On February 23 I discussed the Constitution at a Masonic meeting over in Alexandria, Va., and in this discourse I referred to the Declaration of Independence, and that is good reading for anybody.

On February 27 I again extended my remarks on the commercial and military value of colonies, referring particularly to the Philippine Islands. I may say at this point that I believe we should not now or in the future relinquish control of the Philippine Islands. I admit that we must change our colonial policy along the lines so successfully employed by Holland, Belgium, and other European countries. We cannot expect to develop colonies on a political basis, for wherever there is politics there is graft, and graft is deathly in the Orient.

On March 6, 7, 9, and 16, I discussed the reorganized bill. I distinctly recall the rules which governed debate on that bill, for they were, according to the expression of one of my colleagues, "pig tight, bull strong, and horse high"—a very peculiar expression for rules that deprived Congress of its constitutional rights. It is just about similar to walking into jail and locking the door behind you. I predicted at that time that the reorganization bill would create trouble for the New Deal, and I still maintain I am right. I further replied, in answer to requests from the Democratic side to propose recovery measures, and here they are:

A few days past, one of my colleagues on my right, after a criticism of the New Deal, said: "What can the Republican Party propose to improve upon the policy of the past 7 years?"

I believe such question is only just, particularly if one presumes to criticize. I shall now reply, as I did in one of my former speeches, by repeating the first four answers:

(1) Give every State a republican form of government, as the Constitution provides.

(2) Have Congress resume its rightful position in relation to the people it represents.

(3) Replace the money in circulation now with gold-secured currency and set aside a gold reserve as security for all money.

(4) Congress should demand that the Federal Government cease from competing with private industries, because such competition destroys earning power and creates idleness.

I shall now add to this for further consideration:

(a) Repeal the power of the President and the Secretary of the Treasury to play with the national currency.

(b) Demand an accounting for the $2,000,000,000 gold stabilization fund.

(c) Repeal the power of the State Department to regulate international trade and to negotiate trade pacts and treaties.

(d) Place a tariff on all competitive products so that our farmer and manufacturer may supply home markets.

(e) Appraise and liquidate all Federal-owned private corporations which are now in competition with private industry. After appraisal, sell them to private industry where they rightfully belong, and in such manner restore the States' and peoples' rights.

(f) Apply the Sherman antitrust law to Federal monopolies, which are now greater monopolies than private monopolies themselves.

(g) Cease and desist from taking issue with or protecting special groups because of the voting power such groups may have.

(h) Appoint a composite board to revise the legal structure by weeding out useless unconstitutional laws.

I am opposed to the reorganization bill and shall vote "no."

On March 21, the article is entitled "The Treaty of Versailles Prepared Europe for Another War." I shall quote the first two paragraphs so as to call your attention to the fact that I have discussed communism and socialism as found in Germany and Russia. You may be further informed that I am still discussing the same thing today.

Mr. Speaker, last night while I was driving a news flash came over the radio that recalled to my mind events of 22 years ago. It said: "The President has placed a high tariff on German imports and joins with England and France to stop Hitler and save the world for democracy." I said, "What rot to save the world for democracy." I recall 22 years ago I heard the same slogan. We stepped to the front and saved the world for what? For socialism and communism. We are today on the verge of internal war as a result of our departure from constitutional government. Our own Government is undermined with socialism and communism until it is about to be destroyed by these two evils.

The Communist, to camouflage his own activities, shouts "nazism and fascism." He waves the swastika to cover the hammer and the sickle. These red-dancing dervishes ought to be exported, to go as part of the war materials shipped out of the United States.

On March 22 my article is entitled "Danger of Amending the Constitution." In this I discussed questionable amendments, the seventeenth being one of them.

On March 29, the article is headed, "Are we better off today?" In this article, I compare Hoover's administration with Roosevelt's administration, and sound money with hocus-pocus money. This article should be of interest to both Democrats and Republicans as well. I shall ask the Members to read it, and there is nothing anti-Semitic in this article.

On March 29, there is a brief résumé on the National Health Act of 1939, a piece of legislation now up before the committee, which is in itself the terminal step toward a totalitarian government.

On April 4, 1939, I selected to discuss the New Deal philosophy, and I believe it may also prove interesting reading, and it is not radical.

On April 13, the article is headed "The most dangerous enemies are advocates of socialism and communism." This I shall not discuss except by its title, but the Members may be informed that I am discussing communism and socialism in this article, as I have before in my remarks. Please also bear in mind that no one called me a Nazi or a Fascist.

On April 17 the article is headed, "Can Congress set up an independent State?" In this I discussed whether or not Congress has the right to take the property that belongs to all the United States, set it free, and declare an independent State. There is no provision for such declaration in the Constitution, and my personal opinion is that Congress has no such right without the consent of the people to whom it belongs.

On April 20 the article is headed, "The President and the bankers went into a huddle." This article refers to the preliminaries which led to the enactment of the Gold Reserve Act, and in this article I spoke on money. In a letter from the Treasury, which is incorporated, you will also find it stated that the gold belongs to the interests holding gold certificates as claims against it.

On April 21 my article is entitled "Government Failure in Private Industry." This article should need no further comment by me, because Government in private industry to date has been one failure on top of another, and it is now a national nightmare.

Mr. Speaker, during the early part of the year, if you recall, the "kept press," or the invisible government's press, either by ownership, monetary control, and influence or control over income, has been ballyhooing anti-German and anti-Italian hatreds, clearly an unwarrantable procedure by a neutral nation. This liberty or license was warlike in expression and did not reflect the attitude of a nation supposed to be at peace. I was fearful of this, realizing that it could easily be construed as an unfriendly gesture toward friendly nations. It was this attitude of our press, to which some of the higher officials in the Government were not averse, that led me to attempt to focus attention back on our own Government. I am convinced that it is a better plan to attend to our own troubles than it is to meddle in the affairs of other nations.

Knowing the power behind this propaganda, I, instead of challenging that power, which at that time would have seemed fantastic, chose to take a different course. In this procedure I, of course, have left myself open to attack by all of those who oppose a return to constitutional government, and, strange as it may seem, that opposition is centered in what I commonly term the "invisible government." In its attacks it does not challenge my statements but resorts to the strategy of defamation. I welcome criticism in respect to the soundness or unsoundness of my statements, and the right to such challenge remains with those who think they hold a better hand.

I am not a politician, as you know, and my ear is not to the ground listening for the approval of those who may have an ax to grind. My action and procedure are predicated upon a sounder foundation than that, because I rely entirely upon the fundamental laws of the country—the Constitution of the United States. In doing this I comply with the wishes of patriotic citizens whose interest lies in sound government.

At this point it is my desire to explain my viewpoint on an issue that I discussed recently with one of the Members. There seems to be a general opinion among Members of the House that the constitutionality of legislation rests upon the opinion of the Supreme Court. I take exception to this statement, because constitutionality of all legislation rests entirely upon the Constitution itself. There is no evidence to date to show that the Supreme Court can interpret that document in the interests of the people better than the average citizen. I make this statement deliberately. If the Justices of the Supreme Court based their opinions upon the Constitution itself, literally, giving due consideration to the ninth and tenth amendments, in the Bill of Rights, there would be no split decisions. It is the duty of Congress to determine constitutionality before legislation is enacted. Even then, with the greatest care, mistakes will be made, and it is the duty of the Supreme Court to set such mistakes aright when questions arise. It is well to bear in mind that all mistakes committed by the President and by the Supreme Court fall upon the shoulders of Congress, because Congress represents the people and is the ruling body of our Government.

If I am to judge by some of the decisions already handed down by the Supreme Court, it has much to learn about that great document—the Constitution of the United States.

I am not alone in this opinion. I quote from the address of the president of the American Bar Association, Mr. Frank J. Hogan, as reported in the Washington Daily News, Monday, July 10:

> The Supreme Court no longer preserves constitutional liberties, Frank J. Hogan, president of the American Bar Association, said today in opening the association's sixty-second annual convention. He said the present Court has reversed constitutional doctrines and "established" principles and, therefore, the legislative branch of Government would have to protect the people against "arbitrary exercise of power."

Many times in my life I have taken an obligation to preserve, to protect, and to defend the Constitution and the laws of our country, for I am now rounding out 19 years of service in the merchant marine, the Revenue Service, and in the United States Navy. When I came here as a Member of this distinguished body of eminent statesmen, I again assumed the same obligation, as I had many times in the past. And it was to preserve, to protect, and to defend the fundamental laws of this Government so that the Republic might survive in its original form. I shall honor this obligation for that was my intention when I subscribed to it.

In trying to combat the activities of the invisible government, my only avenue of expression is the CONGRESSIONAL RECORD, for the majority of the daily papers and other periodicals speak for the invisible government and not for the Government of the United States. It is only recently that reprints have been made by small patriotic periodicals.

Mr. Speaker, at some future day, the work of these patriots and their publications will be appreciated. In their intense patriotism no doubt some of them may have reached a little too far to the right, but, if so, it was because of the failure of the Government to recognize communism, which is on the extreme left.

The Members know very well that there is now sufficient evidence in the files of the various committees in respect to communism, and that further evidence is to be had, to bring these Communists to the bar of justice. What power is retarding congressional action? It is clearly our duty to recognize this threat on our Government, so what are we waiting for? The Members know that aliens appearing before our committees have testified that they have the same rights as our citizens, and, besides, they think they have a special selected privilege which is to murder our own people so that communism may be enthroned. This is in the evidence, as you know. I shall quote from the hearing of Subcommittee No. 3 on the Judiciary, House of Representatives, Seventy-sixth Congress, first session, on H. R. 5138:

> CHAIRMAN. Does your organization, A. C. L. U., uphold the right of a citizen to advocate murder?
>
> Mr. X. Yes.
>
> CHAIRMAN. And assassination?
>
> Mr. X. Yes.
>
> CHAIRMAN. Force and violence for the overthrow of the Government?
>
> Mr. X. Certainly.
>
> CHAIRMAN. Does it uphold the right of an alien in this country to urge the overthrow and advocate the overthrow of the Government by force and violence?
>
> Mr. X. Precisely, on the same ground as any citizen.

In New York there is a liquidation unit known as the American Vigilante Association, headed by a prominent attorney. Members of this group are trained in liquidation. It is not my desire to discuss this organization or name anyone, but I believe it should be disbanded for the general welfare of those interested in it.

The article of May 1 was inserted to clarify an issue much discussed in the daily papers—that is, the so-called German expulsion of Jews. I wondered why Germany ordered such emigration, and with this thought in mind, I tried to accumulate data pertaining thereto. This revealed that during the inflation in Germany, Jews came in from the surrounding countries, and even from the United States, and bought up blocks of real estate for less than 10 cents on the dollar. This, of course, was possible because of the depreciated German currency. The German people, of course, had nothing to do with the inflation, for it was engineered by the invisible government, the same crew that is now operating in the United States. I published such statistics as I was able to obtain, and I am positive that those statistics are as authentic as any statistics published by the New Deal contingent of the invisible government.

It may be interesting to know, in addition to those statistics, that there are now over 400,000 Jews in Germany, and,

as I understand, they are welcome to remain there. I quote a self-explanatory paragraph from my article of May 1:

I do not believe the so-called Hebrew purge in Germany is cause for war. As a matter of fact, it is none of our business. I question the truthfulness of many statements published in our papers, for I find upon investigation that German-Hebrews are in a better position in Germany than many of our own people in the United States. Furthermore, I do not believe we should meddle in German affairs or disposition of her citizens. We have plenty to do at home, and should evict aliens in the United States instead of receiving them with open arms as we are now doing. This is a brief summary of information I have accumulated, and I am firmly convinced that Hebrews with German citizenship prefer to remain in Germany.

This article, like many other statements which I have recalled to you, was misunderstood in spite of my introduction and the paragraph just quoted. The purpose I had in mind was to establish facts so that the people in the United States could be informed of the true situation.

After my article of May 1, I was labeled "Nazi," "Fascist," "anti-Semitic," and a "Jew hater," when nothing could be further from the truth. If an occasion came up, either in my official capacity as an officer, or as a Member of Congress, no one would protect all loyal citizens sooner than I, so that was the most unwarrantable and unjust accusation that anyone could utter. Where did these accusations come from? They came from the Jewish Defamation League, in New York City. This, of course, was a grievous error on their part, because they forced me, for my own protection, to prove my point, which I had purposely refrained from doing until then.

On May 10, I received a letter which I now quote, deleting all personal names:

NONSECTARIAN ANTI-NAZI LEAGUE
TO CHAMPION HUMAN RIGHTS.,
May 8, 1939.

DEAR SIR: On Sunday, May 14, 1939, our organization, founded in 1933 by —— to combat Hitlerism by means of a boycott of German goods and services and equally to combat Nazi-inspired and other incitements to racial hatred and civil strife, will hold its annual national convention at the Hotel ——, New York, N. Y.

We would have felt highly honored, indeed, had it been possible for you to be with us on that occasion to address our great audience, representing some seven hundred organizations affiliated with our league. We know that this is much too short a notice to ask you to speak for us, and I have therefore been directed by the committee on convention arrangements to ask of you some message of greeting and an expression from you as to the worth of the work we are trying to do.

Trusting that we may be so favored, and thanking you for this evidence of your cooperation and interest, believe me

Faithfully yours,

———, ———,
Executive Secretary.

Nazi Germany is the enemy of civilization. Refuse to trade with the enemy.

I declined this invitation because I am nonsectarian in fact and not just on paper. It appears to me that the membership in this league and its 700 affiliated organizations does not speak the right language for nonsectarian champions of human rights. It appears to me that the membership consists of a large number of haters who are promoting racial hatreds in championing their own rights. It is this that I have opposed, and I have declined to become a member of any organization that proposes racial antagonisms. But be that as it may, no group within the United States has the right at any time to declare any nation an "enemy of civilization." Such act is provocative of war, and the members are not, by such motto, champions of human rights.

Information from a letter sent out by the Jewish Peoples Committee calls attention to the fact that Members in Congress and others are to speak on anti-Semitism, and with this in mind I shall quote from a letter which I have received:

I am not a Catholic, but I remember the mud slung about Al Smith in the 1928 election and nobody did anything about that. There are far more Catholics in the United States than Jews. How is it that Jews are able to realize such drastic reprisals?

This opinion is expressed in many letters which I have received.

Would it not be better for the Jewish peoples committee to ask the gentlemen to whom I refer to speak for the Jews instead of against those whom the Jews term "anti-Semitic"? Such procedure would be proper and sensible, and one employed by any reasonable individual. This, however, is not the purpose of the campaign, for if they can employ these gentlemen to speak against those termed "anti-Semitic," they will then speak against everyone who addresses himself for constitutional government and against communism.

The request in the letter is somewhat like the neutrality bill. The Jews select the aggressor and the gentlemen in question speak against them. What a pitiful procedure it is, for it can only confuse and bemuddle the issue. It is better for all of us to live in harmony. However, if one race selected to set itself apart as a distinct nationality, and promotes its own interests to the detriment of the other nationalities, it cannot escape the penalty of such isolation.

I have employed the term "invisible government" in a friendly manner, so as to give those involved an opportunity to gracefully recede from the course they are now pursuing. During a period in the World War when one of the powers was faced with problems of grave concern a certain number of persons in the "invisible government" negotiated an agreement that Palestine should be set aside as a home for the Jews in consideration of help for successful conclusion of the World War. This agreement was contrary to that entered into by Colonel Lawrence, of Arabia, for he, to secure the support of the Arabs and the Mohammedans, had promised them also certain rights in Arabia. After the conclusion of the war this power held to its agreement and set aside Palestine as a home for the Jews, leaving the Arabs in the desert. This has never been accepted by the Arabs, because it was a breach of faith, and the Arabs are still in revolt, as we all know.

There is a certain group of individuals that are persona grata, not only to the White House but to foreign governments as well. One of these was the late Colonel House. These people were intimately associated with the now-defunct League of Nations, and their names may be found among representatives from the United States. They are also connected with the League of Nations Bank of International Settlements, the International Agricultural Credit and Mortgage Co., and the Import and Export Bank of the United States. It is these people who are members in the "invisible government."

That this organization is still alive is evidenced in a letter which I shall now quote, deleting the names of the writer and the recipient:

FEBRUARY 23, 1939.

MY DEAR ———: I have your letter of February 12, and I hope things will enable you to stand in April, and I fully appreciate the point of view of your electorate in expecting you to stand again as Independent.

The question of "refujews" is indeed dangerous and complicated. I was asked, and accepted, to meet the whole of the Jewish delegation now sitting in conference (with the Arabs in an adjoining room) in ———. We had dinner at the ———, put up by an ——— M. P., for ——— which teems with Jews. If I had never met Jews or Jewish influence before, I should have been utterly disgusted with their attitude.

I sat ——— Rabbi Wise, of New York, a handsome and, I think, most dangerous man, incapable of looking you in the eye, constantly referring with pride to his friendship with Roosevelt and to his unshaken American citizenship, and at the same time devoted to the point of revolution, or worse, to the cause of his race. ——— from me was Dr. Weisman, who looks exactly like Trotsky, and made a speech of 25 minutes, and is just about the slyest advocate I have heard for a long time. I had several minutes' personal conversation with him * * *.

There were about 12 M. P.'s present, of which I am confident there was no one in sympathy with the Jewish outlook. They all asked questions and all received either evasive or other replies with thinly veiled threats as to what would occur if the ——— failed to implement their promise of the mandate for Palestine. This latter point was made several times, with reference to the deplorable situation which would come about in America if the ——— should break this pledge.

On the whole, an extremely interesting and unpleasant experience. I put the point to which I attach the greatest possible importance, and received only evasive replies.

My point was that the American Jewish financiers at a critical period of the war consented to lend the ——— Government money for the ——— Government to lend to her allies, on condition that we should back the bill and set up a national home in Palestine. The nearest approach that I got to an answer was that it was vital for the ——— Government to obtain the services of Jewish research chemists, and so forth, and that was a further reason for this bargain that would make Shylock blush!

Sincerely,

———, ———.

The "research chemist" referred to in this letter was instrumental in involving the United States in the World War. It is generally assumed that the World War was caused by some European power, but as you can see, it was prepared by the invisible government in somewhat the same manner as they are now attempting to prepare us to support the same powers we supported 22 years ago.

Mr. Speaker, I shall deal briefly with the Communist. The Communist comprises the civilian army of the money changers, or the invisible government. He and his fellow travelers are the servants to the money barons, who control our gold, our currency, and our credit. These gentlemen use this money power to build ears and a tail on the Communist so that he will look like a jackass. It is only the higher Communist that understands the actual leadership, but if the Communist will look it over carefully, he will distinguish the connecting relationship.

There is not a red-blooded American workingman that will stick with this international tribe when the crisis arises. These Communists noisily bellow their foul vituperation, only to be gone with the wind. The irony is that the dupes of these high Communists do not realize that they work for the money changers, or the much-hated capitalists.

Many improvements may be made in dissemination of reliable information, and this is applicable to all informative agencies. The moving-picture industry, because of its ownership, displays pictures which are for no other purpose except to create national hatreds, but favorable to those who own and control the picture industry. It is not a true portrayal of actual conditions, but it is built in the minds of these Asiatics.

The newspapers are somewhat in the same position, because much of the information published is of such nature that it attempts to mold public opinion to be receptive to the issues proposed and publicized by those in control. The newspapers, conforming to the wishes of their masters in publishing such propaganda, jeopardize American liberties and rights.

There is little difference between the effect of information received from the enumerated agencies and that which is broadcast over the air. Federal propaganda bureaus broadcast such information favorable to the New Deal and its many harebrained activities. All broadcasts that would give information about the actual condition as it now exists in the country, and as we know it here in Congress, would be censored, or entirely rejected by broadcasting stations. All this is for no other purpose than to obscure the real issue, so that the people will not be informed about the true state of affairs. All sources of publicity, whether the cinema, newspapers, periodicals, or radio, should at least be decent enough to be neutral, if they cannot enter into the spirit of sound constitutional government.

Let us not be deceived. Who are found in the bread lines? In the pick-and-shovel brigades? In hard labor? In relief labor? In ordinary crafts? In mines? In dangerous, honest occupations? In this group, you find only what I now call the persecuted gentile. Who are found in the twelve or fourteen million idle people, who for many years have patiently tramped the streets, looking for work? You find that this unemployed army is composed nearly 100 percent of gentiles.

Whom do you find as agitators and leaders in nearly all radical organizations, and as organizers' agents in such groups? Ask yourself that question. Whom do you find monopolizing business in your own community, and in that of the larger cities? That is also something to think of. Who owns the greater part of the real estate, and to whom do you pay rent? Who owns the larger airplane industries today, and who receives the larger contracts and appropriations set aside for the building of war planes? It is interesting to look into this, but you must look beyond the gentile front.

Who are the rulers of the larger rackets in the United States—in gambling, in horse racing, and so forth? That is also an interesting question. Who operate a great number of our brokerage concerns that handle the Nation's food supplies and keep the prices down when the farmers are about to sell their crops? It is those who own and control the Nation's currency and credit, and that is not controlled by the farmer or by the gentiles, but it is controlled by the money changers that our President has entrenched in his temple of gold.

Who are the controlling interests in the larger banks? In the chain banks, if you please, that instead of being a value to the community at large are destructive to such community, and who are the owners of the thirteen and one-half billion in gold now in the United States Treasury. It is not the people in the United States, as such, but it is those interests in the invisible government which are located not only in the United States but in many foreign nations as well. These various interests, in spite of what may be said to the contrary, are not in the hands of gentiles, but instead under the direct or indirect control of those nongentile. I ask you now, who should complain of having lost their rights? Who should complain of restriction? Will you not agree with me that the gentile is the one to complain?

It is of these matters that I have been talking, not because I hate anyone, but because I want every citizen to share equally in the rights and liberties granted to our people under the Constitution of the United States.

I am not going to ask you to take my word for anything I have said, but do your own investigating. The information is to be had, and it is so plain that he who runs may read.

Why is it necessary to have roving ambassadors, similar to the late Colonel House, who seemed to be the adviser in one administration, and who so ably predicted the very conditions we are facing today. There are several others, but particularly one, whom I shall not mention by name because I do not wish to deal in personalities. He is the one who was not only the adviser of a past administration but also continues his activities in this administration. Also he is a much-used witness in monetary and business matters before congressional committees. If his advice is sound, why are we in the present condition? On the other hand, he may be "kidding" Congress by purposely leading it down a blind alley, for he may in reality be one of the powers in the invisible government that is instrumental in having brought about the deplorable situation we find ourselves in today.

I could go on and enumerate many of them, but that is not my purpose; neither is it my intention to involve anyone by name. It is well to bear in mind, however, that these international hijackers of American liberties and rights, due to their monetary control, use such power to enforce their wishes upon such nations as cross them, by withdrawal of gold.

We have another fund that it is well worth while to consider at this point. We set aside $2,000,000,000 in gold under the control of two men, which is in itself a power not only destructive to our own Nation but with unlimited possibilities to enforce their wishes upon other nations as well. This large amount of money is in reality a constant power which may, if used erroneously, actually bring about war.

My discussions while a Member of the House have been upon topics such as these, and I should not be subjected to unwarranted criticism and censure for such remarks.

In closing may I call your attention to the personnel in the Federal Government, to those now employed in high positions in the various Federal departments. Do you believe that there is any reason why those in such positions should complain of having been treated unjustly? Can any of them say that they have been persecuted and subjected to attacks because of race or creed? I do not think so, for the evidence shows that nearly all of them are employed in remunerative positions within the Federal Government and are in a most advantageous position when compared with that of the poor, deluded, persecuted gentiles in the United States.

It is true that we are a nation composed of many nationalities, but each one of these nationalities must subscribe to the

fundamental law upon which our national structure rests. When any group selects to isolate itself as a separate entity for the purpose of dominating the majority, it must then assume its own responsibility.

Tributes to Mount Rushmore

EXTENSION OF REMARKS

OF

HON. FRANCIS H. CASE

OF SOUTH DAKOTA

IN THE HOUSE OF REPRESENTATIVES

Friday, July 14, 1939

ARTICLES BY MRS. HELEN DUDLEY ROBINSON AND PLINEY A. WILEY

Mr. CASE of South Dakota. Mr. Speaker, under permission to extend my remarks I include two tributes to the Mount Rushmore Memorial, where the fourth of the heads of Washington, Jefferson, Lincoln, and Theodore Roosevelt was recently unveiled at appropriate ceremonies. This great American memorial is being carved by Gutzon Borglum on a granite mountain in the Black Hills of South Dakota, under a commission of Congress.

The first is by Mrs. Helen Dudley Robinson, in the Mitchell (S. Dak.) Gazette, entitled:

RUSHMORE MEMORIAL

Great men of mountains, torn from shrinking, quivering flesh, and cast into a world teeming with human desires, turbulent with the seething flow of mortal craving; a world roused to commotion by the demands of marching time and restless in its search for power, for peace, and for plenty.

With patience and diligence you have carved a great nation out of unbroken tracts. You have planted civilization where once the land knew nothing but the flowing of waters and the passing of wind. You have put laughter and song where once wilderness rang only with the melodies of nature and the cry of striving elements. You have directed our footsteps into unhewn forests and waving prairie grass, and you have pointed out the path that leads to heights of larger living and pinnacles of purer purpose.

Chiseled from enduring faith and unresisting ideals, you looked upon a world hungry for that faith and seeking those ideals. Your profound purpose was shed upon a growing civilization and the warmth of your expectancy has throbbed through the blood of generations.

Great men of mountains, carved with patience from the flint-like rocks, hovering but little below the heavens, you command our upward gaze. Like high ideals, you brood silently above. Like visions of noble desire, you remain within our humble reach. Men still strive to touch the hem of your grand achievements, to grasp a breath of your changeless fortitude breathed still upon a gasping humanity. The throb of your great lives peals into the ears of a listening generation, calling out courage and resolution to the great Nation you so nobly planned. The beat of your mighty hearts sends a quickening current of renewed vigor through the chilling veins of frightened humanity, and the calm of your great souls sheds its tranquillity upon the purpose and plan of this mighty generation.

Great men of mountains, God carved you out of living rock, strong against your own weaknesses, enduring in spite of human contrivances, eternal in the face of mortal invention.

The second comes from Wichita, Kans., and is by Pliny A. Wiley, entitled:

STATESMEN IN STONE

Upon Mount Rushmore's towering granite face,
Black Hills amid in South Dakota State,
We see the sculptor's sentient chisel trace
Four titan figures of our Nation's great.

The Father of his Country, Washington,
And Jefferson whose Declaration set us free;
Lincoln, the martyr, our unity he won,
And Roosevelt's Canal linked sea with sea.

There shall they stand till time's last sun is gone,
While men shall venerate the truth that gave them power,
Standing fast in storm and sunlight till eternity shall dawn
And God with immortality shall crown them in that hour.

PLINY A. WILEY.

WICHITA, KANS.

Abraham Lincoln the Hoosier

EXTENSION OF REMARKS

OF

HON. FOREST A. HARNESS

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Friday, July 14, 1939

SPEECH BY HON. RICHARD T. JAMES

Mr. HARNESS. Mr. Speaker, under the leave to extend my remarks in the RECORD, I include the following speech by Hon. Richard T. James, chief deputy secretary of state, State of Indiana, at the sixteenth annual pilgrimage of the Boonville Press Club to the grave of Nancy Hanks, the mother of Abraham Lincoln, at Lincoln City, Ind., July 9, 1939:

Over 100 years ago, the greatest man in all history, not of divine origin, lived where we are now meeting. As we look out over this southern Indiana countryside, we cannot help but think of Abraham Lincoln. On this ground made sacred by his presence we are overcome by profound reverence and we pay tribute to him and we thank God for giving him to America during her darkest hours. No man in the annals of history has left an impression that has grown greater with each passing year as that made by Abraham Lincoln from the date of his birth in 1809 until his death from an assassin's bullet in 1865. Honest, patient, noble, diligent, strong, and above all, humane, are only a few of the many adjectives that may be applied to this great man.

The name of Lincoln is magic. Taft remarked that the "Influance of his Christ-like character has spread to the four quarters of the globe." Wilson wrote "Lincoln was the supreme American of our history." H. G. Wells has stated "One of the six greatest figures in all history." These are but a few of the numerous tributes paid to him.

Abraham Lincoln was the son of sturdy pioneer parents of good American ancestry. His father was Thomas Lincoln, a strong, good-natured farmer. His mother was Nancy Hanks, a kindly and benevolent woman. Lincoln was a typical son of the great Middle West and Hoosiers are rightfully proud that 14 of the most important years of his life were lived on Indiana soil. Let us consider briefly the contributions to the life and development of young Abraham during his stay in Indiana from the age of 7 until he was 21.

Thomas Lincoln left Kentucky with his family in 1816 because of "slavery and difficulties caused by confusion in land titles in Kentucky." Young Lincoln became a Hoosier at about the same time Indiana became a State. We recall that during the summer of the same year of Lincoln's arrival the makers of Indiana's first constitution had met and finished their work under the old elm at Corydon. In accordance with the Ordinance of 1787, our constitution prohibited slavery in Indiana. Who can doubt that the elemental background of this new State went into the very fiber and being of this man through whom more than any other single instrument, the destiny of a greater America was to be realized?

Our proud Commonwealth of Indiana has a real and just claim to the life of the Great Emancipator. Here in Indiana his matchless character was molded and developed. Here on this very spot he roamed and played as a boy. Here he procured his education and earned his first money. Here in this community he received his first shock of anguish when his beloved mother, Nancy Hanks Lincoln, died and was laid to rest. Here the beginning and consummation of his great life seem remote and incredible. But there is nothing incredible about it because Lincoln remained unaffected, and he was as much at home in the White House as he was in a log cabin in southern Indiana. Throughout the remainder of his life Lincoln never failed to recall the formative period of his interesting life in Indiana.

The Lincoln family, composed of the father and mother, Abraham, and his sister Sarah, found their home 16 miles north of the Ohio River. Winter was just commencing when they arrived here and we can imagine their first difficulties. Thomas Lincoln supplied food for the family during the first winter by hunting throughout the hills of this region. Under these circumstances, it is strange that young Abe never became a hunter. At about this time in his early life he shot a wild turkey, but his kindly nature rebelled, and he never again pulled a trigger on larger game.

So far as history records, the young Lincoln had no troublesome experiences with Indians in Indiana. Four years before his arrival in this State, however, the last terrible Indian uprising had occurred—the massacre of Pigeon Roost.

Settlements sprang up rapidly in this part of Indiana. William Jones started a store and the village that grew in the vicinity was called Jonesboro. Later he went into partnership with James Gentry, the location of the settlement was shifted, and its name changed to Gentryville. The Lincoln home was located near the town of Gentryville, which became a favorite loafing place on rainy days and week nights.

Lincoln was socially minded. He liked people and people liked him. Whenever possible, he attended the frequent house raising, husking bees, fox hunts, and pioneer picnics. Lincoln grew to be healthy and strong, his height reaching 6 feet and 4 inches. We recall that he was easily the community champion in the athletic contests of the day.

Life in Indiana, however, was not all play for young Lincoln. When very young he was hired by neighboring farmers to help with the plowing, harvesting, and hoeing potatoes. When 16 years old he was employed by a man by the name of James Taylor to work as a ferryman on the Ohio River. This was near the mouth of Anderson Creek only a short distance from the town of Troy. During this time it is interesting to know that he decided to engage in business for himself. He built a scow to carry passengers to board boats in midstream. Here he had his first experience with the law. Rival ferryboat operators became jealous and charged him with operating a ferryboat without a Kentucky license. The case was called before Samuel Pate, a Kentucky justice of the peace. Lincoln pleaded his own defense. He argued that because he only transported passengers from the Indiana side to midstream his action could not be in violation of a Kentucky statute. He was successful and immediately released. Thus Lincoln's first interest in law and court procedure was aroused while he lived on Indiana soil. His interest later led him to the legal profession. As so often happens, the practice of law led him to his entry into politics and his eventual election to the highest office in all the world.

During the years Lincoln lived in Indiana the Ohio River might have been called the main street of America. Steamboats continuously plied their way from the more thickly settled east down through the west and to the Gulf of Mexico. Before moving from our beloved Hoosier State, Lincoln had his first great experience with the outside world. He made a memorable trip on a flatboat to the cosmopolitan city of New Orleans.

James Gentry employed Lincoln to go with his son, Allen, to sell produce in New Orleans in 1828. The boys started from Gentry's landing at old Rockport and traveled slowly down the beautiful Ohio and the mighty Mississippi. This remarkable trip made impressions on Lincoln which he never forgot. In New Orleans he observed the pitiful sight of slaves being sold on the auction block. He was appalled and distressed by what he saw and he made the statement, "If I ever have a chance to hit that thing, I will hit it with all my might."

There has been a great amount of speculation about the educational training Lincoln obtained in Indiana. The first school he attended was taught by Andrew Crawford when Abe was 10 years. The teacher was paid by the people of this community in animal skins and farm produce. Here in a crude log schoolhouse young Lincoln learned the three R's—reading, 'riting, and 'rithmetic. His pen was made from a turkey quill and his ink was made from poke berries.

Lincoln attended school at intervals as a young Hoosier, but the aggregate of his schooling was not more than 1 year. He was for the most part, self-educated, and he studied by reading good books. This point cannot be emphasized too much. While living in this community he acquired the Bible, Aesop's Fables, Robinson Crusoe, Pilgrim's Progress, Autobiography of Benjamin Franklin, and Weems' Life of Washington. He read and reread these simple classics until their very style and teachings became a part of him. The Bible influenced him deeply and he was always fond of quoting scripture. In all his public speeches he usually referred to God, to Christ, or to the Bible. During his boyhood, an Indian by the name of Johnny Kongapod, died in this region. As an epitaph, Lincoln wrote these touching words in true Lincoln-like manner:

Here lies poor Johnny Kongapod;
Have mercy on him, gracious God,
As he would do if he was God,
And you were Johnny Kongapod.

He borrowed a copy of the Indiana Statutes and thereby read and studied law for the first time. He attended trials in Boonville and further aroused his enthusiasm in law by visiting with lawyers in Rockport and Princeton. Here, in this vicinity, he developed his burning thirst for knowledge. Here in southwestern Indiana he trained the mind that in later years delivered the greatest speech in all history, the Gettysburg Address. Here he made his first speeches, at neighborhood gatherings, thus forming his simple manner of straightforward oratory which was to serve him well in later years.

Abraham Lincoln went out of Indiana a full grown man at the age of 21—a true son of Hoosierdom. Here in Indiana all of the attributes that were to make him great had been formed and fully developed. Throughout the remainder of his life, he looked back on his Indiana boyhood as a happy, joyous, and beneficial period. He loved the simple ways of pioneer life. While President during the horrible days of the Civil War, he once remarked, with tears in his eyes, "I tell my son Tad that when we are through here we will return to visit my old home where I was happier digging potatoes for 25 cents a day than I am here in the White House."

Ladies and gentlemen, the advent of Lincoln on the political stage in 1860 was so opportune that to us it seems as though he was ordained by God to carry out the task he so ably mastered. Prior to the Civil War, Lincoln more than any other statesman, realized the futility of the United States being separated into two distinct nations. He knew we were meant to be but one people. His one and only thought was union. His sole ambition, his burning desire, his every living breath was for the preservation of the Union. To accomplish his noble purpose, he was willing to sacrifice his home, his family, his political future, and above all, his life. We see him slump forward in his chair at Ford's Theater, assassinated after his most difficult work had been completed. The people of the Union he so dearly loved, and the people of all the world were saddened and bereaved by his passing. Stanton, one of the members of his Cabinet, who had ridiculed him on numerous occasions but learned to respect him later, said, "Now he belongs to the ages." Lincoln had won both the cheers and the tears of all humanity.

Over his grave the inspired words of his Second Inaugural Address were repeated. It is well to recall a portion of that speech: "* * * With malice toward none, with charity for all, with firmness in the right as God gives us to see the right, let us strive on to finish the work we are in, to bind up the Nation's wounds, to care for him who shall have borne the battle and for his widow and his orphan, to do all which may achieve and cherish a just and lasting peace among ourselves and with all nations."

Abraham Lincoln was a lover of peace. He resorted to war as a last means to preserve the Union. This was done only after the Confederacy had acted as the aggressor by firing on Fort Sumter. A lover of peace, Lincoln had faith in the Monroe Doctrine. He, like all of our greatest leaders, believed America should not engage in foreign entanglements. Lincoln's hero was George Washington who had, almost with his dying lips, begged us "to steer clear of any permanent alliances with any portion of the foreign world." What would Lincoln say if he could visit us during these dark days of world strife? He probably would advise us to carry on commerce and ethical relations with all countries but to remain free of foreign political alliances.

To meet here and pay tribute to Lincoln is only proper but this is not enough. Let us go forth from here determined to carry out the sound and glorious principles espoused by Lincoln—Lincoln, who, more than any other man, patterned his life after the life of Christ. To stay out of the next world war is the highest and finest tribute we can pay to the Great Emancipator.

Today, the same foreign nations that more than 20 years ago promised to "fight a war to end wars," are rapidly preparing for another world castastrophe. Dictators control the lives and destinies of millions of people. Let us be prepared to defend American shores and not merely to fight another nation's war. Let us attend to our own affairs while European statesmen attend to the problems of Europe. Be friendly with foreign countries, yes—but let them know that we will not be deceived by hollow promises and propaganda.

Ladies and gentlemen, at no time during our history has it been more imperative that every citizen of the Republic be American, wholly American, and nothing but American; American in mind, body, and soul. If the nations of Europe want fascism, nazi-ism, communism, or any other "ism," that is their business, but we of America must be concerned with only one "ism," and that is Americanism.

During this hectic and ever-accelerating age, let us pause to recall the wise and sacred admonitions and fundamental truths given us by Lincoln. During a period of depression when many of us have suffered economic distress, let us be mindful of the numerous misfortunes suffered by Lincoln. He once failed in business. He fell in love with a beautiful young woman who died shortly after they were engaged to be married. On six occasions he was defeated for political office. We should learn from his patience, his modesty, his optimism, and his eloquence, so simple and yet so magnificent.

Because the Gettysburg Address exemplifies the life and philosophy of Lincoln in so many respects, I will conclude with a part of the solemn advice from his famous speech which he delivered in less than 4 minutes: "It is rather for us to be here dedicated to the great task remaining before us, that from these honored dead we take increased devotion to that cause for which they gave the last full measure of devotion; that we here highly resolve that these dead shall not have died in vain; that this Nation, under God, shall have a new birth of freedom; and that government of the people, by the people, for the people, shall not perish from the earth."

Progress in the General Adoption of Accurate Foreign-Trade Terms

EXTENSION OF REMARKS

OF

HON. JOHN W. BOEHNE, JR.

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Friday, July 14, 1939

LETTER AND STATEMENT BY THE SECRETARY OF STATE AND ARTICLE BY FREDERICK W. NICHOL

Mr. BOEHNE. Mr. Speaker, a year ago I called to the attention of the House the need for more accurate terminology in reports dealing with foreign trade.

At that time I presented a statement by Mr. Frederick W. Nichol, a director of the National Foreign Trade Council and a member for New York City of the National Foreign Trade Week Committee. In his statement Mr. Nichol urged cooperation between government and business to promote accuracy and, in particular, to eliminate the misleading terms, "favorable balance of trade" and "unfavorable balance of trade," as applied to the difference in value between merchandise exports and merchandise imports. It was suggested that the terms, "export balance" and "import balance," be substituted in this connection, in accordance with the best usage heretofore followed by leading authorities on foreign trade in governmental, business, and academic circles.

During the past year notable progress has been made in this effort to clarify the terms in common use in reports on foreign trade. The general adoption of the terms "export balance" and "import balance" was formally approved by the National Foreign Trade Week Committee in May 1938 and by the National Foreign Trade Council in July 1938. These terms were also approved as accurate and acceptable substitutes for other phrases which have been applied to trade balances in resolutions unanimously adopted by the International Chamber of Commerce at a meeting of the council at Paris, April 18, 1939, and at the tenth general congress of the chamber at Copenhagen, July 1, 1939. At both of the latter meetings the revisions was sponsored as an American proposal on the motion of Thomas J. Watson, president of the chamber and chairman of the Inter-American Commercial Arbitration Commission. The action of the chamber thus brings to the support of the proposed revision of terms already in use in the United States a measure of international acceptance which cannot fail to promote better understanding of the problems of international trade both here and abroad.

Preceding the recent congress at Copenhagen, at which representatives of more than 50 nations were present, Secretary Hull addressed an important letter on this subject, in which he approved the proposed revision.

I ask unanimous consent that Secretary Hull's letter, an accompanying statement quoted by the Associated Press, and an article by Frederick W. Nichol, published by the New York Times, be printed as a part of my remarks in the Appendix of the RECORD.

STATEMENT FROM THE INTERNATIONAL CHAMBER OF COMMERCE

(Published in Business Machines and quoted in part by the Associated Press)

NEW YORK, June 7.—Official action by Secretary of State Cordell Hull to eliminate the time-worn phrases "favorable balance" and "unfavorable balance" from the language of foreign trade was disclosed today in a letter addressed by the Secretary to Thomas J. Watson, president of the International Chamber of Commerce.

Text of Secretary Hull's letter bore the endorsement of representative officials and experts from half a dozen Federal governmental agencies especially concerned with problems of foreign trade.

Secretary Hull referred with approval in his letter to recent recommendations adopted by the international chamber in Paris and the National Foreign Trade Council in New York to substitute for "favorable" and "unfavorable balance" the terms "export balance" and "import balance" in current trade reports issued by agencies of business and government.

"It is my hope that this improvement in usage may become general," the Secretary wrote Mr. Watson, "and that the action you sponsored at the Paris conference may promote its adoption in other countries throughout the world."

The terms "favorable" and "unfavorable balance" originated more than 300 years ago. In voting that the correct terms "export balance" and "import balance" be substituted, the International Chamber of Commerce and the National Foreign Trade Council definitely opposed the terms "favorable" and "unfavorable balance" as misnomers.

The proposed change in terms was recommended by the National Foreign Trade Council in July 1938, when it was initiated and presented by Frederick W. Nichol, a director of the council. The International Chamber of Commerce approved the new terms and formally recommended their general adoption, throughout the world, at a meeting at Paris, April 19, 1939.

Mr. Nichol cited the origin of the "favorable balance" phrase, declaring that Thomas Mun, a British economist (1571–1641), coined it in a book describing the prevailing policy of "keeping imports less than exports, thus to secure a favorable balance." It came into wide use in the United States in the eighties when American exports first began to outrun imports over a period of years.

Officers of the civic groups working to promote greater accuracy in the use of foreign trade terms today hailed Secretary Hull's action as a long forward step in the correction of loose and misleading phrases which have seriously hampered public understanding of the problems of international commerce.

It was pointed out that the terms "favorable balance of trade," when used to designate the amount by which the exports of a country exceed its imports, gives rise to the mistaken notion that exports alone are beneficial to the national economy, and implies that each country should, therefore, seek to restrict its imports without regard to the effect upon the volume of world trade, shipping and insurance services, payment of debts, remittances, and other factors which must be considered in striking a true balance of international accounts.

Other officials listed by Secretary Hull as having approved the text of the letter issued by the State Department are as follows: Dr. Francis B. Sayre, Assistant Secretary of State; Dr. Herbert Feis, adviser to the Department of State on international economic affairs; Dr. Henry F. Grady, Vice Chairman, United States Tariff Commission, Chairman, Committee for Reciprocity Information; E. Dana Durand, Commissioner, United States Tariff Commission, member, Central Statistical Board; Leslie A. Wheeler, Chief, Division of Foreign Agricultural Service, Department of Agriculture; H. C. McLean, Chief, Trade Agreement Unit, Bureau of Foreign and Domestic Commerce, Department of Commerce; William A. Fowler, Division of Trade Agreements, Department of State; Lynn R. Edminster, Special Assistant to the Secretary of State.

DEPARTMENT OF STATE,
OFFICE OF THE SECRETARY,
Washington, June 1, 1939.

Mr. THOMAS J. WATSON,
President, International Chamber of Commerce,
590 Madison Avenue, New York, N. Y.

DEAR MR. WATSON: I have been advised that the International Chamber of Commerce at its recent meeting at Paris approved the substitution of the terms "export balance" and "import balance" for the outworn and misleading phrases "favorable balance" and "unfavorable balance" of trade.

This action is consistent with the practice and policy of this Department and marks distinct progress in the interest of accuracy and of a better understanding of the realities of international commerce. The use of the terms "favorable" and "unfavorable," as applied to the balance of a country's foreign trade, is, of course, an expression of the misconception that an excess of exports over imports measured a country's gain from foreign trade, and that an excess of imports over exports measured a country's loss from foreign trade. Today the essential relationship between exports and imports, and the benefits of both to the economy of nations participating in world trade, are recognized by informed people everywhere.

I am advised that the National Foreign Trade Council has likewise endorsed the proposed change in terms. It is my hope that this improvement in usage may become general, and that the action you sponsored at the Paris conference may promote its adoption in other countries throughout the world.

Sincerely yours,

CORDELL HULL.

Approved by: Dr. Sayre, Mr. McLean (Department of Commerce), Dr. Henry F. Grady, Dr. Dana Durand, Mr. Leslie Wheeler, Dr. Feis, Mr. Edminster, Mr. Fowler.

[From the New York Times of March 16, 1939]

OUTWORN TRADE TERMS DETRIMENTAL—EXPORT AND IMPORT BALANCE URGED AS SUBSTITUTES FOR PRESENT DESIGNATIONS AS AID TO BUSINESS

In place of the old phrase, "favorable" or "unfavorable balance of trade," the writer has proposed that the correct terms "export balance" and "import balance" be generally adopted by foreign-trade agencies of business and government. This change in terms has been formally approved by the National Foreign Trade Council and the National Foreign Trade Week Committee.

Recent events have emphasized the vital importance of trade as a factor in present-day world affairs. If we are to understand the trade relations of the United States with Europe, with the Far East, and with our neighbors in the Western Hemisphere, under conditions which are changing from day to day, it is essential that accurate terms be applied to the movement of goods across international boundaries. The latest official figures on our foreign trade during the past year illustrate this need.

BIG BALANCE LAST YEAR

In 1938 American merchandise exports were valued at $3,094,095,000 and merchandise imports at $1,960,528,000. The difference in these two items, $1,133,567,000, gave us in 1938 the largest export balance in our history, except during the World War and post-war years, 1915–21. To describe this margin between exports and imports, however, as a "favorable balance of trade" between the United States and the rest of the world is to overlook many important factors which should be considered in appraising our present trade position.

During the predepression period from 1925 to 1929, when production and employment were at high levels and world trade was free from many of its present restrictions, the average annual export balance of the United States was only $724,000,000. We were then

importing more than twice as much foreign merchandise as we did in 1938.

Last year American exports were stimulated by rearmament abroad, while low production in industry due to the business recession cut deeply into imports. Our import balance of gold during the year amounted to nearly two billions. At the beginning of 1939 our stocks of gold had been increased to about 60 percent of the world's monetary gold supply, a condition which all authorities agree is adverse, rather than favorable, to the development of international commerce.

AN OLD IDEA

In striking a "favorable balance of trade" by merely subtracting the value of incoming from outgoing merchandise, exports are treated as credits and imports as debits. The use of the term implies that exports are beneficial and imports detrimental to national well-being. Such ideas were widely accepted under the mercantile system in the sixteenth and seventeenth centuries when specie was regarded as true wealth and nations directed their commercial policies and waged wars to increase their stores of gold and silver. In 1660, Thomas Mun, an early English economist, was writing of the prevailing practice of "keeping imports less than exports, thus to secure a favorable balance and provide an abundance of money which can be drawn upon in time of need."

The terms in general use three centuries ago, under relatively primitive conditions of trade, cannot be applied with accuracy to the international transactions of the United States today. It is manifestly impossible to calculate our balance of trade with the world, by merely subtracting the value of imports from the value of exports, when numerous other transactions need to be taken into account.

As one of the leading creditor nations since the World War, the United States receives as much as $608,000,000 annually in interest and dividends on investments abroad. On the other hand, we pay out about $278,000,000 a year in interest and dividends on foreign investments in this country. Our tourist expenditures and personal remittances abroad amount to $764,000,000, as against only $170,000,000 in comparable payments by people of other countries to the United States. All these and many other items, including payments for shipping and insurance, affect our trade and must be considered in reaching a true balance of our international accounts with other countries.

In a word, the term "favorable balance of trade" states a conclusion which appears to evaluate the trade position of a given country; the term "export balance," on the other hand, makes a plain statement of fact. The former is misleading because it fails to take into account all the elements which must be considered in reaching a conclusion and conveys the impression that, the more its exports exceed its imports, the more a nation profits from its foreign trade.

TRADE PACTS VALUABLE

Accuracy in the use of terms by foreign-trade organizations and in Government reports is especially important in connection with the further development of the reciprocal-trade program. Under the wise leadership of Secretary Hull, this program has proved of substantial aid in rebuilding our commerce since the low point in world trade in 1932–33.

The benefits to agriculture, industry, transportation, and shipping obtained under the reciprocal-trade pacts will be expanded with a healthy growth of both exports and imports. It would obviously be to the advantage of the United States, as well as to its customers, if the loss of a billion dollars in imports last year should be wiped out in 1939, as a higher rate of production in our industries absorbs more materials from abroad.

General acceptance of the idea that a wide spread between exports and imports is necessarily favorable to the United States could serve only to hamper progress toward recovery. Our use of terms should not obscure the fact that increased volume and value of goods moved in foreign trade, rather than the extent to which exports exceed imports, will best serve American employment.

FREDERICK W. NICHOL.

NEW YORK, *March 24, 1939.*

Horicon Marsh, Dodge County, Wis.

EXTENSION OF REMARKS

OF

HON. CHARLES HAWKS, JR.

OF WISCONSIN

IN THE HOUSE OF REPRESENTATIVES

Friday, July 14, 1939

JOINT RESOLUTION OF THE LEGISLATURE OF THE STATE OF WISCONSIN

Mr. HAWKS. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following joint resolution of the Legislature of the State of Wisconsin:

Senate Joint Resolution 58

Joint resolution relating to the submission by the Wisconsin Conservation Commission to the United States Biological Survey of a program for the acquisition and restoration of Horicon Marsh as a Wisconsin project under the Pittman-Robertson Act

Whereas Horicon Marsh, located mainly in Dodge County, and extending into Fond du Lac County, State of Wisconsin, is a flat, low, practically level marshy area about 13 miles in length from north to south, and varying in width from 1 to 4 miles from east to west, formerly partially covered by the waters of the Rock River, and with an abundance of aquatic growth and vegetation; and

Whereas in its natural state Horicon Marsh was known not only throughout Wisconsin and the Northwest but throughout the entire Nation as one of Nature's great natural refuges and nesting places for migratory wild fowl, and as a habitat for native upland game, birds, and fur-bearing animals; and

Whereas Horicon Marsh was drained by private capital beginning in the year 1910, such drainage being planned and accomplished to make available for agricultural use the lands of Horicon Marsh; and

Whereas a period of nearly 30 years has demonstrated conclusively that said drainage project has failed in its purpose of making available for agriculture the lands in the marsh proper, although it may have made available borderlands which, prior to drainage, could not be cultivated, and which thereafter were cultivated for agricultural purposes; and

Whereas the drainage of Horicon Marsh has changed the character of the marsh profoundly so as to impair its former suitability as a refuge and nesting place for migratory wild fowl and as a habitat for upland game, birds, and fur-bearing animals, without any compensating results by way of making available the central marsh areas for agricultural use, and the experience of the last several decades has shown conclusively that the best use of this unique area is an environment for wildlife, and that restoration as near as is possible to the conditions existing prior to drainage, is desirable; and

Whereas this legislature recognized the desirability of restoring Horicon Marsh in 1927 by creating in said area a wildlife refuge and game preserve by chapter 475 of the laws of 1927, now section 29.571 of the Wisconsin Statutes, which chapter required that the conservation commission "shall purchase or acquire by condemnation proceedings the land known as the Horicon Marsh, or as much thereof as it may deem necessary * * *," and further authorized the said commission "to construct and maintain a dam or dams in or near the city of Horicon to control and regulate the flood waters on Rock River, and to restore the public waters of Rock River on Horicon Marsh to the natural levels existing prior to the private drainage of the same"; and

Whereas the conservation commission did in due course construct a dam in the city of Horicon adequate to regulate and flood the waters on Rock River and to restore the waters of Rock River to the levels existing prior to drainage, and did, in fact, acquire approximately eleven hundred acres in the south end of the marsh and took appropriate steps to have a determination made of the natural levels of Rock River in Horicon Marsh by the public-service commission, and the conservation commission thereupon proceeded by means of said dam to raise the levels of the waters in Rock River to such levels as were found by the public-service commission to be the original or natural levels; and

Whereas litigation resulting from the attempt of the Wisconsin Conservation Commission to carry out the mandate of this legislature of 1927 terminated in a decision by the Supreme Court of Wisconsin (221 Wis. 246), holding in substance that since the drainage privately done was done with the consent of all of the owners of land involved and did not in fact impair the navigability of Rock River, the State of Wisconsin may not now, "in view of * * * the long acquiescence by the State * * * in the status created by completion of the project," question the lawful character of the original drainage, and further held that restoration of Horicon Marsh, which will necessitate the impounding and raising of the waters in Rock River above the levels resulting from drainage, can be accomplished only with the consent of the owners of lands affected thereby and by compensating such owners for any loss or damage which they might suffer by reason of the raising of such water levels; and

Whereas it is universally conceded that the restoration of Horicon Marsh for use as a migratory wild-fowl refuge and nesting area, and as a habitat for upland game, birds, and fur-bearing animals is desirable and constitutes the best and most practical usage to which said area can be devoted, and that the only questions to be determined in such restoration project are: (1) The extent of the areas to be acquired; that is, what lands in addition to the low-lying center portion shall be needed; and (2) the source of funds for acquisition purposes; and

Whereas the Wisconsin State Planning Board has prepared a detailed factual study of the Horicon Marsh, including data on the acreage involved in the various portions thereof, indicating that the low-lying center portion, all of which would of necessity have to be acquired in a restoration program, comprises 17,545 acres; a secondary higher land area adjacent to the low-lying center portion comprises 7,640 acres; and a third or still higher land area adjacent to the secondary area comprises 4,182 acres; and the said study and survey also giving complete detailed information on ownership and assessed valuation of all areas involved; and

Whereas in any restoration program of Horicon Marsh, flowage rights or title must be acquired by the State and the reasonable market value thereof must be paid to the owners of the lands involved, regardless of whether such areas be acquired by negotiation or by condemnation, and there cannot, therefore, be involved in any acquisition or restoration program any question of conflict with the rights of private owners or taking without adequate and just compensation; and

Whereas the State of Wisconsin has heretofore not made available funds for carrying out the legislative mandate of 1927 to restore Horicon Marsh, and it is self-evident that in view of current State finances, no adequate funds are available at this time from State sources either by way of appropriation from the general fund of the State or from the conservation fund; and

Whereas Congress has enacted legislation (approved September 2, 1937) designated as the "Federal Aid in Wildlife Restoration Act" (50 Stat. 917) and popularly known as the Pittman-Robertson Act, by the terms of which, moneys accruing to the Federal Government from the tax imposed on firearms, shells, and cartridges are set aside as a special fund for apportionment among the several States for wildlife-restoration purposes, and wildlife restoration under said act is construed to mean and include the "selection, restoration, rehabilitation, and improvement of areas of land or water adaptable as feeding, resting, or breeding places for wildlife, including acquisition by purchase, condemnation, lease or gift of such areas or estates or interests therein as are suitable or capable of being made suitable therefor," and the amount available to the State of Wisconsin for the current fiscal year ending June 30, 1939, together with the State's contribution amounting in all to more than $30,000 and sums available from said Federal source after the current fiscal year, and continuously thereafter, will aggregate on the basis of present estimates and including the State's contribution to said funds, approximately $90,000 per annum; and

Whereas this legislature has before it a bill to enable the State to accept funds under the Pittman-Robertson Act, and to participate with the Federal Government in projects thereunder, being bill 160, A., which passed the assembly by unanimous vote on April 27, 1939, and is now pending before the senate on a recommendation for concurrence by the committee on State and local government; and

Whereas there is no question but that restoration of Horicon Marsh is a project coming within the terms of the Pittman-Robertson Act, and the United States Biological Survey, which is charged with the administration of said act and the selection and approval of projects submitted by the several States, has through its chief and through its officials charged with the duties of administering said act, indicated unqualifiedly that the Horicon Marsh would be a suitable, worthy, and desirable project for the State of Wisconsin to submit as its major project; and

Whereas Horicon Marsh, by reason of its great importance not only in the State but nationally as a unique wildlife refuge, and because of the legislative mandate of 1927 for its restoration, which mandate has never been repealed, and because of its great additional value as a reservoir for water storage at the headwaters of the Rock River, for flood control, and for its great recreational possibilities for the residents of the State of Wisconsin, there is no single contemplated project before the public of Wisconsin today as important and as far reaching as Horicon Marsh: Now, therefore, be it

Resolved by the senate (the assembly concurring), That it is the sense of this legislature that in the selection of projects for use of funds available to the State under the Pittman-Robertson Act the restoration of Horicon Marsh be given first consideration, and the Wisconsin Conservation Commission is requested to work out a program and submit it for approval to the United States Biological Survey for restoration and acquisition of Horicon Marsh with the use of Pittman-Robertson funds and the contributions to be made by the State under said act, such program to include acquisition of such areas as in the judgment of the conservation commission and the United States Biological Survey may be necessary for restoration and for administration as a wildlife refuge and public hunting and fishing areas, such acquisition to be in full compliance with the laws of the State and the United States, condemnation of areas under State law and payment to the owners of such areas condemned of any amounts determined by the court under Wisconsin law to be reasonable where acquisition cannot be accomplished by negotiation; and be it further

Resolved, That since detailed information as to the areas which will be needed, ownership and estimated values are now available, that the restoration of Horicon Marsh as Wisconsin's major project under the Pittman-Robertson Act, be submitted to the United States Biological Survey for approval forthwith, and that the conservation commission cooperate with the United States Biological Survey in working out the details of said program as speedily as possible; and be it further

Resolved, That properly attested copies of this resolution be transmitted to the United States Biological Survey and to each Wisconsin Member of Congress.

VERNON W. THOMSON,
Speaker of the Assembly.
JOHN J. SLOCUM,
Chief Clerk of the Assembly.
WALTER S. GOODLAND,
President of the Senate.
LAWRENCE R. LARSEN,
Chief Clerk of the Senate.

Jurisdictional Labor Strikes

EXTENSION OF REMARKS
OF
HON. C. ARTHUR ANDERSON
OF MISSOURI
IN THE HOUSE OF REPRESENTATIVES
Friday, July 14, 1939

ARTICLE FROM THE ST. LOUIS GLOBE-DEMOCRAT AND STATEMENTS BY MR. ADOLPHUS BUSCH, III, AND MR. AUGUST BUSCH

Mr. ANDERSON of Missouri. Mr. Speaker, in my home town, St. Louis, there exists today a situation that should stir every Member of this body to action. For 50 years the Anheuser-Busch Brewing Co. has been a 100-percent union shop. During all that time this company has represented the very best in employer-employee relationship. It has been an ideal and exemplary set-up at all times. But today we see the sorry spectacle of this square-shooting employer being held out as unfair to labor and pickets parading before its doors.

The strange angle of this case lies in the fact that the union has no grievance against the Anheuser-Busch Co., the world's greatest brewery. It is simply and purely a jurisdictional dispute between two branches of the A. F. of L., and while they wage their battle the employer must suffer.

The Labor Relations Board holds it has no authority to take any action in a case of this kind. If this be true, I say that Congress should act now. There should be no further delay in providing suitable amendments to the National Labor Relations Act so that it will be what it purports to be "An act to diminish the causes of labor disputes."

I ask unanimous consent to extend in the RECORD the statement of Mr. Adolphus Busch, III, and Mr. August Busch before the Labor Committee of the House, and to include therein a brief news item from the St. Louis Globe-Democrat.

[From the St. Louis Globe-Democrat of July 10, 1939]

ANHEUSER-BUSCH FAIR TO LABOR, SAYS CENTRAL TRADE BODY

Anheuser-Busch, Inc., is fair to organized labor, it was announced yesterday by the A. F. of L. Central Trades and Labor Union after delegates at the meeting at 1411 North Grand Boulevard had adopted unanimously a motion to that effect.

The motion was proposed by Lloyd Weber, business agent for the A. F. of L. machinists, in a prepared statement on the jurisdictional dispute between the A. F. of L. carpenters' union and the machinists, which resulted in a strike of the carpenters June 28.

"The machinists, with several other affiliated unions employed at the Anheuser-Busch brewery, with the exception of the carpenters, have continued to work," Weber stated, "despite the fact the carpenters have placed unfair pickets on this plant. On behalf of all these union men, and one of the fairest, if not the fairest, employer in this community, the machinists request the Central Trades and Labor Union to make public a statement that Anheuser-Busch is fair to organized labor, as represented by the American Federation of Labor."

Weber and other representatives of the machinists declared the labor movement suffered in such a jurisdictional dispute which involved an employer which had been consistently fair in labor dealings. One representative charged word had been passed along to some taverns, the brewery was unfair, in an effort to destroy its trade.

As representatives of the carpenters spoke in an effort to forestall the motion, Joseph J. Hauser, secretary of the brewers and maltsters, and other representatives of A. F. of L. unions in the brewery, urged immediate action by the central trades body and denounced the picket line.

William J. Gibbons, president of St. Louis Typographical Union, No. 8, also praised the brewery management for its labor dealings, and said August A. Busch, general manager, had assisted the typographical union in many instances and influenced the union organization of two concerns.

Statement before the House Labor Committee, by Adolphus Busch, III, president, and August A. Busch, Jr., vice president and general manager of Anheuser-Busch, Inc., St. Louis

We greatly appreciate the kind invitation of the distinguished chairman of the House Labor Committee to offer some facts in an involved labor problem, the intelligent and constructive solution of which would contribute greatly to harmonious relations between labor and industry.

The problem is the jurisdictional labor strike.

Strikes of this character originate from disputes between two labor unions over the performance of the same work. While it might appear to the committee that it would be a simple matter for labor organizations to define the exact jurisdiction of each union, the facts are that they have been unable to do so, and the disputes over a long period of years have led to many costly and bitter strikes.

From the standpoint of both labor and industry the jurisdictional strike appears to be one of the most complicated problems of the labor organizations and no solution has yet been found to prevent them.

We have been on most friendly terms with organized labor for 50 years. Our original contracts were signed by our grandfather with the old Knights of Labor, predecessor of the American Federation of Labor. We have erected more than $40,000,000 worth of buildings with union labor. We have paid hundreds of millions of dollars to members of labor unions. We have valid contracts with all the many unions whose members are employed in our plants. All our contracts provide for arbitration of disputes before strikes may be called. We are entirely impartial as between the unions whose members are in our employment.

Yet, notwithstanding our half a century of friendly and cooperative relations with labor organizations, we have now in our own plants a jurisdictional strike which seems to offer a perfect example of this complex labor problem and the necessity for some authority for a practical and intelligent solution.

Among the unions whose members are employed under contract by our company are the International Association of Machinists and the United Brotherhood of Carpenters and Joiners of America. For 26 years these two unions have been in dispute over which should have the right to install, set, repair, and dismantle machinery in machine shops and factories and other places where machinery is used.

Jurisdiction over this work is claimed by both the machinists and the millwrights of the carpenters' union. As employers we have no choice between the two unions. It has been necessary in the expansion of our production facilities to install much new machinery and to erect a number of new buildings. In our maintenance departments alone we employ 700 union workmen, among which are machinists, millwrights, carpenters, and cabinetmakers, all belonging to the one union or the other.

The members of the two unions are paid the same scale of wages. They have identical working hours and conditions. The men are all satisfied with their employment, their wages, their hours, and their working conditions. Some of the men have worked for the company for 50 years. None have any grievance of any character whatsoever against the company, and the company has none against them. They are all competent, highly skilled workmen.

Yet a hundred of our employees were called out on a jurisdictional strike by the international president of their union. Under instructions from the union, the strikers set up pickets around our plant bearing unfair-to-organized-labor placards in an effort to influence 3,000 other union men to join them in a sympathy strike. The arbitration clause in the contract with this union was declared by the union to have no application.

For a period of more than 18 months we conducted negotiations with the officials of the two unions and with President Green and the executive council of the American Federation of Labor in an effort to have the jurisdiction of the two unions exactly defined to avert a threatened strike.

On our own part, we succeeded, temporarily, in having the two unions agree upon a division of the work. Under this agreement we were able to have some important machinery installations completed. During the period of the temporary agreement we continued negotiations, both by our own officials and by President Green and the executive council of the American Federation of Labor, to bring about a permanent settlement of the controversy.

When we were first threatened with a strike in February 1938 over the installation of bottling machinery we telegraphed the facts to President Green and the executive council of the American Federation of Labor in Miami, Fla., and requested their intervention to settle the controversy. President Green sent us the following telegram, which seemed to settle the question of jurisdiction over that particular construction job:

MIAMI, FLA., *February 5, 1938.*

R. W. UPSHAW,

Assistant Manager, Anheuser-Busch, Inc:

Decisions of American Federation of Labor and building trades department as set forth in the printed pamphlet I sent you sets forth the jurisdiction of the International Association of Machinists over the building, assembling, erecting, dismantling, and repairing of machinery in machine shops, buildings, factories, or elsewhere where machinery may be used. This information is sent you in accordance with action of executive council.

WILLIAM GREEN.

We were informed, however, by one of the unions in the controversy, that this decision had been repudiated by its international officers, and would not be accepted as effective in the matter of our problems. However, the temporary agreement referred to, by which the work was divided, postponed the strike.

Since February 1938 we have continued to hold numerous conferences with the local and international officers of the two unions in the furtherance of our effort to bring them into an agreement, but without success. President Green and the executive council also endeavored to get the international officers into conference to effect an agreement. They were unable to do so.

As the result of our own efforts, combined with the efforts of President Green and the executive council, we were notified by the officers of both unions that they each claimed jurisdiction over all the work in dispute. That situation threatened us with a strike from two sources. If we awarded the work to one union, the other would strike. So we again carried the facts to President Green and the executive council in a further appeal to have the issue adjudicated.

The following telegram from President Green tells its own story:

WASHINGTON, D. C., *June 27, 1939.*

AUGUST A. BUSCH, Jr.,

Anheuser-Busch, Inc.:

I have exhausted all efforts at my command to bring about a settlement of controversy between machinists and carpenters organizations employed at your plant. I have urged a settlement of the controversy by the representatives of the two organizations involved. I regret I lack authority to do more. I am willing, however, to render any service that lies within my power.

WILLIAM GREEN.

It is clear from President Green's telegram that the American Federation of Labor has no power to settle a jurisdictional dispute between two of its affiliated unions. A record of the controversy, published by the American Federation of Labor in 1934, makes it doubly clear that this central organization cannot, within its own powers, settle such controversies, or influence the parties to the dispute to settle them.

It appears from this printed Report of the Actions Taken by the Conventions of the American Federation of Labor Upon the Jurisdictional Dispute Between the Machinists and Carpenters Relative to Millwright Work, that this controversy was first brought to the attention of the national convention of the American Federation of Labor in November 1913. It has been before numerous subsequent conventions. Yet, after 26 years of negotiations between the two unions and the federation, the controversy is still unsettled. We have upon our hands a strike as the result of it. We have no record of the strikes that have occurred in numerous other industries using machinery. The published report indicates that they have been numerous and costly.

We have available for the record, if the committee should desire it, a copy of the report on this controversy issued by the American Federation of Labor in April 1934. Also a photostatic copy of the only signed agreement the federation has been able to influence the two unions to make. This agreement, however, was of short duration, having been repudiated by one of the signers. We have also a photostatic copy of a letter written by the president of one of the unions, at the time of this agreement, justifying the award to the other union. However, as we have stated, this award was repudiated.

The immediate trouble at our plant, we recognize, is not of overshadowing importance in the general picture of labor and industrial relations. It merely illustrates the difficulties of a problem that has defied solution. It is but a continuation of the many costly and wholly unnecessary strikes that have resulted from the inability of the unions themselves to define their own respective jurisdictions.

Again, and by way of merely illustrating the difficulties of the problem and the necessity for some higher authority to bring about its solution, we cite the fact that there is another jurisdictional labor trouble affecting the brewing industry of a much more far-reaching and serious consequence. It has been in progress almost from the time that beer was relegalized 6 years ago and no settlement seems to be possible or in sight.

It has not only resulted in numerous prolonged strikes but one of the labor unions involved has expended more than $5,000,000 trying to protect its jurisdiction. The controversy was so bitter and widespread that it caused an upheaval of public opinion in the Northwestern States. The people of Oregon invoked the initiative to bring to a referendum a proposed law to prohibit jurisdictional strikes. The people ratified the law at the polls by a large majority.

Many labor leaders very sincerely desire to maintain friendly relations with industry for mutual benefits. Some of the leaders have informed us that they regard the jurisdictional strike as the one thing that reacts against them in the court of public opinion more strongly than any other. They have expressed the thought that unless some authority can be established for the adjudication and settlement of these controversies labor will lose much of the ground that it has gained in its struggle for recognition of its rights.

We do not attempt to bespeak the opinions or sentiments of any but ourselves on this subject. We do believe the facts we have cited should be persuasive evidence that an intelligent and satisfactory solution of this problem is a pressing necessity for the maintenance of amicable relations between labor and industry, and that the major beneficiary from such a solution would be organized labor.

Put Idle Cash in Banks to Work

EXTENSION OF REMARKS

OF

HON. EUGENE J. KEOGH

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Friday, July 14, 1939

Mr. KEOGH. Mr. Speaker, under leave to extend my remarks, I include the following Associated Press article which appeared in the Washington Post on July 14.

The post-July Fourth return of money from the pockets of holiday celebrants to the banks caused a boost in the lendable excess reserves of the banks to a record high of $4,450,000,000 in the week ended July 12.

The Federal Reserve Board said the increase, which amounted to $160,000,000, also was due, in part, to Treasury expenditures.

The Board reported that the 12 Federal Reserve banks reduced their investments in Government securities by $16,000,000, to $2,535,000,000, during the week. The increase, however, was said to be due to the high cost of buying short-term Treasury bills, which induced the banks not to replace maturing bills in their portfolios.

It is my opinion that by reason of the foregoing this Congress should give serious consideration to House Resolution 218, which I introduced and which has for its purpose creation of a select committee to study the feasibility of extending to the mortgages held by the Home Owners' Loan Corporation the insurance features of the Federal Housing Administration and the possibility of selling those mortgages to the financial institutions which have idle cash.

The result of this program would be that the Government might withdraw from the mortgage-servicing business without loss and upward of $2,000,000,000 of idle private capital put to work.

The Constitution and the Will of the People

EXTENSION OF REMARKS

OF

HON. PAT HARRISON

OF MISSISSIPPI

IN THE SENATE OF THE UNITED STATES

Monday, July 17 (legislative day of Monday, July 10), 1939

ADDRESS BY HON. JAMES F. BYRNES, OF SOUTH CAROLINA, JULY 12, 1939

Mr. HARRISON. Mr. President, I ask unanimous consent to have printed in the RECORD the interesting and timely address delivered by the distinguished Senator from South Carolina [Mr. BYRNES] at the assembly of the American Bar Association at San Francisco, Calif., on July 12, 1939. The address is entitled "The Constitution and the Will of the People."

There being no objection, the address was ordered to be printed in the RECORD, as follows:

On the occasion of the one hundred and fiftieth anniversay of the Congress of the United States, Chief Justice Hughes, in discussing constitutional government, declared, "And what the people really want they generally get."

He declared this to be true because the people had in their hands "the ultimate power of change through amendment." It is not clear whether the Chief Justice meant amendment only in the manner specifically prescribed by the Constitution, or whether he included the power to amend by custom and by judicial interpretation, methods which are not prescribed by the Constitution but have been accepted by the people.

It is true, however, that in one or another of these ways the Constitution has been amended to respond to the needs of the people, and this flexibility, this response to changed conditions is its strength and not its weakness. The framers of the Constitution anticipated that changed conditions would demand revision and that any fundamental law must be a law of the living and not of the dead. Jefferson shared this view and in 1816 in one of his oft-quoted letters wrote:

"Some men look at constitutions with sanctimonious reverence and deem them like the Ark of the Covenant, too sacred to be touched. They ascribe to the men of the preceding age a wisdom more than human, and suppose what they did to be beyond amendment. * * * I am certainly not an advocate for frequent and untried changes in laws and constitutions. I think moderate imperfections had better be borne with * * *. But I know also that laws and institutions must go hand in hand with the progress of the human mind. * * * As new discoveries are made, new truths disclosed, and manners and opinions change with the change of circumstances, institutions must advance also and keep pace with the times. We might as well require a man to wear still the coat which fitted him when a boy as civilized society to remain ever under the regimen of their barbarous ancestors. Each generation * * * has a right to choose for itself the form of government it believes the most promotive of its own happiness. * * * A solemn opportunity of doing this every 19 or 20 years should be provided by the Constitution."

The people did not follow the advice of Jefferson as to constitutional revision every 20 years. And since the adoption of the Bill of Rights in 1791 only 11 amendments have been ratified, despite the transformation of the Nation from a strictly agricultural to an agricultural and industrial economy. That does not mean that it has remained unchanged. For every time that the Constitution has been amended it has been changed 10 times by custom or by judicial construction.

One argument advanced against amendment by the method prescribed by the Constitution has been the delay of the States in considering such amendments. That is evidence of the impatience of our people. This year we have received additional proof of the willingness of the States to act upon Constitutional amendments if given time for consideration, the Secretary of the Senate within the last 6 months, having received formal certification of the ratification of the Bill of Rights by the States of Georgia, Connecticut, and Massachusetts—only 140 years after the submission of those amendments to the States.

Perhaps the most drastic change ever made in our entire system of government was that which transformed the electoral college from a body of sagacious statesmen chosen for the purpose of selecting a President, to a body where wisdom is a superfluous charm and trustworthiness is sufficient. That change goes to the very foundations of our plan of representative government. Certainly it was as great a departure from the plan of the framers as the change in our method of selecting Senators, from election by the legislature to election by the people. And yet, the one was accomplished by political development, acquiesced in as established custom, while the other required a revision of the text of the Constitution.

It so happens that the party system, and popular election of the President, corresponded at an early stage with the people's conception of Democratic government. This being so, there was no demand for a formal constitutional amendment, and we do not hear the change denounced as revolutionary or un-American.

Most of our constitutional changes, however, have come about through judicial construction. Some of these "amendments" have been in the nature of clarifying amendments, making specific what had been left general and vague. Others have been changes of substance and an interesting thing is that these are changes in the Court's own decisions and, like railroad schedules, are subject to further change without notice. It is natural for the lawyer to look with disfavor on shifts in constitutional doctrine. Employed to render an opinion as to the constitutionality of legislation, he naturally dislikes to think that the opinion he gives to his client, based on the latest decision of the Court, may on the next opinion day be branded as a mistaken interpretation of the Constitution. At an early period the lawyers resented the necessity of looking to Daniel Webster instead of to Noah Webster for a definition of the simple words of the Constitution. But at a later period they were content after the decision in the *Minnesota rate case* to look for definitions in Standard Statistics instead of the Standard Dictionary.

But if, as lawyers, we put aside our special interests and view the process dispassionately, we are compelled to recognize that in the law, as well as elsewhere, the surest sign of life is change, or at least a readiness to change. This has been the philosophy expressed by some of the most distinguished judges who have sat on our Supreme Court. Chief Justice Taney declared that he was "quite willing that it be regarded hereafter as the law of this Court that its opinion upon the construction of the Constitution is always open to discussion when it is supposed to have been founded in error, and that its judicial authority should thereafter depend altogether on the force of the reasoning by which it is supported" (the *Passenger Cases*, 7 How. 283, 470). Justice Field, who was never accused, so far as I am aware, of being a dangerous radical, expressed the same idea. He said: "It is more important that the Court should be right upon later and more elaborate consideration of the cases than consistent with previous declarations. Those doctrines only will eventually stand which bear the strictest examination and the test of experience" (*Barden* v. *Northern Pac. R. Co.*, 154 U. S. 288, 322). More recently this conception of progress in constitutional law was explained by Justice Brandeis in these words: "The Court bows to the lessons of experience and the force

of better reasoning, recognizing that the process of trial and error, so fruitful in the physical sciences, is appropriate also in the judicial function" (*Burnet* v. *Coronado Oil & Gas Co.*, 285 U. S. 393, 407–408 (dissent)).

I am not suggesting that change in constitutional doctrine is desirable for its own sake. Neither am I advocating changes which are capricious or lacking in reason. But I think the danger of such changes is illusory so long as the courts adhere to the practice of rendering full opinions to justify their decisions and also expose themselves to the critical barrage of dissenting opinions. This practice gives assurance that changes in our constitutional law are founded on an appeal, as Justice Brandeis put it, to the lessons of experience and the force of better reasoning.

The real danger to our constitutional system has not been the readiness of courts to amend their decisions. The real danger has been the tendency of courts to disregard the lessons of experience and the force of better reasoning, and thus to produce hardening of the constitutional arteries. That disease might be fatal to the body politic.

In applying the Constitution the courts can delay but cannot permanently prevent the adoption of a policy persistently demanded by a majority of the people and by their representatives. Whenever the courts nullify the adoption of a congressional policy, there will be a reexamination of that policy by the people and the Congress. If the issue is one of little importance, or if on sober second thought it appears to have been ill-conceived, there will be acquiescence in the decision. But if the policy in question represents a solemn conviction of a majority of the people, and if the decision has failed to persuade honest minds that the policy is clearly forbidden by the Constitution, then there is bound to be agitation for a reconsideration of the decision. In these circumstances, what the people really want they will generally get. In rare instances it may be necessary to resort to a constitutional amendment, as was done after the income-tax decision. More often a new decision of the court supplants the old, as in the *Washington State Minimum Wage Law case.*

This process of adaptation has been the life of the Constitution, but it has never failed to call forth a body of mourners ready to pronounce the obsequies over what they regard as the Constitution's mortal remains. A century ago Justice Story, toward the end of his long career on the bench, lamented the death of the Constitution. "I am the last of the old race of judges," he said. "I stand their solitary representative with a pained heart and a subdued confidence. I have long been convinced that the doctrines and opinions of the 'old Court' were daily losing ground, and especially those on great constitutional questions. New men and new opinions have succeeded. The doctrines of the Constitution, so vital to the country, which in former times received the support of the whole Court, no longer maintain their ascendancy." (Warren, Supreme Court in U. S. History (1937 ed.), vol. II, 139, 140.) Daniel Webster took the same mournful view. In one of his letters he wrote: "Judge Story arrived last evening in good health, but bad spirits. He thinks the Supreme Court is gone and I think so, too; and almost everything is gone or seems rapidly going." (Id., p. 10.)

What called forth these funereal and woeful chants? The country was passing from the period of Whig domination to the period of Jacksonian democracy. The decisions and personnel of the Court were reflecting the change, and lawyers of the old school were ready to give up the ghost. The new Court under Taney, proceeded to develop those principles of the police power of the States that today are acknowledged to be at the foundation of effective government. The fears of the old school were more partisan than the decisions of the new. The Court was making new constitutional doctrine, to be sure, but it was doctrine called for by new conditions and responsive to the needs of the people. As corporations grew and multiplied, they challenged the power of the State, their creator, to control them. They claimed monopolistic privileges that would have made them the rulers of the State. The Court found the Constitution adequate to protect the people. The doctrine of the reserved power of the States over corporations was evolved, and the people got what they wanted.

It was certainly not what the lawyers of the old school wanted. The *Charles River Bridge case*, which has become a venerable landmark in our constitutional history, was received with abuse by the old-guard members of the legal fraternity of 1837. The rights of property were gone, the Court was gone, the Constitution was gone. There was great fear that lawyers would never again enjoy the pleasure of seeing legislation declared unconstitutional. "There will not, I fear," said Story, "ever in our day, be any case in which a law of a State or of Congress will be declared unconstitutional; for the old constitutional doctrines are fast fading away, and a change has come over the public mind from which I augur little good" (Warren II, 28).

Changes in the public mind, if they are profound and lasting, will always be reflected in constitutional decision, as they were during the Jacksonian era. Sometimes the process is slow, but it cannot be delayed indefinitely. The "lessons of experience" will be learned, and it will generally be found that the obstacle to a considered and persistent legislative policy is not to be found in the great clauses of the Constitution, but only in the minds of some of its interpreters.

The prevailing sentiment is bound to be reflected in the exercise of the appointing power. I do not mean that judges are, or should be, chosen because of their views on particular issues. What I do mean is that the general attitude of a man toward government and toward the judicial function necessarily is taken into account. Certainly it has been taken into account in the past. When President Lincoln was faced with the appointment of a Chief Justice, he frankly acknowledged that "we wish for a Chief Justice who will sustain what has been done in regard to emancipation and the legal tenders. We cannot ask a man what he will do; and if we should, and he should answer us, we should despise him for it. Therefore, we must take a man whose opinions are known" (Warren II, 401). President Theodore Roosevelt was even more explicit. In explaining to Senator Lodge his views on appointing Justice Holmes, he said:

"Now, I should like to know that Judge Holmes was in entire sympathy with our views, that is with your views and mine * * * before I would feel justified in appointing him." (Selections from the Correspondence of Theodore Roosevelt and Henry Cabot Lodge, I (New York, 1925), 517–19.)

I am not citing these Presidential views as models for the exercise of the appointing power. It may seriously be questioned whether they did not reveal an undue attention to the supposed opinions of the candidates on specific political issues rather than their general attitude toward representative government. But at least they show an awareness that judges are human, and that the selection of judges will in all probability affect the course of constitutional law one way or the other.

Let us not set up a double standard in this matter of choosing judges. A lawyer whose experience has been primarily on the side of defending governmental measures will be as much or as little affected by his experience as the lawyer who has primarily been engaged in resisting governmental measures. After serving 13 years on the Supreme Court, Justice Miller observed that:

"It is vain to contend with judges who have been at the bar the advocates for 40 years of railroad companies, and all the forms of associated capital, when they are called upon to decide cases where such interests are in contest. All their training, all their feelings are from the start in favor of those who need no such influence." (Quoted in Fairman, Justice Samuel F. Miller, Political Science Quarterly, vol. 50, p. 43.)

With equal force it could be said that it is vain to contend with a judge who, while at the bar, has devoted his time exclusively to the representation of persons suing railroad companies and other forms of associated capital, where such interests are in contest. When a man dons the judicial robe he cannot as quickly divest himself of the views and prejudices arising out of years of devotion to special interests.

A great deal has been said and written about the judicial temperament. We can all agree that the attitude of mind described by Justice Miller is not the judicial temperament. I think we can also agree that in applying the Constitution one element of the judicial temperament is respect for the views of the Legislature, a coordinate branch of Government. Times without number the courts have declared that they will not substitute their judgment for that of Congress in matters of policy, and that every presumption is in favor of the validity of an act of Congress. I venture to think that henceforth this rule will be honored more in the observance than in the breach.

I venture to think, also, that henceforth the courts will exercise a healthy skepticism in hearing arguments that congressional legislation has usurped the powers of the States. I say this because the charge of usurpation by Congress is generally not made by the States. It is made by special interests which are more concerned with escaping all control than preserving the control of the States. We have had many recent examples of this—the attack on the voluntary bankruptcy law for municipalities, the attack on P. W. A. loans to States and cities, the attack on the social-security legislation. All of these represented cooperative efforts by the Federal Government and the States to solve their common problems. Nevertheless they were assailed in the courts in the name of State sovereignty, while the States did what they could to disavow their new-found protectors.

Some men doubt the wisdom of the Court in solving doubts in favor of the action of Congress. They believe it unwise because they really do not believe in government by the people. They doubt that the people know what they want and are convinced they should not have what they want. They are really opposed to representative government and devote much of their time to ridiculing the Representatives of the people in Congress. The genius of the American people, however, has not found a better way to voice their will than by the election of Representatives. The Representative may not be the most brilliant man in the district. The chances are, however, that when he receives a majority of the votes in his district he is truly representative of the convictions, virtues, and weaknesses of a majority of the voters in that district. Legislators may make mistakes, but miscarriages of justice are probably less frequent in legislation than in the decisions of judges and juries. In any event, from legislation there is always an appeal, an appeal to the people.

The Supreme Court itself has declared, through Justice Holmes: "It must be remembered that legislators are the ultimate guardians of the liberties and welfare of the people in quite as great a degree as the courts" (*Missouri, Kansas & Texas R. Co.* v. *May*, 194 U. S. 267, 270). It is the common charge of some lawyers that the Congress gives no consideration to the constitutionality of legislation. This charge was often heard 3 years ago. In justification of it, there were cited the several cases in which the Court had decided against the Congress. It should be remembered, however, that in most of those cases the Court divided 5 to 4, and if by only one vote the action of the Congress was held to be unconstitutional, it is evidence of such a divided opinion as to justify

the Congress in the enactment of the law and the submission to the courts of the question of congressional authority. Even in the N. R. A. case, where the decision was unanimous, the circuit court of appeals in New York rendered its opinion in substantial accord with the views of the Congress.

History discloses numerous precedents of submission to the courts of legislation as to the constitutionality of which doubt was expressed. The first President, George Washington, received from his Attorney General an opinion that a certain congressional enactment was unconstitutional. Sharing the opinion of the Congress instead of the Attorney General, he approved the bill leaving to the courts the determination of the constitutional issue. From that day to this Congress and Presidents have followed the policy of the Father of his Country.

The greater latitude given to the Congress by the action of the Court in adopting the liberal attitude of the school of Justice Holmes in solving doubts in favor of the constitutionality of legislation undoubtedly places upon the Congress greater responsibility to weigh more carefully the measures submitted for its consideration. Shifting political winds at various times give added power to one of the three branches of our Government. Today the power of the legislative branch is in the ascendancy. How long it will exercise that increased power depends upon how wisely it is used. The added power not only places greater responsibility upon the Congress but places greater responsibility upon you as citizens to take a more active interest in the selection of those who are clothed with the law-making powers.

Do not be misled by political oratory. Congress in enacting the Agricultural Adjustment Administration Act, the Labor Relations Act, the Social Security Act, and other measures recently sustained by the courts gave expression to the national will. These acts may, in fact do, require amendment. They may require change in the method of administration and change in administrators, but they voice the national will and no political party will today advocate their repeal.

These decisions have been the subject of much discussion. Some who 3 years ago deplored criticism of the Court are now freely denouncing the Court. Others who were then bitter in their criticism of the Court for obstructing the will of the Congress and the President now fear that criticism of the Court will endanger the safety of the Republic. You and I are led to conclude that these persons are interested in the effect the decisions will have upon the political and economic interests involved, and not in the effect the decisions will have upon our form of government.

But while those actuated by self-interest or by political partisanship may view with alarm or point with pride the vast majority of the people are not disturbed. They know that these changes in constitutional law affect only economic interests and social reforms; that there is no change in the constitutional guaranty of their civil rights, their liberties, freedom of speech, and freedom of worship.

There will always be social changes. The problems of the next generation will differ from those of today, as our problems differ from those of the previous generation. The law and the Constitution of this day will be no more applicable to the problems of the next generation than the Constitution and the laws of the preceding generation are applicable to the problems confronting us. It follows that no people should attempt to make a perpetual Constitution or even a perpetual law.

There is no reason for any man to fear the future of America unless he fears the people. Fearing the people is nothing new in this country. One of the major struggles of the constitutional convention was between the clashing views as to whether the people could be trusted. There were those who insisted that the people could not be trusted; that government should be several steps removed from the people. It was this school of thought that caused the provision for election of the President by an electoral college, the election of United States Senators by the legislatures, and the appointment and confirmation of judges by the President and Senators thus selected. It was this same distrust of the people that caused the placing of restrictions upon the right of suffrage in many States. But there was another school of thought that had greater confidence in the people and, thanks to Madison and his associates, there was designed a governmental structure that was truly representative and through the years has become more and more responsive to the will of the people.

There can be no justification for pessimism regarding the future of constitutional government in these United States unless it is based on the theory that the Constitution should be the weapon and the Court the agency by which the will of the people must be defeated.

In a century and a half the American people have proved their devotion to the Constitution—not because it has at times been a means of temporarily obstructing their will, but because its provisions are couched in broad and general terms and are flexible enough to respond to the demands and needs of modern society.

And to the constitutional pessimists of 1939, chanting again the fears of Story and Webster regarding judicial interpretations of the Constitution, may I suggest that they look abroad. In the totalitarian state the people look for protection not to a constitution but only to the will of an individual. In this country we rest secure in the knowledge that the form of our Government can be changed and our rights lost or impaired only by a change in the will of a majority of the people.

Today democracy is being challenged the world over. The dictators rant as they challenge our theory that government by the people is a success. No one denies that the totalitarian government can in certain ways function more efficiently than a democracy, but long since the American people decided the sacrifice of personal liberty is too great a price to pay for any governmental efficiency that might result from one-man rule.

As we see the lives and liberties of people destroyed, property rights abolished, and courts debauched; as we see government the oppressor instead of the protector of the weak, we Americans can forget our political differences, give thanks to Almighty God for the Constitution of the United States, and pray that it will ever be preserved by the American people.

Indianapolis Proposed as Location for New Aeronautical Research Laboratory

REMARKS

OF

HON. LOUIS LUDLOW

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Monday, July 17, 1939

Mr. LUDLOW. Mr. Speaker, in the judgment of our experts on air national defense, conditions now existing and forecast make the establishment of another aeronautical research station a military necessity.

We now have one such station at Langley, Va., and it is proposed to establish another at Sunnyvale, Calif. This would mean that we would have two research stations, both at sea level, both located on the coast, and both vulnerable to enemy attack, separated from each other by the width of a continent.

There are many persons who believe that it would be conducive to more favorable results and in the national interest if the new station were located somewhere in the interior of the country, where it would be immune from enemy assaults and where the altitude is higher than sea level. It is believed by these advisers that the best aeronautical experiments can be carried on by a combination with one station located on the seacoast at sea level and the other in the interior with the advantage of higher altitude.

Indianapolis is an interior city which, we believe, meets the requirements for this new station perfectly. Our city has splendid transportation facilities which make it readily accessible from all parts of the country. Its progressiveness in aviation has caused it to be known as the air crossroads of America. We have a labor supply that is at all times adequate for every emergency. Our airport, with 1,000 acres in its flying field, is recognized as one of the best in America, and, for that matter, one of the best in the world. I wish respectfully to submit the point of view that it would be better and wiser to locate this very important research station in Indianapolis than in a seacoast city, where enemy planes could bombard it and blow it to bits 15 minutes after reaching our shores.

The Congress of the United States has been asked to appropriate up to $10,000,000 to build and equip an experimental laboratory to be operated by the National Advisory Committee for Aeronautics to accelerate the development of aircraft for military use.

The needs for additional development work are partially outlined in statements by officers of this committee in reports of a hearing on the Department's budget which was held on December 16, 1938, and in pages 786 to 815 of the hearings on the independent offices appropriation bill, 1940.

In view of the facts presented therein, which disclose that the United States does not have the facilities to keep abreast of the development work that is being conducted on military aircraft by other governments, and, also, in view of the apparent public demand that every reasonable effort be made to maintain both our military and commercial leadership in the air, it seems to be a proper assumption that the Congress will in the near future take steps to establish additional facilities to promote aeronautical development.

Naturally the location of such an experimental laboratory will become a matter of great importance from the following standpoints:

(1) Availability and quality of airport facilities.
(2) Accessibility to military flying fields.
(3) Location with respect to safety from attack from the air.
(4) Possibilities for guarding military secrets.
(5) Availability of highly skilled and dependable labor.
(6) Availability of outside scientific resources.
(7) Reputation of the people of the community for making important contributions to the progress of science and invention.
(8) General statistical information.

I wish to discuss the subject under these eight heads:

1. AVAILABILITY AND QUALITY OF AIRPORT FACILITIES

The Indianapolis Municipal Airport offers the Federal Government the use of the finest flying field in the world. This distinction for the Indianapolis Airport was not first claimed by Indianapolis citizens, but by aviation officials in the service in the United States Government.

The airport, which is composed of approximately 1,000 acres of flat ground, is located approximately 7 miles southwest of the center of Indianapolis. It lies south of highway No. 40, known as the National Road, which extends from Washington, D. C., to St. Louis, Mo., and the tracks of the St. Louis division of the Pennsylvania Railroad. Transportation facilities both by motor and rail are ideal.

Because of the size of the airport, the absence of hazardous obstructions over an area of several miles, and because of the length and width of its improved runways, the Indianapolis Municipal Airport is considered by pilots the safest airport upon which to make a landing or take off in the entire United States.

The surrounding land is flat for many miles and unlimited space is available both on and adjacent to the airport for the development of any type of industrial activity. A map of the airport will be found in the back of this folder showing runways that already have been improved and those which are now in the process of construction. Construction work on additional runways is expected to be completed late in the year 1939. When completed the airport will have between 5 and 6 miles of improved runways, some of which will be 150 feet wide instead of the 100-foot width of runways which are now customarily installed on the country's best airports. The surrounding terrain is such as to permit the further extension of these runways to almost any conceivable length, thus assuring facilities that may be necessary if runways of greater length become desirable in the future.

Comparison of the size of the Indianapolis Municipal Airport with that of airports of other cities provides better understanding of the unusual facilities that are available there. For example, the Chicago Municipal Airport is comprised of 588 acres of ground—this airport being divided into two flying fields because it is intersected by railroad tracks—as compared with 1,000 acres in the Indianapolis flying field.

2. ACCESSIBILITY TO MILITARY FLYING FIELDS

Since the proposed experimental laboratory for the National Advisory Committee for Aeronautics will specialize in the development of military aircraft, it would seem desirable to select a location which is reasonably near one of the Army's leading military flying fields. Wright Field, near Dayton, Ohio, is only 30 minutes removed by air from the Indianapolis Municipal Airport. Schoen Field, at Fort Benjamin Harrison, is located northwest of Indianapolis and is approximately 15 miles distant.

3. LOCATION WITH RESPECT TO ATTACK FROM THE AIR

The fact that the Nation's leading factories for the production of aircraft are practically all located either on the Pacific or Atlantic coasts is a source of concern to many high-ranking military officers and to officials of the War Department, who recently have criticized publicly the vulnerability of such important military resources to attack from the air.

Military aviation experts, as well as manufacturers of military craft, constantly point to the need for faster ships which will fly for greater distances. Yet it is a lamentable fact that because of the lack of foresight in safeguarding important national military resources the same industry which points to the grave possibilities of attacks from the air by possible enemy governments of the future has placed its production facilities at points along our seaboards, which would prove to be the easiest targets for air attacks in any future war. A large experimental laboratory of the National Advisory Committee for Aeronautics naturally could be considered of unusual value to the country's military forces in time of war and hence would become a desirable target for foreign military activities. The desirability of making such a large investment in such an important military asset in an inland city should appear evident.

4. POSSIBILITIES FOR GUARDING MILITARY SECRETS

The native-born population of Indianapolis and its surrounding territory provides an ideal and safe background for the guarding of military secrets. The foreign-born population of Indianapolis is negligible, and the less than 2 percent of the population which might be described as foreign has been thoroughly assimilated into the citizenry of the United States and is completely loyal to the ideals of American democracy. The war record of Indianapolis and Indiana people with respect to voluntary enlistments and support of the Federal program during every military crisis provides proof of the unusual loyalty of Indianapolis and Indiana citizens. Indianapolis labor is conservative in its viewpoints and would remain loyal under any emergency.

5. AVAILABILITY OF HIGHLY SKILLED AND DEPENDABLE LABOR

The best proof of the high quality of the Indianapolis labor supply can be found in the activities of private business during the last few years.

No other industrial center in the country has enjoyed a more substantial growth or has acquired more new industries during the last few years than Indianapolis, despite the fact that national industrial expansion has been practically at a standstill throughout this period. Such corporations as General Motors, International Harvester, Stewart-Warner, R. C. A. Manufacturing Co., Philco Refrigerator Co., and other nationally known industrial institutions have made large investments in Indianapolis plants during the last few years. These investments have been made after completing thorough surveys as to the quality and general availability of highly skilled labor. One large industrial institution, after completing a 2-year survey of local conditions, estimated that it would receive applications for employment from 25,000 skilled workers. After receiving applications from more than 75,000 persons, it discontinued making a record of any further applications that were received.

Indianapolis is nationally known for the wide diversification of its industrial activities, thereby guaranteeing a supply of labor in almost any conceivable field of industrial or experimental activity.

Time studies conducted locally by industrial organizations that operate plants on a national scale disclose that Indianapolis labor leads the country in productive activity.

6. AVAILABILITY OF OUTSIDE SCIENTIFIC RESOURCES

Such an experimental laboratory would demand highly trained technical personnel—men schooled in technical arts of many types. The success of experimental activities depends as much on the technical training of personnel as it does on the use of the finest technical equipment. Indiana's many fine educational institutions of higher learning possess an excellent background for such a supply of technical personnel. The engineering schools of Purdue University and Rose Polytechnic Institute and the scientific departments of such institutions as Indiana University and Notre Dame and many smaller but highly respected institutions of higher learning within the State should provide unexcelled opportunities for the creation of laboratory personnel which should prove highly effective in the operation of such a proposed experimental laboratory.

The Civil Aeronautics Authority and the National Advisory Committee for Aeronautics cooperate in aeronautical research. The experimental station of the C. A. A. is located on the Indianapolis Municipal Airport, and was placed in operation during the summer of 1939. The location of this station and the proposed laboratory of the National Advisory Committee for Aeronautics on the same airport naturally would prove beneficial to both organizations and should add greatly to the effectiveness of the experimental activities of both groups.

7. REPUTATION OF THE PEOPLE OF THE COMMUNITY FOR MAKING IMPORTANT CONTRIBUTIONS TO THE PROGRESS OF SCIENCE AND INVENTION

While no one locality of the United States can justly lay claim to making more than its share of contributions to the development of improvements in the transportation industry, nevertheless there have been such remarkable contributions to progress made by the people of central Indiana that it does not hardly appear that such developments came about entirely through chance.

Within a radius of 50 miles of Indianapolis there have lived the men who developed the world's first airplane and automobile. Residents of this vicinity also have been responsible for developing the first apparatus for using gas to provide lights for motor cars instead of kerosene lamps. Mechanical developments introduced in this territory include the first electrical lighting for motor cars, the first 8-cylinder motor, the first 4-wheel brakes, the first hydraulic brakes, important carburetor and steering improvements, and important developments in Diesel engines. Cars were first adapted here for the use of balloon tires. The first 16-cylinder automobile was developed and manufactured in this locality. Automobiles were first streamlined by local manufacturers. The first automatic clutch used on automobiles was introduced on Indianapolis cars, and Indianapolis mechanics first built racing cars that captured speed records from cars of European make.

The city's last contribution to the progress of the mechanical age has been the perfection of the Allison airplane motor. Prior to this, Indianapolis designers and mechanics built marine motors which were in demand by certain European governments. These facts demonstrate that engineers and mechanics of this locality have been able to make substantial contributions to the progress of motor-driven vehicles during the last decade to such an extent as to demonstrate a peculiar ability to contribute to further engineering progress.

8. GENERAL DISCUSSION OF CITY FACILITIES

Indianapolis, the capital of Indiana, is the largest city in the State and the State's principal industrial, retail, and wholesale center. The city is located in almost the exact center of Indiana and within about 40 miles of the center of population of the United States. Indiana is in the center of a large agricultural district of the Middle West, and its business activities are almost evenly divided between agriculture and industry. Almost unlimited supplies of steam coal are within 40 or 50 miles of Indianapolis, providing inexpensive fuel for industrial purposes. The city is widely known for the diversity of its industrial activities. It is one of the country's most important livestock markets; is described as the world's largest inland city; and is one of the largest State capitals in the United States. Indianapolis has approximately 800 industries, manufacturing more than 1,200 different commodities. The 1930 census recorded a population of 364,000 and the present population is estimated at 395,000. The city covers an area of 54 square miles. Its municipal properties have been excellently developed and are maintained in good repair.

Indianapolis is served by 16 railroad lines, all of which are connected by what is known as the belt line of the Indianapolis Union Railway Co. An industry located on the belt or upon any 1 of the 16 lines has access to all the transportation facilities of the city. The belt line, which is controlled by the railroads serving Indianapolis, absorbs switching charges. Indianapolis has been known for years as the largest interurban center in the world. Short-haul freight service is provided by interurban lines. There are approximately 120 established truck lines operating out of the city. Indianapolis is the center of one of the world's finest highway systems. The city is growing in importance in respect to air transportation. It has five airports, the Municipal Airport being one of the largest and best equipped in the world.

It is estimated that 41 percent of Indianapolis families own their own homes. The supply of labor is larger than population figures would indicate because labor from rural communities and small towns for a radius of from 25 to 30 miles is available to Indianapolis industries. In fact, many regularly employed industrial workers live in rural districts and travel to and from their homes daily by automobile.

As a distributing center, Indianapolis is far more important than its population would indicate. Being about twenty-first in size in point of population, according to last available statistics, Indianapolis ranks thirteenth or fourteenth in volume of retail trade. A million prospective buyers reside within an hour's ride of the city, and 75,000,000 people can be reached overnight. Indiana residents within 50 or 60 miles of Indianapolis come to the city regularly to do their buying or to patronize amusement enterprises. A survey by the State highway department reveals that an average of 30,000 passenger cars enter the city every 24 hours. The Indianapolis trading area extends for 70 miles in every direction, and an area extending from 40 to 45 miles in every direction is considered in many respects a trading area that is regularly served by Indianapolis institutions. Indianapolis has approximately 5,000 retail establishments doing a business of around $150,000,000 annually, and 450 wholesalers dealing in all classes of commodities.

The Indianapolis public-school system ranks high among American cities. For many years public schools have been removed from political control. There are 88 grade schools, 7 high schools, and 27 parochial schools and academies. The following universities and colleges are located in Indianapolis: Butler University, Indiana Central College, Indiana University School of Medicine, Indiana University School of Dentistry, Indiana University Extension Division, Indiana Law School, Indianapolis College of Pharmacy, and John Herron Art Institute. In addition, there are numerous State and private preparatory schools of high standing as well as other special schools of music, arts, and business training.

Civic institutions are actively and effectively interested in public affairs.

In Indianapolis we have a very live chamber of commerce which has furnished me the facts I have just presented for your consideration.

The following statistics about Indianapolis, furnished by the same source, will, I am sure, be found interesting in this connection:

Miscellaneous facts—Indianapolis

[1938 figures, unless otherwise specified]

Airports	5
Altitude (feet)	739
Area (33,996.8 acres) (square miles)	53.12
Distance north and south, 12.66 miles; east and west, 9.28 miles. (The above figures do not include the Indianapolis Municipal Airport.)	
Assessed valuation (1939)	$510,414,330
Automobiles—passenger (Marion County)	113,196
Banks—number of (3 national, 7 State, 6 trust)	16
Bank resources (16 banks)	$310,317,000
Bank deposits (16 banks)	$280,250,000
Bank clearings (11 banks)	$387,660,000
Boulevards—miles of	66.44
Building and loan associations—number of	26
Resources	$54,092,271
Building and electrical permits—number of	12,021
Value building and electrical permits	$10,824,825
Carloadings:	
Outgoing	125,772
In-bound	183,854
Churches, all denominations—number of	240
Climatic data:	
Average January temperature	28.4
Average July temperature	75.7
Clubs:	
Downtown	7
Luncheon	29
Country	8
Electric service meters	135,036
Families—Indianapolis (1930 U. S. Census)	98,610

Miscellaneous facts—Indianapolis—Continued

Fire hydrants—number of	6,116
Gas mains (miles)	1,019.11
Gas meters	85,503
Golf courses (18 hole, 4 municipal, 7 private) (9 hole, 2 municipal, 2 private)	15
Grain (handled through board of trade) (bushels):	
Wheat	4,019,000
Corn	18,775,000
Oats	8,212,000
Rye	513,000
Soybeans	1,528,000
Barley	63,000
Hospitals (major) 1 United States, 2 State, 1 city, 6 general	10
Hotels	71
Interurban lines entering city	3
Interurban station—cars in and out per day	114
Latitude 39°46'10".	
Library:	
Volumes	605,437
Branches	21
Livestock receipts:	
Hogs	1,776,809
Cattle	336,966
Calves	154,046
Sheep	476,643
Longitude 86°09'45".	
Manufactured products, value 1935	$222,583,037
Manufacturing establishments, 1935	708
Metropolitan district population, 1930	417,685
Monument, soldiers' and sailors', begun 1887; completed, 1901; cost, $600,000; 284'6" in height.	
Motion-picture houses	59
Parks and playgrounds	54
Park acreage	3,162
Population (estimate)	395,000
Post-office receipts	$4,453,199
Radio broadcasting stations—WIRE, WFBM and WIBC.	
Radio sets (1930 U. S. census), 47.1 percent of total number of families	46,524
Railroads—6 lines (divisions)	11
Residences	114,373
Houses	99,513
Apartment units	14,860
Retail stores, number of in 1935	4,757
Schools, public and parochial	124
Sewers (miles)	622.49
Sidewalks (miles)	667.22
Streetcar and bus lines, miles of	246.54
Street lights, number of	10,209
Streets (miles)	848.82
Tax rate (payable in 1939, Center Township)	$3.21
Telephones	83,948
Theaters (legitimate, vaudeville, etc.)	5
Trains, passenger, entering and leaving city daily	125
Transient population (estimate)	30,000
Union Station; all tracks elevated, covers 7 acres.	
Water mains (miles)	679
Water meters	76,770
Wholesalers and jobbers, 1935 census; number of	735

There is no higher authority on military aviation in this country than Mr. G. W. Lewis, Director of Aeronautical Research of the National Advisory Committee for Aeronautics, and as a further contribution to the discussion of this subject I submit a letter I have received from him as follows:

JULY 7, 1939.

Hon. LOUIS LUDLOW,
Committee on Appropriations,
House of Representatives, Washington, D. C.

DEAR MR. LUDLOW: I have just returned from Europe where I visited England, Germany, and France, and I am more than ever convinced of the necessity of establishing one or more additional aeronautical research laboratories. The expansion of research laboratory facilities in Germany was particularly impressive. If this country is to take its place in the development of aviation, we must provide more laboratory facilities. The United States has embarked upon a greatly extended program of aviation activity in the Army and Navy. To safeguard the expenditure in carrying out this program, it is essential that adequate research facilities be available.

Now, as regards Indianapolis as a desirable location for a proposed new laboratory, I can only state some of the factors that were considered in suggesting Sunnyvale as a site. These are as follows: That the research laboratory be located on an existing or contemplated airport; that the airport or flying field, if possible, be under military jurisdiction; that the laboratory be located near a metropolitan center, so that an adequate labor and supply market will be provided and sufficient electric power will be available; and that the laboratory be adjacent to or near the aircraft industry.

Indianapolis is desirable from one point of view, and that is that it is centrally located and there is an airport available. No doubt the labor and supply markets would also be able to answer the demands required for such a research station. I am of the opinion that we should have more than one research station in the United States and that there should be a number of such stations, and in this event Indianapolis should be very seriously considered.

Sincerely yours,

G. W. LEWIS,
Director of Aeronautical Research, National Advisory Committee for Aeronautics, Navy Building, Washington, D. C.

[Applause.]

Amendment of the Fair Labor Standards Act

EXTENSION OF REMARKS

OF

HON. ROBERT RAMSPECK

OF GEORGIA

IN THE HOUSE OF REPRESENTATIVES

Monday, July 17, 1939

REPORT OF THE ADMINISTRATOR OF THE WAGE AND HOUR DIVISION

Mr. RAMSPECK. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following report from the Wage-Hour Administrator on the Barden bill:

JULY 15, 1939.

Hon. MARY T. NORTON,
Chairman, Committee on Labor,
House of Representatives, Washington, D. C.

MY DEAR MRS. NORTON: Thank you for the opportunity offered in your letter of July 12 to report on the amendments to the Fair Labor Standards Act proposed in H. R. 7133, introduced by Congressman BARDEN on July 11, 1939.

The exemptions from the act provided in H. R. 7133 go far beyond any previous amendments offered in either the House or the Senate of this Congress, and, with minor exceptions, have no economic or social justification. Special treatment is given to various industries and employers and new discriminatory competitive situations are created. Furthermore, H. R. 7133 embodies provisions, notably an arbitrary limitation of 6 months for filing employee suits, which would greatly weaken the administration of the act and increase the cost of enforcement.

Exemptions included under sections 3 and 5 (b) of H. R. 7133 would apply to the whole series of industrial operations performed on agricultural products from the time they have left the farm and entered commercial channels until they have reached the ultimate retail distributor. Such operations as the transportation and storage of all agricultural commodities in urban centers like New York and Chicago would receive hours exemptions. Sections 3 and 5 (b) of the bill would exempt more than 1,000,000 workers from both the wage and hour benefits of the act, and, in addition, another half million workers would not receive the benefits of the maximum hours' provisions. Hundreds of thousands of employees long exploited would lose the gains that have been theirs since October 24 last, the day the Fair Labor Standards Act went into effect.

In addition, section 5 (a) endangers the hours standards of from 250,000 to 400,000 higher-paid clerical and skilled wage earners.

There follows an analysis of H. R. 7133 section by section.

PUERTO RICO AND THE VIRGIN ISLANDS

Sections 1 and 2: These sections embody the principles of the Norton bill relating to the appointment of special industry committees for Puerto Rico and the Virgin Islands, which this Division has already recommended. However, in section 1, on lines 9 and 10 of page 1 of the bill, there is included a parenthetical expression "(except section 7 (c) and section 13)", the effect of which is not clear, but which may result in rendering less effective the administrative machinery set up for the islands of Puerto Rico and the Virgin Islands by making relief impossible for the employees listed in section 7 (c) of the act, as amended.

COMMODITIES AND PROCESSES EXEMPT FROM WAGE AND HOUR STANDARDS

Sections 3 and 5 (b): The provisions of these sections can be most clearly visualized by simply listing the products and processes exempted therein. This listing is given below together with an estimate of the number of employees exempted under the present act compared to the number which would be exempted by the Barden bill. The listing is made in two parts—one giving the products for which an hour's exemption only is provided, the other

giving the products and processes which would be entirely exempt from both wages and hours by the Barden bill. A brief discussion follows each of the two listings.

	Employees exempted under present act	Employees exempted by Barden bill
I. HOURS EXEMPTION ONLY (PROVIDED IN SEC. 3, EXCEPT AS TO MILK)		
(1) Grain, at terminal markets (p. 3, lines 21 to 23):		
(a) Grading		
(b) Storage		
(c) Handling, in connection with or incidental to (a) and (b)		
(d) Transportation, in connection with or incidental to (a) and (b)	0	55,000
Complete exemption during 14 weeks of calendar year; during remaining 38 weeks, 56 hours permitted without overtime pay.		
(2) Fruits and vegetables, seasonal or perishable (p. 3, lines 24 and 25; p. 4, lines 1 and 2):		
(a) Wholesale distribution		
(b) Handling, in connection with or incidental to (a)		
(c) Transportation, in connection with or incidental to (a)	0	42,000
Complete exemption during 14 weeks of calendar year; during remaining 38 weeks, 56 hours permitted without overtime pay.		
(3) Agricultural and horticultural commodities, seasonal or perishable (p. 4, lines 3 to 6):		
(a) Storage at terminal markets		
(b) Handling, in connection with or incidental to (a)		
(c) Transportation, in connection with or incidental to (a)	0	18,000
Complete exemption during 14 weeks of calendar year; during remaining 38 weeks, 56 hours permitted without overtime pay.		
(4) Forest products (p. 4, lines 7 to 10):		
(a) Felling trees and operations incidental thereto		
(b) Logging and operations incidental thereto		
(c) Delivery to mill	22,000	90,000
Complete exemption during 14 weeks of calendar year; during remaining 38 weeks, 56 hours permitted without overtime pay.		
(5) Livestock (pt. 4, lines 21 to 25):		
(a) Slaughtering		
(b) Dressing		
(c) Preparing products at packing plant		
(d) Handling, in connection with or incidental to (a), (b), and (c)	93,000	157,000
(e) Transportation, in connection with or incidental to (a), (b), and (c)		
Complete exemption during 16 weeks of year; act applies during remaining weeks.		
(6) Fruits and vegetables, perishable or seasonal, not elsewhere exempt (p. 4, line 25; p. 5, lines 1 to 5):		
(a) Canning		
(b) Processing		
(c) Preserving		
(d) Drying		
(e) Handling, in connection with or incidental to (a), (b), (c), and (d)	[1]	125.000
(f) Transportation, in connection with or incidental to (a), (b), (c), and (d)		
Complete exemption during 16 weeks of year; act applies during remaining weeks.		
(7) Milk (sec. 5 (b), p. 7, lines 18 to 24; p. 8, lines 1 and 2):		
(a) Evaporating and condensing		
(b) Handling, in connection with or incidental to (a).		
(c) Transportation, in connection with or incidental to (a).	10,000	10,000
Complete exemption from hours provisions.		
Total	125,000	497,000
Additional employees exempt from hours under act	808,000	----------
Additional employees exempt from hours, under sec. 5 (b) of bill	----------	1,129,000
Total employees granted hours exemptions	933,000	1,626,000

[1] The act exempts from the hours provisions for 14 workweeks the employees "of an employer engaged in the first processing of, or in canning or packing, perishable or seasonal fresh fruits or vegetables." It is not possible to obtain any figures indicating how many of the 125,000 employees exempted for 16 workweeks under the Barden bill are exempt under the present act. Estimates of the total number of fruit and vegetable packing and canning employees exempt under the act are included, however, in the 808,000 item.

The following comments are offered with respect to the above list of exempted processes:

1. GRAIN—AT TERMINAL MARKETS

No evidence has been presented that would in any way justify this exemption. On the contrary, these terminal grain elevators are, by definition in the bill (page 5, lines 9 to 17), located in urban and industrial areas where an adequate supply of labor exists, and they operate throughout the year; nor are the products perishable. The volume of grain to be handled can be anticipated and regulated by management, thereby precluding the necessity for overtime payments. In cases of emergency additional employees can be obtained. It may be noted that under the N. R. A. terminal grain elevators were subject to a code limiting hours of work to 40 per week, with on average of 44 hours per week permitted during 4 months of the year in order to meet unanticipated contingencies.

2. WHOLESALE DISTRIBUTION OF FRUITS AND VEGETABLES, SEASONAL OR PERISHABLE

Since all fruits and vegetables are "seasonal," the words "perishable or seasonal" provide no limitation; thus, this exemption would appear to include all fruits and vegetables. It is an exemption for wholesale distribution carried on in urban centers where many workers now carried on public relief rolls are available for work. Peak periods in employment can be anticipated and handled without overtime work. Reemployment into private industry cannot be expected if there is insistence on employees working excessive hours. Under this provision any worker handling fruits and vegetables from the time they leave the farm until they reach the retail market would be removed from the coverage of the hours provisions of the act. This exemption would apply even to the employees of importers of foreign-grown products.

3. AGRICULTRURAL AND HORTICULTURAL COMMODITIES, SEASONAL OR PERISHABLE

Since all agricultural commodities are seasonal, this exemption applies to anything produced on a farm. These operations, too, are carried on throughout the year in urban centers (cities of 150,000 by definition) where an unlimited supply of labor is available.

4. FOREST PRODUCTS

Under the present act, logging by farmers, or incidental to farming is already exempt from both wage and hour provisions. Certain branches of the lumber industry which require flexibility because of extreme seasonal needs have been granted exemption for 14 workweeks in the year. Employers may also utilize the flexible workweek through collective bargaining under section 7 (b) (1) and 7 (b) (2) which the Congress passed with this industry specifically in mind.

Many employers working under union agreements operate successfully on a 5-day, 40-hour week. The Bureau of Labor Statistics estimates that 40 percent of the 150,000 workers engaged in logging are organized into trade-unions. If employers working under union agreements can operate successfully on a 40-hour week, it would appear that there is no necessity for this exemption. The need for continued protection is obvious, particularly since there is serious unemployment in the industry.

5. LIVESTOCK

This is a 16-week exemption for the entire meat-packing industry. Bureau of Labor Statistics studies show that this industry operates throughout the year with very slight variations in production from month to month. These studies show, moreover, that the average hours worked, even during peak periods, has been less than 44 per week. In December of 1937 the hours of work in the plants studied averaged 42.5 per week. In Illinois, the most important meat-packing State, the average was 42.4 hours. In Iowa, Minnesota, and Kansas, the three States next in importance, weekly hours averaged 43.1, 41.6, and 38.6, respectively. In view of these facts, this exemption is wholly unwarranted.

6. FRUITS AND VEGETABLES, PERISHABLE OR SEASONAL, NOT ELSEWHERE EXEMPT

The canning of perishable or seasonal fruits and vegetables, if the employer does not engage in canning products other than fruits or vegetables nor in recanning any agricultural commodity or product, is granted a complete exemption from hours and wages elsewhere in the bill. This clause gives a 16-week exemption to the canners who do not receive that complete exemption. It also extends the hours exemption to the processors and packers of dried fruits. As all fruits and vegetables are seasonal, the words "perishable or seasonal" provide no limitation and the exemptions would apply to all canners.

7. MILK

Under this exemption the condensed- and evaporated-milk industry may work employees any number of hours each week throughout the entire year. No one has ever presented the slightest evidence of the need for a complete exemption. There is nothing in the character of the industry which suggests such a need.

	Employees exempted under present act	Employees exempted by Barden bill
II. COMPLETE WAGE AND HOUR EXEMPTION (PROVIDED IN SEC. 1 (B))		
(1) Dairy products (p. 7, lines 12 to 17):		
(a) Cooling, freezing		
(b) Separating		
(c) Pasteurizing		
(d) Drying		
(e) Fermenting	19,000	234,000
(f) Grading		
(g) Packing		
(h) Making		
(i) Preparing for market		
(2) Cotton (p. 8, lines 3 to 5):		
(a) Ginning		
(b) Compressing	92,000	130,000
(c) Storing		

	Employees exempted under present act	Employees exempted by Barden bill
II. COMPLETE WAGE AND HOUR EXEMPTION (PROVIDED IN SEC. 1 (B))—continued		
(3) Sugar beets, sugar-beet molasses, and sugarcane, and maple sap (p. 8, lines 6 to 10):		
(a) Processing into sugar or sirup (but not refining)	0	64,000
(4) Vegetables, fruits, nuts, and seeds (p. 8, lines 11 to 15):		
(a) Extracting oils, juices, sirups, and other derivatives (but not fermenting or refining)	5,000	53,000
(5) Fruits and vegetables, seasonal and perishable (p. 8, lines 16 to 24; p. 9, lines 1 to 5):		
(a) Preparing (b) Cleaning, grading (c) Packing (d) Drying (e) Peeling, shelling (f) Precooling, refrigerating, freezing (g) Local storing (h) Canning, processing, or preserving (if processor handles only perishable and seasonal commodities and does not recan any products)	61,000	284,000
(6) Nuts (p. 9, lines 6 to 9):		
(a) Cleaning, grading (b) Drying (c) Shelling (d) Preparing (e) Packing (f) Local storing	1,000	15,000
(7) Livestock (prior to and including marketing for slaughter) (p. 9, lines 10 to 14):		
(a) Feeding (b) Loading (c) Grading (d) Inspecting (e) Marketing, prior to slaughter (f) Marketing for slaughter	15,000	29,000
(8) Grease wool, mohair, and rabbit fur (p. 9, lines 15 to 18):		
(a) Shearing (b) Grading (c) Packing (d) Local storing	(1)	7,000
9) Poultry (p. 9, lines 19 to 22):		
(a) Fattening (b) Slaughtering (c) Refrigerating (d) Dressing (e) Packing (f) Local storing	20,000	28,000
(10) Eggs (p. 9, lines 23 and 24; p. 10, lines 1 and 2):		
(a) Grading (b) Shell-treating (c) Candling (d) Freezing (e) Local storing (f) Drying (g) Packing	5,000	16,000
(11) Chicks, poults, ducklings, goslings, and birds (p. 10, lines 3 to 6):		
(a) Hatching (b) Marketing	12,000	14,000
(12) Grains, dry edible beans or peas, and seeds (p. 10, lines 7 to 11):		
(a) Grading (b) Hand picking, cleaning (c) Local storing	15,000	33,000
(13) Honey (p. 10, lines 12 to 14):		
(a) Extracting (b) Preparing (c) Packaging (d) Local storing	(1)	(1)
(14) Leaf tobacco (prior to storage, p. 10, lines 15 to 18):		
(a) Tying (b) Drying (c) Redrying (d) Stripping (e) Stemming (f) Grading (g) Fermenting (h) Packing	18,000	68,000
(15) Nursery and other horticultural or floral stock (p. 10, lines 19 to 22):		
(a) Local storing (b) Grading (c) Packing, packaging	3,000	6,000
(16) Hops, forage and fiber crops, and other agricultural or horticultural commodities not mentioned above (p. 10, lines 23 to 25; p. 11, lines 1 to 3):		
(a) Cleaning (b) Drying (c) Packing (d) Local storing (e) Grading (f) Grinding (g) Baling (h) Preparing	2,000	8,000
(17) Timber and lumber (employers employing 15 persons or less):		
(a) Cutting for manufacture into lumber (b) Manufacture (c) Preparing for market (d) Marketing	0	110,000
(18) All commodities listed above (items 1 to 17, inclusive) (pp. 7 to 11, inclusive):		
(a) Handling, in connection with or incidental to enumerated operations (b) Transportation, in connection with or incidental to enumerated operations	0	30,00
Total	268,000	1,129,000

[1] Negligible.

Included in the above list of industries are approximately 860,000 workers for whom this bill would repeal the Fair Labor Standards Act of 1938. Such a retreat cannot be justified by any available factual material.

Secretary of Agriculture Wallace has stated that in a report to the Senate Committee on Education and Labor, "the processing of farm products and preparing them for market, when performed off the farm, should unquestionably be regarded as a nonagricultural operation and should be brought under the provisions of the Fair Labor Standards Act of 1938." Of workers in these industries he said further, "There can be no question but that they are entitled to the same protection under existing legislation as their fellow workers in factory, mill, and mine."

There is no evidence to indicate that those entrepreneurs who take the products of the farm and the forests and who transform those products into goods for the consuming public cannot pay the employees who perform this work 30 cents for each hour of work. To the contrary, in many parts of the country where the operations listed above are carried on, the minimum wages now prevailing for these operations are more than 30 cents an hour. Where wages are less than this figure, the cost of the increase to 30 cents will not result in an undue burden to the processor, to the consumer, or to the farmer.

It is alleged, to be sure, that any increase in cost to the processor must necessarily be followed by a reduction in the price paid to farmers for their products. Such studies as are available do not indicate that this is the case. For example, the Bureau of Internal Revenue, in a bulletin dealing with a study of the effects of the processing taxes levied under the Agricultural Adjustment Act, states:

"Since the joint margins of processors and distributors of the other commodities (wheat, rye, cotton, tobacco, and peanuts) appear to have been widened sufficiently to cover the respective processing taxes, and this increased margin of spread appears to have been brought about largely by raising prices to consumers, it follows that no large part of the processing taxes, if any, came out of the prices which otherwise would have been received by producers of these commodities * * *."

It should also be noted that labor costs in food-processing industries are extremely low in proportion to the value of product. With one exception wages of the food-product industries constitute a smaller proportion of the total value of manufactured products than for any other major group of industries in the United States. It is therefore evident that wage increases resulting from the application of the standards required by the act would increase only to a negligible extent the retail prices of such commodities.

Fundamentally, prices of farm products and the farmer's net income are dependent on the income of the consumers of the products. The industrial workers form a substantial proportion of this group and wage increases to them will be reflected in increased demand for farm products and consequently in a trend toward higher prices for those products.

It is to be further noted that since practically all agricultural commodities compete in a national market and since a number of States have minimum-wage laws applicable to agricultural processing industries, it is economically and socially desirable to protect employers of these States from competition in other States which do not have minimum-wage legislation. Equally important is the need for protecting employers who are voluntarily complying with the higher wage standards from the competition of those who depend on low wages for their success in the market place.

The proposed measure does not even grant its concessions equally to firms competing in the same industry. Some canning establishments which have, by careful planning, provided continuous employment throughout the year by canning both seasonal and nonseasonal products, will receive only a partial exemption from hours, while competitors who do not carry on year-round operations would receive complete exemption from both wage and hour provisions.

A most serious situation would arise in the lumber industry. The proposed exemption would cut this highly competitive industry into three parts, one part receiving a complete exemption from the wage and hour provisions of the act, another receiving a partial hours exemption only, while a third (sawmill operators employing more than 15 or more workers) would receive no exemption whatever.

The latter two parts of the industry would be exposed to any degree of vicious price cutting based on wage cutting which the pressure of competition would permit. It would be possible, moreover, for an increasing number of employers to come within the 15-employee limitation by the process of subcontracting and thus to escape the provisions of the law. A better plan for creating havoc with an industry and with its labor standards could hardly be devised.

Transportation constitutes another industry in which the proposed bill would cause serious disruptions. It would provide complete exemptions for trucks carrying agricultural and horticultural commodities. However, a railroad which transported a carload of agricultural commodities together with carloads of other commodities would remain subject to the minimum-wage provisions of the act. The effect of such an arbitrary and discriminatory treatment would be a serious loss in revenue for railroad transportation.

If the proposed exemptions become law, hundreds of thousands of workers will find their standards reduced and thousands of employers will find their competitive position jeopardized.

RULES AND REGULATIONS

Section 4: This section embodies the provisions of section 4 of the last draft of the Norton bill (H. R. 5435), and this Division has heretofore approved such provisions. The power to issue regulations contained in this section is, however, nullified by sections 8 and 9 of the bill, which propose to remove all penalties for violations of any regulations issued pursuant to this section.

ONE HUNDRED AND FIFTY DOLLARS EXEMPTION

Section 5 (a): This section changes the salary requirement of the exemption contained in section 5 (a) of the Norton bill from a guaranteed monthly salary of $200 a month to "a guaranteed monthly salary of $150 or more, or at a guaranteed yearly salary of $1,800 or more, if such employee is not required by his employer to work any specified minimum number of hours in any workday, workweek, or other period and has been notified by his employer in writing to that effect." The limitation that an employee must not be required to work a specified minimum number of hours to avail the employer of this exemption could be rendered ineffective for all practical purposes by a simple notice in writing to the employee that he is not required to work any specified minimum number of hours. This Division is opposed to the exemption of employees receiving less than $200 a month for the reason that, as stated in the report of the Labor Committee on H. R. 5435, "a lower figure than $200 would undoubtedly exempt a considerable number of salaried workers to whom the overtime benefits of the act should extend." Our studies indicate that employees in the salary classification from $150 to $200 a month have as much need for protection against long hours as any other class of workers. Furthermore, if this class of workers may be worked an unlimited number of hours without overtime compensation, the purpose of the bill to spread employment in this group will be defeated.

In addition to the hundreds of thousands of clerical workers who would be deprived of their right to overtime compensation, this provision would exempt all craft and skilled workers paid on a piece-rate or hourly scale where it would be to the employer's advantage to guarantee the employees $150 a month.

TELEPHONES

Section 5 (b), clause 10: This section provides for an exemption of switchboard operators of small telephone exchanges in line with the provisions of the latest draft of the Norton bill. This exemption increases the exemption from exchanges with 350 stations, which was in the original Norton bill, to exchanges with 500 stations.

REFRIGERATOR-CAR EMPLOYEES

Section 6: This section embodies the provisions contained in section 6 of the latest Norton bill and would exempt from the hour provisions of the act 2,500 refrigerator-car employees. We believe that the proposed amendment tends to nullify the purposes which the act, by setting a maximum workweek, was designed to effectuate. By requiring the payment of time and one-half for overtime it was thought and intended by the Congress that the statute would have the effect of spreading the available work by spurring employers to hire more employees to meet their labor needs. In this connection it is highly significant that the Division has received many letters from railway employees containing complaints, from those employees who are working, that their hours are too long and, from those who are unemployed, that there is not enough work to go around. The effect of this amendment will be to exempt additional employees and thereby aggravate the condition about which complaint has been made.

TELEGRAPH MESSENGERS

Section 7 (b): This section embodies the exemption for telegraph messengers provided in section 7 of the latest Norton bill. Extensive hearings held on this question by this division indicate that there is no justification for a relaxation of the present law in the case of telegraph messengers.

RURAL HOMEWORK

Section 7 (c): This section embodies the provisions of the last draft of the Norton bill, giving special treatment to rural homeworkers. In our opinion, there is no justification for the relaxation of the Fair Labor Standards Act in respect to homework. Homework has been condemned by public opinion for more than a half century and has been the subject of restrictive and prohibitive legislation in many States and foreign countries. The proposed amendment not only runs contrary to the experience of many years but would actually require a Federal agency to sponsor the transfer of workers from the factory to the home.

"HOT GOODS"

Section 8: This section follows the language of section 8 of the last draft of the Norton bill, with the vital exception that H. R. 7133 does not provide that violations of regulations or orders of the Administrator issued under section 4 of the bill shall be a violation of section 15 of the act, as is provided in the Norton bill. Thus a regulation or order of the Administrator may be violated by an employer with impunity, so far as the "hot goods" provisions, criminal penalties, or civil suits by employees are concerned. Regulations and orders issued in conformity with the act should be entitled to as great weight as the provisions of the act, and violations of such orders and regulations should give rise to the same penalties. Therefore, we are opposed to the elimination of the language referred to above contained in section 8 of the Norton bill.

VIOLATIONS

Section 9: This section follows section 9 of the latest Norton bill, with the vital exception that a violation of regulations issued by the administrator pursuant to the authority contained in section 4 of the bill is not made a violation of section 15 (a) (2) of the act. For the same reasons contained in the preceding paragraph, we are opposed to the enactment of section 9 of H. R. 7133 in its present form. The net effect of the power to issue regulations contained in H. R. 7133 would be that employers would be protected by a regulation of the Administrator but would not be liable for its violation.

EMPLOYEE SUITS

Section 10: This section provides that the statute of limitations for employee suits under section 16 (b) of the act shall be "6 months from the day when the cause of action accrued, or 6 months from the date of enactment of the Fair Labor Standards Act amendments of 1939, whichever is the later."

This abbreviated period of limitation for the bringing of employee suits would, in our opinion, render almost valueless the right which the Congress accorded employees to bring suits under the act. Employees frequently are not aware of their rights to sue for some period after the cause of action accrues. Furthermore, the vast number of unorganized employees cannot risk their jobs by a suit against their employer during the tenure of their employment.

It is preferable, in our opinion, to fix no special period of limitation, but to leave the matter to the general provisions of State laws which ordinarily provide a period of several years for suit at law. There is no reason for varying the period of limitation which exists generally in the various States for other similar actions. It would only result in confusion if the normal period of limitation were varied for suits of this type. This is especially true since actions under section 16 (b) of the act may be brought "in any court of competent jurisdiction," State or Federal.

With the impairment of this remedy and the removal of its deterrent effect upon employers, the cost of enforcement of the act will be increased by several million dollars a year.

INJUNCTION PROCEEDINGS

Section 11: This section amends the venue provisions of the present act. It follows the provisions of section 11 of the last draft of H. R. 5435 with two all-important exceptions:

First, actions to restrain violations of regulations and orders issued by the Administrator pursuant to section 4 of the bill may not be brought unless it is shown that at least 5 days prior to the filing of the complaint the defendant was notified that such regulation or order was in force. If the employer ceased to violate upon notice, some courts might refuse an injunction on the ground that there was no showing of a continuing or threatened violation. Section 4 of the bill provides that regulations and orders must be published in the Federal Register, and shall not be effective until at least 10 days after such publication. This is ample notice, and is sufficient for the regulations and orders of other departments of the Federal Government. The requirement of giving notice to particular defendants is an unnecessary hindrance upon the enforcement work of the Wage and Hour Division.

Second, section 11 provides that actions to render violations of section 15 (a) (1) of the act, the "hot goods" provision, must be brought in the district in which the prohibited employment is alleged to have occurred. The purpose of this provision is incomprehensible. Its result would be to require that suit be brought in the State of Florida to restrain the shipment of "hot goods" in the possession of a Chicago wholesaler which has been produced in violation of the act in Florida. Although, perhaps, convenient to the Government in the matter of transporting witnesses, this provision would seem to be inequitable to the Chicago wholesaler.

CONVICT-MADE GOODS

Section 12: This section follows section 12 of the latest draft of the Norton bill and forbids the shipment in interstate commerce of convict-made goods. No objection is made to this provision.

In conclusion, it is respectfully submitted that H. R. 7133 is inconsistent with the purposes for which the Fair Labor Standards Act of 1938 was passed. Textiles and apparels aside, the net result of this bill would be to remove from the coverage of the law the great bulk of employees who have had their wages raised by the

Fair Labor Standards Act. The textile and apparel industries would have just cause of complaint if singled out in this discriminatory fashion.

The Bureau of the Budget has advised that it has no objection to the presentation of this report.

Sincerely yours,

ELMER F. ANDREWS, *Administrator.*

Japan and the United States: Partners in Aggression

EXTENSION OF REMARKS
OF
HON. LEE E. GEYER
OF CALIFORNIA
IN THE HOUSE OF REPRESENTATIVES
Friday, July 14, 1939

ARTICLE BY HENRY H. DOUGLAS

Mr. GEYER of California. Mr. Speaker, under leave to extend my remarks I include an article from the July issue of the magazine China Today. This was written by Henry H. Douglas, ex-secretary of the Washington Committee for Aid to China:

[From China Today]

JAPAN AND THE UNITED STATES—PARTNERS IN AGGRESSION

(By Henry H. Douglas)

In 1938 the United States supplied Japan with 56 percent of all her materials for war purposes. More than any other action which might be taken anywhere in the world for the prevention of war, and for the promotion of peace and security, would be the passage by Congress of an embargo on the shipment of war materials to Japan. The passage of such an embargo would not only slow down and eventually stop Japan's aggression in China, but it would so weaken the strategically effective three-cornered alliance of Germany, Italy, and Japan that war in the near future would be out of the question. It would also remove the United States from her partnership in Japan's program of mass murder, and would greatly reduce Japan's military threat to the United States, against which we have already found it necessary to arm ourselves to the extent of more than a billion dollars.

From the standpoint of our future business and economic interests the position we have been taking on this issue is also a great mistake.

To quote from a recent statement of Julien Arnold, United States Commercial Attaché in China.

"China made greater progress in the installation of modern industrial plants during 1936–37 than at any other time in her history. Throughout the interior smokestacks vied with pagodas for a place in the sun of New China.

"The imports of industrial machinery and equipment presented prospects for ever-increasing sales of American manufactured goods, and promised steadily rising economic levels among the masses of China, hence, increased purchasing power."

Our best interests in the Orient would be served by a free, unhampered China, able to follow its natural economic and social line of development. If Japan dominates China, not only will the Chinese market be closed to us, but as Japan becomes more self-sufficient our markets there will also disappear.

We are at present assisting Japan in building up a vast, modern industrial machine, fed by resources obtained by seizure, not paid for as we must pay, and operated by slave labor. As soon as this new industrial system gets into full swing, Japan will be able to dominate the markets of the world. The result will be a continued and chronic state of depression everywhere, with a corresponding lowering of the standard of living all over the world.

Thus, for the sake of immediate profits we are hastening the day when we shall be completely cut off from our present markets in the Far East and in the Pacific.

Senator NORRIS, commenting recently on the situation, said he thought there was a widespread fear, but which he did not share, that any embargo on Japan would bring a Japanese declaration of war against the United States. He further said he "would place embargoes against Japan in a minute if it could be proved that it would not constitute an act of war."

In contemplating the application of an embargo on the shipment of goods to Japan there are three practical considerations which inevitably arise, one of which has been expressed by Senator NORRIS.

1. Would an embargo be effective?
2. What would be the cost of such an embargo to the United States?
3. Would the application of such an embargo lead us into war with Japan?

These questions will now be considered in the order stated.

WOULD AN EMBARGO BE EFFECTIVE?

This question has been decisively answered in a study of the foreign commerce of 27 countries, recently completed by Dr. T. Y. Hu, of the Chinese Council of Economic Research. The results of this work show how conclusively Japan is dependent upon us for war materials, and how effective would be the stoppage of this "stream of death." The key to this whole situation lies in this one action, regardless of the presence or absence of parallel action on the part of Great Britain.

The following table, compiled from United States Department of Commerce data, shows the actual value of war materials shipped to Japan by the United States.

Percentage share of individual items in total value of United States exports to Japan essential for war purposes

Commodity	1938		1937	
	Value in thousands of dollars	Percent of total	Value in thousands of dollars	Percent of total
Total	171,574	100.00	173,010	100.00
Petroleum and products	53,136	30.97	44,900	25.95
All iron materials	35,645	20.78	73,429	42.44
Metal-working machinery	24,455	14.25	12,224	7.06
Copper	22,164	12.92	19,212	11.10
Aircraft and parts	17,454	10.17	2,484	1.44
Autos, parts and accessories	12,050	7.02	15,206	8.79
Nonferrous metals other than copper	3,080	1.80	1,402	.81
Hides, skins, and leather	2,697	1.57	3,394	.97
Internal combustion engines	543	.32	539	.31
Scrap rubber	250	.14	171	.10
Arms and ammunition	100	.06	49	.03

It is thus seen that we supplied $171,574,000 worth of war materials to Japan in 1938, the least important of which was the item of arms and ammunition, which only amounted to a value of $100,000. Any act which does not restrict the shipment of all the really important of these commodities cannot be called an embargo.

The table below indicates how extremely dependent is Japan upon the United States for certain materials, many of which she could get nowhere else, and which are absolutely essential to her in the prosecution of the war.

Share of the United States in 8 principal products most essential to Japan for war purposes

Commodity class	Percentage	
	1938	1937
Metals and alloys (not elsewhere specified)	99.33	59.88
Copper	90.89	95.18
Scrap or old iron and steel	90.39	88.01
Ferro alloys	82.71	79.53
Petroleum and products	65.57	62.71
Iron and steel semimanufacturers	53.65	66.39
Lead	45.52	9.79
Hides and skins	33.50	20.97

Japan's dependence upon the United States is fully shown in this additional table.

Contribution of 9 principal countries to Japan's essentials for war purposes

[Value in United States dollars]

Principal countries	Value	1938 percent of total	Value	1937 percent of total
United States of America	$171,574,167	56.00	$173,009,621	54.54
British Empire	63,379,547	20.69	70,842,563	22.33
Netherlands India	26,417,420	8.62	29,648,992	9.35
Germany	23,522,500	7.68	9,679,486	3.05
Switzerland	3,862,547	1.26	844,848	.27
Philippines	3,277,268	1.07	1,995,740	.63
Sweden	2,000,000	.65	2,525,605	.80
Argentine	1,958,317	.64	1,690,443	.53
	295,991,766	96.61	290,237,298	91.50
Total for all countries	306,393,950	100.00	317,209,688	100.00

Here, then, is the answer to the argument that if Japan could not get supplies from the United States she would get them elsewhere. Great Britain supplies but little more than one-third of the amount furnished by the United States, Dutch India about one-seventh, Germany about an eighth, and Italy nothing.

The countries (Germany and Italy) to which Japan would naturally turn in such a situation are not able to furnish anything in significant amounts. They are struggling desperately to supply their own needs. What other countries are there which could or would supply Japan with the needed materials? A definite stand on part of the United States would materially strengthen the hand of other countries in their dealings with Japan.

Equally significant, or even more so, is the fact that Japan's whole mass-production industry, the functioning of which is absolutely essential in the prosecution of the war, is geared to American machines, American techniques, American machine tools, special American steels, and American oils. Practically all the gasoline for Japan's high-speed motors comes from the United States.

She cannot turn away—unless she starts to build up her heavy industries all over again, and her engineering processes from the bottom and on a less efficient basis. Japan's heavy imports of metal-working machinery are designed to overcome her technical weakness in this respect, so as to provide an adequate basis for her armament industries.

The strategic importance of the United States as a supplier of machine equipment to Japan can hardly be overemphasized, because the United States not only makes machine tools of the highest quality, but also because it is the only country at the present juncture that is in a position to deliver orders for machine tools within the short period of time these are needed by the Japanese.

Evidence for these statements is the fact that Japan in 1937 purchased from this country $12,224,000 worth of metal-working machinery, while for 1938 the figure was $24,455,000 at somewhat lower prices. And, further, this item alone is more than double the total value, for the same period, of all arms, ammunition, and implements of war bought from us by Japan, $11,162,842. At the same time there has been a significant drop in her purchases from us of motor vehicles, parts and accessories, and an even greater drop in her purchases of iron and steel semimanufactures. (Figures for the latter are: 1937, $72,062,152; 1938, $33,313,016.)

An increase in metal-working machinery; a decrease in iron and steel semimanufactures. A degree of mechanical self-sufficiency on a wartime basis has already been attained—with the help of the United States. So the United States has been actively preparing and assisting Japan in the execution of her program of aggression.

The above figures and conclusions rather definitely demonstrate that an embargo by the United States on the shipment of goods to Japan would be effective.

WHAT WOULD BE THE COST OF SUCH AN EMBARGO TO THE UNITED STATES?

Our total war-material trade with Japan for 1938 was $171,574,167. The total trade for 1937 was $173,009,621. This difference, however, is obviated by a lowering of prices in 1938 which would approximately equalize the total amounts. The total physical volume of trade did not decline.

The cost of the embargo to the United States, in terms of separate comparative figures, would be 6.3 percent of her $3,345,000,000 of export; three-tenths of 1 percent of her 1937 national income, estimated at $67,500,000,000; or 18 percent of our $1,666,000,000 big Navy program. It would hardly seem that the three-tenths of 1 percent of our national income for a limited period would be too great a sacrifice for us to make. This means trade in war materials. Normal commercial trade would be affected little, if any.

WOULD THE APPLICATION OF SUCH AN EMBARGO LEAD US INTO WAR WITH JAPAN?

The writer's answer to this question is an emphatic no. Japan's economy and even her reserves are under such a severe strain that she could not possibly engage any other power in conflict, let alone a nation with the might of the United States. We are prone at present, it seems to the writer, to greatly overestimate Japan's threat to the United States; but, on the other hand, we greatly underesimate her future threat to the peace and security of the United States and he world if we continue to unreservedly assist her in the building up of a machine which will eventually dominate the entire west and south Pacific areas, as well as all of east Asia; also, our trade with this part of the world, which under Japanese domination would be completely closed to us, is a very large item—$1,452,990,580 in 1937—this is almost twice as much as our total trade with all of South America for 1937, which was $728,164,672. The action of the Japanese in Amoy and Tientsin, as well as the sinking of the *Panay*, foreshadows the fate of all foreign interests in China other than Japanese.

The application of an embargo on the shipment of goods to Japan would in no way be a declaration of or an invitation for war. Not one battleship, one man, or one dollar need be sent to the China Sea. All we need to do is to stop sending American products there.

A policy of drifting is almost sure to involve us in war. Wise and far-sighted action greatly increases the chances for peace. It may be said that we are already at war with Japan, even while we supply her the sinews to fight us. We can still use weapons of peaceful pressure. As the situation grows worse, with our help, our only weapons may be those of blood and violence.

The Graduate and the Government

EXTENSION OF REMARKS

OF

HON. JOHN E. MILLER

OF ARKANSAS

IN THE SENATE OF THE UNITED STATES

Monday, July 17 (legislative day of Monday, July 10), 1939

ADDRESS BY HON. JAMES A. FARLEY, JUNE 4, 1939

Mr. MILLER. Mr. President, I ask unanimous consent to have printed in the RECORD an address on the subject of the Graduate and the Government, delivered by Hon. James A. Farley, Postmaster General, to the graduating class of Hendrix College, Conway, Ark., on June 4, 1939.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

Upon looking into the history of Hendrix College I was impressed with some interesting facts no doubt known to most of this audience.

From September 1869, when the Reverend I. L. Burrow opened a private school at Old Lewisburg down to the present day, Hendrix College has had a life and career that is typical of the best in America.

It started out primarily as a school for training of preachers. In the early eighteen thirties, prior to and about the time of the admission of Arkansas to statehood, such outstanding Methodist ministers as Dr. Andrew Hunter and the Reverend A. R. Winfield came into this section. The work of these real men and their coworkers sewed the seed from which arose this splendid institution. It was moved from village to village, its name was changed several times, and finally, in 1889, it took the name of one of the distinguished leaders of the Methodist Church, Bishop E. R. Hendrix. In a remarkably short time—70 years—Hendrix has grown first from a private school, then to the category of a provincial college, and now into one of the finest American institutions of learning.

Nationally known educators have pointed to Hendrix College as a center of culture which stands as high and commands as much respect in educational circles as any college in this land.

But it is also well to call your attention to the fact that in its less mature and more humble days, it was also an important college because it produced such outstanding Methodist ministers as Dr. George Sexton and Dr. Stonewall Anderson, who have passed on to their rewards, as well as such men as Dr. Forney Hutchinson of Oklahoma, Dr. O. E. Goddard, a missionary in foreign fields for many years, and Dr. J. H. Hammons, who is active in college affairs today.

Hendrix has been fortunate in its leadership. An outstanding national figure, Dr. A. C. Millar, is among those who have served with distinction as your college president. His constructive achievements for some 25 years after the school was changed from an institute to a college laid the foundation for the important work that is being done here today. Last year you celebrated the silver anniversary of the presidency of Dr. John H. Reynolds, a graduate of Hendrix, who acquired his bachelor of arts degree from Hendrix in 1893, studied in this country and abroad, taught in other schools, and became president of Hendrix College in 1913.

May I congratulate the college on having such leadership? The honor and pleasure of making Dr. Reynolds' acquaintance personally, and reviewing his work for 25 years, have fully repaid me for the time and trouble of this long trip from Washington to Arkansas.

It is easy to understand why he has been able to associate with him on his board of trustees such distinguished statesmen as your beloved former Senator Joe T. Robinson, such nationally known executives as my good friend Harvey C. Couch and other outstanding men who approach them in character and ability.

I am glad to be here today for another reason, and that is because a college such as this means so much to our country at the present time. Despite the advances made in scientific invention and material comforts, this age seems to have brought with it an unhappy tide in the affairs of men. The ugly rule of brute force too often is replacing the harmony of effort and the decent respect for the rights of others which should prevail in the human family. The ancient virtues have been challenged and pushed aside and the result, I am sorry to say, has been reaped in a whirlwind of discord, strife, and international disorder. The effort to uproot the eternal code of justice and right dealing has borne nothing but dead fruit.

There is a lesson in all this for those who have the will and the purpose to learn. It is the sample lesson that what mankind needs more than anything else is a rebirth of moral and spiritual values. In this great work, Hendrix College is playing its part well, and I am confident that it will continue to do so in keeping with the noble traditions of its past.

To the young graduates assembled here, eager and anxious as you are to take your place in the work of the world, let me emphasize this point. The knowledge you have acquired here will be of practical use throughout your adult years. It will make your path easier and facilitate your understanding of the complex problems of modern life. And above all, if you remain steadfast to the basic truths expounded here, it will win you the honest respect of your fellow men. You will never be compelled to unlearn or to cast aside the fundamental precepts of right living and fair dealing which you have learned from the eminent gentlemen who comprise the faculty of this college. The world has no better lesson to teach you than to cherish the value of honesty, honor and good character.

A few years ago one of the truly great scientists of this age, Prof. Albert Einstein, came to our shores to escape the persecution and racial hatreds of his native land. In a statement denouncing the intolerance which caused him to flee, Professor Einstein said he was disappointed because the universities, the press, and the men of letters, had failed to stand up bravely on the side of moral principles. Only the churchmen, he pointed out, had stood four-square against the suppression of truth.

"I never had any special interest in the church before," said Professor Einstein, "but now I feel a great affection and admiration because the church alone has had the courage and persistence to stand for intellectual truth and moral freedom."

From the early Colonial period in this country until the present the Golden Rule has been a part of the American heritage. The tradition that the community must help its less fortunate members is one of the finest of early American concepts. It was a part of the Mayflower compact and was established in the Jamestown settlement.

In the days of the Colonies the Sermon on the Mount and the lessons taught by Christ, while on earth, were predominant. Our forefathers helped each other in the clearing of virgin land, in building houses for shelter, and in many other ways. Gradually relations with the mother country became strained because her statesmen misunderstood the character of the men and women who preferred the perils of the wilderness to the surrender of their conscientious convictions.

Thomas Jefferson, as a young man, then under 30, went down from the hills of Virginia to Williamsburg as a member of the lower assembly with three bills in his pocket, one for religious liberty, one for freedom of the press, and one for freedom of speech. This was in the days before the adoption of the Constitution. Then followed the establishment of our Government just 150 years ago with its principles of the right to petition, the protection against illegal search and seizure, the freedom of religious worship, the freedom of speech, and the freedom of the press; all of which, rightly employed, make for the success of democracy and a cultural civilization.

Whatever reservations may be entertained as to the assertion of the Declaration of Independence that "all men are created equal," it is certainly true that nations are not by nature free. Nor have they been created equally free and independent. In the history of mankind, freedom has been the result of generations of growth, of development, of training, and of heroic struggle.

It is the substance, not the form; the fact, not the theory, which determines the real character of the political institutions of a country.

We have always had in the Government a conflict between selfish leaders who desire to gain control from motives of gain, and other leaders who become active in public affairs for personal power. This question of keeping our Government true to its principles has always been before the people of this democracy. The leading statesmen of other generations realized this to be true.

The ideal which all should seek was well expressed by Jefferson Davis in a lecture delivered at the University of Mississippi in 1852. He said:

"Socialism and individualism are the conflicting elements in man's nature. The unrestrained action of the first would lead to the destruction of personal liberty, the unchecked exercise of the second would overthrow all government. To combine these opposing forces so that neither shall have the power to fly to its own extreme, but both act together in the direction of the greatest social order and power consistent with individual liberty, and the greatest individual consistent with social order and power, is the great problem of man's social condition."

In the past, whenever the electorate of the country was apparently swinging from one direction to the other, we have called to the leadership of the country men who understood the foundations upon which our Government was constituted. Among them were such patriots as Thomas Jefferson, Andrew Jackson, Abraham Lincoln, Theodore Roosevelt, Woodrow Wilson; and it is my privilege today to be a member of the Cabinet of the latest national leader who has held before him at all times the principles of this Government as laid down by its founders, the Honorable Franklin D. Roosevelt.

It is necessary for you young men and young women to familiarize yourselves thoroughly with the history of government, and of our Government in particular, in order to consecrate yourselves to the ideals of its founders. The historic philosophy that a man is not born to his family alone but to his country was true in the time of ancient Greece, and it is just as true today in the United States of America. The duties of the citizen begin at home, and with the standard of the home as a guide, extend to the community, the State, and the Nation.

Our Colonies were peopled by men trained to self-government who had come to these shores seeking relief from oppression and intolerance. The Constitution became binding upon the people of those States who gave it approval, and upon the citizens of all States subsequently admitted to the Union. So I say to you, you who have an obligation as a citizen of this country, that you must be a politician; not in the sense of the word which implies a contest for the success of party, or the narrower struggle for office, but in the broader sense of one who studies the history and nature of his government, and the ends for which it was instituted. You must accept the sacred trust of performing your political duty in such a manner that the form of government for which our forefathers toiled, suffered, and bled will be preserved, and that the rights of free citizens of a just government shall not be denied to your children.

We must not deny the rights of the peoples of other nations to the form of government they choose, but we must be apprehensive and alert that no pernicious doctrine of other nations shall become incorporated in the time-vested government our fathers founded in this country. And we must be equally alert that no alien doctrine of intolerance shall find a place in our institutions. We must struggle to keep this the land of free men which our fathers left us. In pursuing this duty, I look back upon some lessons that may be learned from history, both in this country and in foreign lands.

In my opinion, to continue the ideals and to build properly upon the foundation of our Constitution, we must approach the problems of politics and business in the attitude of religion. Far be it from me to suggest any coalition of church and state. On that question I stand foursquare with our Constitution. However, in these times, with such rapid changes occurring throughout the world, with the existing general unrest and the disturbance caused by ruthless leaders, who seemingly wish to assume the prerogatives of the Deity, there has never been a time more important than now when all good people should work hand in hand to solve the serious problems of this Nation.

The influence of schools such as Hendrix is bound to be far-reaching and helpful at this time.

I think the time is now ripe for us to give continued consideration to supporting and upholding our Constitution by following the doctrines which Christ taught while on earth. He taught us that the individual has a definite obligation, both to his God and to his country. We must face the situation frankly and assume our responsibilities of government as individuals: "Render therefore unto Caesar the things which are Caesar's, and unto God the things that are God's."

If the young graduates of all the colleges in America this June will become politicians in the higher sense, studying the history of our Government, and with the lessons of Christianity before them, take their respective parts under proper self-discipline like the players of instruments in a great orchestra, it will create a symphony in this Nation that will constitute an impressive demonstration to men and women of good will everywhere.

And if the graduates of Hendrix and the graduates of other American schools and colleges will continue to follow this course of action as their guiding star, there will never be any cause for anxiety in this country as to the future of our Republic.

Anti-Semitism

EXTENSION OF REMARKS

OF

HON. W. WARREN BARBOUR

OF NEW JERSEY

IN THE SENATE OF THE UNITED STATES

Monday, July 17 (legislative day of Monday, July 10), 1939

STATEMENT BY HON. ROBERT A. TAFT, OF OHIO

Mr. BARBOUR. Mr. President, I ask unanimous consent to have printed in the Appendix of the RECORD a statement entitled "Laying Ghosts of Ignorance," by the junior Senator from Ohio [Mr. TAFT], which was printed in a book by Samuel Walker McCall, the title of the book being "For the Honor of the Nation."

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

LAYING GHOSTS OF IGNORANCE

(By Hon. ROBERT A. TAFT, of Ohio, accompanying book by Samuel Walker McCall)

This is a peculiarly appropriate time to republish the writings of Governor McCall on the Patriotism of the American Jew. He has stated so clearly the magnificent part which the Jews have played in the history of the United States, and the danger of the completely illogical prejudices from time to time stirred up against the Jews in this country, that little of importance can be added.

But the danger is so great today, and anti-Semitism is being so deliberately fomented here, that I am glad to take part in any attempt to destroy this prejudice. Undoubtedly, it has been revived by the anti-Semitic policy in Germany, and the outrages against the Jews under the leadership of Adolph Hitler. The propaganda here without question is financed in large part from Germany, but assisted by the same narrow racial prejudices here among our own people which have existed before and seem to exist in every country in the world. In America we have often had waves of racial prejudice, the Know Nothing movement, the Ku Klux Klan, and others. Heretofore they have always died out after sudden and temporary popularity, because our American soil has been unfriendly to the roots of any such prejudice, but the movement today seems more dangerous than usual, and demands a deliberate and organized opposition.

Anti-Semitism has always seemed to me completely and utterly unreasonable. The Jews in the United States are as much Americans as the people of any other race. Undoubtedly the prejudice must result from the fact that the Jewish race has maintained its existence as a separate race, largely because of the very persecution which has existed through the centuries. Human nature is such that where two races live together, preju-

dices are inevitably developed around the most minor differences in character, customs, and method of thought. We saw in the World War that the American army could not serve long with Frenchmen or Englishmen, or any other race, without the development of differences and unfriendly criticism of that other race. Often these differences are based on language, but that cannot be fundamental because the Jews in this country talk the same English as anyone else. But there are always little things that give rise to unreasonable feeling. Perhaps the inevitable prejudice against a minority race has been increased by the very fact that the Jews are peculiarly intellectual, and have enjoyed, by reason of their ability and industry, a greater average success than others. We should certainly be ashamed of a prejudice based on any such condition.

We hear charges against the Jews of un-Americanism, and lack of sympathy with American ideals. There could not be a more complete answer to this than Governor McCall's story of the great patriotic part which the Jews have played in the history of the United States. There is hardly a man who reads this statement who has not Jewish friends, and hardly a man who will not testify that the Jews whom he knows are just as American as you and I, that they are as soundly grounded in American principles as the leaders of American Government and business and intellectual life. They may tell you of Jewish communists whom they do not know, but of whom they have heard. There is certainly no more reason to blame the Jews for the existence of Jewish communists than to blame Alf Landon for the fact that Earl Browder, communist leader in the United States, is a native American Kansan.

The Jews are among the very best of American citizens. They have been elevated to many of the most prominent positions in American business activity. They are extraordinarily active in charitable organizations. In fact, there is no doubt in my mind whatever that the Jews on an average give away a larger proportion of their income to help the more unfortunate members of society than the rest of us in the same financial situation. The Governors of two of our largest States, New York and Illinois, are Jews; a good sign incidentally that anti-Semitism has not made great headway as yet in the United States. In the field of music and the arts the Jews are outstanding both as artists and as patrons. Their keen minds have made enormous contributions to science. There is hardly a field in which they have not played an honorable and important part. We would be infinitely poorer without them. The expulsion of the Jews from Spain meant a loss from which Spain has never wholly recovered. The driving of the Jew from Germany is going to do Germany itself much more harm than it is doing even to the unfortunate victims of that policy today.

It is interesting to consider whether the wave of anti-Semitism in Germany, and to some extent throughout the world, has not been stimulated by the nationalist philosophy on which the Treaty of Versailles was based. An attempt was made to separate each nation from every other nation, and give each nation a complete freedom from political control by men of other nationalities. We have seen now that this could not be done in Europe, and the attempt to do so has stirred up bitter national feeling, which keeps Europe in a constant turmoil. It would have been better to recognize the common economic interest of people living near each other, and try to solve the problem of different races living together in peace and harmony.

We cannot separate races in the United States, and while we desire to make each of them completely American in their ideals and principles, it is not clear that they should be mixed or that they ever will be. Nationalities can live together in the same country, and our energy should be devoted to reducing the inevitable racial prejudice, and to promoting friendship and friendly intercourse between the different groups by emphasizing their common interest rather than their inevitable differences.

Nothing can be more un-American than anti-Semitism. The Declaration of Independence declares that all men are created equal, and that they are endowed by their Creator with certain inalienable rights; that among these are life, liberty, and the pursuit of happiness. These rights, which the Declaration says cannot be taken away by any majority, or any government controlled by any majority, are as much the rights of every Jewish citizen as of every other citizen. The Constitution of the United States sets out in the Bill of Rights those rights which no government can alienate: Freedom of speech, freedom to be secured against unreasonable searches and seizures, freedom of religion, and the right to a fair, impartial trial. The very basis of our Government is that every individual and every minority, no matter how small, shall have the same rights as the majority, and shall be free from oppression by the majority, no matter how great that majority is.

The inevitable goal of anti-Semites, whether they admit it or not, is to break down this protection and have the Government treat the Jews in a different manner from other people; otherwise, what is its purpose? But if these rights are broken down as to any minority, we face an end of American constitutional government. If we once create distinctions, and give to any class, group, or race the right to oppress another class, group, or race, we step from democracy to dictatorship. We may still have a rule of the majority for a while, but it is no longer a rule of the whole people. The arbitrary power of the majority is soon seized by a group within that majority, and we revert inevitably to a condition in which an individual or a small group of individuals reign over the Nation. If you can deprive a Jew of his rights, no Christian can be sure of long retaining any rights of his own. The deliberate stimulation of race or religious prejudice threatens the foundations of the Republic.

It is not easy to combat a movement of this kind, but we can all do something. We can speak up whenever an opportunity arises to speak. When casual slurs are made at any Jew because of his race, we can resent them and demolish whatever arguments seem to be behind them. We can at least make intolerance unpopular among our own friends. We can publicly take a position against intolerance and its promoters. I believe that the growth of anti-Semitism will decline as it always has in the past because it is contrary to the genius of the American people, but it presents today a real danger to the Republic, and the more each and every one of us does consciously to discourage it the faster it will fade

Silver-Purchase Program

EXTENSION OF REMARKS

OF

HON. JOHN G. TOWNSEND, JR.

OF DELAWARE

IN THE SENATE OF THE UNITED STATES

Monday, July 17 (legislative day of Monday, July 10), 1939

EDITORIAL FROM THE MINNEAPOLIS TRIBUNE OF JULY 11, 1939

Mr. TOWNSEND. Mr. President, I ask unanimous consent to have printed in the RECORD an editorial from the Minneapolis Tribune of July 11, 1939, entitled "Our Foreign Silver Purchases."

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

[From Minneapolis Tribune of July 11, 1939]

OUR FOREIGN SILVER PURCHASES

Both President Roosevelt and Secretary Hull are reported anxious to have this country's purchases of foreign silver continued. Mr. Hull is said to be fearful that oil negotiations between the United States and Mexico might be hampered if the present purchase policy were abandoned, and the President is described as firmly opposed to ringing down the curtain on that costly fantasy.

But Senator TOWNSEND, of Delaware, is continuing to press for a bill which would signalize the finish of the show, and in the process is contributing his bit to its exposure as the piece of utter nonsensicality it is. This is not particularly difficult, because the foreign-purchase policy fairly shouts of its own absurdity, and the wonder is that anyone in the administration has remained stone deaf to what it says.

In a press release on Monday, Mr. TOWNSEND advanced the best possible argument for his bill, which is the complete futility of the program which it seeks to end. As he points out, the administration has already spent in excess of $1,000,000,000 for silver, and more than four-fifths of the metal acquired has come from abroad. The Government's special repository at West Point is even now bulging with stores of silver for which it has no conceivable use, and yet the merry round of purchases continues, and New Deal economists raise their hands in abject horror at the thought of cutting off the foreign flow.

Why? Senator TOWNSEND is not much impressed by the contention, now given much currency, that this is an essential part of our good-neighbor policy in Latin America. He recalls that the Silver Purchase Act was the result of years of agitation for currency inflation. He notes that barely one-fifth of our silver purchases since 1933 have been made in Latin America, and that most of the rest has come from the Far East, either directly or by way of Europe. In the Western Hemisphere, Mexico has been the chief beneficiary of these foreign purchases, and the good-neighborliness of Mexico in recent years has not testified spectacularly to the success of the experiment. As for China, it has been driven off the silver standard by our monetary jugglings, and the great blessings which the New Deal wizards promised would materialize there, have failed dismally to develop.

The record, in short, suggests the sheer worthlessness of our silver policy as a builder of solid good will abroad. If it were a policy which cost us nothing, the failure might be overlooked; but the buying of $800,000,000 worth of silver, most of which was subsequently placed in a hole in the ground to defy the ingenuity of those who placed it there, is not to be so lightly condoned.

The point which Senator TOWNSEND makes is, we think, a valid one. It is his contention that if the friends of foreign silver want to extend financial subsidies or disguised loans to other countries, they should ask Congress for their authorization as such, and not insist on mixing money magic and altruism in such a monstrous brew. It may be, of course, that the American people derive enough pure and unadulterated satisfaction from their West Point silver horde to justify these foreign purchases, and that the mere possession of this horde recompenses them for what they sacrifice to get it. But unless that is the case, it is plainly up to the

administration to advance some plausible argument for continuing the costly business of accumulation.

Senator TOWNSEND is for adopting a sensible monetary policy, even if the foreign beneficiaries of our present silver program are deeply offended by it. The idea is one which should have a strong appeal for Congress, even if it completely nonplusses some of the administration's most eminent economists.

Free Competition

EXTENSION OF REMARKS

OF

HON. ALEXANDER WILEY

OF WISCONSIN

IN THE SENATE OF THE UNITED STATES

Monday, July 17 (legislative day of Monday, July 10), 1939

EDITORIAL FROM THE CHICAGO DAILY NEWS OF JULY 11, 1939

Mr. WILEY. Mr. President, I ask unanimous consent to have printed in the RECORD the second of a series of editorials dealing with the fundamentals of our economic system, which appeared in the Chicago Daily News of Tuesday, July 11, 1939, under the headline "To compel competition."

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

[From the Chicago Daily News of July 11, 1939]

TO COMPEL COMPETITION

In a recent editorial, stress was laid on free competition as a vital part of a free enterprise system. This was designed to be an introduction to a serial discussion of a way out of the 10-year-old depression which began in October 1929.

To an extent little recognized, prices have determined the duration of depressions in the past. When prices were permitted to respond, without interference, to the law of supply and demand, hard times always yielded to the pressure of returning prosperity and the national income began to rise. And in every instance it rose to a peak unequaled in previous experience. The present has been the longest depression in American history. It also has been the depression which saw more futile and costly attempts to maintain prices artificially than any other we have passed through. Again, for emphasis, we repeat:

You cannot maintain a prosperity price level on a depression income.

And yet that is exactly what the first, the second, the third, and now the fourth New Deal, in cooperation with big business leaders, big labor-union leaders, and big farm-organization leaders have been trying to do. Of course, they have been unsuccessful. It has never been done. So long as we retain economic freedom, it never can be done.

This disastrous effort to keep prices up, in a period of enforced liquidation, has usually taken the form of stifling competition. In some cases this has consisted of lending Government funds to overcapitalized businesses which can never be healthy again until they have gone through the wringer of honest reorganization. In other cases it has taken the form of demands for increased hourly wages and shorter work hours by powerful labor leaders, with the support of self-serving politicians. This has raised unit costs in industry, increased the sale price, lessened the volume of production, and increased unemployment. In agriculture it has consisted of Government subsidies for decreased production of foodstuffs, thus maintaining or increasing food prices.

Each of these expedients was expressly designed to shackle competition, though all human experience has taught us that we must compel competition if we are to achieve recovery, and retain the free enterprise system.

HOW CAN WE COMPEL COMPETITION?

Like it or not, one of the ways of compelling competition is to restrict the right of corporations to own, control, or manage other corporations. Please note that nothing is said of the size of corporations, only of their functions. Size will take care of itself. If a corporation gets too big, smaller and more efficiently managed competitors will force it out of business, or break it up. But almost invariably the holding-company device, which enables corporations to own, control, and manage other corporations, is resorted to for one of two reasons: (a) For the financial benefit of the insiders who organize the holding company, or (b) for the purpose of avoiding competition. Other advantages of the holding company plan are minor, and can be achieved in other less objectionable ways.

This is one way of compelling competition.

Another method of compelling competition is found in removal of trade barriers, both between the States and between this country and other nations. If we are against monopoly, we must be against any attempt to monopolize our great domestic market, both because we thus deny our consuming public the benefits of a reasonable competition from foreign sources, and because, as a creditor nation, we cannot sell our surplus abroad—necessary to our prosperity—unless we also buy abroad. Our experience with a high protective tariff, when we were a debtor nation, no longer applies. There remains now only one reason for a protective tariff—the protection of the American wage standard—that must be protected. But in cheap and abundant raw materials, in cheap and abundant capital, in cheap and abundant transportation, in skill in management, and in mass-production costs, we can meet competition anywhere. The growing tendency to set up barriers to the free exchange of goods between States, in our own country, is wrong. It must be checked.

If we are sincere in our purpose to restore competition, we will unhesitatingly repudiate the use of the Government police power to prevent price cutting, to create milk-control boards, to fix prices for coal by commission, and all the other uniformly unsuccessful schemes to maintain prices artificially.

The right of labor to organize freely and bargain collectively is established. But this does not confer the right on labor to monopolize, any more than the right of capital to organize into corporations confers upon them the right to monopolize. It is contrary to the essentials of a free-enterprise system that unions, by excessively high initiation fees, unreasonable apprentice rules, or arbitrary seniority rules, should close all entry to those who seek employment. It is equally contrary to the successful operation of the competitive system, under free enterprise, for unions to try to raise wages when there is heavy unemployment in their trades. And it is particularly reprehensible, and contrary to the national interests, for government to encourage such practices. These things tend to destroy price competition as an economic regulator, and no one suffers more from this than the workingman.

These are some of the ways in which to compel competition—competition which must be preserved if we are to continue to live under a free-enterprise system. It is true that pursuit of such a policy would eliminate government as a competitor with private business. But it contemplates the restoration of government to its proper function—that of an umpire, instead of a competitor. If we restore the free-enterprise system, depending on the corrective influence of free competition, we can and should implement government with ample powers to enforce fair competition. That is what government is for.

Wars of England and France

EXTENSION OF REMARKS

OF

HON. HOMER T. BONE

OF WASHINGTON

IN THE SENATE OF THE UNITED STATES

Monday, July 17 (legislative day of Monday, July 10), 1939

EDITORIAL FROM THE SEATTLE (WASH.) STAR OF JULY 10, 1939)

Mr. BONE. Mr. President, I ask unanimous consent to have printed in the Appendix of the RECORD an editorial appearing in the Seattle (Wash.) Star of July 10, 1939, which is a study of the wars in which England and France have been engaged during the past 150 years. This record indicates that during that period, which is approximately the life of our Nation, England has been engaged in 54 wars lasting 102 years, or a total of 68 percent of the entire period. France during the past 150 years has engaged in 53 wars lasting a total of 99 years, or 66 percent of the time. That indicates a degree of bellicosity and belligerence the like of which the modern world has not witnessed. To find a parallel I submit we would have to go back to the wars of Rome and Greece or to the period of Genghis Khan. I hope, Mr. President, that the Public Printer can find it possible to print the small graph which appears in connection with the article.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

[From the Seattle Star of July 10, 1939]

ENGLAND AND FRANCE: ARE THEY FOR PEACE OR WAR?—CAN WE AVOID WAR?

"Instead of preserving our neutrality and staying out of European wars, the United States should prevent European wars. That it can do by allying itself with England and France and their system of alliances."

In a few words, the above is the policy of the administration. This line of reasoning may be superficially plausible. No one ques-

tions the sincerity of the administration in following it. For the record clearly proves that not only has the administration sought, within the limits of neutrality legislation and legislation against war-debt defaulters, to favor England and France and their allies and to embarrass their potential enemies in every possible way, but has further sought to change neutrality laws so that the United States can become still less neutral.

This newspaper believes that American neutrality and even American democracy are being recklessly endangered for an illusory ideal of imposing peace and preserving the status quo in the Old World through unneutral use of our power.

This belief is an opinion. In a democracy, the majority rules—the people decide—and all good citizens are loyal to the decisions of the majority.

But before the people decide to back the administration in casting our weight with England and France for the preservation of peace, before we succumb to the mass of subtle propaganda that alliance with these "peace loving" nations will banish war from the face of the earth, the people are entitled to know all the facts.

A very important part of these facts is the record of the wars that have been engaged in by England and France.

Herewith, this newspaper lists—and urges its readers to study—the lists of wars engaged in by England and France in the 150-year period following our Declaration of Independence.

Far better than any statement of peaceful or warlike intent, these lists will show you whether or not England and France stand for peace—or for war!

WARS OF ENGLAND

1778–81	First Mahratta war.
1776–83	North American (and with France).
1780–84	War with Netherlands.
1793–1802	Revolutionary war (with France).
1782–84	First Mysore war.
1790–92	Second Mysore war.
1803–14	War with France.
1815	Hundred Days War (Waterloo).
1801	War with Denmark.
1810–12	War with Sweden.
1807–12	War with Russia.
1812–15	War with United States.
1802–06	Second Mahratta war.
1806	Sepoy revolt.
1814–17	Goorkha war.
1817–18	Third Mahratta war.
1824–25	First Burma war.
1824–25	Ashanti war.
1826	Burma war.
1826	Intervention in Portugal.
1827	War with Turkey.
1832	Intervention in Netherlands.
1838–42	War with Afghanistan.
1840–42	War with China.
1840–41	Egyptian insurrection.
1843–49	Sikh wars.
1845	Intervention in Uruguay.
1845–56	Intervention in Argentina.
1851–52	Kaffir war.
1852–53	Second Burma war.
1854–56	War with Russia.
1856–57	War with Persia.
1856–60	War with China.
1857–58	Mutiny of the Sepoys in India.
1863–64	Ashanti war.
1863–69	Maori war.
1867–68	War with Abyssinia.
1874	Ashanti war.
1878–80	War with Afghanistan.
1879	Zulu war.
1880–81	War in Transvaal.
1881–85	War of the Sudan.
1882–84	Occupation of Egypt.
1885–89	Third Burma war.
1895–96	Ashanti war.
1896–99	War of the Sudan.
1897–98	Intervention in Crete.
1899–1902	Boer war.
1900	Boxer Insurrection.
1901–02	Somali war.
1903–05	Tibet expedition.
1908	War on the northwestern boundary of India.
1914–18	World War.
1919	Afghan war.

(Total for 150 years: 54 wars, lasting 102 years, or 68 percent.)

WARS OF FRANCE

1779–83	War with England (North American).
1792–97	First Coalition War (against Dutch, Reinish, Italians, Spanish).
1789–1800	Second Coalition War.
1793–1802	War with England.
1793–96	War in Vendee.
1795–1802	Egyptian Expedition of Napoleon.
1791–1802	Insurrection in San Domingo.
1805	Third Coalition War.
1806–07	War with Russia and Prussia.
1809	War with Austria.
1808–14	War with Spain.
1803–14	War with England.
1812	War with Russia.
1813–14	War Against German States (Hundred Days War—Waterloo).
1823	Spanish Expedition.
1827	War with Turkey.
1832	War with Holland.
1834	War with Portugal.
1829	War on Madagascar.
1845	War on Madagascar.
1838–39	War in Mexico.
1830–47	War in Algeria.
1838–40	War in Argentina.
1847	War in Cochin China.
1849	Roman Expedition.
1843–44	War with Morocco.
1845	Expedition to Uruguay.
1854–56	Crimean War.
1859	Austro-Italian War.
1862–64	War with China.
1857–62	War with Annam.
1860	Syrian War.
1861–62	Cochin-Chinese War.
1861–67	War in Mexico.
1860–61	War for Papal State.
1870–71	Franco-Prussian War.
1873–74	War in Tonkin.
1867	War in Rome (against Garibaldi).
1883–85	War with Tonkin.
1884–85	War with China.
1894	War with Tonkin.
1883–85	War on Madagascar.
1895–97	War on Madagascar.
1881–82	War on Tunis.
1893–94	War on Morocco.
1890–92	War on Dahomey.
1890–94	War on Sudan.
1893	War on Siam.
1900	Boxer Insurrection.
1907–12	War on Morocco.
1914–1918	World War.
1925–26	Riffian War.

(Total: For 150 years, 53 wars lasting 99 years, or 66 percent.)

Business Conditions

EXTENSION OF REMARKS

OF

HON. SHERMAN MINTON

OF INDIANA

IN THE SENATE OF THE UNITED STATES

Monday, July 17 (legislative day of Monday, July 10), 1939

EDITORIAL FROM THE WASHINGTON TIMES-HERALD

Mr. MINTON. Mr. President, I ask unanimous consent to have printed in the Appendix an editorial entitled "Business Better—No Summer Slump," published in the Washington Times-Herald.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

[From the Washington Times-Herald]

"BUSINESS BETTER—NO SUMMER SLUMP"

We lifted the above headline from a recent issue of the Wall Street Journal, largely because it is the most cheerful and cheering headline we've seen in a financial newspaper for a long time.

To go into the details of this really sensational news that the customary summer slump has been ducked up to now for some reason:

Leading mail-order and chain stores report average June sales 10 percent over June 1938, with actual new sales records being made here and there. In automobiles a sudden spurt in sales in the last 10 days of June made July prospects look extremely bright.

Department-store sales are generally above the seasonal average.

Gasoline consumption is at a new high level.

WHAT DOES IT MEAN?

The above listed good-business news concerns consumers' goods. It means that a lot of people for some reason feel confident enough in the future to lay out money for things they need and want rather than hang onto their money against the disasters which prophets of war and doom are forever predicting.

Or it means a lot of people feel that disaster is coming anyway, and they'd better enjoy what money they have while they can.

The tomorrow-we-die attitude never was characteristic of Americans. We doubt that it prevails now. This doubt is strengthened by the news of what is going on in the heavier industries:

Machine-tool orders are climbing steadily on the home front, though abnormally heavy foreign orders have recently slowed down.

Copper enjoyed a sudden buying spurt in the first 8 days of July.

Chemical business in June was better than in May, and is going strong thus far in July.

Electrical equipment—considerably better business throughout first half of 1939 than in first half of 1938.

Steel—both operations and sales well above this time last year, and holding steady in face of the fact that steel business droops about this time most years.

To round out the cheerful business news, the stock market this week staged a really impressive rally from the melancholia which has kept it bumping along somewhere near bedrock for months.

Thursday was a 950,000-share day—biggest since May 25. New 1939 highs were reached by a considerable number of stocks. Brokers' faces cracked into smiles for the first time in weeks and weeks—though we hope this news won't encourage any little fellows to risk their all in the market.

IF WE CAN JUST HAVE SOME PEACE

Our feeling is that most of this good business news can be blamed on the fact that the European war scare has been looking progressively less serious for quite a while now.

Maybe it is more serious than ever. Maybe Hitler is getting ready for some terrific coup, which may bring on a general war, as soon as the harvest is in. Maybe England and France really will fight to keep Danzig or Tieste or both safe from any material change in political status. If so, all business bets are off until this country takes a good look-see and adjusts its economy to the existence of a second huge European war.

But if the European power politicians will only take things easy for a while, and content themselves with paper warfare (which is the kind of war we believe the vast majority of all their peoples greatly prefer), we ought to be in for a fairly long stretch of fairly good times in the United States.

Neutrality

EXTENSION OF REMARKS

OF

HON. HOMER D. ANGELL

OF OREGON

IN THE HOUSE OF REPRESENTATIVES

Monday, July 17, 1939

EDITORIAL FROM THE PORTLAND (OREG.) NEWS-TELEGRAM OF JULY 11, 1939

Mr. ANGELL. Mr. Speaker, we all desire to take such a course with reference to neutrality legislation that will insure, so far as possible, keeping America out of a European war. The method by which this may be done is debatable. Personally, I believe the United States should maintain strict neutrality and that we should not join hands with any of the nations of the Old World in an endeavor to solve the problems which confront them at this time and which, at any moment, may embroil them in another war.

The administration believes that America should take sides now and throw our influence and weight on the side of England and France. While our sympathies, no doubt, are in favor of the so-called democracies as against the totalitarian governments, our first consideration should be the protection of America and keeping our own country at peace and, if possible, restoring prosperity here. Should we take sides now in this impending conflict, it is certain that ultimately we would be involved in any war which may arise. To keep out we must remain neutral now and not take sides. That is the motivating reason which impelled the House as well as the Senate to refuse to revoke the arms embargo.

In the last 150 years France has engaged in 53 wars lasting 99 years, or during that period she was engaged in war 66 percent of the time. During the same period England was a party to 54 wars lasting 102 years, or 68 percent of the time engaged in war. An interesting and informative editorial appeared in the News-Telegram of Portland, Oreg., on July 11, 1939, which is worthy of consideration in connection with this subject. It is as follows:

[From the Portland (Oreg.) News-Telegram of July 11, 1939]

ENGLAND AND FRANCE: ARE THEY FOR PEACE OR WAR?—CAN WE AVOID WAR?

"Instead of preserving our neutrality and staying out of European wars, the United States should prevent European wars. That it can do by allying itself with England and France and their system of alliances."

In a few words, the above is the policy of the administration. This line of reasoning may be superficially plausible. No one questions the sincerity of the administration in following it. For the record clearly proves that not only has the administration sought, within the limits of neutrality legislation and legislation against war-debt defaulters, to favor England and France and their allies and to embarrass their potential enemies in every possible way, but has further sought to change neutrality laws so that the Untied States can become still less neutral.

This newspaper believes that American neutrality and even American democracy are being recklessly endangered for an illusory ideal of imposing peace and preserving the status quo in the Old World through unneutral use of our power.

This belief is an opinion. In a democracy the majority rules—the people decide and all good citizens are loyal to the decisions of the majority.

But before the people decide to back the administration in casting our weight with England and France for the preservation of peace, before we succumb to the mass of subtle propaganda that alliance with these "peace loving" nations will banish war from the face of the earth, the people are entitled to know all the facts.

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Herewith, this newspaper lists—and urges its readers to study—the lists of wars engaged in by England and France in the 150-year period following our Declaration of Independence.

Far better than any statement of peaceful or warlike intent, these lists will show you whether or not England and France stand for peace—or for war.

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1809	War with Austria.
1808–14	War with Spain.
1803–14	War with England.
1812	War with Russia.
1813–14	War against German States (Hundred Days War—Waterloo).
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1832	War with Holland.
1834	War with Portugal.
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1845	War on Madagascar.
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1838–40	War in Argentina.
1847	War in Cochin China.
1849	Roman expedition.
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1845	Expedition to Uruguay.
1854–56	Crimean War.
1859	Austro-Italian War.
1862–64	War with China.
1857–62	War with Annam.
1860	Syrian War.
1861–62	Cochin-Chinese War.
1861–67	War in Mexico.
1860–61	War for Papal State.
1870–71	Franco-Prussian War.
1883–85	War with Tonkin.
1867	War in Rome (against Garibaldi).
1883–85	With with Tonkin.
1884–85	War with China.
1894	War with Tonkin.
1883–85	War on Madagascar.
1895–97	War on Madagascar.
1881–82	War on Tunis.
1893–94	War on Morocco.
1890–92	War on Dahomey.
1890–94	War on Sudan.
1893	War on Siam.
1900	Boxer insurrection.
1907–12	War on Morocco.
1914–18	World War.
1925–26	Riffian War.

Total for 150 years: 53 wars lasting 99 years, or 66 percent.

WARS OF ENGLAND

1778–81	First Mahratta War.
1776–83	North American (and with France).
1780–84	War with Netherlands.
1793–1802	Revolutionary War (with France).
1782–84	First Mysore War.
1790–92	Second Mysore War.
1803–14	War with France.
1815	Hundred Days War (Waterloo).
1801	War with Denmark.

1810–12	War with Sweden.
1807–12	War with Russia.
1812–15	War with United States.
1802–6	Second Mahratta War.
1806	Sepoy revolt.
1814–17	Goorkha War.
1817–18	Third Mahratta War.
1824–25	First Burma War.
1824–25	Ashanti War.
1826	Burma War.
1826	Intervention in Portugal.
1827	War with Turkey.
1832	Intervention in Netherlands.
1838–42	War with Afghanistan.
1840–42	War with China.
1840–41	Egyptian Insurrection.
1843–49	Sikh Wars.
1845	Intervention in Uruguay.
1845–46	Intervention in Argentina.
1851–52	Kaffir War.
1852–53	Second Burma War.
1854–56	War with Russia.
1856–57	War with Persia.
1856–60	War with China.
1857–58	Mutiny of the Sepoys in India.
1863–64	Ashanti War.
1863–69	Maori War.
1867–68	War with Abyssinia.
1874	Ashanti War.
1878–80	War with Afghanistan.
1879	Zulu War.
1880–81	War in Transvaal.
1881–85	War of the Sudan.
1882–84	Occupation of Egypt.
1885–89	Third Burma War.
1895–96	Ashanti War.
1896–99	War of the Sudan.
1897–98	Intervention in Crete.
1899–1902	Boer War.
1900	Boxer Insurrection.
1901–2	Somali War.
1903–4	Tibet Expedition.
1908	War on the northwestern boundary of India.
1914–18	World War.
1919	Afghan War.

(Total for 150 years: 54 wars lasting 102 years or 68 percent.)

The Wheeler-Lea Bill—Read What Secretary Wallace Has to Say About It

EXTENSION OF REMARKS

OF

HON. LINDSAY C. WARREN

OF NORTH CAROLINA

IN THE HOUSE OF REPRESENTATIVES

Monday, July 17, 1939

LETTER FROM THE SECRETARY OF AGRICULTURE

Mr. WARREN. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following, written by the Secretary of Agriculture to the Speaker of the House of Representatives:

DEPARTMENT OF AGRICULTURE,
Washington, July 15, 1939.

Hon. WILLIAM B. BANKHEAD,
Speaker of the House of Representatives.

DEAR MR. BANKHEAD: The Committee on Interstate and Foreign Commerce has been considering for some time two omnibus transportation bills of vital concern to farmers and to the public at large, namely, H. R. 2531 and H. R. 4862. The committee now has also under discussion S. 2009, which was passed by the Senate on May 25.

Aside from the natural concern which we have in affairs affecting the welfare of agriculture, the Secretary of Agriculture is authorized by the Agricultural Adjustment Act of 1938 (in sec. 201 of title II) to make complaints to the Interstate Commerce Commission with respect to the transportation of farm products. In view of this fact, we believe it especially important that the interests of agriculture be not overlooked in consideration of the proposed legislation.

While there are important differences between the three bills, all provide for the extension of the Interstate Commerce Commission's jurisdiction to include domestic common and contract water carriers. Although the proposed powers are more complete with reference to common than contract carriers, it is to be noted that the bills grant the Commission authority to fix minimum rates for both types of operation. I desire to direct attention principally to this phase of the legislation.

These measures, if enacted, would bring all the important forms of interstate transportation in S. 2009, excepting air carriers, under the control of the Interstate Commerce Commission. The justification offered for this development in regulation seems to rest largely upon an assumption of "keen and close" competition of these agencies with each other. By means of certificates of public convenience and necessity and permits, as well as through the use of minimum-rate control, proponents of the legislation seek to curb so-called cutthroat or destructive competition. Stress is also laid upon the need for fair and equal regulation of all agencies of transportation in order to recognize and preserve the inherent advantages of each.

As I view the trend of transportation legislation, the Transportation Act of 1920, the Motor Carrier Act of 1935, and the bills now before Congress together reflects a new departure in public policy from that which prevailed before 1920. The basic purpose of regulation, as embodied in the granger legislation of the 1870's and in the Act to Regulate Commerce of 1887, was to protect the public against extortionate rail rates, unjust discriminations, and undue preferences. This policy of preventing abuses was continued for many years without significant modification. With the passage of the Transportation Act of 1920, however, the public began to assume responsibility for the financial condition of the railroads. This change of attitude explains the passage of measures such as the rule of rate making, the recapture clause, permissive pooling, permissive unification and consolidation, restrictions on new construction, and control of new security issues, as well as minimum rate regulation. An endeavor was made to restrict competition of railroads with each other and with other types of carriers. Perhaps the most potent instrument for limiting price competition was the minimum rate provision.

When motor carriers were brought under Federal regulation in 1935 minimum rate control was applied to both common and contract operations. The proposals to treat water carriers in a similar way are, therefore, logical enough, if the premise is accepted that such control is in the public interest. So far as I am aware, however, there has not been a convincing showing that shippers and consumers have benefited, or are likely to benefit, from this particular method of regulating motor and water carriers.

One difficulty with the commonly accepted justification given for the extension of minimum-rate regulation to other forms of transport than the railroads is the failure to distinguish between the economic features of each agency of transport in relation to public policy. Passenger and freight traffic are carried on the railways, highways, and waterways, but the economic characteristics of each of these three transport industries vary considerably. Unrestrained competition between railroads or between railroads and other forms of transport may be, and often is, destructive in character. The rail carriers have large, expensive plants, and a large proportion of their costs do not vary with traffic, except in the very long run. This is especially true today inasmuch as the rails are operating considerably below an optimum level of traffic, owing largely to depression conditions, overextension of plant, decentralization of industry, development of new and better forms of transport, and costs and rates out of line with current economic conditions. Hence, the railroads not only have an incentive to lower their competitive rates to a level often little if any above out-of-pocket costs, but because of size and financial strength, they have the ability to engage in vigorous destructive competition for a considerable period of time. Moreover, unless regulated, they can place high rates on noncompetitive traffic, of which a significant proportion consists of agricultural products, to make up their revenue deficiencies on the competition-compelled traffic. Unless the power of the rails to destroy in this manner their water and truck competitors were curbed, as it is by the long-and-short-haul clause and minimum-rate regulation, they could in piecemeal fashion either drive their smaller competitors out of business or force them into consolidation with the rail properties. The history of railroad competition with water and motor carriers provides ample justification for strict control of their rate-cutting activities when designed to drive out legitimate competition.

It is otherwise in respect to the water and truck industries. The rights-of-way upon which the water and truck lines operate are publicly owned and operated; the overhead costs incidental to maintenance of these ways are borne, accordingly, by Government rather than by individual water and motor carriers. Moreover, the investment in trucks, and frequently in water equipment, is relatively small, and most of the costs of these carriers, especially of the motor carriers, vary directly with traffic. Taxes paid for the use of the highways are largely on a use basis. Depreciation of trucks is frequently computed on a mileage basis, and thus reflects changes in the volume of traffic. Variations in traffic can be taken care of by appropriate additions to or deductions from equipment, since each vehicle or small combination is a complete carrying unit. Rates for different carriers providing these services tend toward a common level for the operations are essentially small-scale and competitive in nature. Very little, if any, complaint has been registered against discriminations in truck or water rates. This is what we might expect because, in competitive industries, the opportunity to discriminate is curtailed by the shipper's ability to transfer his custom to another firm.

Obviously, there is much less opportunity for industries possessing these characteristics to engage in destructive competition than for the railroads.

Accordingly, while I believe that maintenance of the controls now exercised over railroad rates is justified by economic considerations, I have grave doubts that identical rate regulation is required of the rail competitors. Regulation of safety and the requirement of public responsibility are without doubt justified. But failure to make proper economic distinctions between these industries only postpones the sound solution of the transportation problem in terms of the public interest. It may be argued that the water carriers are subsidized and, therefore, that their competition with the railroads is not fair or economic. If this be true, the logic of the situation suggests making changes in our promotional policies with respect to transportation, and not adding uneconomic rate regulations to uneconomic transport subsidy.

What then, are the remedies for the so-called transportation problem? In the first place, it should be recognized that the transportation problem is only a part of a larger problem. In reality, the country faces an economic problem which largely consists of finding ways and means of increasing employment, production, and consumption to the end that our economic system can operate at reasonably full capacity under democratic controls. The railroads and other agencies of transport are significantly affected by and can contribute measurably to the solution to this all-important social and economic problem. Unfortunately, the railroads seem determined to find a solution for the admittedly difficult financial situation of certain rail carriers without regard for the more general solution; in fact, from their public statements it would seem that they are seeking to solve their difficulties at the expense of agricultural and other shippers, consumers, and taxpayers.

Farmers and other shippers should not be required to pay rates based on transportation costs of properties improvidently built, wastefully operated, or partially obsolete. Any effort to improve the condition of the transportation industry should be harmonized with the general welfare. The advocacy of thorough regulation of the minimum rates of motor and water carriers by a centralized agency appears to represent an attempt to use government power to bring competing transportation agencies into a cartel, and, in this manner, to share traffic and adjust rates in such a way as to earn a return upon all transportation capital of these agencies. Hence, an umbrella would be held over the inefficient plant, and the present high rail-rate level would be protected from the impact of vigorous competition. Undoubtedly such a policy would also result in more rigid rates in times of depression, since the motor carrier and boat line could no longer play their role as an effective competitive force in bringing down rail rates on commodities susceptible to rail or truck, and rail or water movement.

We suggest at this point the advisability of effecting a rationalization of the railroad plant to eliminate uneconomic transportation services. Voluntary action in this sphere for managerial discretion has failed; hence, the most serious consideration should be given in the formulation of a national policy to the need for bestowing upon some appropriate agency of government the power to compel rationalization of the railroad plant.

But the transportation problem is usually presented as an emergency requiring quick action on the part of government, which is requested to raise rates and throttle competitors in order to save the railroads. The suggestion that the railroads adjust their charges in line with the lessened ability of shippers to pay goes unheeded.

We have for some years been advocating greater flexibility in rail rates, and lower rather than higher unit rates especially, as an aid in marketing surpluses of farm products and as vital prerequisites to the restoration of economic health to agriculture, to industry, and to transportation itself. As a means of improving the purchasing power of industrial labor and the urban population for surplus farm products, and that of the farmers for industrial (employment-giving) products, the Department of Agriculture is working vigorously on plans and programs to obtain a larger distribution of such surplus farm products as citrus fruits and butter in the consuming centers of the East. The transportation factor is a large element in the cost of distributing these products. Lower rail rates to reduce the great barrier of distance is an essential condition to the success of this effort to bring about a more effective functioning of our economy.

It should be evident that in an industry such as the railroads, capital investment cannot be smoothly adjusted to variations in traffic. Accordingly, unit costs frequently tend to vary directly with and to follow rate changes. The reason for this is that with many commodities, such as citrus fruits and watermelons, the volume of traffic grows rapidly in response to rate reductions. Since transportation costs amount to a significant share of the wholesale price for these commodities near or at the points of consumption, lower freight rates mean lower prices to the consumer and increased consumption and, therefore, increased traffic volume for the railroads. Moreover, it is only by lowering freight rates that the rails can meet their truck and water competition, unless, indeed, the uneconomic policy of cartelizing transportation with inevitable sharing of traffic at high-rate levels is adopted. Significant decreases in unit costs of transportation may be achieved if the railroads will take proper rate action to build up the volume of traffic in order to operate at a higher level of capacity. For in this manner the overhead costs which go on whether the rails operate at 60 or 100 percent of capacity can be spread over a larger number of traffic units. What the railroads need are decreased costs and not more revenue per unit of traffic. The means of bringing about a lower level of costs are apparent, namely, decreased rates and the elimination of wastes by terminal unifications and other rationalization of railway plants. Properly devised steps in this direction will safeguard the economic security of labor engaged in transportation, provide more efficient service to shippers, and be in harmony with the long-time interests of capital and of the general welfare.

I have no desire to minimize the difficulties in the way of finding reasonable solutions to the problems faced by the transport industries, and especially by the railroads. I submit, however, that the proposal to extend minimum rate regulation to water carriers, with the very real danger of advancing one more step toward the formation of a transportation cartel with restricted transportation services and a rate level sufficient to pay a return upon all sunk capital, whether or not it is needed by the public, does not promise a solution of these problems in the public interest.

One further subject deserves comment. Each of the House bills now under consideration contains a section providing that on and after July 1, 1939, the Government shall pay commercial freight and passenger rates. This provision does not appear in the Senate bill (S. 2009), but it has been the subject of two separate bills, S. 1915, S. 1990, introduced in the Senate during the present session. The proposed abolition of the land-grant deductions now accorded the Government with respect to its freight traffic raises fundamental questions which deserve careful consideration. The effect upon Federal expenditures for freight and passenger service, of the payment of commercial rather than the preferred rates, is highly important to the Federal Government generally, and the committees presumably have available extensive material having a bearing thereon. One specific feature of this proposal, however, is of direct interest to this Department.

Railroad representatives appearing before the congressional committees during the past year have stated that the existing contractual rights of the United States under the land grants result in current savings of public funds of from $7,000,000 to $10,000,000 per year. The legal validity of those rights is unquestioned. Capitalized at an interest rate of 4 percent, such savings would be equivalent to a capital value of $200,000,000 to $250,000,000. It is now proposed that these contractual rights be waived or canceled (see S. 1915, S. 1990 and H. R. 2531, H. R. 4862).

Six of the railroad companies which would benefit largely by the waivers or cancelation of such rights still retain in their own names or those of subsidiary companies approximately 12,286,000 acres of the lands originally granted. With minor exceptions these lands are the residues of the larger areas granted; the parts not readily salable at acceptable prices. As private property they are of low monetary or investment value, their capacity to produce revenues exceeding by little or nothing the costs incident to their private ownership. But for public purposes, these lands have a definite public importance and value, their conservation and controlled use being dictated by major considerations of public interest and welfare. That fact will inevitably require their ultimate public ownership and management.

Almost 4,000,000 acres of these lands are within the limits of existing national forests, in large part checkerboarded with the Federal lands and influencing if not controlling their use. Other undetermined but large acreages are within the boundaries of Taylor grazing districts, while lesser acreages may occur within Federal wildlife refuges, national parks, Indian reservations, etc.

The railroads might well donate such lands to the United States, profiting by the consequent permanency and betterment of management; but there is no probability they will do so. On the contrary, the reasonable presumption is that they will decline to relinquish their property rights except for considerations of value which they deem acceptable. It is difficult to estimate how many million dollars of public funds may have to be expended to restore these lands to their logical and essential ownership status, but $10,000,000 would be a low estimate.

There can be no criticism of an effort by the railroads to realize the maximum value of their property holdings. On the other hand, there can be no criticism of the United States, no charge of inequity, if it endeavors to retrieve for the public certain considerations of value which partially offset the considerations of value the public now is asked to relinquish to the railroads. In a letter to the chairman of the House Committee on Interstate and Foreign Commerce, dated April 28, 1939, there was recommended and stated in detail an amendment to the bill, H. R. 4862, under which the waiver or cancelation of the half-rate requirements would be conditioned upon a reconveyance to the United States of such grant lands as remained in the ownership of a railroad or its subsidiary companies. The principle and the provision are believed to be fully equitable and their incorporation in the bill is urgently recommended.

Because of the limited time available this report has not been cleared by the Budget Bureau. However, the subject matter of the report is in harmony with the comments already submitted in connection with the several bills under consideration. In these cases the Director of the Bureau of the Budget advised that no objection was made to the submission of the several reports, with the understanding that no commitments would thereby be made with respect to the relationship of the proposed legislation to the program of the President.

Sincerely,

H. A. WALLACE, *Secretary.*

W. P. A.

EXTENSION OF REMARKS

OF

HON. JAMES A. SHANLEY

OF CONNECTICUT

IN THE HOUSE OF REPRESENTATIVES

Friday, July 14, 1939

ARTICLE FROM THE COMMONWEAL FOR JULY 7, 1939

Mr. SHANLEY. Mr. Speaker, the RECORD and all outside mediums of the printed and spoken words have certainly given space to criticisms of the Works Progress Administration. I am taking advantage of my unanimous-consent request to include herein an article which I read in the Commonweal for July 7, 1939.

I HAVEN'T SEEN A MAN LEAN ON A SHOVEL

Just as Congress was making its mind up on the question of relief, Mr. Leo Ehrenreich, "One-Man Civic Association" and chairman of the Austin Street Association in Forest Hills, Queens, N. Y., startles us all by announcing that his association will invite 100 members of a W. P. A. gang to be guests of honor at a luncheon to be given at the best restaurant Austin Street affords. Beer was promised in quantity. Mr. Ehrenreich said: "Men have to rest sometimes, but I haven't seen a man lean on a shovel since the whole thing started. * * * The work (widening and repaving the street) progressed so rapidly that merchants and others approached me and asked who the contractor was. They did not believe it could be a W. P. A. project." Of course, one swallow does not make a summer but several swallows as guests of honor can do a lot to make unemployed men feel they have a place in society and are not automatically considered shovel leaners by more fortunate fellow citizens.

H. R. 6971, a Bill To Amend Federal Home Loan Bank Act To Protect Savings of the "Little Fellow," of Tremendous Importance to Over 20,000,000 People

EXTENSION OF REMARKS

OF

HON. WRIGHT PATMAN

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Monday, July 10, 1939

Mr. PATMAN. Mr. Speaker, the House is expected to consider H. R. 6971, which is a bill to amend the Federal Home Loan Bank Act, within the next few days. I consider this one of the most important bills coming before this session of Congress.

The great bulk of American families of small income have acquired their savings as the result of sacrifice and hard work. They have not sought speculative opportunities because they could not afford to risk the labor of a lifetime. They have sought security, and so have placed their savings in conservative investments—in homes and small savings accounts.

TO GIVE THRIFT INSTITUTIONS SAME PROTECTION AS EVERY OTHER KIND OF FINANCIAL INSTITUTION

There is legislation before us to make their hard-earned funds still safer by utilizing recent experiences and providing tested and proved safeguards for the conservative thrift institutions which hold their money. It is the same general type of legislation which protects every other kind of financial institution for which the Federal Government is responsible. One wonders on what basis any sincere opposition can be based.

PRESENT ADMINISTRATION HELPING PERSON OF MODERATE MEANS

Since this administration came into office it has pursued a consistent policy of safeguarding the interests of those of small and moderate means. The deposits of small investors in commercial banks are protected up to $5,000 through the Federal Deposit Insurance Corporation. Those of investors in insured associations of the Federal Home Loan Bank System now receive similar protection through the Federal Savings and Loan Insurance Corporation. But these steps do not go far enough. It is not logical that the Government should merely protect investments; it is only common sense that it should make these investments available in times of stress.

It is not logical that the Government should be prepared to pay off investors only when institutions collapse; it is its responsibility to take every precaution to see that they do not collapse, not only for the sake of their own investors but to eliminate the menace their collapse would hold for other financial institutions. It is the responsibility of Congress to leave nothing undone that will make more secure the slowly accumulated savings of the type of investors found in thrift institutions, who need protection far more than any others. They only can be safeguarded through the protection of the institutions in which they invest; it is only common sense that those institutions should be enabled to keep functioning in times of stress in the manner to which their sound reserves entitle them.

GOVERNMENT SHOULD GRANT SMALL SAVERS PROPER PROTECTION

When commercial banks are in distress, the Federal Reserve System can draw on the Treasury to tide them over. The Treasury is not risking public funds by doing so, for it is advancing money on sound security that, when panic has subsided, again will be negotiable.

When the Federal Deposit Insurance Corporation needs funds to function properly it can appeal to the Treasury for temporary financial aid. When the Farm Credit Administration needs support it has the same recourse. Congress has been commended and deserves commendation for its foresight in thus protecting the institutions it established. The same foresight demands protection for the 4,000 member institutions of the Federal Home Loan Bank System and the 2,100 institutions whose accounts are insured by the Federal Savings and Loan Insurance Corporation. The Government—and the Government alone—has the resources to grant this protection; it is only a question of interest on the part of this Congress in the small savers of the Nation on which depends the proper course of action.

NEED FOR THIS LEGISLATION NOW

Why is this legislation sought now? Because the lessons of 1932 and 1933, the experience of the years that have followed, are clearly before us. It would be tragic, indeed, if from them we did not learn enough to look to the future. Few foresaw the World War in 1914. None foresaw the disaster of 1929. We do not foresee war now; we do not foresee an economic crisis such as came upon us a decade ago. You cannot foresee the emergencies pending in the world of our day. Again I say it would be tragic if we forgot the ravages of the past depression, if we did not utilize our intelligence to see that they never occur again.

"BIG MEN" NOW PROTECTED—"LITTLE FELLOW" ENTITLED TO SAME SAFEGUARDS

Not only must we guard the small saver against his own misfortunes. He is at the mercy of the changes in fortune of the Nation's "big men," too. We have taken steps to insure the soundness of the great financial structure of this country; we must insure that the "little fellow"—who needs it most—is surrounded by the same safeguards.

NATION HELPED BY PROTECTING SAVINGS OF MILLIONS

Long-term investments do not demand the same kind of protection as the short-term deposits in commercial banks. It would be ridiculous to assume that the Federal Home Loan Bank Board seeks identical measures for its institutions. The investors place their funds in those institutions for the purpose of saving, knowing they are to be used for long-term investments in home mortgages. But common sense dictates that those funds should be reasonably available for their owners' use, at least in part, over lengthy periods of stress. The savings and loan associations, savings banks, and insurance companies hold the savings of millions of small-income

families; they deserve protection not only for themselves and their investors but for the sake of the Nation as a whole.

The collapse of commercial credit is a disaster which undermines our whole economy. But chaotic conditions in mortgage finance are equally dangerous. If one cracks, the other is sure to be in serious difficulty.

IMPORTANT PART OF BILL

There are other provisions in the legislation before us, but this is of prime importance—that the Secretary of the Treasury be authorized to buy debentures of the Federal Home Loan Bank System and the Federal Savings and Loan Insurance Corporation at any time, in his judgment, such purchases are sound public policy. This but duplicates his relations with the Federal Reserve System.

It should be stressed that this legislation does not oblige the Secretary of the Treasury to buy bank-system debentures. Such purchases are left entirely to his own discretion. The bank system in normal times needs no such financing; it only would be a temporary expedient when the public is fearful, an emergency which would end when normal confidence was restored. All that is sought is the right of the Secretary of the Treasury to act in times of emergency, a right he does not have at the present time.

NO APPROPRIATION ASKED—JUST CREDIT WHEN TROUBLE COMES

There are now $90,000,000 in bank-system debentures outstanding. Every issue, without a Government guaranty, has been oversubscribed. The bank system is more than self-sufficient under any ordinary conditions; this is not a new appeal for Government aid. But when trouble comes there must be a further source of credit, and that credit can come only from the Treasury. This bill does not call for Government expenditures; it calls for Government aid in keeping the $4,400,000,000 invested by the public in the bank-system institutions in such liquid form that they can preserve their sound investments.

GOOD SECURITY

There is no more risk, rather less risk, to the Treasury in such a transaction with the Federal Home Loan Bank System than there is with the Federal Reserve System. The thrift and home-financing institutions of the Nation are specialists in their field. They take only selected risks. Their investments are good collateral, for loans made on homes in this country are as sound as any that could be found.

AN EFFECTIVE CREDIT RESERVOIR

Turning to the other provisions of the bill, there is none which is not a logical reformation of the existing structure to make it a more effective credit reservoir. At the present time, to obtain advances from the 12 regional banks, member institutions of the system can use only mortgages on one- to four-family homes as collateral. Though they are allowed to loan a small share of their funds on other structures, they cannot use those mortgages as collateral. Many of these other mortgages are insured by the Federal Housing Administration, so we have the anomaly of one Government agency under present law unable to accept as collateral mortgages which are insured by another. Many savings banks, desirous of joining the bank system, remain outside because a large share of their mortgages are useless in obtaining credit under the present law.

It should be remembered that one- to four-family homes do not represent the only housing needs today. The small apartment house is just as necessary to properly shelter the low-income group as individual small homes. Extending the facilities of thrift and home-financing agencies to build such structures is not only desirable but necessary to accomplish the very purposes for which the bank system was established.

Many 25-year mortgages, insured by the F. H. A., are being granted on small homes by member institutions of the bank system. They cannot be used as collateral to obtain advances from the bank system, because there now is a limit of 20 years. Members of the system make many loans for more than $20,000—insured by F. H. A. and just as sound as their $5,000 loans—but the mortgages cannot be used as collateral because the bank system limit is $20,000.

BILL REMOVES DISCRIMINATION AGAINST MEMBER INSTITUTIONS

Here we have established the bank system, to coordinate and regulate such institutions as savings and loan associations and mutual savings banks and yet we have in effect laid a penalty on membership. Such institutions outside the system can obtain advances from the Federal home-loan banks on any mortgage insured by the Federal Housing Administration, whereas those institutions which are members of the system cannot obtain advances on a mortgage insured by the Federal Housing Administration if the mortgage exceeds $20,000 or 20 years, or is on a property for more than four families.

BILL GIVES ANOTHER OUTLET FOR SURPLUS FUNDS

There is no purpose here of changing the function of thrift and home-financing institutions to finance small homes. The proposed legislation authorizes Federal savings and loan associations in large urban communities by controls which the Federal Home Loan Bank Board are to establish to increase from 15 percent to 30 percent the investment of these institutions in multiple construction—more than four-family homes—giving them more of an outlet for their surplus funds. There is no other change in lending practice.

EVEN THIS PROVISION IS LIMITED UNDER THE BILL

State-chartered member institutions, almost double in number to Federals, are regulated entirely by their State charters. What this legislation does is allow them to use their mortgages on multiple dwellings as collateral for credit from the bank system. But that credit only means more money for the building of one- to four-family homes, not more multiple dwellings, for the limits of the State statutes on such construction still prevail.

SECURITY FOR SMALL SAVER

It is hard to overestimate the importance of savings to those of small and moderate incomes—and to the Nation as a whole. They are a primary safeguard against hard times, a bulwark against fear and panic which always hold the threat of turning a mild depression into a catastrophe. The small saver has always taken the rap in economic crises. A Federal Reserve study shows that in a group of closed banks, 70 percent of those with deposits of $100,000 or more withdrew them before suspension. There was only a negligible reduction, however, in the balances to the credit of those with less than $200 on deposit.

NATIONAL CREDIT TO BE DRAWN UPON TO PRESERVE SOUND ASSETS

Of the 51,000,000 savings accounts in this country, 65 to 75 percent are in amounts less than $1,000 and between 30 and 40 percent are less than $100. Obviously these are the accounts of people who have scrimped from small earnings to create some safeguard against unforeseen difficulties. Those small savers who have turned to savings and loan associations do not look upon their accounts as checking accounts and, as I have said before, there is no intention of giving the institutions to which they have entrusted their funds the liquidity of commercial banks. But those institutions should be kept in operation to the point where the savings they hold can be of use to their owners at a time of urgent need; those institutions should be able to draw upon the national credit to preserve their own sound assets and allow them to extend leniency to their own debtors in times of stress.

HOME OWNERSHIP ENCOURAGED

Here we come to a vital point. Savings and loans associations and other thrift institutions are in the business of financing small homes. They want to see every person who holds a mortgage eventually own his or her home. They want to extend leniency in troubled times; they know the character of the American home owner and know that, given a chance, he always comes through. But an institution which does not have a reservoir of credit can be compelled by the forces of a panic or depression to seize the assets—the homes—of its most trustworthy borrowers. The resources of the present Federal Home Loan Bank System are

able to care for any ordinary emergency, but it is the fear that worse may come that turns an ordinary emergency into an extraordinary one—and disaster. The very knowledge that back of the Federal Home Loan Bank System stands a buyer for its debentures to tide over any kind of economic upheaval well might prevent many threatened upheavals.

If this legislation passes, the regional banks, with a market for their debentures, would have an ample supply of funds to serve their member institutions in any crisis. And those member institutions would not be forced to foreclose on borrowers they know are good borrowers because they fell a few months in arrears.

Think what this means. Think back to 1933, when foreclosures mounted to 1,000 a day, when the home owners of an entire nation were in distress and saw their homes go to the block through circumstances over which they had no control. Recall what happened then. Congress created the Home Owners' Loan Corporation, which granted $3,000,000,000 in loans to a million home owners. It took from banks and trust companies defaulted mortgages totaling nearly a billion dollars; from savings and loan associations mortgages totaling more than three-quarters of a billion dollars; from mortgage and insurance companies mortgages totaling hundreds of millions more.

To those mortgaged home owners whose loans it refinanced it gave a breathing spell. To the institutions it made liquid through the purchase of defaulted mortgages, it gave a chance to give other home owners a breathing spell. And what happened? The home owners came back. Today, of the million home owners refinanced by the H. O. L. C. itself—the average 2 years delinquent on both principal and interest and more than that on taxes—more than 700,000 are well on their way to the debt-free ownership of their homes. Thousands and thousands of others are still making payments, which mean that they too, will come through. More than 50,000 have repaid their loans in full.

All they needed was a chance. The Government gave them that chance and they came through.

NINETEEN HUNDRED AND THIRTY-THREE EXPERIENCE PROVES NECESSITY FOR THIS LEGISLATION

Had laws which exist today, supplemented by the amendments before us now, been on the books in 1933, there would have been no need of a Home Owners' Loan Corporation. For this legislation provides the very basis for the breathing spell which the Government gave through the H. O. L. C. in the heart of the depression. I do not believe that a Congress which enacted the legislation that pulled this Nation from the brink of disaster through vital, constructive social measures can fail to see in the amendments before us a part of the goal toward which we have been moving for the past 6 years.

PROPOSALS IN THIS BILL PART OF BROAD ADMINISTRATION PROGRAM

The proposals which are before us to liberalize the functions of the Federal Home Loan Bank System, to make savings and loan associations and savings banks and cooperative banks and homestead associations better able to serve their purpose, are not merely legislation peculiarly helpful to those institutions. They are part of the great, broad program which this administration has been fostering for 6 years. They are part of the social-security program, which is the keystone of the New Deal. Let me read a paragraph from the House report on the Social Security Act:

> The enactment of the Social Security Act marked a new era, the Federal Government accepting for the first time responsibility for providing a systematic program of protection against economic and social hazards. Though admittedly not perfect or all inclusive, the Security Act did embrace the broadest program for social security ever launched at one time by any government.

SOCIAL SECURITY ACT GREAT BLESSING TO PEOPLE

Through the Social Security Act, you provided unemployment insurance, perhaps the most forward step for social security ever undertaken; you provided pensions for the aged; you provided aid for the blind. But your program for social security did not rest in that act alone; in reality it started 6 years ago and the record shows the greatest volume of constructive social legislation ever enacted by any nation in as short a period of time.

FARMERS AND HOME OWNERS HELPED BY ADMINISTRATION

Through the Farm Credit Administration you went to the rescue of farmers and stockmen; its functions reached from intermediate credit banks to emergency feed and stock loan offices. Through Resettlement and the Farm Security Administration, you sought to aid impoverished people who faced a hopeless future. Through the H. O. L. C. you turned to aid the distressed urban home owners of the entire Nation.

INVESTORS PROTECTED

You established the Securities and Exchange Commission to forever safeguard the small investor from the debauchery and wild speculation which marked the days before the crash in 1929; you said by law that the money markets of the Nation were accountable to the people themselves. You established the Federal Deposit Insurance Corporation and the Federal Savings and Loan Insurance Corporation, by which the Government guaranteed that the savings of the small investor would be secure. The result was that billions of dollars in savings flowed back into the Nation's thrift and home-financing institutions. There are other billions still hoarded that will return to the savings and investment field as the public is reassured by such legislation as that before us now.

ANOTHER STEP TO ASSURE FUTURE SECURITY

You provided work for those who were able to work but who could not find employment in private industry. You provided care for those incapable of supporting themselves. You decreed that no one should starve in a land of plenty. You looked to the future and established a wage and hour law that would be a step up toward a decent livelihood for everyone. All of these things—aid to the aged, the blind, the jobless, the helpless, the impoverished farmer and the distressed home owner, and the investor—were but steps toward social security in its broadest sense. And the legislation before us now is nothing but another step in a coherent program which will assure further security for the whole Nation in the crises we may face in the future.

No one segment of this country can prosper and another wither. If the great commercial banking system fails, the smaller financial systems will fail, too. And if the secondary banking structure fails, the home-mortgage market of the Nation crashes, down will come the great commercial banks, too. But we have bolstered the commercial banking structure to a point where it in itself is almost impregnable. The task that lies before us is to make other institutions just as secure.

PAST ACCOMPLISHMENTS OF FEDERAL HOME LOAN BANK BOARD

In considering these proposals to broaden the policies of the Federal Home Loan Bank Board in its conduct of its agencies—the Federal Home Loan Bank System, the Federal Savings and Loan Insurance Corporation, and the Federal savings and loan associations—it is both desirable and necessary to survey its past accomplishments and fully outline its activities.

Prior to 1932, savings and loan associations, savings banks, and insurance companies had no central reservoir of credit upon which they could call, either for expansion of their activities in good times, or for protection in emergencies. Consequently, in periods of severe economic depression, as you know, they were obliged to drastically curtail the extension of further credit, to place restrictions on withdrawals—thereby working hardships on the small savers whose funds were in their care—and, when the storm broke in the last depression, to resort to wholesale foreclosures.

The bank system was established in 1932. It was not until the summer of 1933, however, that it really began to function. Operating through 12 regional home-loan banks located in key cities throughout the country, the system now included in its membership nearly 4,000 savings and loan associations, homestead associations, cooperative banks,

mutual savings banks, and life-insurance companies with assets of about four and one-half billions. Through their membership in this national system, these institutions now are able to obtain funds from the Federal home-loan bank of their particular district on the security of home mortgage collateral, either on a long-term or a short-term basis.

Realizing that many localities in the country were handicapped by an inadequate supply of mortgage funds and even by a complete absence of any kind of thrift and home-financing institutions, Congress in the spring of 1933 authorized the bank board to organize and charter local thrift and home-financing institutions to be known as Federal savings and loan associations—in communities not properly served. Provision also was made for conversion to Federal charter of any State-chartered institution which preferred that status. At the present time there are nearly 1,400 such Federals, about half of which were newly established in response to the request of communities needing mortgage facilities; the remainder are institutions previously operating under a State charter which saw in the Federal charter a new opportunity and necessary means to improve public confidence.

The Federals operate under policies which follow those of the soundest practices evolved over 100 years of building and loan experience. Typical of these practices are the use of the low interest rate, long-term, direct-reduction loan, through which a home builder advances nearer to debt-free home ownership through each monthly payment; the absence of membership fees, bonuses, commissions, and other hidden charges; the adoption of standardized methods of accounting and appraisal, and the elimination of a fixed rate of return on share investments.

The growth of the bank system has been phenomenal. By the end of 1933, 2,087 institutions were enrolled, with assets of $2,610,000,000. By the end of 1938 there were 3,951 member institutions, with assets of over $4,432,000,000, representing four and a half million investors. The 12 regional banks have advanced $506,000,000 at various times to their member institutions—$348,000,000 of which has been repaid—in a period of desultory business activity. There is a vast reserve awaiting prosperous times.

In 1934 Congress established the Federal Savings and Loan Insurance Corporation. Approximately 2,100 member institutions of the bank system now have their accounts insured up to $5,000, protecting two and a quarter million investors. All Federals must carry this insurance; other eligible institutions may carry it. Progressive State-chartered institutions of the savings and loan type are being added year by year. The Insurance Corporation, operating on the income of its reserves alone, has had only infinitesimal losses.

Yet it brought a new public confidence in the institutions to which it has given protection. It is enabling them and their investors to build up a social-security program of their own.

The Home Owners' Loan Corporation has already been mentioned. It is impossible to estimate the accomplishments of the Bank Board without reviewing the record of this $3,000,000,000 Corporation, one of the Bank Board's agencies, for its influence has been permanent on the home-financing field.

SECOND AND THIRD MORTGAGES SWEPT AWAY

The story of the manner in which it has rehabilitated hundreds of thousands of borrowers already has been briefly told. But its full benefits are legion. It established a 5-percent interest rate and was the most powerful influence in lowering all interest rates in the construction field. It popularized the direct-reduction loan, which progressive savings and loan associations had sought to establish for a century. It swept away the second and third mortgages on the homes it refinanced and sounded the death of those mortgages, with their extortionate interest rates and fees. It spent or directed the spending of $130,000,000 for the improvement of homes, to make them sound security and sound values for resale. It cleared up tax delinquencies of its borrowers throughout the Nation.

HUGE SAVING IN INTEREST

It has been published that the H. O. L. C. has saved its borrowers $175,000,000 on interest alone—the difference between its 5-percent rate and that borrowers were paying on their original contracts. In reality it has saved those borrowers over $500,000,000 in interest. It is estimated that the interest on the second and third mortgages carried by H. O. L. C. borrowers, had they persisted over the last 5 years, would have cost them $262,000,000. The H. O. L. C., in refinancing, induced mortgage holders to reduce their claims some $200,000,000—a direct saving to the borrowers—and the interest on that $200,000,000 over 5 years would have been $70,000,000. Add these to the $175,000,000 and you have the almost unbelievable sum above.

THIS BILL DESERVES OVERWHELMING ENDORSEMENT OF CONGRESS

I have gone into these details because they all are wrapped up in the program of social security, of which this program is a part. It is clear that the Bank Board supervises a group of agencies which serve the small savers—who are also the small home owners—of the Nation in a way in which no other institution can serve them. It has become a vital force in the Nation's finance, the Nation's economy, its life.

This institution already is established. Its functions closely affect the lives of perhaps 20,000,000 people—the families of four and a half million investors and one and a half million borrowers, to say nothing of the million H. O. L. C. borrowers, many of whose loans probably some day will be in the hands of the member institutions of the bank system, as the H. O. L. C. gradually liquidates.

An institution that vitally affects the lives of 20,000,000 people deserves all the consideration this Congress can give. You have created the new era which serves the aged, the blind, the unfortunate, and the men and women and children in the ordinary walks of life—the era of social security. The legislation before us now affects them all. It calls for and deserves an overwhelming endorsement of this Congress.

CHAIRMAN JOHN H. FAHEY

In any discussion of the achievements of the National Government in bringing more security to its people, it is only just that recognition should be given to the public figures who have so administered the laws passed by this Congress as to make them instruments of social progress. So far as any one man can represent the achievements of an institution, John H. Fahey, Chairman of the Federal Home Loan Bank Board, fulfills that role.

From the time he accepted office under this administration, he has inspired the organizations he heads. These include the Federal Home Loan Bank System, the Federal Savings and Loan Insurance Corporation, and the Home Owners' Loan Corporation. He not only has won the faith of this Congress as an executive but has created a public confidence in his leadership which extends even into the ranks of those who have opposed much of the social legislation which this administration has sponsored. He brought with him to public office the trust of both civic and business leaders of the Nation; he has preserved and enlarged that trust while winning the complete faith of those who first knew him in the position he now holds as chief executive officer of three major Federal agencies.

So long as the Government can draw into its ranks such men as Mr. Fahey and continue to command their services at a financial sacrifice in the development of the social program it is seeking to establish, all of us can have faith in its ultimate success.

It is probably true that every great achievement is but "the lengthened shadow of one man." Certainly all the social legislation which has been enacted into law under President Roosevelt bears the indelible imprint of his high idealism and social philosophies. But so diverse have been the achievements under his leadership that they could not have been accomplished without the loyal and efficient aid of the outstanding men he has been able to bring to the Nation's service.

John H. Fahey stands high on the roster of such men who have given their intelligence, ability, courage, and faith

in behalf of better government in the past few years, and I take pride in paying a tribute to him in which I know the great majority in both Houses of this Congress can sincerely join.

The Real-Estate Situation

REMARKS

OF

HON. LELAND M. FORD

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Monday, July 17, 1939

Mr. LELAND M. FORD. Mr. Speaker, I wish to call to the attention of the Members of the House some of the things that the so-called housing program is doing to the real-estate market in southern California, so far as vacancy and occupancy factors are concerned, and particularly where the down payments on the purchase of property and following monthly payments thereon are less than the amounts asked for rental units; and further, to ask what is going to happen to such property as apartments and individual-income units when they become vacant and unoccupied due to this program?

Under leave granted me to extend my remarks in the RECORD, I wish to include the following excerpt from the Southern California Business Review, published by the Bureau of Business Research of the University of California, relating to this subject:

[From the Southern California Business Review for June 1939]

THE REAL-ESTATE SITUATION

Increasing vacancy, weakening rental structure, and extraordinary inducements to buyers are causing a more serious and perhaps more skeptical attitude toward the real-estate market in southern California. Perennial optimists are showing some signs of hysteria, while early birds in ranks of the pessimists are beginning to be heard from in increasing numbers. We may anticipate our conclusion of this paper by saying that, on the whole, real estate in the Los Angeles area is sound; that weakness shows only in cases that generally have indicated lack of strength for a considerable period of time or in uneconomic expansion; and that anyone who has used reasonable care and intelligence in his real-estate investment has little to fear from the real-estate situation itself. Impingements upon the real-estate market, as pressures on any other market, caused by taxation, political maneuvering, or governmental activities generally, are beyond reasonable anticipation or control and must be considered ordinary hazards of the day. Reasonable care with respect to them is not materially different from the caution which must be exercised with respect to them in any business operation.

Persons engaged directly or indirectly in the real-estate business are not different from other businessmen. They must do business on the stage which has been set for them. Confidence in the ability of those directly and indirectly engaged in the construction, sale, and financing of real estate and its improvements means confidence in the market. They can merit confidence only as long as they keep in mind the economic welfare of the community. Economic welfare does not imply idealistic schemes of social redemption, although none will deny that our social progress is largely dependent upon economic reconstruction. Perhaps we have gone too far in trying to create real-estate values. Such values are economically founded only in cases where they are appreciated to the extent that they will be paid for by production of wealth; they cannot be paid for by a higher appreciation of life and living, a deeper social consciousness, or any such intangibles, no matter how desirable they may be.

Confidence in real-estate men and the real-estate market does not come as the result of anyone trying to do good. It comes from the very practical and somewhat prosaic ambition to satisfy the economic needs of a community with a profit to all.

Our difficulties in the improvement, sale, and financing of real estate occur with some regularity and with alarming frequency. The real-estate business often takes on the manner of a crusade, working up into a high pitch and then going into a state of collapse for awhile. We are likely to oversubdivide, overbuild, and oversell, and, after glutting the market, wait for something else to happen to encourage starting the process all over again. We do not consume land and we use up buildings very slowly; yet we attempt to improve and sell land and buildings on the theory that they are consumed and must be resupplied in the same fashion as bread.

Although the law of supply and demand has had some rather violent handling during the last few years, it still compels observance. If vacancy of apartment houses is increasing, perhaps we had better not build too many more of them. If single-family houses are not in demand, perhaps we had better not encourage further construction here. These seem to be self-evident truths, but shouting them from the housetops a decade ago did little good.

Residential or commercial vacancy in the Los Angeles area is not alarming, but it is higher than it was last year in the city as a whole. In good districts, however, it is not materially higher; but the number of strong rental areas is somewhat smaller, and some of the areas that are classified as strong are shrinking in size. Offsetting this, some districts have been developed within the year that show indications not only of economic strength but of continued economic growth.

APARTMENT HOUSES

Apartment houses in some parts of Los Angeles are very definitely affected by the addition of single-family units, and because of what appear to be very low occupancy costs of new single-family houses, which may be purchased under unbelievably liberal terms, a great deal of capital invested in apartment houses is being placed in serious jeopardy. The situation is not universal, but has affected many apartment districts. The result of this exodus of many apartment tenants into single-family houses, where down payments are little more than a month's rent and monthly payments are apparently less than apartment rentals, has had the effect of materially reducing apartment rents and, of course, has increased apartment vacancy.

A carefully planned raid on capital invested, in multiple-family occupancies in particular, could not have been more effectively designed than the promotion program which had led to what in many cases is said to be 100-percent financing of single-family homes. Vacancy in apartments has more than doubled in the last year, and rentals are off about 15 percent from last year's level.

It is only about 10 years since a wave of apartment building caused a difficult situation with respect to rents and vacancies. Today, capital invested in apartment houses is threatened by what appears, in many cases, to be uneconomic expansion in single-family residences.

Another factor which is particularly important at the present time is the throwing onto the rental market of large-scale housing projects. In the Los Angeles territory one 70-acre project is said to provide for 1,102 families in 143 identical buildings. With an already alarming apartment vacancy, particularly in older houses, investors in apartment property cannot help viewing the situation with considerable alarm.

Mass multiple housing may be some relief for the tenement problem in some cities, but our method of solving it may be only the provision of larger tenements and a more serious tenement problem a few years hence. It may be that Government beneficence is providing us today with tenements for 1950, some located in areas where tenements have heretofore been unknown.

LARGE-SCALE HOUSING

It is conceivable that advocates of some of our socially progressive plans in large-scale housing projects may be overshooting their marks, assuming that they have any specific or definite goals in providing a different kind of housing for the "underprivileged class." In some of the larger eastern cities where people have been transferred from tenements to apartment structures of modern type, which are purported to have been designed and built especially to fill the needs of the very low income classes, it has been apparent from time to time that the "social design" of the new structures has led to the inclusion of physical facilities which, because of either their elaborate nature or their lack of specific utility, are very frequently unappreciated by many of the tenants. In some cases, for example, bathtubs, seems to have a greater utility for coal storage than for more conventional uses. Beautiful texture plaster walls may frequently be covered with decorations that certainly would not pass muster at an interior decorators' convention, and fine hardwood floors often show excessive wear and tear of Junior's toys and father's hobnails.

Tenants who recently moved in were very happy with their new quarters, but old tenants who had survived a few "low cost" rental payments and who were satisfied that the visitor was a disinterested third party, not identified with the landlord or mortgagee, not infrequently confessed, if they spoke the English language, that they had to spend too much time keeping the new home clean (clean is a relative term) and very much missed their old neighbors and the easy congeniality of the tenements from which they had moved. Some of them were irked by house rules and "people trying to make us change our way of living." Attractive and, in many cases, elaborate housing programs had usually provided excellent living quarters, but in many cases it appeared to have robbed people of their homes, of an environment in which they could live easily, without obligation or without irksome restraint, and had started them, as one of the tenants said, "on the way to being not more than a potted plant—pretty, poked at, and not able to see anybody you cared enough about to pull out of a fire."

Elimination of slums where they exist is indeed a commendable objective to which eleemosynary and perhaps even governmental organizations might well devote their attention. However, social reformation, so far as the layman may observe, is not likely to be accomplished overnight nor is it a matter which essentially begins with or depends primarily upon housing. This view may not coincide with the opinions of all experts in social affairs; in fact, particularly in the East, there seems to be a more or less prevalent notion among some who have given considerable study to the housing problem that the major portion of crime could be eliminated, reasonably high levels of cultural achievement gained, and

standards of public health infinitely improved by providing a different kind of housing.

This is not an attempt to justify or to make any sort of defense for the old firetrap tenements which existed but which have been gradually on the way to elimination during the last 15 or 20 years. Many of these tenement houses have long since lived their depreciable lives, even though, because of factors frequently beyond control of the owners, these particular dwellings cannot be razed and replaced by safer and more modern buildings. It is possible that it would be much better to take any general rehousing program in easy stages which would permit some social evolution rather than to try socially to "save" the so-called underprivileged classes overnight by moving them into quarters which might be considered elaborate by people in fairly good financial circumstances.

Furthermore, few of the major housing projects which have started with the idea of providing low-cost housing are really cheap so far as rental is concerned. The tenants themselves might not be paying all the rent, much of which may be coming out of the pockets of taxpayers, because of tax-exemption provisions justified on the somewhat nebulous grounds that public-health costs, relief costs, etc., will be reduced because of better housing. Where housing projects are placed on lands that are "donated" or that are acquired on lease agreements with repurchase contracts or by similar methods, even though financing may be arranged with little difficulty and with Government cooperation, the apparent bargain may not be at all genuine.

Government aid in such projects is not a gift in itself. The Government has nothing to give. It can only take away from those who produce and give produced wealth to others. The rather popular idea which has gained credence during the past few years, that Government is a great, beneficent, value-creating institution has permeated the housing program as much as any other activity. When any branch of the Government "gives" tax exemption, it is simply shifting the tax load from the exempted institutions to others which do not enjoy the "gift."

When capital expenditures are made, even though repayment is provided for in such a short time as 20 years, the theory is sometimes advanced that other expenditures, such as those for relief, will be somewhat curtailed. Apparently it is admitted that relief and Government "giving" are not temporary expedients but permanent Government policies. Special Government indulgences are not offered for the purpose alone of providing persons on relief with housing facilities. Some of these large-scale projects which provide facilities for which rents are from $12 to $18 per room per month are not unusual. Without doubt many of these major construction projects are well justified. Lack of vacancy in houses of this type seems to indicate that they are needed, for the present, at least; and in some communities they are finding a definite reception in the rental market. What is becoming of the houses that the tenants of these newer projects have lately vacated is not definitely known. No doubt some of them have been absorbed by the next lower rental group. It would seem logical that general shifting into the more elaborate types of houses where rentals average as much as $15 per room would release, step by step, many units at prices which would not be prohibitive to people in moderate circumstances who, in their turn, would release living quarters at rentals which might be paid by the very low income classes. Urban experience in this country thus far has indicated this sort of progression in many instances.

Such an orderly process, however, lacks the glamour of a social or political crusade. Tax requirements under it would not be so great, even though substantial reductions in taxes collected on properties having reduced rentals, because of downward transition, would likely be more than offset by additional taxes received from new houses of the $10 or $15 per room rental class.

THE UNDERPRIVILEGED CLASSES

It is with difficulty that we determine just who the underprivileged classes are in this country at the present time. It may be the people on relief. The underprivileged may be those who do not have the kind of house to live in which some of us believe they should occupy. Certainly with the abundance of all kinds of free education offered day and night by various city, State, and Federal Government agencies to people of all intellectual levels and ages, the underprivileged cannot be said to be the uneducated.

Some middle-class people are beginning to feel that they are now the underprivileged class, because they have to pay out so much of their rather hard-earned income that they themselves have had to forego many of the comforts and amenities of life in order to provide these comforts to those who may not be nearly so appreciative and anxious to enjoy them. Perhaps in the housing campaign we have an illustration of the rewards of being underprivileged, and some members of the middle class may be looking forward with anticipation to the time when they themselves can be underprivileged and can participate in the benefits rather than pay the bill for social and economic uplift.

SINGLE-FAMILY HOUSES

Most of the interest in the so-called housing problem seems to be centered on providing new houses. There is little doubt that in many communities a definite need exists for houses ranging in price from $2,000 or $2,500 to $4,000. Easy money is available for construction, but perhaps we are on the verge of a far more serious housing problem than we have ever faced when we consider what is to become of occupancies now being vacated by those moving into these new houses. Some of the housing propaganda received might lead us to believe that a substantial portion of our population is living in hovels or tents. However, we all know that for the most part we are not short of housing, but many people are dissatisfied with certain types of houses. In many cases those convinced that they should have a better house have no economic means of providing that house. Therefore, a social rather than an economic justification of a considerable proportion of our present building program must be developed.

Single-family residences should never be considered as investments. When a man buys a house for $5,000 and sells it for $6,000, assuming that he paid and received reasonable market prices in each case, it is more than likely that the difference in the purchasing power of a dollar between the time of his purchase and the time of sale would more than offset any apparent profit he may have made. This is not intended as an argument against the purchase or the owning of a single-family house. A comparatively small proportion of the expenditures of a family may be assumed to be commercially profitable or even necessary. The pleasures and satisfactions or the amenities of home ownership in most cases, where they can be afforded, far outweigh the costs. However, a great many people who can ill afford them are influenced to buy their own homes or to buy better homes.

The purchase of a home on the installment plan implies continuance of income, and perhaps there is no more speculative quantity in economic society today than prospective earned income. With millions unemployed, a man must indeed have an assured position who will pay over his entire accumulated savings and enter into a contract for 10, 15, or 20 years to pay out a specified sum each month on a home. It may be argued that the necessity of paying rent is quite as real as that of buying a house, but rent levels fluctuate with business conditions and, when times are bad, rents are lowered. When times are good, it is true, rents go up; but it is in times of relatively great prosperity that a large proportion of installment home purchases are made, so that monthly payments are more nearly comparable to high-rent levels than to low-rent levels. When times get bad and installment payments cannot be met, usually foreclosure takes place. In any event, the full purchase price of a house, plus interest, must be paid; and, even if it is deferred, it remains a considerable obligation which must be liquidated or all equity may be lost.

Certainly no one who can afford to buy a house should be discouraged from doing so, and certainly no one who has reasonable prospects of continuing income need fear to enter into an installment agreement. On the other hand, families who have been renting houses and who are expecting to move into better quarters than they have ever had before, cannot afford to overlook the fact that maintenance costs of single-family residential property are rather high. Furthermore, if everyone in the neighborhood does not properly maintain his house, both on the exterior and on the interior, not only is his investment but everyone's investment in the neighborhood impaired. There are some districts in Los Angeles, and perhaps in every large community, where even a minor dip in the present business trend or a further decline in real estate values would leave owners of record with practically no equities in their holdings; that is, real estate has been sold in certain instances and in some areas at such high levels and under such liberal terms that in some cases prospective equities, which might not be paid for with the down payment and, in addition, 3 or 4 years of installments, were liquidated the day the new owners moved in.

The effect of this kind of home ownership is one which should interest the average businessman far more than the real-estate man, because the real-estate agent makes a commission on every sale, no matter whether the sale is economically made or not. However, the merchant selling shoes, clothing, and many other consumers' goods, even food, finds his customers' purchases shrinking with alarming rapidity when house payments take a disproportionate amount of the family income. It might be argued that the man who gets the payment will spend with the merchant just as much as or more than the person who bought the house and whose currently expendable income is reduced by the obligation of installment payments. If this statement is true, it has no statistical verification.

Wage and Hour Code

EXTENSION OF REMARKS

OF

HON. JOSEPH R. BRYSON

OF SOUTH CAROLINA

IN THE HOUSE OF REPRESENTATIVES

Monday, July 17, 1939

Mr. BRYSON. Mr. Speaker, I refer to an extension of the remarks of the distinguished gentleman from Alabama [Mr. HOBBS], which appears in the Appendix of the CONGRESSIONAL RECORD, page 325, under the title, "Wage and Hour Code."

The gentleman from Alabama states that the "major premise" of a prepared statement, which I released for news-

paper publication on July 1, is fallacious. However, a study of the arguments presented by my esteemed colleague convinces me that the purpose and intent of my statement to the press has been misunderstood and I take this first opportunity to clear up this apparent misunderstanding.

My colleague states:

Most respectfully I submit to the Members of this House and to the Nation—no matter what may be their views with respect to the merits or demerits of the wage-hour bill or its administration—that any citizen is entitled to exercise, without criticism, the right of free speech guaranteed by the Constitution.

Most assuredly, I welcome this opportunity to join the gentleman from Alabama in everything he has to say about freedom of speech.

Freedom of speech is the breath of life and sustaining power of democracy, and I believe as strongly and passionately in its preservation as I believe in the preservation of democracy itself. Thus, I am in complete accord with my colleague insofar as he affirms his devotion to the right of free speech, as guaranteed by the Constitution.

But in my statement to the press I merely contended that, inasmuch as the States of Mississippi and Alabama represent only 8 percent of the Nation's textile industry, the Governors of those two States were not in a position to voice the sentiment and opinions of public officials in other sections of the South, representing 45.1 percent of the textile industry. It was not my contention that these two Governors did not have the right to testify at the Atlanta hearing on textile wages and hours.

It is my wish to assure the gentleman from Alabama that I did not challenge the right of these two Governors to testify at the Atlanta wage-hour hearings. Rather, I would defend them in their exercise of the right of free speech. In this matter I would take the position once stated by a great author who is reported to have said, "I wholly disapprove of what you say but will defend to the death your right to say it."

It was in the exercise of my right of free speech that I released this statement to the press, pointing out that while the Governors of Alabama and Mississippi, representing only 8 percent of the textile industry of the Nation, expressed the opinion that the wage-hour law would prove disastrous to the textile industry of the South, public officials in the two Carolinas had not expressed the same viewpoint.

I feel that the public good is best served when matters such as this are brought to light, and in that spirit I wish to assure my colleague of my respect for the position which he takes, as I am sure he will respect the position I take.

Americanism and What It Means

EXTENSION OF REMARKS

OF

HON. LEE E. GEYER

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Monday, July 17, 1939

ESSAY BY ARLENE CRANDALL

Mr. GEYER of California. Mr. Speaker, under leave to extend my remarks, I print in the RECORD a statement by a 13-year-old student of the high school in which I have been a social-science instructor for the past 10 years.

This essay was produced under the sponsorship of John Gholson in connection with the Americanism program being put on among the young people of the Gardena (Calif.) Baptist Church. Both Mr. Gholson and Miss Crandall, I feel, are to be congratulated for their splendid contribution.

Miss Crandall's essay follows:

Americanism—what a great word! One could not write all it means because of its greatness. It does not mean alone that we are Americans, but takes in all humanity—those who are loyal, both to God and country; those who love their country with love great enough to give their lives to defend it.

It must be founded upon human liberty, a guaranty of life, and the pursuit of happiness. Liberty for every man, woman, and child. It also involves a deep-seated belief in the integrity of those who are given the governing power.

One should be honest in his beliefs and defend his country and take its oaths without hesitancy. It should be a quality in human nature that is willing to assume the responsibility of doing things uncomplainingly and without protest.

We should be able to say "our country" with a meaning. Still "our country," however bounded or described, cherished in our hearts, to be defended by all our hands.

God did not make us the mightiest human force of all time simply to feed and die. He has made us the civilization that we may minister civilization and be true Americans.

I cling to American ideas because they are mine by heritage—a heritage enriched by the blood of our God-fearing forefathers, who fought and died to make their country safe. These men had their country's safety deep-rooted in their hearts, as religion finds its roots in the individual soul.

ARLENE CRANDALL (age 13),
Gardena Baptist Church.

The Purposes and Constitutionality of the Juvenile Delinquency Act

EXTENSION OF REMARKS

OF

HON. EMANUEL CELLER

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Monday, July 17, 1939

ADDRESS BY ALEXANDER HOLTZOFF

Mr. CELLER. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following address by Alexander Holtzoff, Special Assistant to the Attorney General of the United States, before the judicial conference for the fourth circuit, held at Grove Park Inn, Asheville, N. C., Thursday, June 8, 1939:

It is a pleasure and an honor which I greatly appreciate to be requested to address this august assembly. The Judicial Conferences for the Fourth Circuit are justly famed for their constructive accomplishments in the field of administration of justice. They are pointed to as a model by all persons interested in law reform. The attainments of the senior circuit judge in this field are likewise acclaimed throughout the United States.

I must confess, however, that pleased as I was at Judge Parker's suggestion that I should discuss the constitutionality of the Federal Juvenile Delinquency Act before this conference, it was, nevertheless, with considerable trepidation that I accepted his invitation, for this is the first time that I have ever addressed as large a group of judges as I am facing this morning.

Juvenile delinquency constitutes one of the most vital and troublesome problems in the field of criminology. It has been generally realized that many a juvenile offender can be rehabilitated and saved from a life of crime, if he can be properly dealt with and received suitable guidance in the early stages of his career. This end can hardly be achieved, however, in the publicity of a formal court proceeding which brands the youth as a criminal and by permitting him to mingle with hardened criminals in the depressing atmosphere of the prison.

At the turn of the century the States began one by one to enact laws providing a special informal procedure for the treatment of juvenile delinquents. The result has been that in the course of time 47 States and the District of Columbia have enacted juvenile delinquency acts in one form or another. Wyoming is the only exception. The principal objectives of such legislation are the segregation of juveniles from older criminals, informal hearings instead of public trials, liberal use of probation, and the placing of juveniles in private homes and institutions other than prisons. Experience has proven that the community, as well as the individual, is benefited by this approach to the problem of juvenile delinquency.

The Federal Government stood in isolation and until June 1938 continued to try juveniles accused of infractions of the law in the same manner as adult criminals.

In June 1938 the Congress passed the Federal Juvenile Delinquency Act. The bill was drafted in the Department of Justice and was passed at its instance within a few weeks after its introduction, without a dissenting voice—so convinced were Members of the Senate and House of the desirability of this legislation.

The Federal Juvenile Delinquency Act became law on June 16, 1938 (52 Stat. 764; U. S. Code, title 18, secs. 921–929). It is a beneficent piece of legislation, enacted with a view of ameliorating in respect to juveniles the formal procedure of the criminal court, reducing to the minimum the detention and commitment of juveniles in penal and correctional institutions intended for adult

offenders, and eliminating the stigma of criminality in respect to juveniles that attaches as a result of a conviction in a criminal proceeding. It was intended by the act to permit informal proceedings in chambers to supersede a formal trial in open court; to allow the commitment of the juvenile to a public or private agency other than a penal or correctional institution, and to provide for the release of the juvenile on parole at any time.

In order to achieve these ends, which are regarded by progressive penologists and students of the psychology of youth as being highly desirable, it was necessary to render it possible to proceed against juveniles without an indictment by a grand jury or trial by petit jury. It was recognized, however, that a minor was surrounded by the same constitutional guaranties as an adult, and that consequently without his cooperation and consent the informal procedure contemplated by the act could not be invoked. Accordingly, the act provides that a juvenile delinquent may be prosecuted under it only with his own consent, given in writing before a judge. If such consent is not granted, recourse would be had to the usual form of procedure by indictment, and the trial would have to be conducted before a jury.

The following is a summary of the provisions of the act:

Section 1 defines "juvenile" as a person 17 years of age or under, and "juvenile delinquency" as an offense against the laws of the United States committed by a juvenile and not punishable by death or life imprisonment.

Section 2 provides that whenever any juvenile is charged with any offense within the above-mentioned category he shall be prosecuted as a juvenile delinquent, if the Attorney General so directs and the accused consents. In such event, the prosecution is to be by information on the charge of juvenile delinquency, and no prosecution is to be instituted for the specific offense alleged to have been committed. The consent of the juvenile is to be given in writing before a judge of the district court of the United States having cognizance of the offense, "who shall fully apprize the juvenile of his rights and of the consequences of such consent."

Section 3 confers jurisdiction on United States district courts to try juvenile delinquents, and provides that for such purpose the court may be convened at any time or place within the district, in chambers or otherwise, and that the trial should be without a jury.

Section 4 provides that if the court finds the juvenile guilty of juvenile delinquency, it may place him on probation or commit him to the custody of the attorney general, who may designate any public or private agency for the custody, care, subsistence, education, and training of such juvenile.

Section 5 relates to the detention of the juvenile pending a hearing and makes provision for his confinement under circumstances which would permit his segregation from adults.

Section 6 authorizes the Director of the Bureau of Prisons to contract with various agencies for the custody of juvenile delinquents.

Section 7 permits the release of a juvenile delinquent on parole at any time.

The question has been raised as to whether the act is constitutional. It has been suggested that it may contravene the provision of the fifth amendment that "no person shall be held to answer for a capital, or otherwise infamous crime, unless on a presentment, or indictment by a grand jury." It is submitted that in view of the fact that the procedure under the Juvenile Delinquency Act may not be invoked except with the consent of the juvenile, which necessarily implies a waiver of prosecution by indictment, there is no invalid infringement of the constitutional rights of the juvenile.

The discussion of this question will be subdivided as follows:

(1) A person accused of a crime may waive prosecution by indictment and consent to prosecution by information.

(2) A minor may waive any constitutional guaranty or protection surrounding his trial, in the same manner as an adult.

The Constitution surrounds every person accused of a crime with certain guaranties for the purpose of protecting him against a conviction without a fair trial and an opportunity to defend himself in the manner regarded as fundamental in Anglo-Saxon jurisprudence. All of these privileges are found in the fourth, fifth, and sixth amendments. That of trial by jury is also included in article III, section 2, clause 3 of the Constitution. In every instance in which the Supreme Court has had occasion to pass on the question as to whether the defendant might waive one of these guaranties, it has answered the query in the affirmative, on the ground that the provisions under consideration confer personal privileges, rather than constituting limitations on the framework of Government.

Thus, it has been held that the following constitutional privileges of a defendant in a criminal case may be waived by him:

Trial by jury, *Patton* v. *United States* (281 U. S. 276).

Protection against double jeopardy *Trono* v. *United States* (199 U. S. 521, 534).

Privilege against self-incrimination, *United States* v. *Murdock* (284 U. S. 141, 148).

Protection against unreasonable searches and seizures, *Segurola* v. *United States* (275 U. S. 106).

The right of confrontation with witnesses, *Diaz* v. *United States* (223 U. S. 442, 450–451).

The right to have assistance of counsel, *Johnson* v. *Zerbst* (304 U. S. 458, 465.

In *Patton* v. *United States*, at pages 296, 297, 298, the Court made the following observations:

"The record of English and colonial jurisprudence antedating the Constitution will be searched in vain for evidence that trial by jury in criminal cases was regarded as a part of the structure of government as distinguished from a right or privilege of the accused. On the contrary, it uniformly was regarded as a valuable privilege bestowed upon the person accused of crime for the purpose of safeguarding him against the oppressive power of the king and the arbitrary or partial judgment of the court. Thus Blackstone, who held trial by jury both in civil and criminal cases in such esteem that he called it 'the glory of the English law,' nevertheless looked upon it as a 'privilege,' albeit 'the most transcendent privilege which any subject can enjoy.'

* * * * * * *

"In the light of the foregoing it is reasonable to conclude that the framers of the Constitution simply were intent upon preserving the right of trial by jury primarily for the protection of the accused.

* * * * * * *

"Upon this view of the constitutional provisions we conclude that article III, section 2, is not jurisdictional, but was meant to confer a right upon the accused which he may forego at his election. To deny his power to do so, is to convert a privilege into an imperative requirement."

Whether the guaranty against prosecution except by indictment is likewise a privilege that may be waived, has never been determined by the Supreme Court. No reason appears discernible, however, for distinguishing this privilege from all the other provisions contained in the enumeration of constitutional guaranties to a defendant in a criminal case. If a trial by jury is a privilege which the accused may waive, rather than a part of the governmental structure which no one may touch, it cannot be perceived why the same is not true of indictment by a grand jury. It can hardly be denied that from the standpoint of a defendant a trial by jury is of much greater importance than indictment by grand jury. If the former may be waived, why not the latter? It is a palladium of our liberties which we derive from the English forebears of this country, and which have been transplanted into the United States and embodied in its Constitution. At best, both should be treated as being on a par.

There appear to be only two Federal cases dealing with the subject under consideration. In *United States* v. *Gill* (55 F. (2) 399 (D. C. N. Mex.)), Judge Phillips, after comprehensively discussing the matter, concluded that indictment by a grand jury could be waived by a defendant. He ruled that the decision of the Supreme Court in the Patton case, supra, which held that a trial by jury might be waived, should apply with equal force to the question as to whether a defendant might forego prosecution by a grand jury. He also called attention to the fact that other constitutional guaranties might be waived, and that there appeared to be no distinction between the one under discussion and the other guaranties provided for defendant's benefit.

The only other Federal case on this point appears to be *Ex parte McClusky* (40 Fed. 71 (C. C. Ark. 1889)), in which a contrary result was reached. The court in that case, however, argued that neither trial by jury nor indictment by grand jury might be waived. As indicated above, the Supreme Court in the Patton case has since held that a defendant may consent to a trial without a jury. Moreover, the court in the McClusky case predicated its conclusion on the decision of the New York Court of Appeals in *Cancemi* v. *People* (18 N. Y. 128), which held that the defendant in a criminal case might not waive trial by jury. In the Patton case, however, the Supreme Court (p. 302) cited the Cancemi case and declined to follow it. The inescapable conclusion is that Ex parte McClusky must be regarded as neither binding nor persuasive.

Two States—New Jersey and Pennsylvania—have held that the accused might waive indictment by grand jury and consent to prosecution by information. The New Jersey Court of Errors and Appeals in *Edwards* v. *State* (45 N. J. L. 419), discussed this point at length and reasoned that since other constitutional rights might be waived by the accused, no reason could be perceived for precluding him from dispensing with indictment by a grand jury. A similar result was reached in *Commonwealth* v. *Francies* (250 Pa. 496).

The only State in which a statute permitting the accused to waive indictment has been held invalid appears to be New York. *People ex rel Battista* v. *Christian* (249 N. Y. 314). The court based its reasoning in large part on the rule of the *Cancemi case* (18 N. Y. 128, supra), which, as heretofore stated, held that the accused might not waive a trial by jury. As noted above, however, the Supreme Court referred to the Cancemi decision in the *Patton case*, but declined to follow it. In view of this circumstance, it would seem that People ex rel Battista against Christian cannot be regarded as persuasive in a Federal court.

In view of the foregoing considerations, the conclusion is inevitable that the right not to be prosecuted except by indictment by a grand jury is a constitutional guaranty for the benefit of the accused, and is not to be distinguished from other constitutional privileges extended to him; and that since other constitutional privileges may be waived by the defendant, it follows that indictment by grand jury may likewise be dispensed with by his consent.

The authorities unanimously and indisputably support the proposition that a minor accused of a crime may waive any of his constitutional rights or privileges. For example, he may waive a trial by jury. *People* v. *Fisher*, 303 Ill. 430, 434; *People ex rel Sammons* v. *Wandell* (N. Y.), 21 Hun. 515; *Gordon* v. *State*, 89 Tex. Crim. 59.

In *People* v. *Fisher, supra*, the court observed that when an infant who has reached the age of criminal capacity, which under the Illinois law was fixed at 10 years, "stands charged with a

crime, he appears and defends in person, or by attorney, the same as an adult."

In *People ex rel Sammons* v. *Wandell* (N. Y.) *supra*, the court remarked that an infant's "right to elect the mode of trial is an incident to the right to defend in person." In *Fukunaga* v. *Territory of Hawaii*, 33 F. (2d) 396 (C. C. A. 9th), a minor was convicted of murder. On appeal from the Territorial courts of Hawaii, he urged that he had been deprived of the right of being confronted by the witnesses against him, guaranteed by the sixth amendment. In discussing the contention that a minor could not waive such rights, Judge Wilbur remarked:

"No authority is cited to support that proposition, and it is believed that none can be found. There is nothing in this proposition * * *."

Similarly, it has been held that statutory rights, such as the privilege of being furnished with a copy of the indictment and of a list of witnesses and jurors, or the privilege of adducing witnesses in mitigation of the offense, after a plea of guilty, may be waived by a defendant who is an infant. *Bartley* v. *People* (156 Ill. 234, 240); *People* v. *Crooks* (326 Ill. 266, 273).

After all, we accept a plea of guilty from a minor, and yet a plea of guilty is a waiver of his right to any trial whatsoever. If a minor may waive a trial completely, certainly he may waive any component of it. There would seem to be no doubt, therefore, that a minor may waive the right not to be prosecuted, except by indictment, as well as the right to a trial by jury.

Ineluctable logic leads to the conclusion that the right not to be prosecuted except by indictment is a right that may be waived, and that a minor may waive his constitutional guaranties in the same manner as an adult. Consequently, the possible objections that have been suggested to the validity of the act can be completely met, and hence the Federal Juvenile Delinquency Act must be regarded as constitutional.

Before closing my remarks, it may perhaps be of interest to say a few words concerning the operation of the act during the short time that it has been in existence. It became law on June 16, 1938. The following statistics show the part that it has played in dealing with juvenile offenders in the Federal courts between July 1, 1938, and May 1, 1939. During that period the total number of juvenile offenders apprehended by the Federal authorities on Federal charges aggregated 1,127. Of this number 347 were diverted to local authorities; 339 were prosecuted under the old or regular procedure; while 441 were handled under the Juvenile Delinquency Act. Of the last-mentioned number, 246, or slightly more than half, were placed on probation; 81 were committed to Federal reformatories; 58 were committed to the National Training School for Boys; 42 were committed to State and local correctional institutions; 7 were committed to noncorrectional schools; and 7 were placed in foster homes.

In conclusion may I express to you, Judge Parker, and to the other judges present, my appreciation of the opportunity of addressing this conference and my gratification at the interest that has been evinced by all of you in this very important subject.

Neutrality Not a Partisan Issue

EXTENSION OF REMARKS

OF

HON. LUTHER A. JOHNSON

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Monday, July 17, 1939

EDITORIAL FROM WASHINGTON DAILY NEWS OF JULY 14, 1939

Mr. LUTHER A. JOHNSON. Mr. Speaker, under leave granted, I submit herewith an editorial from the Washington Daily News of July 14, 1939:

[From the Washington Daily News of July 14, 1939]

"MY FRIENDS * * *"

"From the beginning I have believed that this automatic, inflexible embargo (on arms exports to belligerents) is a great mistake; that it places the United States in a false position; that in the end it will prove dangerous to our peace."

"This act has automatically placed in the hands of foreign nations, some of them possibly our future enemies, the decision as to with whom this country shall carry on some of its trade and commerce."

"In case of a European war, we should see ourselves penalizing only the democracies. The only certain results would be an outburst of popular feeling which would force Congress to drop the embargo. * * * Such a change of rules during the course of the war would almost inevitably mean our own involvent."

"If wholesale attack were made upon women and children by the deliberate destruction of cities from the air, then the indignation of the American people could not be restrained from action."

"I fear for America's ability to stay out of a prolonged war."

Is this President Roosevelt speaking? No. The quotations come from five Republicans, in the following order: Representative JAMES W. WADSWORTH (Republican, New York), former Secretary of State Henry L. Stimson, former Undersecretary of State William R. Castle, Herbert Hoover, and Alf M. Landon.

Foreign policy is not a partisan issue.

South Dakota's Fiftieth Anniversary

EXTENSION OF REMARKS

OF

HON. FRANCIS H. CASE

OF SOUTH DAKOTA

IN THE HOUSE OF REPRESENTATIVES

Monday, July 17, 1939

ADDRESS BY HON. HARLAN J. BUSHFIELD, GOVERNOR OF SOUTH DAKOTA, JULY 2, 1939

Mr. CASE of South Dakota. Mr. Speaker, under leave granted to extend my remarks in the RECORD, I include in these remarks, the address by the Honorable Harlan J. Bushfield, Governor of South Dakota, at the fiftieth anniversary ceremonies of the State at the Mount Rushmore Memorial, July 2, 1939:

Five short decades have passed since the Congress of the United States, by solemn enactment, declared South Dakota to be a sovereign State and a new star was born in our national firmament.

Fifty years crammed with action, accomplishment, and fulfillment. The storms of adversity have beaten upon the unbowed heads of our people since that memorable event, but so, too, has the sunshine of prosperity, of rich crops, and of success shed its beneficent rays upon our State.

We have had occasional blizzards. So has New York City. We have had drought and flights of grasshoppers, mortgage foreclosures, and hard times, but California has had all of these, with earthquakes thrown in for good measure. Florida and New England have tropical hurricanes and crop-destroying freezes, and the Ohio Valley is in perennial dread of life-taking and property-destroying floods.

No State has a monopoly of either favorable or unfavorable conditions. All have some of both. Much that has been said of South Dakota has been spoken in jest by South Dakotans. Westerners like to relate unbelievable stories of their weather to those who manifest any slight symptom of gullibility for the pure love of the story itself, and are the first to repudiate such tales when told by others. New Yorkers may sell us the Empire State Building or the Brooklyn Bridge, but we just as easily sell them real Indian moccasins—made in New York.

To understand our people it is necessary to know something of the historical background that hangs like a mural painting against the blue of our far-flung horizon.

A PART OF THE LOUISIANA PURCHASE

We are part of the Louisiana Purchase, for which Thomas Jefferson paid the munificent sum of $15,000,000. The flags of Spain, France, and England have flown above the broad stretches of our prairies, lakes, and mountains. The French explorer, La Verendrye, in 1743 planted a leaden plate beneath a cairn of stones on the bluffs of the Missouri River near the present site of Fort Pierre. Pierre Chateau founded a trading post there in 1823. Fur traders, adventurers, missionaries, and soldiers have passed up and down the river highway since then, leaving their contribution to the civilization that was to come after them. Lewis and Clark explored it. General Custer gave his life trying to conquer its first inhabitants, the Indians. A courageous, undisciplined crew were they, fearing neither man nor savages and independent of all restraint.

Not until the fur and the buffalo were gone, not until the Indians were subdued, did men realize that the prairie was a veritable storehouse of fertility. The land, once the bed of a prehistoric sea, is underlaid with sweet limestone, making the soil incomparably rich. Clean, pure air, filtered by prairie sunshine, native grasses of unbelievable nutritious qualities and a temperate climate foreordained this land as the home of fast-meating cattle, sheep, horses, and swine, a perfect spot for an agricultural people.

When that realization came to America, covered wagons filled the prairie trails. Railroads raced with each other to tap this new granary of the West. Federal land offices were deluged with homeseekers. When the settlers came, they found a prairie wilderness coursed by streams, dotted with lakes, and crowned, like the tiara upon an emerald crown, by the beautiful Black Hills.

The miracle of the West was enacted almost overnight. Towns dotted the prairie. The black soil felt the bite of the plow. Schools, churches, and farms sprang up like mushrooms. Doctors, lawyers, teachers, merchants, adventurers, turned farmer, flowed across the land like a tidal wave. Our State was settled almost in a season.

That heterogeneous mixture of Americans, with diverse training and viewpoints, was the bedrock upon which our State was built. They did not know farming, but that did not deter them. At first they frittered away the substance of huge crop yields with no more than a scratching of rich fields that had lain for ages awaiting the plow. But though they did not know how to farm, the heritage of a will to win was in their blood from their pioneer forebears, and it taught our settlers how to tame the prairie.

Today the traveler, whizzing past prosperous, well-built farms and towns, upon hard-surfaced highways, can scarcely visualize the transformation within a single lifetime of this empty land of 50 years ago.

There are many still living, some of them in this great audience tonight, who took part in that drama of the West, which Wild Bill Hickok, Calamity Jane, Seth Bullock, Annie Donna Tallent, and other frontier characters made famous in legend and in song.

GIANTS OF THE FRONTIER

Rolvaag wrote of Giants in the Earth, giants of frontier hardship that our present generation neither know nor understand. But there were giants upon the earth, too, giants who rose above every obstacle, who conquered every foe save death. Those men and women neither asked nor expected help, and we, their children, are celebrating today the fiftieth anniversary of their first great victory, our admission to statehood.

Our generation has had its obstacles, too. In addition to a world depression that has bankrupted farmers and businessmen in every State, we in South Dakota have had to combat a plague of those who have advertised our difficulties to the world as something found only within our own borders. Dreamers, too, and even one great Federal bureau, knowing nothing of our people or the resources of our State, have published stories in national magazines and moving pictures in which, with trenchant pen and trick photography, they have sought to analyze and dissect our State. A Pain in the Northwest, the Plow That Broke the Plains, Free Land, all based upon misinformation or careless falsehood, have been refuted by the indisputable fact that South Dakota has produced, for years on end, more wealth per capita than any State in the Union.

Our Black Hills, in which we stand tonight, have mineral riches exceeding even those of the famous diamond mines of Kimberley. Gold, tin, silver, feldspar, tungsten and bentonite are all here. And in central South Dakota there is enough manganese to supply the steel mills of America for the next 100 years.

From the rich, black soil of our farm lands pours a river of new wealth each year. Poultry, dairy products, livestock, swell the flood. And our grain yield in 1938 exceeded the total of Maine, New Hampshire, Vermont, Massachusetts, Rhode Island, Connecticut, New York, New Jersey, California, Oregon, Washington, Nevada, Utah, Arizona and New Mexico combined. The Plow That Broke the Plains? Yes, but it must have been a Paul Bunyan plow that enabled us to exceed the combined grain production of 15 of our sister States.

MORE THAN MATERIAL WEALTH

Our material wealth, however, is not all that South Dakota possesses. Tonight we stand at the foot of Mount Rushmore with that world-famous sculptor, our host and friend, Gutzon Borglum. Upon the bare granite face of the mountain above us, his genius has peeled away the native stone to reveal the faces of the four greatest Americans, George Washington, Thomas Jefferson, Abraham Lincoln, and Theodore Roosevelt. A stupendous task. An unbelievable accomplishment until you have seen it.

The mountain, rearing its rocky head into the heavens, has been transformed. It is no longer just a mountain, however beautiful and awe-inspiring its bleak grandeur. It is a memorial, made so by act of Congress, a national monument, its like not to be found elsewhere upon this earth. Four massive heads, 60 feet from chin to forehead have been uncovered, that a wondering and reverent America may, through all the ages, admire and venerate. It is the "shrine of democracy."

But is something more. It has a special significance to us in South Dakota. It typifies in deathless stone an idea, a creed, a philosophy of life that I would like to convey to you who are assembled here and to those who are listening in from a million hearthstones.

Our people, our fathers and mothers, who came to the Dakota prairies and mountains a half century ago, came for the most part with only their two hands. Their wealth existed in sturdy hearts and unbreakable wills. They met this savage wilderness, and it was savage in every sense of the word, and they conquered it.

Lacking tangible wealth, they built their homes from the prairie sod. Floorless, often without furniture except rought bunks for beds and a store box for a table, sometimes without water, save for that hauled in barrels from distant wells or streams, they reared their babies and tilled their fields with a laugh upon their lips and a song in their hearts. Death lurked in the winter winds, disaster in the summer heat. But those pioneers would not surrender. They had that within their toil-hardened bodies that kept driving them on and on. And in the end they won. A great State is the reward for their fortitude and their labors. Few of them are here tonight to join in the honor we do them. But the thing for which they stood, the thing that they exemplify, as do these great stone faces above us, is America. America with all it stands for of liberty, of free enterprise, free speech, and free religion.

UNDER GOD THE PEOPLE RULE

"Under God the People Rule" is the motto those men and women chose for our State. Their lives typify that motto. When the people cease to rule, or are put in governmental fetters, then America dies. Then indeed will the thing for which our parents stood disappear from the face of the earth.

I have faith that the people of South Dakota, the people of the United States, will not permit America to die. We are the symbol of liberty to all the world. We are the product of a freedom-loving, God-fearing race of pioneers. If we are true to that heritage, if we are true to the mothers who bore us, we cannot, we dare not fail.

South Dakota, I salute you on this, the fiftieth anniversary of your admission to statehood.

The New Alien and Sedition Laws

EXTENSION OF REMARKS

OF

HON. EMANUEL CELLER

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Monday, July 17, 1939

RADIO ADDRESS BY HON. EMANUEL CELLER, OF NEW YORK, JULY 11, 1939

Mr. CELLER. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following radio address, entitled "The New Alien and Sedition Laws," delivered by me over the Columbia Broadcasting System, Station WJSV, Tuesday evening, July 11:

Some weeks ago the House passed the so-called Hobbs concentration-camp bill, and shortly thereafter, the so-called Dempsey alien deportation bill. Coming before the House in the near future are a large number of other measures, all antialien in character. And but a few days ago, the Senate Immigration Committee reported out a bill which would suspend for 5 years all immigration to this country, with the exception of 10,000 German refugee children. Tagged on to this measure is a provision calling for the registration of all aliens in the United States.

The House Judiciary Committee, of which I am acting chairman, has just reported favorably the so-called Smith bill, providing for the suppression of so-called subversive alien activities. I opposed this bill, as I did the concentration-camp bill, and helped in striking therefrom the provision calling for the annual registration and fingerprinting of all aliens. This (Smith) bill, nevertheless, contains other features which impinge upon the liberties of aliens and citizens alike.

Why this avalanche of antialien bills? They smack very much of the alien and sedition laws of 1798, against which Jefferson fought, and which John Adams and the Federalists helped sponsor, and which later caused Adams' defeat at the polls by Jefferson.

The antialien movement now prevalent in the United States is based upon propaganda as Hitler defines it, namely, the "art" of using lies perpetually repeated to produce hate. Its proponents are the spiritual descendants of the Salem witch burners, of the "Know-nothings," who "pogrommed" Irish Catholics and burned convents in 1850, of the American Protective Association of 1890, who hounded the German Catholics, of the Ku Klux Klan of 1927, who persecuted Negro, Jew, and Catholic. They are the Moseleys, the Fritz Kuhns, and the Pelleys. They and their kind want to Americanize everyone but themselves. However, I say they but spit in the wind, and thus spit on themselves.

I warn my listeners of the horrors and dangers prevalent in the pattern which is gradually being drawn and filled in by the introduction and the advancement of these bills. I have the highest regard for the gentlemen whose names appear on these bills. I have served with them for years. They are high-minded gentlemen, but I fear they are enthusiastically misguided.

You listeners should be awakened to the sense of your responsibility in this regard. This pattern is of fascistic design and, if unchecked, will mean the gradual destruction of our Jeffersonian Bill of Rights and the repression of our civil and political liberties.

One of these new alien and sedition bills, e. g., makes it a crime to advise, counsel, or solicit any member of the Army or Navy of the United States to disobey the laws or regulations governing the Army or the Navy, or to disobey the orders of a lawful superior, or to publish or distribute written matter to the same effect. These words sound laudable; it is well to scotch naval or military sedition. But we must carefully examine those words and see how far they go. The bill is so broad and indefinite that it threatens freedom of speech and freedom of the press on all matters affecting the Army and the Navy. For example, a recent resolution by the Methodist Church concerning pacifism, would come within that ban and would bring down on its authors

severe punishment. A pronouncement against the use of troops in a strike; a plea for more airplanes, might be construed, under this bill we are discussing, as advice to disobey some Army regulation. Any endeavor to amend such a bill so as to limit to acts willfully directed to persons known to be members of the Army or the Navy, or any effort to clarify the language of this measure, would bring down upon the head of such critic condign criticism. So fierce is this alien hysteria that one is branded as a Communist if he attempts to advocate changes in such bill. One hesitates to offer an amendment to this measure—so great is the present antialien temper of the House and the Senate. But in truth and in fact, the testimony before the House Judiciary Committee indicated that there is no danger of military disaffection. Such provision, which is incidentally included in the Smith bill, is founded upon a fear which is not real. There is no danger of disaffection in our Army or Navy for which our present laws are not adequate.

One of the provisions of the Smith bill would cause deportation of any alien who believes in, or is a member of, an organization which in effect advocates any forceful change of government for the United States. This would cause the deportation of any alien who, at the time of his application for admission to the United States, or at any time theretofore, was a member of the Communist Party. This provision is retroactive, and therefore, if an alien was a member of the Communist Party any time after his admission to this country, no matter how short the duration such membership may have been, he could be deported. Many men, during a strike, as a result of bewilderment and confusion, or the persuasive powers of radical leaders, have joined radical groups. These men have subsequently disavowed such affiliation. Yet, under the provisions of the Smith bill, they could be ripped out of the bosom of their families and sent, God only knows where! It is such measures that add to the fuel of communism. It is just such measures that make for more communism. This is the type of force and tyranny on which communism feeds and grows.

I loathe communism with all the strength and power within me. And it is because I loathe it that I am compelled to speak against these dangerous provisions of the so-called Smith bill.

Another bill is pending which makes criminal the advocacy of the overthrow of the Government by force or violence, and the so-called Dempsey bill, aforesaid, makes deportable any alien who advocates the overthrow of our Government by force or violence. Assuredly, the Government of the United States has the right to protect itself against attempts to overthrow it by force or violence. That cannot be disputed. One would suppose that such protection would be sufficiently assured by the punishment of action seeking to accomplished the prohibited ends. But that Congress has the power, if in its judgment it deems it to be necessary, to punish words under such circumstances may also be admitted. Thus, direct incitement to unlawful action could be punished as could the action itself. If the law under discussion went no further than to punish such incitement, I would not be alarmed with it. But my concern arises from the fact that the law punishes the expressions of opinion wholly unrelated to any action which may result from the words used. In other words, a man may get up in Times Square, New York, and say all manner of direful things. His words vanish into thin air. Nothing results therefrom. There is no direct action caused by such words. Nevertheless, under the bill in question the man would be severely dealt with. Our experience with prosecutions under various laws heretofore enacted with similar objectives in mind makes us realize that these laws are often applied to punish the expression of ideas that are disliked than to prevent the occurrence of unlawful acts.

Furthermore, I believe these laws violate the first amendment to the United States Constitution, which guarantees freedom of speech and freedom of the press. The right of Congress to pass any legislation restrictive of speech and of the press first came before the Supreme Court after the World War. The provisions of the ill-fated Alien and Sedition Act of 1798 were never passed upon by the Supreme Court, although Jefferson believed these provisions to be unconstitutional. In considering the Espionage Act of 1917, Justice Holmes, in *Schenck* v. *United States* (249 U. C. 47, at p. 52), said as follows:

"The question in every case is whether the words used are used in such circumstances and are of such a nature as to create a clear and present danger that they will bring about the substantive evils that Congress has a right to prevent. It is a question of proximity and degree. When a nation is at war, many things that might be said in time of peace are such a hindrance to its effort that their utterance will not be endured so long as men fight, and that no court could regard them as protected by any constitutional right."

The law which was then under consideration by the court was a wartime law, which expired by its own limitation with the declaration of peace. The law now before Congress is a peacetime law. There is all the more reason, therefore, to exercise restraint and caution. To paraphrase the words of Mr. Justice Holmes, a law such as the one now proposed cannot be upheld unless there is a basis for the belief that the advocacy of the unlawful doctrine creates "a clear and present danger" that the advocacy will bring about the overthrow of the Government by force, that being the substantive evil that Congress has a right to prevent.

While it is true that in *Gitlow* v. *New York* (268 N. Y. 652) and *Whitney* v. *California* (274 U. S. 357), a majority of the Court upheld State laws similar to the bill now before the Congress, Justices Holmes and Brandeis disagreed with the reasoning of the majority. In the latter of these cases Justice Brandeis thus eloquently stated his position:

"Fear of serious injury cannot alone justify suppression of free speech and assembly. Men feared witches and burned women. It is the function of speech to free men from the bondage of irrational fears. To justify suppression of free speech there must be reasonable ground to fear that serious evil will result if free speech is practiced. There must be reasonable ground to believe that the evil to be prevented is a serious one. * * *

"Those who won our independence by revolution were not cowards. They did not fear political change. They did not exalt order at the cost of liberty. To courageous, self-reliant men with confidence in the power of free and fearless reasoning applied through the processes of popular government, no danger flowing from speech can be deemed clear and present, unless the incidence of the evil apprehended is so imminent that it may befall before there is opportunity for full discussion. If there be time to expose through discussion the falsehood and fallacies, to avert the evil by the processes of education, the remedy to be applied is more speech, not enforced silence. Only an emergency can justify repression. Such must be the rule if authority is to be reconciled with freedom."

In the light of these decisions it seems clear that a statute banning words alone, however hateful, would be held unconstitutional by the Supreme Court. Surely it cannot be contended that there exists in this country today any clear and present danger justifying the passage of such legislation.

Before leaving this subject, I call attention to some of the strange consequences which have flowed from similar State laws. In *State* v. *Boloff* (138 Oreg. 369), an illiterate sewer digger was sentenced to 10 years' imprisonment for mere membership in the Communist Party. In *Butash* v. *State* (9 N. E. 2d 88), a solicitor for the Literary Digest was convicted because of the way in which he answered questions at the end of a speech which he was invited to give. (This conviction was ultimately removed.) In the *de Jonge case*, the defendant was sentenced to 7 years' imprisonment for having made a speech at a meeting called under the auspices of the Communist Party. There was no contention in the *de Jonge case* that he himself said anything improper or that anyone else at the meeting did so.

I respectfully submit, therefore, that the enactment of this proposed law violates the fundamental constitutional safeguards contained in the first amendment of the Constitution.

Remember, also, that the Constitution is applicable not only to the citizen but likewise to the alien. Recently I made mention of this fact in the House, and my words fell like a bombshell. Apparently many Members did not realize that the alien, too, is protected by the Constitution. For this reason the Dempsey bill, which makes it a deportable offense to speak of or advocate, directly or indirectly, the overthrow of the Government by force or violence, would be violative of the Constitution. For, under the provisions of this bill, any alien who would get up on a platform and advocate even a constitutional amendment, say, for example, the equal-rights amendment, or the war-referendum amendment, and if in his speech he were to say, "We shall support these amendments by force, if necessary," or words of similar import, he could be deported. Just what is meant by "force or violence"? There is no definition of these words in the bill. What is force to one man may be mild to another. One man's meat is another man's poison. Any ambitious or bigoted prosecutor could make much serious trouble for innocent aliens or even for innocent citizens.

The Hobbs concentration camp bill, which passed the House, and which I vigorously opposed, provides, amongst other things, for the detention of aliens of certain designated classes whose deportation cannot be effected because of the refusal of the country of their nationality to permit their return to that country. This detention, which is to be not at "hard labor," is nevertheless to continue for an indefinite period of time. It may be for a day; it may be for years. Most of the aliens involved would be persons who have previously been convicted for various offenses and who served the punishment imposed by the courts. In effect, therefore, such aliens are being subjected to a further term of punishment or imprisonment without any fixed time limit, without indictment, and without trial. I submit that this cannot be done lawfully. Attempts to punish aliens without trial have frequently been condemned by the United States Supreme Court. That Court has often recognized the impropriety of indefinitely detaining aliens, particularly, since such detention is violative of the Bill of Rights, since it involves double jeopardy.

The Judiciary Committee of the House deleted from the Smith bill the provision calling for the compulsory registration and fingerprinting of aliens, but the Senate Immigration Committee has reported such a provision. Registration would be upon forms required by the Immigration and Naturalization Service showing (1) the date, manner, and place of arrival, (2) the activities in which the alien has been and intends to be engaging, (3) the length of time the alien expects to remain in the United States, (4) the alien's criminal record, and (5) such other matters as the Commissioner of Immigration and Naturalization may determine. This would be repeated each year. Failure to comply with these requirements would be made the basis for deportation without permission to reenter.

My objections to these sections are, first, that registration would not reveal those unlawfully present in this country; second, fingerprinting is unnecessary to disclose the alien status of persons convicted of crime and subject to deportation under existing laws;

third, although fingerprinting or registration may serve practically no beneficial purpose, should unscrupulous political officials come into office, they might utilize it as a convenient medium for the exploitation of gullible and helpless foreign born; fourth, the establishment of a system of fingerprinting and registration is an approach toward foreign systems inevitably associated with political oppression and racial persecution; fifth, fingerprinting and registration are a form of regimentation associated with the commission of crimes and would convey to aliens the impression that they are being stigmatized as unwelcome and undesirable residents; and sixth, the fingerprinting and annual registration of the three or four million aliens in this country would involve the public expenditure of millions of dollars in a Budget that is already unbalanced. These sections would be of insignificant value in the enforcement of our law and yet of tremendous danger to the perpetuation of American freedom.

Furthermore, citizens too would be endangered by such measure. How many of my listeners can prove they are citizens? In many cases the records of birth have been destroyed. Courthouses have been burned down without salvaging of the birth records. Millions of babies are born where only midwives are in attendance. Oftimes they failed to register the baby's birth. Every day persons seeking home relief or W. P. A. jobs ask me to help them prove they are citizens. There are no records of their birth extant. There are millions and millions of such citizens in the country. What is to prevent these innocent citizens from becoming the victims of blackmailers and schemers—from being accused of being aliens and of failing to register? What proof would they have that they are not aliens? They may be threatened by these fiends and blackmailers to show proof, "or else."

Moreover, is not the decennial census a sufficient registration of aliens? Examine the so-called Population Schedule published by the United States Census Bureau. There you have a clear indication of all facts concerning both citizens as well as aliens. It contains a complete description of the alien—his education, place of birth, residence, employment, wages, etc. What further registration should be required?

Be it remembered that organized labor is opposed to registration of aliens. Both the C. I. O. and the A. F. of L. have condemned it. As was stated before our Judiciary Committee by the Honorable James L. Houghteling, Commissioner of Immigration and Naturalization, such a fingerprinting-registration law would represent a radical departure from traditional national policy which puts the normal police power of this Nation relative to the everyday conduct and way of life of the individual inhabitant in the hands of the States rather than in that of the National Government. Moreover, such a law would set up a special group among the population. Commissioner Houghteling also stated that there are approximately only 3,800,000 legally admitted immigrants in the United States who have not completed their naturalization and become citizens. There is a steady decrease in the number of unnaturalized aliens in the United States. In 1930 there were approximately 6,234,000 unnaturalized aliens in this country. Now there are some 3,800,000 legally admitted aliens in the United States. Applications for citizenship papers are being filed much faster than the Bureau can handle them. The Naturalization Service is presently 86,000 cases in arrears.

Furthermore, in the last few years, emigration has exceeded immigration. In other words, more people have gone out of the country than have come in. This is not generally known or admitted by those who espouse the bills I speak against.

Within a few years, there will be few unnaturalized aliens in this country. It is further estimated that on July 1, 1938, there were outstanding at least 700,000 valid unexpired declarations of intention, and this number has been considerably increased by declarations filed since the above date. Within a few years, therefore, most of these will be citizens.

Moreover, a large part of the 3,800,000 unnaturalized aliens now in the United States came in prior to the 1917 Immigration Act and are now elderly people who are held back from naturalization by fear of the educational tests. It is quite natural that old people who have been in this country many years without gaining a fluent written command of the English language should hesitate about undergoing such a test, much as they may desire the citizenship which their children and grandchildren have already attained by birth in this country. These people of good character and long-established residence are exactly the type who would be hardest to reach with information regarding a registration requirement and would therefore be more subject than others to the penalties imposed on those who failed to comply with the new law. I do not believe that the information acquired by the Government through the registration of large numbers of these good people would be worth the money expended nor the mental distress imposed upon them by such a requirement.

Of course, in times of depression like the one we are now undergoing, those affected and harassed by unemployment, penury, and want are urged by bigots and unscrupulous "patrioteers" to look for a scapegoat. It is so easy to blame the alien, and especially so when the victims of the depression are given misinformation concerning the alien and are fed upon slogans, loose promises, name calling, all calculated to stir up hatred and fear.

Certainly the alien problem, if any exists, cannot be solved by new alien and sedition laws.

The problem has always been settled by the eventual assimilation of these aliens into our own American way of life. That is how and why our Nation has thrived. The problem cannot be solved by the force and violence of alien and sedition laws.

It is well to recall part of an address made by James Madison of the general assembly to the people of the Commonwealth of Virginia, dated January 23, 1799, concerning the alien bill:

"But this bill contains other features, still more alarming and dangerous. It dispenses with the trial by jury; it violates the judicial system; it confounds legislative, executive, and judicial powers; it punishes without trial, and it bestows upon the President despotic powers over a numerous class of men. Are such measures consistent with our constitutional principles? And will an accumulation of power so extensive in the hands of the Executive, over aliens, secure to natives the blessings of republican liberty?"

The alien and sedition laws fairly bristled with hatred of Irish and French immigrants who were beginning to make themselves felt in American politics. Just as today, the new alien and sedition laws are aimed at certain classes and races coming from lands of persecution. Even the Federalist Hamilton was dumfounded at the temerity and brutality of these laws, strict enforcement of which would have sent Jefferson to the gallows and sealed the lips of many Members of Congress. It is well to repeat the words of Edward Livingston: "If we are ready to violate the Constitution," he said, "will the people submit to our unauthorized acts? Sir, they ought not to submit; they would deserve the chains that these measures are forging for them. The country will swarm with informers, spies, delators, and all the odious reptile tribe that breed in the sunshine of despotic power. The hours of the most unsuspected confidence, the intimacies of friendship, or the recesses of domestic retirement afford no security."

Proposed John Muir-Kings Canyon National Park

EXTENSION OF REMARKS

OF

HON. BERTRAND W. GEARHART

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Monday, July 17, 1939

LIST OF ENDORSERS OF THE LEGISLATION

Mr. GEARHART. Mr. Speaker, according to announcements heretofore made, the bill for the creation of a new national park in California, a national park to be known as the John Muir-Kings Canyon National Park, will soon be before this body for consideration. I do not believe that any proposal that has been under consideration by the Seventy-sixth Congress has received more widespread support than has been accorded to this particular measure, H. R. 3794. From all over the Nation generous endorsements have been received from almost every class and kind. In order that the general character of these endorsements may be made manifest to the entire membership I ask unanimous consent to have printed in the CONGRESSIONAL RECORD a list of the endorsing organizations the action of which has been brought to my attention.

The list includes:

John Muir Association, 2831 Garber, Berkeley, Calif.; Los Angeles County Board of Supervisors, Los Angeles, Calif.; Sierra Club, Mills Tower, San Francisco, Calif.; California State Grange, Sacramento, Calif.; Ventura County Board of Supervisors, Ventura, Calif.; Santa Barbara County Planning Commission, Santa Barbara, Calif; Santa Barbara County Board of Supervisors, Santa Barbara, Calif.; Hanford City Chamber of Commerce, Hanford, Calif.; Los Angeles district, Federation of Women's Clubs, Los Angeles, Calif.; San Francisco County and City Federation of Women's Clubs; Western Women's Club, San Francisco, Calif.; Contra Costa County Federation of Women's Clubs, Martinez, Calif.; Alameda County Federation of Women's Clubs, Oakland, Calif.; Kings County Federation of Women's Clubs, Hanford, Calif.; American Planning and Civic Association, Washington, D. C.; Emergency Conservation Committee of New York, 734 Lexington Avenue, New York City, N. Y.; Contra Costa Hills Clubs, Oakland, Calif.; Berkeley Hiking Club, Oakland, Calif.; Hollywood Women's Club, Hollywood, Calif.; Contra Costa County Real Estate Board, Martinez, Calif.; Berkeley Young Democratic Club, Berkeley, Calif.; Berkeley Garden Club, Berkeley, Calif.; Sixth Congressional District Democratic Committee, Alameda, Calif.; Alameda County Democratic Council (cities of Oakland and Berkeley, Calif.); Martinez Chamber of Commerce, Martinez, Calif.; Fellowship Forum (Oakland), Oakland, Calif.; Pasadena Audubon Society, Pasadena, Calif.; San Francisco Legal Secretaries' Association, San Francisco, Calif.; International Association of Cleaning & Dyehouse Works, Local 7, San Francisco, Calif.; Motion Picture Democratic Commit-

tee (Melvyn Douglas, president, Hollywood, Calif.); The Mazamas (Portland, Oreg.); Kings County Farm Bureau, Hanford, Calif.; California Alpine Club, Pacific Building, San Francisco, Calif.; Kings County Board of Supervisors, Hanford, Calif.; Riverdale Chamber of Commerce, Riverdale, Calif.; Stockton Civic Center, Inc., Oakland, Calif.; Stockton Garden Club, Stockton, Calif.; Kingsburg Chamber of Commerce, Kingsburg, Calif.

Hotel Men's Association of Southern California, Los Angeles, Calif.; Hotel Greeters' Association, Chapter No. 61, Fresno, Calif.; San Joaquin Hotel Council, Fresno, Calif.; Santa Barbara County Chamber of Commerce, Santa Barbara, Calif.; Selma Chamber of Commerce, Selma, Calif.; Los Angeles Hotel Greeters', Chapter No. 30, Los Angeles, Calif.; Kings County Central Democratic Committee, Hanford, Calif.; Lemoore Chamber of Commerce Lemoore, Calif.; Stratford Chamber of Commerce, Stratford, Calif.; Hanford City Trustees, Hanford, Calif.; Selma Farm Bureau, Selma, Calif.; Fresno County, Pomona Grange, Fresno, Calif.; Kerman Farm Bureau, Kerman, Calif.; Fig Gardens Farm Bureau, Fresno, Calif.; Selma Rotary Club, Selma, Calif.; Kingsburg Kiwanis Club, Kingsburg, Calif.; Avenal Chamber of Commerce, Avenal, Calif.; Kingsburg Farm Bureau, Kingsburg, Calif.; Lemoore American Legion Post, No. 100, Lemoore, Calif.; Orange Cove Chamber of Commerce, Orange Cove, Calif.; Woodlake Chamber of Commerce, Woodlake, Calif.; Riverdale Lions Club, Riverdale, Calif.; Oakland Business Men's Garden Club, Oakland, Calif.; Berkeley Council of Church Women, Berkeley, Calif.; Fruitvale Women's Club, Oakland, Calif.; Park Boulevard Women's Club, Oakland, Calif.; Rockridge Women's Club, Oakland, Calif.; Lemoore City Council, Lemoore, Calif.; Tuesday Afternoon Club, Glendale, Calif.; Six-and-Twenty Club, Martinez, Calif.; Democratic Reporters, Eleventh Congressional District (Los Angeles County), 1683 Country Club Drive, Glendale, Calif.; Ebell Club, Los Angeles, Calif.; Golden Gate Branch League of American Penwomen, Women's City Club, San Francisco, Calif.; Federation of Western Outdoor Clubs, 315 Montgomery Street, San Francisco, Calif.; Federated Democratic Women's Study Clubs of California, 235 South Jackson Street, Glendale, Calif.; The Jolly Sixty, 1713 Virginia Street, Berkeley, Calif.; Berkeley Branch, the Women's International League for Peace, and Freedom, 4347 Harbord Drive, Oakland, Calif.; Native Daughters of the Golden West, Parlor 124, 940 South Figueroa Street, Los Angeles, Calif.; Native Daughters of the Golden West, La Reina Parlor, No. 267, 1863 South Arlington, Los Angeles, Calif.; Diggers Garden Club, 945 Orlando Road, Pasadena, Calif.; Woodcrest Democratic Club, 10622 South Normandie Avenue, Los Angeles, Calif.

Monday Study Club, Berkeley, Calif.; legislative committee, Audubon Society of Missouri, 1128 Washington Avenue, St. Louis, Mo.; Triangle Hiking Club, 220 Golden Gate, San Francisco, Calif.; conservation committee, Pasadena Garden Club, Pasadena, Calif.; Escholtzia Chapter, Daughters of the American Revolution, Los Angeles, Calif.; California Club, 1750 Clay Street, San Francisco, Calif.; Contra Costa Board of Supervisors, Martinez, Calif.; Walnut Creek Chamber of Commerce, Walnut Creek, Calif.; Alameda District Federation of Women's Clubs, Women's City Club of Oakland, Calif.; California Federation of Women's Clubs, Western Women's Club, San Francisco, Calif.; Camp and Trails Club of California, 1071 Brookwood Road, Oakland, Calif.; California Garden Club, board of directors, 918 North Roxbury Drive, Beverly Hills, Calif.; San Francisco Industrial Union Council, San Francisco, Calif.; Fresno County Chamber of Commerce, Fresno, Calif.; Brentwood Lions Club, Brentwood, Calif.; Central Valley Project Association, California; Sausalito Irrigation District Water Committee, California; Central Grange, No. 626, of Fresno County, Calif.; Hill and Valley Club, Haward, Calif.; Women's Society of the First Congregationalist Church, Long Beach, Calif.; Orange Cove Irrigation District, Orange Cove, Calif.; Society of Natural History, San Diego, Calif.; General Federation of Women's Clubs, Philadelphia, Pa.; Crag Rats Club, Hood River, Oreg.; Los Angeles Audubon Society, South Pasadena, Calif.; Abraham Lincoln High School, Los Angeles, Calif.; Berkeley Council of Social Agencies, Berkeley, Calif.; Highland Park Garden Club, Los Angeles, Calif.; Retail Bakers Association of San Francisco, Calif.; petition (eight pages of signatures) from Winnifred Larrison, 2735 Montlake Boulevard, Seattle, Wash.; Tulare County Pomona Grange; Oakvale Center Kings County Farm Bureau (route 2, box 417), Kingsburg, Calif.; Solano County Democratic Committee (Frank Douglas), Vacaville, Calif.; San Francisco Typographical Union, No. 21 (16 First Street), San Francisco, Calif.; Women's Forum of Lafayette; Kern County Historical Society (F. F. Latta), Shafter, Calif.

San Rafael Hills Chapter, Daughters of the American Revolution; Tulare Grange, No. 198 (Earl C. Rogers, Tulare, Calif.); Women's City Club of Long Beach; the University Women's Club of Long Beach; Agassiz Nature Club of Long Beach, 3760 Walnut Avenue, Long Beach; Clovis Grange, No. 536, Clovis, Calif.; National Association of Audubon Societies, New York City; the Camp Fire Club of America, New York City; Northwest Conservation League, Seattle, Wash.; Montana Mountaineers, Missoula, Mont.; the Women's Athletic Club of Glendale, 567 Myrtle Street, Glendale, Calif.; Wanderers Club, Olympia, Wash.; the Vagabonds of the Katherine Branson School, Ross, Calif.; petitions submitted by C. J. Wolfe, Glendale, Calif.; Corcoran City Council, Corcoran, Calif.; Porterville 20–30 Club, No. 28 (W. G. Althouse, Porterville, Calif.); petitions from Mrs. H. Wayne Smith, 1412 North Fifty-second Street, Seattle, Wash.; the Garden Club of La Jolla (Katherine S. Sneve, La Jolla, Calif.); Corcoran Chamber of Commerce, Corcoran, Calif.; Peoples Ditch Co. (George Aydelotte, Hanford, Calif.); Pioneer Women and Daughters of Oakland (Amy Rinehart, Oakland, Calif.); Roamer Hiking Club, member of Federation of Western Outdoor Clubs; the Garden Club of America (Mrs. Samuel Seabury, New York City); Piedmont Garden Club (Mrs. E. S. Miller, Piedmont, Calif.); Altadena Garden Club (Miss Jean Green, Altadena, Calif.); Ojai Valley Garden Club (Miss L. S. Henderson, Ojai, Calif.); Federated Garden Clubs of Missouri (L. P. Jensen, Gray Summit, Mo.); Atascadero Woman's Club, Atascadero, Calif.; Pathfinder Hiking Club (Ed. Aho, Portland, Oreg); Reedley Farm Bureau Center (C. W. Martin, Reedley, Calif.); Edwin Markham Branch of the London Poetry Society (Miss Alice M. Schulte, 943 Chabrant Way, San Jose, Calif.); the Democratic Women's Forum of Glendale (Mrs. T. H. Burnett, 926 Hill Croft Road); Eaton County Federation of Women's Clubs (Mrs. W. A. Barker, 514 East Scott Street, Grand Lodge, Mich.); the Laguna Beach Garden Club (Dr. Harriet M. Bigham, 1451 Crescent Bay Drive, Laguna Beach, Calif.).

Petition from Mr. Mahlon L. Barber, 875 East Sixty-first Street, Long Beach, Calif.; John Steinbeck Committee, Los Angeles, Calif.; the Landmarks Council, Mrs. Mark Altman, Sir Francis Drake Hotel, San Francisco, Calif.; Encinitas Parent-Teacher Association, Mrs. R. Wilson, Encinitas, Calif.; Hotel Greeters of America, San Joaquin Valley Charter, No. 35, Fresno, Calif.; Klahhane Club, Port Angeles, Wash.; Mount St. Helens Club, Long View, Wash.; Washington Alpine Club, Inc., Seattle, Wash.

Associated Sportsmen of California, District Council No. 7; the High School Fellowship Group, of New Orleans, La.; the Azalea Garden Club, of New Orleans, La.; the New Orleans Federation of Clubs, New Orleans, La.; Vanguard Branch 1016, Workmen's Circle, Los Angeles, Calif.; Ministerial Association of Fresno, Calif.; Men's Bible Class of the Lake Avenue Congregational Church, of Pasadena, Calif.; history and civics class of Thomas Jefferson High School, Los Angeles, Calif.; Y's Men's Club of Corcoran, Calif.; San Bernardino County Federation of Women's Clubs, California; the Outdoor Art League, San Jose, Calif.; the Woman's Club of Wilmington, Calif.; Progress Club of Martinez, Calif.; Southern District, California Federation of Women's Clubs; New York Zoological Society; San Francisco Colony of New England Women, San Francisco, Calif.; Labor's Non-Partisan League of Los Angeles County; Grand Army of the Republic, Circle 56, Richmond, Calif.; Twelve-Thirty Club, Richmond, Calif.

Democratic Conference of Congressional Districts of California, Inc.; Altedena Chamber of Commerce; Bakersfield Central Labor Committee; California Federation of Women's Clubs, Riverside County; California Federation of Women's Clubs, San Joaquin Council; California Federation of Women's Clubs, State-wide organization, May 1939; California Federation of Business and Professional Women's Clubs, southern district; Glendale Garden Club; Hemet Women's Club; Los Angeles Junior Chamber of Commerce; Nature Club of Southern California; Oklahoma public schools; Olympians, Inc.; Petition by Nature Class of Mr. R. E. Carlson of National Recreation Association; Riverside Women's Club; St. Andrews Society of Oakland; Kitsap County Sportsmen's Council, Bremerton, Wash.; petition from R. E. Brauer of Dinuba; Spokane Mountaineers, Spokane, Wash.; Tuesday Book Club; Waverly Club, Palo Alto, Calif.; Santa Barbara Women's Club.

Dedication of Shafer Memorial Park at Boonsboro, Md.

EXTENSION OF REMARKS

OF

HON. WILLIAM D. BYRON

OF MARYLAND

IN THE HOUSE OF REPRESENTATIVES

Monday, July 17, 1939

ADDRESSES BY HON. WILLIAM D. BYRON, OF MARYLAND, AND HON. JOHN HERSHBERGER, MAYOR OF BOONSBORO, MD.

Mr. BYRON. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following speech made by me at the dedication of Shafer Memorial Park at Boonsboro, Md., also a speech made by the Honorable John Hershberger, the mayor of that city:

ADDRESS BY HON. WILLIAM D. BYRON, OF MARYLAND

Mr. Chairman, Mayor Hershberger, Mr. Dryden, distinguished guests, ladies and gentlemen, I greatly appreciate the opportunity of being in Boonsboro this evening at the dedication of Shafer Memorial Park, and when I say opportunity I mean exactly that—because as many of you know during the past several years I have been greatly interested in public works of this nature. I consider it an opportunity to have a hand, however small, in the building of necessary public works.

I am not one to believe that progress of mankind can be measured entirely in dollars and cents, but do believe that certain steps a community takes are progressive and certain ones are not.

Certainly no one can deny that parks, playgrounds, water systems, sewerage systems, good streets, and projects of this nature are progressive. On the other hand, there are always those few who might fight against these things from one angle or another and who are always throwing a monkey wrench into the wheels of worth-while progressive movements. I do not mean to imply that anyone was guilty of this in Boonsboro, but I do want to congratulate the council and your distinguished and hard-working mayor, Mr. Hershberger, for having overcome some sentiment against this project and who pushed it forward and through to a successful conclusion. These things do not just happen—they have to be thought out by responsible people in your community, and I, tonight, want to pay a tribute to the energy and foresight of the one you have chosen as mayor of your community.

There is, of course, a great deal of criticism against work relief and there has been a disposition on the part of Congress to cut down and economize. I am certainly not one who would vote to bankrupt the country, but on the other hand I find no substitute other than the W. P. A. for those people out of a job and who need work to take care of themselves and supply food for their families. I think, when you realize that the House of Representatives voted unanimously for the relief bill just passed, you can readily understand that no one person nor one party has a substitute for the present set-up. As a man, I subscribe to the policy that while the world certainly does not owe a man a living, it does owe him a chance to make a living and this right, I know, is recognized and always will be recognized by your Representatives in Congress.

I, of course, realize that this park has been constructed with the use of both town and Federal funds, a large portion of which are of the latter.

I notice in your program that the town of Boonsboro started as far back as 1774 in a grant to George and William Boone. The program does not say when the town was incorporated but it must have been a long time ago. During all these years you have been in measure paying your own way—improvements being paid for with town funds, with the exception of your Main Street which was taken over by the State.

The activities of the Federal Government, so far as Boonsboro and its people are concerned, have been confined to the post office and intangible things such as protection of your citizens by its Army in time of war. You have been paying into the Federal Government year after year various taxes which go to make up the Budget to run the Government, and receiving nothing in return for the actual physical improvement of the town.

To my way of thinking it is only right and fair that when a portion of your people are out of work and cannot get jobs, it is only fair that the Federal Government step in and not only help these people get on their feet but do something worth while for these people and generations to come, such as the building of this memorial park.

This park will be here a long time after you and I have passed away, and will be a source of pride and pleasure to future generations. Even those who said it could not be done, I know in time will be glad it has been built. I say this because my first experience at the polls in Washington County was carrying voters to vote on a referendum on the Hagerstown Municipal Park. As I recall, this referendum only carried by a very, very few votes, and the man who ran on the ticket in defense of the park was defeated. After 25 years I would like to find anyone who would suggest taking away this municipal park to the people of Hagerstown. I am sure no such person would dare suggest to the people that they be deprived of their park.

I am sure the feeling of the people here is, and will be, the same about this very beautiful and useful plot of ground.

It is my pleasure and privilege to dedicate Shafer Memorial Park in the name of the citizens of Boonsboro and the men who labored so hard by head and hand to bring it to a successful and glorious conclusion.

ADDRESS BY HON. JOHN HERSHBERGER

Mr. Chairman, honored guests, fellow citizens of Boonsboro, and ladies and gentlemen, in the first place, I want to take this opportunity to thank publicly the citizens of Boonsboro for their confidence in electing me their mayor. I assure it has been, and still is a pleasure to serve you, and that I stand ready to render whatever service is necessary for the betterment of Boonsboro.

When I was first elected your mayor I did not have any idea that we would have a park today. During the homecoming week of last year I observed the inconvenience and burden on the good citizens living on Lakin Avenue because the celebration was held on that street. The thought then occurred to me that a public park would relieve this condition. After talking with a number of citizens, notably Mr. William F. Bast and others, the idea of obtaining a park location was seriously considered. Miss Mary Shafer was then approached, and it was through her generosity and public-spiritedness that we were able to acquire this park site, Miss Shafer donated 4 acres on condition that the town of Boonsboro purchase the other 4¼ acres. I wish to say now that the citizens of Boonsboro are immeasurably indebted to Miss Shafter for this much-desired civic improvement, and as mayor of Boonsboro I sincerely thank Miss Shafer for her gracious act.

I also wish to publicly thank Mr. William Hetzer, of Williamsport, for his kindness and service in laying out and landscaping this park without any compensation therefor.

The citizens of Boonsboro are greatly indebted to Congressman BYRON for his constant help and his efforts in obtaining Federal assistance for the completion of the park. At all times he was ready to give assistance and it was largely through his advice and guidance that we now have this project nearly completed. Personally, and as mayor of Boonsboro, I want to express my sincere thanks and the thanks of the citizens of this town, Congressman BYRON, for your advice, your efforts, and your constant interest in this civic improvement.

I want to thank the members of your town council for their wholehearted cooperation in this matter. Also, I wish to thank each and every citizen of this town for their splendid cooperation and assistance toward the completion of this park.

It gives me pleasure to tell you that this park will be completed without adding 1 cent to the tax rate of this town. The proceeds realized from the annual homecoming event for 2 years will more than pay for the entire cost of this project.

I want to thank W. P. A. officials and also all the men who worked on this park project.

Finally, I wish to say this is your park, for you and your children to use and enjoy, and I trust it will have your constant interest and care. My wish to each and every one of you is that your enjoyment of it will increase with the years to come.

America Is a Christian Nation

EXTENSION OF REMARKS

OF

HON. ALBERT J. ENGEL

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Monday, July 17, 1939

ADDRESS BY HON. ALBERT J. ENGEL, OF MICHIGAN, JULY 16, 1939

Mr. ENGEL. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following address delivered by me at the George Washington Memorial Chapel at Valley Forge on Michigan State Sunday, July 16, 1939, entitled "America Is a Christian Nation":

Reverend Houghton and friends, it is indeed an honor to speak at the George Washington Memorial Chapel as the representative of Gov. Luren Dickinson, of Michigan, on this day dedicated to my State.

Valley Forge has been to me, as it has been and is to every American, a legend which has made an indelible impress upon my mind. The story of General Washington and his brave little army spending the winter at Valley Forge without food, clothing, and shelter has been read by and has inspired America, young and old, for a century and a half.

Somehow, there is something sacred about the ground upon which Washington walked, and upon which those patriots left their bloody footprints in the snow. As I walked along the pathways of Valley Forge, I could not but think of the voice that came to Moses from the burning bush: "Put off thy shoes from off thy feet, for the place whereon thou standest is holy ground." I thought of Washington kneeling in the snow in the solitude of the forest here, praying to Almighty God for help and strength and courage in this, the darkest hour of the Revolution. And when I think of the weak thread upon which the life of this Nation then hung—the Nation since become the greatest in the world—I feel like repeating the words of Franklin in the Constitutional Convention: "The longer I live, the more I know and the more I believe that God governs in the affairs of men, and if a sparrow cannot fall without His notice, how can an empire rise without His assistance. 'Except the Lord build the house, they labor in vain who build it.'" Who shall say that the prayers of Washington at Valley Forge remained unanswered?

However, services such as are being held here today, places such as Valley Forge, and a thousand other historic spots where history was made mean little or nothing unless they strengthen our belief in constitutional government and make us more willing to defend it with our lives, if need be, both at home and abroad. If recalling the sacrifices of Washington and his men at Valley Forge and other similar instances of suffering and dying for our country does not make us more appreciative of the liberty and freedom which they won and which we now enjoy, then indeed the beginning of the end of those liberties and of that freedom has come. This generation does not own that liberty and that freedom which these men won for us. We have no right to sell or dispose of it as though it were a chattel or something we owned. That liberty and freedom was won, defended, and preserved by the blood of patriots. It was bequeathed to us in trust, to be enjoyed, defended with our lives, if need be, and passed on to the next generation. Historians of the future will point to with shame and future generations will brand as traitors that generation which dares to betray that trust,

or which, like Esau, sells this precious heritage for a mess of pottage to fill its stomach at the expense of future generations.

This Nation was founded and preserved by God-fearing, Christian men and women, and is, above all, a Christian nation. Although we in America recognize all creeds and religions; although Jew and gentile, Catholic and Protestant, and all other religions stand upon an equal basis before the law, America is, nevertheless, a Christian country. James Bryce, in his American Commonwealth, writes: "Christianity is in fact understood to be, though not the legally established religion, yet the national religion. Religion and conscience have been constantly active forces in the American Commonwealth by which moral and political evils have been held at bay and in the long run generally overcome."

William Tyler Page, for years the Clerk of the House of Representatives and author of the American's Creed, is authority for the statement that 31 out of the 32 Presidents of the United States were identified with some church. "Some writers," Mr. Page says, "state that while Thomas Jefferson was a believer in God, he did not attach himself to any church. Yet there is very strong evidence that Jefferson was a communicant of the Episcopal Church." The Declaration of Independence, written by Jefferson, depends by its terms on "a firm reliance on the protection of Divine Providence."

The opening of the daly sessions of the United States Senate and House of Representatives with prayer; daily prayers at the opening of the legislative bodies of each of the 48 States; Army and Navy chaplains with each Army and Navy unit; oaths of office administered to every officeholder in every State and Nation; oaths administered in every court of justice to witnesses and jurors; mottoes upon our coins and seals; and a thousand everyday incidents stamp this Nation as a Christian nation, not only believing in but relying upon God in His infinite wisdom, mercy, and goodness to guide, lead, and protect us as a nation. The seal of the United States bears the motto, "Resistance to Tyrants Is Obedience to God."

Mr. Page cites an instance some 40 years ago when the United States mint issued a new coin, omitting the words "In God We Trust." A storm of protest went over the entire Nation which was so strong that Congress promptly and almost unanimously passed a law directing the restoration of the words on all our coins in the future.

Who has forgotten the picture in our early school histories showing the Puritans and early settlers attending church service and stacking their arms in the entrance of the church? Many a Christian settler was shot down by savage Indians while on his way to worship—a martyr to his faith in God.

The Puritan, the Huguenot, the Quaker, the Covenanter, and the Moravian came here seeking religious freedom. Jamestown was founded by men and women who professed their belief in God and erected a church, where they assembled for daily prayers. The tower of this church has stood 300 years and is being used by worshipers today. The Pilgrim Fathers, before landing on Plymouth Rock, entered into a compact which began, "In the name of God." We all remember the picture in our early school history showing the president of Harvard College praying among the troops on the commons of Boston the night before the Battle of Bunker Hill.

Washington himself was first and above all a Christian. We know from his diary that he attended church services regularly. Kneeling in the snow at Valley Forge and praying to the Almighty God for strength and courage was to him but his daily prayer. Mr. Page, one of the outstanding authorities on American history, himself a descendant of President Tyler, states that Washington relied so implicitly upon prayer that he regarded daily supplication and thanksgiving as necessary to his own and the well-being of America. This led him to write a series of beautiful prayers, not in his old age but when he was quite a young man, which he called The Daily Sacrifice. And when he so miraculously escaped during the slaughter of the troops of Braddock, in writing to his brother, Augustine, he said, "By the all-powerful dispensation of Providence, I have been protected beyond all human probability or expectation, for I had four bullets through my coat, two horses shot under me, yet escaped unhurt, though death was leveling my companions on every side around me."

For 150 years this Nation has endured under the Constitution as a free, Christian, liberty-loving Nation, and has been preserved by great sacrifice. I am firmly convinced, however, that we have within this Nation today the germ of destruction which may develop into the greatest danger from within that we have faced since the days of the Civil War, more than three-quarters of a century ago. I have no fears of dangers from without. I do fear the insidious propaganda of the Communists, the Socialists, and of those traitors who consistently and persistently bore from within. The fact that men bled and died to establish these principles means nothing to them. This threat to our Nation is not an idle jest. Seventy-five Communist members of the French Parliament constituted the balance of power that nearly brought about the ruin of France. The testimony before various Congressional Committees on Un-American Activities has disclosed some startling facts, particularly as to the growth of communism during the past few years. I want to discuss briefly today just what communism means and what it stands for.

We do have men and women in America today who ridicule religion; who, under the guise of being Americans, would destroy the Nation; who would destroy every right, every privilege guaranteed us by the Constitution, and would replace our American Constitutional Government with the communistic government of Soviet Russia, and would replace the Stars and Stripes with the Red flag of communistic revolution.

The Dies report defines communism as "an organized movement which works for the overthrow by force or violence of the Government of countries which are not yet under the control of the Communists." "Communism," it says, "is a world-wide political organization advocating first, the abolition of all forms of religion; the destruction of private property, and the abolition of inheritances; third, absolute social and racial equality; fourth, revolution under the leadership of the Communist International; fifth, engaging in activities in foreign countries in order to cause strikes, riots, sabotage, bloodshed, and civil war; sixth, destruction of all forms of representative or democratic government, including civil liberties such as freedom of speech, of the press, and of assemblage, and that communism is diametrically opposed to Americanism."

The report says, "This committee had indisputable evidence to prove the admission of Communists that the Communist Party of the United States of America is a section of the Communist International at Moscow, and that the International does issue special decrees to the sections in this country, and that the sections here have carried out those decrees."

That committee, in its report on un-American activities, reports that William Weinstone, district organizer of the Communist Party in Michigan, carefully avoided any reference to the illegal activity of Communists in connection with the automobile strike, but in his report Weinstone said: "The Communists worked ardently and earnestly in helping to build up the union and tried in every way possible to prepare the strike. * * * There is no doubt that where the Communists were active and took the outstanding part * * * there the strike was strongest. * * * The existence of groups of Communists within the shops was undoubtedly of great help. * * * In conclusion, the strike of the automobile workers reveals the new forces that are at work within the country * * * which is giving rise to the growth of a real people's movement—a movement which will impress also the most aggressive, revolutionary-minded section of the working class, the Communists and the Communist Party."

Mr. Frey, vice president of the American Federation of Labor, testified before the Dies committee and quoted Stalin as saying: "Communism will bring about the natural death of religion. Religion is the opium of the people. Christianity and socialism have nothing in common. We carry on and will continue to carry on our propaganda against religious prejudices. The Communist Party cannot be neutral toward religion and does conduct antireligious propaganda against all and every religious prejudice. * * * Have we suppressed the reactionary clergy? Yes; we have. The unfortunate thing is that it has not been completely liquidated."

Mr. Frey further testified: "Bukharin, leader of the Communist International and editor of Pravda, in his book, The A. B. C. of Communism, says in part: 'All religions are one and the same poison, intoxicating and deadening the mind, the will, the conscience. A fight to the death must be declared upon religion. Our task is not to reform, but to destroy all kinds of religion, all kinds of morality.' "

The Communist Party of America had to and did agree to the 21 conditions of admission into the Communist International. A part of these conditions read as follows: "Every party wishing to belong to the Communist International is obligated to offer unqualified support to every Soviet republic in its struggle against the counter-revolutionary forces."

Mr. Steele of the National Republic, and chairman of the American Coalition, introduced copies of the membership card which read in part as follows: "The undersigned declares his adherence to the program and statutes of the Communist International and the Communist Party of the United States of America, and agrees to submit to the discipline of the party and to engage actively in its work."

He quotes the Communist International as follows: "The decisions of the executive committee of the Communist International are binding for all parties belonging to the Comintern (International) and must be promptly carried out."

From the Communist Party Manual on Organization, Mr. Steele quotes as follows: "The revolutionary overthrow of the capitalist system is the historic mission of the working class."

At the W. P. A. hearings before the deficiency subcommittee of the Appropriations Committee recently, Mr. Charles H. White, a Negro from New York, testified that he had been a member of the Communist Party for 6 years; that they sent him to Russia at a cost of $5,000 to the Communist Party; that he was sent abroad by the Communist Party of the United States, District No. 6, of which Herbert Benjamin, now secretary of the Workers Alliance, was the party secretary. He studied at the College of Professional Communists in Soviet Russia. He said that the course covered a number of topics, some of them dealing with labor problems which included such things as Marxism, Stalinism, and Leninism, a history of the Communist Party, of the Soviet Union, a history of the American labor movement, and a book by Foster on Soviet America. He was taught to ride a horse while in Russia and was taught military strategy and tactics. He said he was with 100 other Americans who were there for the same purpose, and they were instructed in sharpshooting classes, and taught the handling and manipulation of rapid-fire machine guns, how to construct the various barricades in street fighting, defending public squares, taking public buildings, and how to destroy the military tank. They were also taught secret coding. They were taught all this

that they might help to overthrow by force and violence the form of government representing that liberty and freedom which Washington and those men at Valley Forge helped to win for us.

Mr. White said, "It was our instruction to pay especial attention to the armed forces of the United States and use those as a chief arena of activity for recruiting members into the Communist Party." They were instructed "to get in touch with them through our young girls, especially in the field work, because the women had a chance to approach them on a social basis."

He testified that he met Benjamin, the present secretary-treasurer of the Workers Alliance, in Russia, and that Benjamin was in conference with the American committee sector of the Communist International in preparation for the hunger march which followed in 1931 and 1932; that he was the leader of the national hunger march we had in Washington. Mr. White was made district secretary of the Young Communists of the State of New Jersey and assigned to run on the Communist ticket in the city of Newark for city commissioner. Later, he went to New York where he was assigned to work in Harlem, and ran on the Communist ticket for the State senate from the nineteenth senatorial district.

He further testified that the Workers Alliance was originally organized by the Socialists who got together with the Communists, and in 1937, the Workers Alliance came under the domination of the Communist Party altogether. He then listed a great many Communists who were members of the national executive committee of the Workers Alliance, or similar State organizations in different States.

He quoted a New York Amsterdam News item which stated that James W. Ford, a Negro Communist candidate for the vice presidency during the past two elections, had been honored with a dinner. He identified on a picture Earl Browder, Mrs. Earl Browder, and Mr. James W. Ford, who was at that time the administrator of one of the district offices of the home-relief bureau in Harlem, and a number of other officials of the Workers' Alliance. He testified that 90 percent of the members of the Workers' Alliance in the United States were members of the Communist Party, or what he called "fellow travelers."

Yet this same Benjamin, an avowed Communist according to the testimony before our committee, who spent time in Russia teaching people how to overthrow our Government, is the secretary of the Workers' Alliance—an organization under the thumb of communistic leadership. This same Benjamin who would destroy our country, who would place the "red" flag of Soviet Russia over the Stars and Stripes, sat in the family gallery of the House of Representatives, undoubtedly at the invitation of a Member of Congress, while the deficiency bill was being considered, and claimed to have, and undoubtedly did have, influence with Members of Congress in the way they cast their vote on the bill.

Mr. William Z. Foster, twice candidate of the Communist Party for President of the United States, testified before the Fish committee that a member of the Communist Party in Russia would be put out of the party if he were married in a church, and that the same thing would happen to them in this country that happens to them in Russia. He testified that they believed in world revolution and that they were opposed to our republican form of government; that the Communist International is the world party of the Communist movement and the Communist Party of the United States is connected with it and that it is the American section. Let me quote from the testimony:

"The CHAIRMAN. Now, if I understand you, the workers in this country look upon the Soviet Union as their country; is that right?

"Mr. FOSTER. The more advanced workers do.

"The CHAIRMAN. Look upon the Soviet Union as their country?

"Mr. FOSTER. Yes.

"The CHAIRMAN. They look upon the Soviet flag as their flag?

"Mr. FOSTER. The workers of this country and the workers of every country have only one flag and that is the 'red' flag.

"The CHAIRMAN. Well, they do not claim any allegiance, then, to the American flag in this country?

"Mr. FOSTER. That is, you mean the support of capitalism in America—no.

"The CHAIRMAN. I mean if they had to choose between the 'red' flag and the American flag, I take it from you that you would choose the 'red' flag, is that correct?

"Mr. FOSTER. I stated very clearly the 'red' flag is the flag of the revolutionary class, and we are part of the revolutionary class."

These men and women, claiming every right and privilege and enjoying all the liberty and freedom won by Washington and the patriots of Valley Forge, have only one purpose in life, and that is to destroy that liberty and freedom which they, and we, enjoy.

They claim the right of free speech in order that they may destroy the right of free speech.

They claim the right of free assembly in order that they may destroy the right of free assembly.

They claim the right of freedom of worship or not to worship that they may destroy the right to worship God according to the dictates of your own conscience.

They claim the right of trial by jury in order that they may destroy the right of trial by jury.

They claim every right guaranteed by the Constitution in order that they may destroy the Constitution. They would destroy the churches and make this a Godless and Christless country, for there is no right of free speech, no right of free assembly, no right to worship God according to the dictates of your conscience in communistic Russia, and there will not be in America should America become communistic.

In my home hangs a picture, a reprint of what I consider the greatest painting of the World War. This painting represents the interior of a French cathedral a thousand years old, with its altars, stained-glass windows, its chapels, and its rows of quaint chairs where worshippers kneel and pray. Before the altar kneels a French mother in silent prayer. By her side, in the uniform of a French soldier, stands her last son about to go to the front. Silently she prays that the Almighty God might give her strength to bear her burden and to comfort her in her sorrow and in the sacrifice she is about to make. The title of the picture was taken from the Lord's Prayer: "Thy will be done."

I spent nearly 2 years in France and Germany during the World War. I visited nearly every great cathedral in France and attended services in many of them. I heard the plaintive voice of a child echo through the cathedral at midnight mass on Christmas singing Adeste Fidelis—Come All Ye Faithful. I heard the great organ peal and thunder on Easter morning as the choir sang Glory, Glory, Alleluia! The Lord is Risen.

I visited those cathedrals at all hours of the day and night, and always—yes, always—I found there men and women kneeling and praying; praying to God for help to bear their burdens and to comfort them in their sorrows; praying to Him for courage to carry on. Kneeling and praying, thousands of them daily during the Great War—old men, gray and feeble, mothers, wives, sweethearts, and sisters praying to God for comfort and guidance and help even into the silent hours of the night and morning.

The France of the revolution which had permitted a ballet girl to dance upon the altar of the Notre Dame Cathedral was, in the hour of her darkest despair and danger, in the hour of her greatest sorrow, turning back to God. No one called France an atheistic nation during those dark days. No one spoke irreverently there of the Supreme Being. France, a Christian nation for thousands of years, was turning back to Christianity.

And so all over communistic Russia we find these old cathedrals and churches, a thousand years old. For a thousand years Russia was a Christian nation, and for centuries Christians in Russia put their hearts and souls into the building and rebuilding of churches and cathedrals with an art that seems God-inspired, and dedicated them to the service of God.

For a thousand years men and women came to the altar of the cathedral and pledged their troth and were united in holy marriage. But there is no holy marriage in communistic Russia today.

For a thousand years fathers and mothers brought their children to the altar, dedicated their lives to God, and baptized them in the name of the Father, the Son, and the Holy Ghost. But there is no baptism in communistic Russia today.

For a thousand years Christians brought the bodies of their beloved dead to the cathedral and from the altar consigned the body to the earth from whence it came, and the spirit to God who gave it. You can consign the body to the earth whence it came, but no one dares to return the spirit to God who gave it, in communistic Russia today.

For a thousand years Christian men and women came to the cathedral and prayed. There they found strength and hope and comfort. Thousands, yes, millions, of them prayed to God, and God heard their prayers. But today you cannot kneel in the privacy of your own bedchamber in communistic Russia and ask the Almighty God to forgive your sins for fear of prosecution, persecution, exile to Siberia, or perhaps mysteriously disappearing.

For a thousand years the walls of those ancient cathedrals have echoed and reechoed in song, story, music, and prayer the joys, the happiness, and the sorrows of a great Christian people, but today they stand empty—silent witnesses of a great past, mutely testifying to the suffering and persecution of a once great people; mutely testifying to the greatest attempt to destroy Christianity since the days of Nero.

There is no marriage, no baptism, no prayer, no God, no Christ, no religion, no hope in communistic Russia today. And what they have in Russia today they would impose upon America tomorrow. They would turn Christian America of today into a communistic, Godless, Christless country tomorrow. That is the viper which is gnawing at the heart of America.

I am very proud to represent the Governor of Michigan here today, and to bring you his greetings. I would rather represent him here today than any other man in America, because he above all others represents those Christian ideals upon which this Nation was founded, because he dares publicly to profess and practice that Christian faith professed by Washington and the founders of our Nation, because, like Washington at Valley Forge, he has the courage to get down on his knees and pray to Almighty God for help, wisdom, and guidance in the solution of the great problems which confront him and his State.

The governorship of Michigan has become one of the most difficult tasks in the Nation. Governor Dickinson's predecessor, a young man 53 years of age, died, it is said, a martyr to the work imposed upon him. When the present Governor took the oath of office he was nearly 81 years old. Everyone wondered how long he could stand up under the terrific burden.

When a newspaperman called me at Washington and asked me how long I thought the Governor of Michigan would be able to act, I replied that Governor Dickinson, in my judgment, would complete the term of office. My newspaperman friend asked, "How can a man nearly 81 years old carry a burden under which a younger man fell?" I answered, "Governor Dickinson's unlimited faith in God will carry him through."

He lives on a little farm a few miles from Lansing, in the little community where he was born. All his life he has believed in the power of prayer and religion. When he became Governor, the newspapermen found him in the little country Methodist church (surrounded by great pine trees planted nearly a century ago by his father), teaching the same Sunday-school class which he had taught for 50 years. They published pictures of him on his knees, praying. When he left the capitol each day at a certain time, they followed him home and found him sitting by the bedside of his sick wife, calmly and serenely reading the Bible.

When he attended baptismal services of a church in the State, he gave the new convert the hand of fellowship. These things were not new to him as Governor. He was simply living the life and doing the things he had done for 50 years. When I was in his office shortly after he took his oath of office and asked him how he felt, he turned to me with a smile and said, "You know, Congressman, every church in Michigan is praying for me," and he showed me a letter written by a minister of a little church in the wilds of northern Michigan, pointing to the words, "Brother, we are all praying for you." The churches of Michigan, big and small, will never know what those prayers have meant and mean to Governor Dickinson. Luren Dickinson today is in better health and is stronger than he was the day he took office. His unlimited faith in God will carry him through.

There are those in Michigan and in the Nation, including Communists, who would and do ridicule the Governor and look upon him with scorn. There are those who laughed and scoffed when he attended a revival meeting. Newspapers and magazines referred to him slurringly and slightingly with sarcasm.

They can ridicule and laugh and scoff at the Governor of Michigan, but those pictures of the Governor teaching that little Sunday School class have been an inspiration to thousands of Sunday School teachers not only in Michigan but all over the Nation. They can laugh and scoff when they hear that the Governor attended a revival meeting and held out a hand of fellowship to a downtrodden soul which found comfort and courage in a new faith in God; they can look with scorn at the Governor who has the courage to kneel publicly in prayer, but thousands of men and women in Michigan and all over the Nation have found in the action of the God-fearing Governor a new courage to profess publicly a faith in God professed by Washington, Franklin, Lincoln, McKinley, and the founders of our Nation; a faith in God which somehow today requires courage to express. Governor Dickinson represents the old-time religion professed by the founders of our Nation. He represents that faith in God upon which our Nation was founded. He appeals and prays for help and guidance to that God to whom Christian men and women in all ages have prayed.

As they heaped ridicule on the beloved Governor of Michigan because he had the courage to kneel down in public prayer and ask God for strength and guidance, so would they have ridiculed Washington as he knelt in the snow in the silent solitude of the forest at Valley Forge and asked his God for strength and guidance and courage to carry on.

If some of these scoffers had the power they would exile the Governor of Michigan because he prayed for strength and guidance, and they would have exiled George Washington for having professed his faith in God and for having called upon his God for strength and guidance.

Let me remind the Communist, the Socialist, and the nonbeliever that this Nation was founded and the Constitution was written by men and women and their descendants who were exiled from foreign countries, seeking the right to worship God. The right of freedom of speech, freedom to worship God, trial by jury, and every other right contained in the Constitution was written with a pen dipped in the blood of martyrs who fought and died for those rights for hundreds of years.

Let me remind them that this is a Christian Nation. We still worship God. We still pray to Him to help and comfort. We still have holy marriage. We still have holy baptism. We still return the spirit of our beloved dead to God who gave it.

All the plots and plans and intrigues of Stalin, Lenin, Browder, Benjamin, and all the forces of communism, socialism, and bolshevism cannot make this a Godless, Christless, atheistic, communistic country subservient to Stalin and Russia. God will never permit Russia to replace the stars and stripes with the red flag of revolution and communism.

I want to conclude with the last stanza of America. It is not only the song but the prayer of America:

"Our father's God to Thee, author of liberty,
To Thee we sing.
Long may our land be bright, with freedom's holy light,
Protect us by Thy might,
Great God, our King."

Wagner Child-Refugee Bill

EXTENSION OF REMARKS
OF
HON. SAMUEL DICKSTEIN
OF NEW YORK
IN THE HOUSE OF REPRESENTATIVES
Friday, July 14, 1939

EDITORIAL FROM THE WASHINGTON TIMES-HERALD OF JULY 13, 1939

Mr. DICKSTEIN. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following editorial from the Washington Times-Herald of Thursday, July 13, 1939:

[From the Washington Times-Herald of July 13, 1939]

Meanwhile, there is a foreign-affairs matter before Congress which is not frivolous, not foolish. We refer to Senator WAGNER's proposal to save a number of German children from the effects of the Hitler-Mussolini-Stalin brand of tyranny.

VOICE LETTER FROM REFUGEE

Some of these effects are graphically described in the letter leading today's Voice of the People, "A Refugee Testifies." We wish every opponent of the Wagner child-refugee bill could be induced to spend 5 minutes reading and carefully thinking over this letter. It is one of those rather rare letters that help you to put yourself in somebody else's place—in some very piteous little bodies' places in this case.

We don't think we need to add any lovely, pathetic writing of our own to the heart-rending testimony of this refugee Voice contributor who has seen the mills of Hitler grind the souls of little children. The letter speaks for itself.

Senator WAGNER's bill provides that, exclusive of immigration quotas, 10,000 German children be admitted to this country each year for the next 2 years. About half of them would be Jewish; the rest would be children of assorted gentiles on Hitler's black books. They would be 14 or younger; and their support to maturity would have to be guaranteed in advance of their admission to the United States by responsible persons or groups here.

In ordinary human charity, and for the sake of our own souls, Congress ought to pass this bill before it adjourns, even though it may let every other piece of major legislation on its program go over to its next session.

Bill of Rights

EXTENSION OF REMARKS
OF
HON. EMANUEL CELLER
OF NEW YORK
IN THE HOUSE OF REPRESENTATIVES
Monday, July 17, 1939

ADDRESS BY THE GOVERNOR OF NEW YORK

Mr. CELLER. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following address by Governor Lehman, of New York:

One hundred and fifty years ago the men who had fought for freedom and independence drew up a Constitution which guaranteed to all freedom of conscience, freedom of speech, freedom of the press, and freedom of assembly. Fortified by that Constitution they founded a Government fitted to protect the liberty of all its citizens.

So long as that Constitution is preserved intact, the liberty which the founders of the Republic achieved at great sacrifice will remain the heritage not of their descendants alone but of all the cititzens of the country—new and old, native-born and immigrant.

America has been endowed with great natural riches. Its citizens have labored industriously to develop its resources. Men and women have come here from all parts of the world to carve out for themselves and for their children a place where they could live in contentment, in safety, and in happiness.

They have seen years of plenty and years of want. Some fearlessly pioneered to open up a new empire of the West. Some stayed in the marts of commerce and trade. Some built our cities, our

railroads, and our highways. Some worked in shop and factory, some tilled the fields.

CONCERN FOR THE INDIVIDUAL

Some worked with their brains; some with their hands. Some had easy lives; some found life hard; but together they worked in good times and bad, to build the America we know—a Nation rich and powerful, but more than that, a Nation which in a changing world is holding fast to the ideals of liberty and democracy embodied in our Constitution.

In this country the well-being of the individual is the concern of all. In the Declaration of Independence the Continental Congress asserted that governments are instituted to secure the inalienable rights to life, liberty, and the pursuit of happiness with which men are endowed by their Creator.

In other parts of the world men are flouting these ideals; yet freedom, ruthlessly destroyed there, still lives here. The heritage we have received from the founding fathers is intact because every generation of citizens during the 150 years of America's life has guarded jealously that heritage. My generation—the older citizens of this country—must soon relinquish to you, the younger citizens, the duty to guard our heritage against attack, open or secret, from within and from without.

BELIEVED INTOLERANCE WOULD END

In the eighteenth century the philosophic concepts of civil and religious liberty were discussed and formulated. In the nineteenth century they were accepted by all western civilization. The growth of democracy and the spread of liberal doctrines seemed to doom all civil and religious disabilities.

The traditional policy of the United States bade fair to become the policy of every enlightened country. Prejudice was decreasing and men who loved their own religion were ready to extend the hand of fellowship to sincere followers of other faiths. Some of us felt confident that the twentieth century would mark the end of intolerance and oppression everywhere and we hoped would mark the end of wars.

We have had a rude awakening. In the wake of the World War has come a maelstrom of newborn ill will and intolerance. In large parts of the world dictatorship, supplanting democracy, mocks the principles which the founders of this Republic regarded as self-evident; they deny the individual's right to life, liberty, and the pursuit of happiness. Hundreds of thousands of men and women are being ruthlessly persecuted merely because of their religious and political beliefs.

FEAR GAINS SWAY OVER REASON

Reasonably, we know that the choice does not lie between communism and fascism or nazi-ism, but between dictatorship, whether of the right or of the left, and democracy. Day by day passion or fear is gaining sway over reason in increasing parts of the world.

Even as recently as 25 years ago we could look forward with confidence upon the world of tomorrow. A growing love of peace seemed to bring nearer the time when all men "would beat their swords into plowshares, and neither would they know war any more."

Science was opening new fields for human endeavor and we believed that, through science, production would be increased so that there would be plenty for all. Education was spreading the doctrine of democracy throughout the world and we had reason to hope that we would soon know a world better than any we had known before.

Then came the World War and today we are reaping the crop grown from the seeds of hatred which were sown in that war. Today science is used to build machines for destruction and death, not for the enrichment of the lives of men.

Dictators who have crushed all freedom in the countries over which they rule are now threatening the countries which still cherish freedom. In a world which could produce plenty by well-directed labor, men and women are living in deepest misery because opportunity to labor and produce is denied to them.

COUNTRIES DIVIDED BY HATREDS

In many parts of the world fear is supplanting hope. National, racial, and class hatreds are dividing country from country, and within each country, group from group. Hatred and fear can tear down but cannot create. If the world of tomorrow is to be ruled by hatred and fear, it will be a sorry place in which to live.

There can be no liberty, no enduring happiness, where dictatorship either of communism, or nazi-ism, or of fascism sways men's minds.

The urgent question for us is how we can solve our social and economic problems upon a reasonable basis and by application of democratic principles without undemocratic division into classes, without undemocratic arrayal of class against class.

We must prove to our own people and to the world at large that democracy is not an insensible machine of government but a living thing; that its soul is the soul of its people; and that it grows and develops to meet the needs and wishes of its citizens.

So long as democracy remains alive to the demands of its people, so long will it continue to remain as the only true government. It is our duty and our responsibility to see to it that it does so remain.

And I say to you, who should be the leaders of public opinion in the world of tomorrow, that the prophetic ideals of justice and mercy and love of neighbor are not outworn or old-fashioned but are still eternally true; that the right of the individual to life, liberty, and the pursuit of happiness, founded upon these ideals, formulated in the Declaration of Independence and guaranteed by our Constitution, must remain the basis of our law, and that the purpose of government is and always should be to secure these rights.

Equality before the law, civil and religious liberty are inalienable rights guaranteed by our Constitution to all; yet, even here, Jefferson's admonition must be heeded that freedom by law is freedom in practice only where the law is not nullified by public opinion.

Fanaticism and intolerance are not yet dead even here. They can be destroyed only by increased good will and understanding. We who love our country must labor to develop that good will and understanding among all. "Thou shalt love thy neighbor as thyself" is the basis of all true religion.

QUOTES LORD MACAULAY

That command is obeyed in truth only where no divisions of class, or racial origin, or of religious dogma divide neighbor from neighbor.

Intolerance is the foe not only of liberty but also of religion. A hundred years ago Lord Macaulay said in Parliament:

"I should think that I insulted the Christian religion if I said that it cannot stand unaided by intolerant laws. Without such laws it was established, and without such laws it may be maintained.

"It triumphed over the superstitutions of the most refined and of the most savage nations, over the graceful mythology of Greece and the bloody idolatry of the northern forests. It prevailed over the power and policy of the Roman Empire. It tamed the barbarians by whom that empire was overthrown.

"But all these victories were gained, not by the help of intolerance, but in spite of the opposition of intolerance. The whole history of Christianity proves that she has little indeed to fear from persecution as a foe, but much to fear from persecution as an ally."

Those words have found an echo in many Christian hearts. Dark though these days are in some countries of the Old and New Worlds, yet everywhere there are men who still find light in religion; and tyranny itself is forced to recognize that men of sincere religion are its most dangerous foes.

In spite of threats backed up with force, even where government is based upon intolerance and foments ill will, Catholics, Protestants, and Jews have dared to stand upright and hurl back the answer that they will not abandon the command of God because mob or dictator demanded it.

PUTS HOPE IN RELIGIOUS GROUPS

It is significant that among the first agencies to realize the danger to democracy from dictatorship have been our great religious organizations. Truly they may be said today to constitute democracy's greatest bulwark against the menace of antidemocratic ideologies.

As Dr. George A. Buttrick, president of the Federal Council of the Churches of Christ in America, recently said:

"Democracy is a profoundly religious concept. If religion disappears, democracy is doomed. If you believe in democracy, you believe in spiritual values. Democracy did not begin as a political form but as a spiritual faith."

In our American democracy we have established a Government that endows every human personality with inalienable rights—people of every class, race, and creed.

The United States was not founded to provide wealth or power but to assert human rights, and our flag means a heroic enterprise of man's spirit of brotherhood.

But when I speak of religion, I do not have in mind lip service or mere conformity with the external forms of religion. I envision rather a national and personal spirituality that recognizes in heart and in mind the universal fatherhood of God and the brotherhood of man.

TO HIT AT ONE FAITH HURTS ALL

An attack on one religion weakens all religious faiths, since the basis of all true religion is charity, justice, and tolerance. In the struggle to fortify democracy through strengthening our spiritual life, the ideals and purposes of all faiths are identical.

It is always possible for the powerful to oppress and persecute minorities or groups. But let every lover of democracy remember that when we deal unjustly with or persecute our fellow men, we at the same time attack and destroy the fundamentals of democracy, since the very essence of democracy is equality and justice. Injustice to any group or any individual will eventually tear down the structure of democracy itself.

Democracy can survive only where there is exact and even-handed justice to all.

If men will only live up to those simple concepts of all religion—charity, justice, and tolerance—democracy will be safe. No man, whether he worships in church, cathedral, or synagogue, can be true to his God or to his country if he does not adhere to those fundamental concepts on which religion and democracy are alike based.

The hope of the world lies not in the madness and cruelty of pagan-minded rulers. Nations which have worshiped false gods have crumbled and disappeared from the face of the earth.

We in this beloved land of ours maintain a strong defense in the two great commands found both in the Old Testament and in the New: "Thou shalt love the Lord thy God," and "Thou shalt love thy neighbor as thyself." Those commands have guided the civilized world for thousands of years. They constitute the soul of American democracy. American democracy will live so long as these commands are not forgotten.

Production of Power by T. V. A.

EXTENSION OF REMARKS

OF

HON. GEORGE A. DONDERO

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Monday, July 17, 1939

EDITORIAL FROM A KENTUCKY NEWSPAPER

Mr. DONDERO. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following editorial which was published recently in a Kentucky newspaper.

GOVERNMENT POWER PRODUCTION LIKE PREACHER'S COW

There's nothing new about the principle of the T. V. A.—as the following editorial from the New Richland (Wis.) Observer tellingly proves:

"It may be surprising to some to realize that at least the principle of the T. V. A. was demonstrated in Richland Center, Wis., years ago.

"There was a local preacher who had quite a family, while he drew somewhat of a small salary. He conceived the idea that if he possessed a milk cow one of the heavy expenses of family maintenance might be reduced.

"He discussed the proposition with some of his parishioners. One said he would give him a cow; another volunteered to furnish hay, another straw for bedding. A neighbor gave the minister the use of a barn in which to keep the cow and store the feed.

"Finding that the cow gave more milk than the family required, the minister sold the surplus. Inasmuch as he had not a dollar invested in the cow, that the feed, bedding, and barn were furnished free, he readily saw that there was a big profit derived from the milk sold. He was soon able to lay up enough milk money to enable him to buy another cow. Forgetting to tell the members of the church that he had the second cow, he was able to get other friends to furnish additional hay, straw, and feed the second cow needed, and the fellow who allowed him the use of the barn also permitted him to keep the other cow there.

"The preacher committed the error of arriving at the conclusion that the milkmen of the town were robbers. When he saw them charging the prices they were getting he offered to sell milk at a slightly reduced price. He even preached a sermon on the crime of profiteering.

"One of the milkmen was a member of that church. When he saw them taking his sermon to heart and learned that his preacher was canvassing his customers to take milk from him and was telling his brethren how their milkman was robbing them, he got angry.

"He sat down and figured out that he couldn't afford to buy cows, build barns, furnish hay, and make delivery at the same price as could a competitor who didn't have a cent invested, got his feed and barn room for nothing, and had customers come after their milk.

"The milkman went to the mat on the proposition. It didn't take him long to convince other members of the congregation that the practice wasn't fair, especially when he backed his argument by letting them know that if it continued he would cease making his large yearly contribution to the church. Brother churchmen quit hauling hay to the preacher's cow and the neighbor asked for barn rent. When that came about, the preacher discovered that to buy everything made his expenses run so high that it didn't pay even to keep a cow to furnish milk for his own family.

"There was a perfect little Tennessee Valley Authority set-up. With the Federal Government furnishing everything, even to writing off a loss of $1,000,000 in a single year, no private company can compete with it any more than the regular milkman could compete with the preacher."

Graduation Exercises of the National Police Academy

EXTENSION OF REMARKS

OF

HON. CHARLES H. LEAVY

OF WASHINGTON

IN THE HOUSE OF REPRESENTATIVES

Monday, July 17, 1939

ADDRESS BY HON. J. EDGAR HOOVER, JULY 8, 1939

Mr. LEAVY. Mr. Speaker, on the morning of July 8, 1939, it was my privilege to be present as an invited guest at the great hall of the Department of Justice Building in this city, and hear and observe the graduation exercises of the eleventh session of the Federal Bureau of Investigation National Police Academy.

These exercises were so unusual that I felt it quite appropriate that a portion of the proceedings be made a part of the CONGRESSIONAL RECORD.

Under leave granted me to extend my remarks, I include I include the address the Honorable J. Edgar Hoover made upon this occasion.

The address follows:

Mr. Attorney General, distinguished guests, members of the graduating class, ladies and gentlemen, it was exactly 4 years ago this month that the National Police Academy was inaugurated and held its first session in this building. Therefore, I think it is particularly appropriate that today, on the anniversary of that occasion, we should be sending forth to the various sections of this country the graduates of the eleventh session of the National Police Academy.

Before we inaugurated the academy 4 years ago, an extensive and intensive study was made of law-enforcement agencies and police training throughout the world, in order that the best methods of police training might be made available to American law enforcement. That survey extended to practically every country of Europe, and when our representatives returned to this country, we were amazed to learn from their reports that there had been really no uniform police-training program inaugurated in any section of the world.

Thus we entered that field as pioneers. In the last 4 years we have, I believe, established standards of training that are now recognized throughout the land and which many other foreign countries are gradually adopting. The uncertainty of police training has now disappeared, with a uniform program as represented in the curriculum of the National Police Academy. And so, today, as we draw to the end of the fourth year of this academy, I think that we may be very proud of the fact that we have in this country a Mecca, a place to which forward-looking, intelligent police officers may come for a training which they may in turn carry back to their respective communities and benefit the citizens which they represent and whom they serve.

Of course, an occasion like this is one that brings to us a certain touch of sadness, as well as a spirit of happiness. We are happy because we are completing a course of training with you gentlemen that has given us a great deal of pleasure. You are beginning a new era in the field of law enforcement in your communities. You go back to your communities with the instruction which you have received here and the benefits which you have acquired here. You are going to strengthen the bonds of unity and friendship in your respective communities that must exist in any field of activity, particularly in the field of law enforcement.

We have not endeavored in the National Police Academy, and it is not the purpose of the academy, to train men to be police officers. You gentlemen have come here already qualified as outstanding officers of your respective communities. We have endeavored to develop you into police instructors in order that you may return and carry forth the program of intelligent, progressive police training in your communities.

We, of course, are sad upon this occasion, because it brings to an end our daily association with you. However, I think we can be content in the thought that your departure today is merely the beginning of a closer and a firmer bond of friendship that will grow as the years go on, even though we will not be able to have the pleasure of seeing you and working with you and associating with you day in and day out as we have during these last 12 weeks. We of the Federal Bureau of Investigation have benefited by that association. We have learned much from you. We have learned of your problems, and in turn, we hope that you will carry back with you not only the benefits of the training but a better understanding of the Federal Bureau of Investigation and its problems and its difficulties so that you may help us, as we hope to be able to help you in the months and in the years to come.

Of course, I believe that upon completing any assignment, irrespective of what it is, it is always important to critically analyze and reflect upon it, rather than to bask in a mental Utopia of reflected glory from our accomplishments; and therefore I think that we should take inventory of our program, of the procedure which we hope to follow in the months to come, and of the goal which we hope to attain. By doing so, we are bound to note our weaknesses and to bolster our strong points.

And so, as we look at the National Police Academy today, I think, first, we must recognize its numerical strength. In the last 4 years, including this class, there have been 370 graduates of the academy who are located in every section of the country, carrying on, in turn, the same training and instruction which they received here at the academy. They represent approximately 80,000 police officers. This movement is bound to have extensive results, which will be reflected in better law enforcement. The profession of law enforcement has been lifted by you men and your associates. Our profession soon will no longer be a catch-all for political hacks. Therefore, you go out with the support of your associates who have gone before you, fighting for the same ideals, fighting for the same goals for which they have fought.

Geographically, the academy graduates represent not only every State in the United States, but all parts of the world. We feel particularly happy in the thought that the academy has graduates from Scotland Yard, the Royal Canadian Mounted Police, the Puerto Rico Insular Police, the Canal Zone Police, the Quebec Provincial Police, and in this class, a graduate from far-off Shanghai. Therefore, the influence of the National Police Academy is no longer local; it has become international, with a long waiting list from many foreign countries to send to this academy representatives who in turn may acquire our training and may go back to benefit their countries. Likewise, hundreds of municipal, county, and State law-enforcement agencies in America have made application to send representatives to the academy.

I think it is also proper that we should take note of the fact that of the 370 graduates of this academy, 276 of these men, or 75 percent of them, are today actively carrying on police instruction in their communities. It is also significant, and I believe inspiring to you gentlemen, to know that 131 of those men have received promotions in their departments after leaving the academy. Fifty of them are today chiefs of police. That indicates a public recognition of the value of the National Police Academy. It also should be a source, as I have said, of inspiration to you gentlemen because it holds forth for you advancement in your communities if you do your job honestly and fearlessly and with the full effort that you can put into it.

When I think of the National Police Academy it is a real source of encouragement to know we of the F. B. I. have in you graduates a reserve force. And in the event we should ever enter armed conflict with a foreign country the graduates of the National Police Academy would be immediately drafted into the service of the F. B. I. just as the Army and Navy call upon their Reserve officers.

I think it is also proper upon an occasion such as this to consider the weaknesses of law enforcement that must be overcome, because your job in going back to your communities will not be limited solely to that of instruction and training, but you will be the standard bearers in a campaign for the things that are decent, the things that are honorable. To overcome those things which have been obstacles in the progress of law and order, it is first necessary to recognize them.

The first of these, in my estimation, is a need for a reasonable permanency of tenure for chiefs of police. That is not a nebulous statement because when we realize for instance that in one western city, in 6 years they have had 15 new chiefs of police, and in 6 months they have had 4 chiefs of police. In a great metropolis on the west coast, in the last 61 years, they have had 37 chiefs of police, and the records show that the average community of 500,000 or more has a new chief of police every 2 years. No business, no profession, no organization worth while can ever succeed with that type of vacillation and that type of prostitution by politicians of the office of chief of police. Here is one of the goals for you gentlemen to seek in your communities—to sell to your civic groups the need for permanency of tenure in the man who heads the police department of your community.

Another defect and another weakness of law enforcement is the so-called brass-band tactics indulged in by all too many law-enforcement organizations. By that I mean the sporadic raids, the wholesale dragnets that bring in people merely upon suspicion without any real facts upon which to predicate their arrest, also the use of so-called drives. The word "drives" should be repugnant to any honest law-enforcement officer, because if he were really performing his duty at all times there would be no need for a drive upon a specific occasion to catch either the whim of some headline writers or of some local politician. There should be a constant push at all times in the enforcement of all laws. These sporadic drives have never alarmed professional criminality.

Another weakness in law enforcement is a tendency toward discourtesy upon the part of law-enforcement officers and the indulgence in unethical tactics. Hardly a week passes but that you can read of the night-stick tactics in some sections of the country and the barbaric use of the third degree. In each instance a police department suffers a definite set-back and loss of public esteem. Each instance is a disgrace and an admission of weakness which harms the profession of law enforcement throughout this entire land. We must stand for the things that are decent and that are honorable, and by that means command the public respect of the decent citizens. The mere fact that we have the right to make an arrest is no license to manhandle any individual, irrespective of what his station in life may be. Keep that always in mind in your work and in your crusade in your community.

Keep always in mind that every public contact you make, every person you talk to, every appearance you make, is an opportunity to sell law enforcement in your community. We have to be salesmen of our profession, and we can only do it successfully by acting decently and honorably and law abiding in the enforcement of all the matters that come under our jurisdiction as public servants.

You will face discouragement in the initiation of your training schools. This is another weakness of law enforcement today. Police training is minimized in all too many communities because of the old-fashioned police officer who is built for sitting-down purposes. You will meet up with a few chiefs of police and with several city councilmen and ward politicians who do not believe in training and who believe that the only qualifications necessary are brawn and the right connections. Don't let these obstacles permanently be a barrier to your progress. Fight them with the determination that you can and will overcome them.

I think that some of the traditions of your predecessors should inspire you. There comes to my mind the instance of a police officer from an eastern city who wanted to attend the police academy and sought admission to it, but his chief of police was opposed to it, and there were other members of the city group who were opposed to it. However, he was able to arrange it so he did come, and during the entire time that he attended the academy, he was harassed with a constant series of acts which were little and mean. His salary checks were sent here to Washington, care of general delivery, although they knew what his actual address was. Other harassments were given to him. He was worried about the loss of his position when he did return.

And when he did return, one thing he had learned in the academy was that of diplomacy. He didn't return to run in and demand that training be set up, but he returned and asked for his old beat. That kind of stunned the local politicians and the old-fashioned police officers. And so he returned to his beat; and in due course, representatives of the Federal Bureau of Investigation had occasion to make certain addresses before civic groups in that community, and discussed training and the value of it from the taxpayer's point of view. Overnight, the chief of police, seeing the trend of public opinion, sent for this officer and asked him whether he was ready to start a training school the next morning. He was. Today he is succeeding, and the police chief has finally come to recognize that the horse-and-buggy days are no more. And so that shows the determination, the diplomacy, the tact that an officer must utilize in trying to attain his goal.

Another instance that comes to my mind is the experience of a State police officer who came to the National Police Academy. He didn't have adequate funds. He wasn't able to live as a man should live here because his department didn't have the funds to give him. What happened in that case? His wife took in washing at one of the wayside road camps near Washington in order that she might help her husband in defraying their living expenses. He graduated with honor. And he went back to his State. Without facilities existing to initiate a training school, he created them on the lawn of the State capitol. A pile of railroad ties served as the lecturer's platform. The students sat on the lawn, and he inaugurated his training program. It was a success.

Some of you will face obstacles and discouragement upon your return, but keep in mind that they have been overcome and that they can be overcome in the work that you are going to have to carry on in the months and years to come.

Unfortunately the element of jealousy enters into law enforcement, and in this you can play a major part in meeting this obstacle. There is plenty of work for all, and there is plenty of glory for all. The thing we should keep in mind above all things is the fact that we are servants of the people, and that we must accomplish results, because that is our task, irrespective of who gets the credit or honor. I believe the National Police Academy has done more to break down these jealousies that have existed in years past than any other single force in this country, and you gentlemen are going back to enlist in that army of broad-minded basically sound thinking men who have minds too big to think of the little things that lend basis to jealousies and carry on that battle, because you will be faced with it every day.

There is one other problem that I want to speak of, and that is the matter of crime prevention. We must never lose sight of the fact that it is more important to prevent crime than it is to detect crime. We must realize that there are problems in which we can play a major part in a local community in the prevention of crime. I believe that crime-prevention units should be an integral part of the law-enforcement agencies of local communities and not placed in the hands of theorists and pseudocriminologists, who have had no practical contact with the real problems of the youth of this country. Make that boy and girl in your community look up to you with honor and with distinction. Gain his respect and gain his confidence. One of the finest compliments that an officer can receive was experienced by one of the men in the last session of the academy, when on St. Valentine's Day he received 78 valentines from the children in his particular precinct. That was a recognition of admiration and affection that those children held for him. Always be loyal and be true to the devotion and confidence which the youth of this country should and will place in you.

I do want to emphasize to you as you go forth today that you are not alone; you have mutual problems between each of you and between your organization as National Police Academy graduates and those of us of the F. B. I. Our facilities are your facilities. Make yourselves available to us and we will make ourselves available to you. In 42 major cities there are field divisions of the F. B. I. They are your headquarters. Utilize them for advice and for guidance as we will utilize your assistance when we have matters which arise in your communities.

You are just beginning your training. Apply it in your community with intelligence and tact and with fidelity. And as I

close this morning, it is with pride that I give to you the motto of the Federal Bureau of Investigation, "Fidelity, bravery, and integrity." May you always measure up to its traditions.

Thank you. [Applause.]

The Roosevelt Memorial Library

EXTENSION OF REMARKS

OF

HON. RAYMOND S. SPRINGER

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 13, 1939

Mr. SPRINGER. Mr. Speaker, appropriate memorials have long been provided for our great men after their death, but we have not, in any instance, been called upon to provide a memorial for any great man, especially a President of the United States, while the man is still living, until at this session of the Congress.

Under H. R. 268, which is a very unusual and peculiar pronouncement in that the President has caused to be written into a proposed bill, for enactment into law, his request that the Congress expend large sums of money with which to support, maintain, and add to a library and building, all of which is to be located upon the Roosevelt estate, at Hyde Park, N. Y. The President proposes that the building, itself, shall be constructed and paid for by popular subscriptions, but the total cost of the repairs thereto and the maintenance thereof, the beautification and maintenance of the grounds and any additions constructed to the building, and the cost and expenses of all clerks, agents, and employees for this memorial library is to be paid for by the taxpayers of this Nation.

It is further proposed, Mr. Speaker, to place in this building the private papers, written addresses, and other documents of the President, all of which papers and documents are now rightfully owned by our Government; the President is merely the servant of the people and the many and various documents and speeches, which have been prepared and delivered while occupying that high office, are papers of state; they have a significant place in our Nation's history because they relate to the affairs of our Nation and they are, in fact, the property of the United States of America.

Throughout the long list of our Presidents, commencing with George Washington, and extending through the terms of office of Abraham Lincoln, Ulysses S. Grant, Grover Cleveland, Theodore Roosevelt, Calvin Coolidge, Warren G. Harding, and Herbert Hoover—all of our Presidents—their papers of state, their addresses, and their documents which were prepared and produced while in office, are all carefully stored and housed in the archives of the Congressional Library in Washington in a place especially prepared for them—all of which papers of all of our Presidents up to the term of the present occupant of the White House are available to the people free and without any charge for the inspection of the same, at and in the Congressional Library, in the Nation's Capital.

Therefore, the proper receptacle is already provided for the President's papers and speeches without any additional cost to the taxpayers in the greatest library in the world, where all of the people of our country would naturally go to see and to inspect them. The people would expect to see the papers and documents of President Franklin D. Roosevelt at the same place they found the papers and documents of all other Presidents, including those of George Washington and Abraham Lincoln.

The people of this Nation will expect they have the right to see all those Presidential papers and documents free of any charge or fee for that privilege; the thousands of school children who annually visit Washington from every State in the Union, who visit the Congressional Library, where they see the papers and documents of all the Presidents of these United States, all of which are reposing safely in the archives of that great and unparalleled Library, and without having a fee exacted from them for that privilege, will in the future naturally and innocently ask: "Where are the papers and documents of Franklin D. Roosevelt?" And the answer from the clerk in charge will be: "They are in a special vault or building at Hyde Park, N. Y."

There is one element involved in this bill, Mr. Speaker, which makes the passage of this law too ridiculous to even approach the thought of supporting this measure, and that element is this: The taxpayers of this Nation must pay to support and maintain the building, grounds, and appurtenances and to pay the cost and expense of salaries and expenses of those in charge of this private sanctuary; yet the people—the taxpayers and the school children of our country—cannot enter this secret and holy place and they cannot see the books, papers, and documents of this living President, who is still in office completing his second term as President, and who, according to every positive indication, is now seeking to become a candidate for a third term as President without first paying a fee or charge of 25 cents before being permitted to enter that building. This regulation is certainly a challenge to the rights of every American citizen; that charge is merely an additional tax imposed upon the people.

The papers and documents of every President of this great Nation, who served prior to Franklin D. Roosevelt, are available and free to all of our people at the Congressional Library, in Washington—where they should be kept—yet, the people who are called upon to maintain this private sanctuary at Hyde Park, N. Y., must pay a fee, or a tax, of 25 cents before they are permitted to see the same character of papers prepared by Franklin D. Roosevelt.

What will this memorial cost the taxpayers of our country? Who knows? In any event, it has been estimated that the cost of maintenance of this plan of the President will be at least $100,000 per year, and no one can now approximate how much more the cost will be, and no one can tell how much money this very unnecessary project, proposed by the President and for his own gratification, will take away from the poor and needy people and the unemployed citizens of our country; no one can now estimate how many children will be made hungry and half clad by reason of this ridiculous request on the part of a living President, and no one can contemplate how many homes will be made cold, desolate, and uninhabitable because of this needless demand by the President.

Mr. Speaker, I cannot support a bill of this character because the present President is still alive and memorials usually come after men are gone and a true estimate of the person is made by the people.

I cannot support such a proposal because there is a place already provided, in the Congressional Library, in Washington, without any additional cost, for all of the President's papers, where they may be inspected throughout the years to come, free of charge, with the documents of all other Presidents.

This bill should be defeated because it is a needless expenditure of money for a needless memorial, which will further depress our economic conditions and make life a greater burden to the poor, the needy, and the unemployed people of our country, and the charge of an admission fee, or tax, to enter this proposed memorial is a shameful rebuke to the patriotic fervor of every taxpayer, teacher, and student within the borders of our land.

Memorials should be erected at the proper time and they should be located at the proper place.

S. 2009—The Wheeler-Lea Bill

EXTENSION OF REMARKS

OF

HON. VINCENT F. HARRINGTON

OF IOWA

IN THE HOUSE OF REPRESENTATIVES

Monday, July 17, 1939

LETTER FROM THE MISSISSIPPI RIVER SYSTEM CARRIERS ASSOCIATION

Mr. HARRINGTON. Mr. Speaker, under leave to extend my remarks, I wish to call attention to the letter addressed to Hon. LINDSAY WARREN, of North Carolina, from the Mississippi River System Carriers Association. It clearly refutes certain statements made to many Members of Congress relative to the carriers' association stand with reference to the so-called Wheeler-Lea bill, otherwise known as S. 2009.

MISSISSIPPI RIVER SYSTEM CARRIERS ASSOCIATION

JULY 17, 1939.

Hon. LINDSAY WARREN, M. C.,
Washington, D. C.

DEAR SIR: It having been widely reported to Members of Congress that the inland river carriers, who are proposed to be regulated under the Lea transportation bill, are satisfied with the bill as now written, we wish to advise you that the Mississippi River System Carriers Association, transporting approximately 80 percent of inland river tonnage, has appeared in vigorous opposition to the Wheeler bill and the original draft of the Lea bill.

Recently, in response to the request of Chairman LEA, of the House Interstate Commerce Committee, the association, through its counsel, submitted proposed amendments to a subcommittee draft of the Lea bill, most of which were rejected by the committee, but restated in writing its opposition to both the Wheeler bill and the latest draft of the Lea bill. Since the present draft of the Lea bill is so radically different from and much more objectionable than its first draft, the association asked to be heard by the committee in opposition to its provisions, but was denied that privilege.

THE MISSISSIPPI RIVER SYSTEM CARRIERS ASSOCIATION,
By O. SLACK BARRETT, *President*.
HERMAN A. BAYLESS, *Counsel*.

The Hatch Bill

EXTENSION OF REMARKS

OF

HON. JOSEPH J. O'BRIEN

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Monday, July 17, 1939

ARTICLE BY SAMUEL B. PETTENGILL

Mr. O'BRIEN. Mr. Speaker, under leave granted to extend my remarks in the RECORD, I include the following article by Hon. Samuel B. Pettengill, former Member of Congress:

By the time this appears it is hoped that the Hatch bill will be awaiting the President's signature. This bill is designed to put Federal officials behind bars if they use public money or the power of office to coerce the ballot.

Washington is full of rumors that the administration has been secretly knifing the bill. This is disillusioning, if true. When the old F. E. R. A. was first started, President Roosevelt expressed the brave determination to keep politics completely out of relief "if we have to crack down on the biggest boss in the country." This statement met the approval of every decent person in the land.

At other times we heard much about legislation to punish private employers if they attempted to coerce the vote of their workers, as was done on such a huge scale by Mark Hanna in the first McKinley campaign. Again every person opposed to industrial feudalism approved this principle.

Yet the rumors persist. Is there a basis for them?

It must be recalled that the substance of the Hatch bill was before the Senate a year ago. At that time Mr. BARKLEY, Mr. Roosevelt's personal choice for floor leader, had not been safely reelected for another 6 years. Under his leadership the Hatch bill, or the substance of it, was defeated on the Senate floor. As Senator CHAVEZ said, "If we adopt the amendment (offered by Senator HATCH), the result will be to hurt a Senator such as the Senator from Kentucky."

And it was then, too, that Senator MCCARRAN, facing the "purge," spoke as follows:

"We are dealing with a thing that means much to American life. We are either going forward with a great democracy or we are going down. * * * Today how many are there in America whose meal ticket is controlled by some Federal agency? * * * The whole question is, Shall someone who has been delegated by the people to minister to the needs of the unemployed, the lowly and the humble, dominate them so that by reason of necessity, growing out of a colossal depression, the unfortunate shall yield their free will to the dominating force of money?"

Later Mr. Roosevelt was in Kentucky in Senator BARKLEY's interest. It was pointed out how many millions of Federal money Mr. BARKLEY had been instrumental in getting from the Treasury, and the hint was dropped that Kentucky would be wise in retaining his valuable services. So Mr. BARKLEY went back to Washington in a golden chariot.

It was then, too, that in a radio speech Harry Hopkins, in charge of W. P. A., supported the President's attempted purge of Senators, as this relief boss had previously supported the court-packing bill. Of the W. P. A. he said, "I have not the slightest apology for it." Contrast Hopkins with Congressman WALTER, of Pennsylvania, Democrat, who said the other day, "The poor devils on relief were told by the political prostitutes who took over the Democratic Party to vote as directed or lose their jobs."

The Sheppard Senate committee and the Woodrum House committee also found plenty. But not Hopkins. "No apologies." He said nothing, heard nothing, knew nothing. Mr. Hopkins told the voters, "We refuse to be muzzled and gagged." There was no muzzle then. The Hatch bill had been defeated. But now Senator HATCH, with courage and persistence, has pushed his bill forward again.

Some of my fellow columnists have been poking fun at the intrepid Attorney General Murphy who is going to out-do Dewey in putting grafters and fixers behind bars. While I differ with him on many of his political views, his friends insist, and I believe, that Mr. Murphy is an exceptionally sincere and high-minded man. It takes that kind to clean house. May fortune attend him. Nevertheless, Mr. Murphy saves civic righteousness at the spigot while his political program wastes it at the bung. He overlooks "the dominating force of money." Julius Caesar understood the situation. "With money we will get men, and with men we will get money." You simply cannot have billions of public money, Mr. Murphy, and a decent government. "Where the meat hangs, there the wolves gather."

Once in a while you have a Senator HATCH, a Dewey, an Amen, a Murphy, a reform administration, a "watchdog of the Treasury." They come and go. But the wolves are always there. Politics feeds on money, whether it comes from gambling, booze, or W. P. A. That is a fundamental fact, true in every age.

A "wise and frugal government" was Jefferson's earnest wish. A frugal government does more than save money. It saves men. It saves character. It saves the Republic. You are sweeping back the waves, Mr. Murphy. It is "magnificent, but is it war?"

The Hatch bill is a good bill. Mr. Murphy is a good man. But if you want the Tammanyizing of a nation to stop, Mr. Murphy, let free enterprise expand and Government contract. Otherwise W. P. A. scandal headlines will write the slow obituary of the Republic.

SAMUEL B. PETTENGILL.

Plight of the Migrants

EXTENSION OF REMARKS

OF

HON. JOHN Z. ANDERSON

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Monday, July 17, 1939

EDITORIAL FROM THE WASHINGTON POST

Mr. ANDERSON of California. Mr. Speaker, under leave granted to me to extend my remarks in the RECORD, I wish to include an editorial from the Washington Post. This editorial calls attention to a serious problem which exists at present in the United States and which is especially serious in the State of California. However, the book Grapes of Wrath, to which the editorial also refers, is an unfortunate review of the situation. The author has taken an unhappy group of American citizens and described them as a most degraded and degenerate portion of our population.

I know some of these people personally and know of the circumstances which forced them to give up their farms and

homes and to seek new homes elsewhere. Most of them are descendents of pioneer families, fine Americans who helped to build this country and who moved into the great Southwest in the early days and did their share in developing that tremendous area.

Through no fault of their own, they are now homeless wanderers and their one great desire is to find work and to have another chance to rehabilitate themselves. It is the duty of Congress to give prompt attention to this matter and to make every effort toward a sound and lasting solution to the problem.

[From the Washington Post]

John Steinbeck's recently published Grapes of Wrath, depicting the plight of the migrants, is a best seller. Many thousands of people throughout the country are reading the book and discussing the problem it illuminates. But comparatively little is being done to help the tens of thousands of families who have left their former homes and are adrift in a country that no longer has free land to offer them.

These people are not vagrants nor beggars. They are an integral part of the enormous unemployment problem which America is facing today. Most of them were forced off the land by a combination of droughts, dust storms, mechanization of agriculture, and general economic conditions. Although the western movement, and especially that toward California, is the most spectacular, an analysis of families receiving transient relief in 1935 showed that every State both received and contributed migrants.

Because of its interstate nature it is generally admitted that the problem is one which the Federal Government must help solve. Federal relief was granted the transient unemployed in 1933, but was terminated 2 years later when it was believed that all needy employable people would be taken care of by W. P. A. Now, according to a report to the President by W. P. A. Administrator Harrington, special legislation is needed to meet the crying needs of these people.

In addition to the help that existing Federal agencies could grant in the way of housing, medical aid, and distribution both of food surpluses and information on employment, Colonel Harrington advised legislation along three lines. They are the resettlement of migrants who can become self-supporting in their new locations; return of those migrants who are willing to resume residence in their State of origin, and assistance in establishing them there; and lastly the resettlement of others in areas where employment suited to their abilities is most likely to be found.

Instead of keeping migrants on the road, efforts should be made to incorporate them into communities. As it is, many people have been caught between the devil and the deep. They find already overcrowded labor markets at their destination. At the same time they are ineligible for relief.

As transients they cannot vote, and yet most have lost their legal residence in States from which they came. Though citizens of a democracy, they are unable to bring pressure to bear on legislative assemblies. Certain groups have fought even Federal aid for homeless families on the ground that it would attract more people to various favorite areas.

But these men and women are not moving in search of relief. Apparently they are trying to avoid it. Their object is to find work in a community where they can become self-supporting. In this sense they are belated pioneers.

On a limited scale the Farm Security Administration is easing the hardships of migratory workers, both through the maintenance of camps and the granting of direct financial aid. But Congress has given their plight altogether too little attention.

Purchase of Dairy and Cheese Products

EXTENSION OF REMARKS

OF

HON. JOSHUA L. JOHNS

OF WISCONSIN

IN THE HOUSE OF REPRESENTATIVES

Monday, July 17, 1939

RESOLUTION OF THE LEGISLATURE OF THE STATE OF WISCONSIN

Mr. JOHNS. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following joint memorial of the Legislature of the State of Wisconsin:

Senate Joint Resolution 22

Joint resolution memorializing the Federal Surplus Commodities Corporation to purchase dairy and cheese products of Wisconsin

Whereas the production of milk is the most important part of Wisconsin agriculture, leading all States by supplying 19 percent of the milk used in the manufacture of dairy products in the United States; and

Whereas thousands of Wisconsin farmers and their families labor for their livelihood and depend upon the administration to maintain favorable marketing conditions for their dairy and cheese products; and

Whereas during the last year there has been an unprecedented quantity of cheese and butter held in cold storage which has been wielded by the unscrupulous to beat down the prices of these food products to a level that will not cover the cost of production; and

Whereas these inventories should be reduced and released in order to make available large supplies of food to the undernourished babies and children and stinted and peaked underprivileged men of the country; and

Whereas the Federal Surplus Commodities Corporation is authorized and enabled to strike a direct blow at the economic paradox which has choked the farmers of the country with a superabundance of food products while many of the unemployed and persons on relief have gone hungry; and

Whereas these supplies of cheese and butter and milk should be procured and distributed immediately so as to scotch and eliminate these price-depressing surpluses from the usual and ordinary course of business by encouraging and developing the consumption of these dairy products and thereby restore a fair level of return to the dairy farmer: Now, therefore, be it

Resolved by the senate (the assembly concurring), That this legislature respectfully petitions and urges the Federal Surplus Commodities Corporation to purchase dairy and cheese products of Wisconsin for distribution to relief agencies so that the market and prices for the farmer will be protected and restored and will not be cudgeled by adverse surpluses; and be it further

Resolved, That properly attested copies of this resolution be transmitted to the President of the United States, the Federal Surplus Commodities Corporation, and to each Wisconsin Member of Congress.

Require Industrial Alcohol in Gasoline and Save Lives and Aid Farmers

EXTENSION OF REMARKS

OF

HON. HOMER D. ANGELL

OF OREGON

IN THE HOUSE OF REPRESENTATIVES

Monday, July 17, 1939

RESOLUTION OF THE MULTNOMAH CIVIC CLUB OF PORTLAND, OREG.

Mr. ANGELL. Mr. Speaker, the Multnomah Civic Club of Portland, Oreg., is an organization which has been doing a fine service in civic and public affairs in the city of Portland for many years. It has been giving careful study for some time to the serious problem of monoxide poison given off by the use of gasoline in motorcars, which is becoming a serious menace. In connection with this problem it has also considered the question of the use of alcohol as a component part of gasoline, for a twofold purpose: First, to relieve the public from being exposed to monoxide poisoning; and, second, to aid the farming communities in the use of waste fruits and vegetable products in the manufacture of alcohol.

This organization on July 10, 1939, passed a resolution addressed to the President of the United States and the Members of Congress with reference to this matter, which I ask leave to extend in the RECORD. The resolution is as follows:

AS TO THE EVIL OF CARBON-MONOXIDE POISON FROM AUTOS

MULTNOMAH CIVIC CLUB,
Portland, Oreg., July 10, 1939.

To the President and Members of Congress:

Whereas it appears from evidence given by physicians of repute, who make it their business to know the facts, that the poison gas known as carbon-monoxide is the product of imperfect combustion, and is present in all kinds of smoke, especially in the exhaust of internal-combustion engines; and

Whereas the form of monoxide given off by the combustion of gasoline or petrol is one of the worst forms of this poison; and

Whereas this poison is odorless, tasteless, and has no way that it may be identified save the condition of the person affected, which is ofttimes too late to save the life of the victim; and

Whereas the state of the country is now almost as bad as if we were in a state of war, some 17,000 fatalities being recorded last year, a great proportion of them being due to the toxic effect of monoxide poison; and

Whereas all the experts and experienced men who have advised upon the subject agree that the only remedy is to augment the combustibility of the fuel in the engine by the addition of alcohol, so that the combustion will become so perfect that all monoxide and soot will be consumed; and

Whereas the only way to do this is to add to the fuel at least a 10-percent addition of alcohol; and

Whereas there is and will be as long as farmers produce crops under our present system of marketing thousands of tons of waste fruits and vegetables, which are a source of expense as well as a dead loss to the producers, all of which could be used in the profitable manufacture of alcohol, to which might be added thousands of acres of new crops, such as artichokes, to assist the farmers; and

Whereas alcohol for this very purpose is now being extensively used by the Standard Oil Co. of England and elsewhere, as well as in the Orient and South Sea Islands, where it is even used solely as the fuel for power in engines of this type, because the mixture is far better in every way for the purpose, since it is not accompanied by the creation of carbon or other fouling substances in the engine; in England the use is as high as 33 percent of alcohol; and

Whereas the necessary distilleries are now being put in and the product used with great success and satisfaction in Kansas and elsewhere; and

Whereas the principal reason that there are not more of these distilleries being used is the rules of the Treasury Department that make the conditions so hard to comply with that capital is afraid to venture in this direction; the condition is almost a bar to the industry, since after the applicant has complied with all the rules, the Department under some pretext or other refuses to issue the necessary permit: Now, therefore, be it

Resolved, That we petition your honorable body at once to take such steps as may be necessary to declare that it is a part of the policy of the United States to encourage and foster the creation of alcohol, in the form of industrial denatured alcohol, the same to be without tax or duty of any kind, to the end that the present menace to the public health may be alleviated, and the farmers protected in their right to use their waste products for this purpose.

To this end we petition you to so change the rules of the Department as to insert the word "shall" instead of the present word "may" in the rules. And, further, that you pass an act that after 1941 it shall be unlawful to use upon any highway of the Nation any vehicle, auto, truck, motorcycle, or other vehicle that uses gasoline without the fuel shall have in it at least 10 percent of alcohol, to the end that the present cause of death and disaster may be abated.

N. BOODY, *President.*
ROY S. SEARLE, *Secretary.*

Address of the Postmaster General

EXTENSION OF REMARKS
OF
HON. MICHAEL J. KIRWAN
OF OHIO
IN THE HOUSE OF REPRESENTATIVES
Monday, July 17, 1939

RADIO ADDRESS BY HON. JAMES A. FARLEY

Mr. KIRWAN. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following radio address of Hon. James A. Farley, Postmaster General of the United States, at the annual convention of the Ohio Chapter, National Association of Postmasters, Columbus, Ohio, July 11, 1939:

This is, indeed, a delightful occasion and at the outset I want to express my appreciation for the very kind invitation which I received to come to Columbus tonight and address the Ohio Chapter of the National Association of Postmasters.

I always welcome an opportunity to talk with postal people, for it gives me an opportunity to get first-hand information from you who carry on this great business day in and day out. Your viewpoint is of great value to us in the Department and helps us in formulating our policies. At the same time these meetings enable me to keep you more directly informed concerning our plans and the progress we are making in the solution of the many perplexing problems that are constantly arising in the operation of the Postal Service.

It is through you that we carry out our administrative policies. It is through you that we present to the public our messages of service. It is through you, and by you, that we operate this vast business. It is, therefore, obvious that the efficiency of the Service, the welfare of the employees, and the economical and businesslike conduct of the Service is dependent in a large degree on your capacity as business executives—your honesty, your sincerity of purpose, your willingness to help us, to help the patrons, and to help the employees.

I can say to you in all frankness that a great majority of the postmasters are living up to the high standards set for them by the Department, and I would be most ungrateful if I failed to acknowledge publicly my appreciation. I do thank you most sincerely for your splendid cooperation. You should not feel, however, that we have reached, or as a matter of fact, even nearly approached, a state of perfection in the Postal Service that would justify a relaxation of our efforts to improve. Eternal vigilance is required if we are to meet our obligations to business and to the citizens generally.

The National Association of Postmasters is to be commended for its cooperation with the Post Office Department in matters relating to the betterment of the Postal Service, and I am fully aware of the good will that has been engendered among postmasters in every State in the Union through this organization and in its monthly publication, the Postmasters' Gazette.

I was particularly pleased to note that the Ohio chapter of this great association is the first State chapter in the country to attain a 100-percent enrollment for 1939. Much credit for this outstanding achievement is due your able president, my good friend Mike O'Donnell, postmaster at Cleveland, and former president of the National Association of Postmasters. At this time I want to pay special tribute to Postmaster O'Donnell, whom I had the pleasure of promoting from the civil-service ranks to the postmastership of the largest city in this State 6 years ago. To me Mike O'Donnell symbolizes to the highest degree that outstanding loyalty and devotion to duty which is always uppermost in the minds of those 400,000 employees who comprise our great Postal System.

At this time also, I want to congratulate the Ohio postmasters upon their selection of Algy Murphy, of Troy, Ohio, as secretary of your organization, for along with Mike O'Donnell I know of no postmaster in this State who has played a more prominent role in promoting the interests of the postmasters of Ohio than has Secretary Murphy.

You men and women who manage the post offices have a great responsibility, as well as a splendid opportunity for real service to your neighbors. I am sure that each and every one of you who are here take a keen interest in the affairs of the Department and in the conduct of your local offices.

You and I have a common purpose in the perfection of the Postal Service. By perfection I mean that it is our aim to maintain the highest standard of efficiency at the lowest cost, consistent with adequate service and a happy and contented personnel. To reach that goal we must apply ourselves diligently. We must study the needs of the patrons and even anticipate their wants so that the service may be regulated to provide for its functioning with such smoothness and ease that it attracts no special attention.

From our viewpoint good service is quite commonplace. The people generally do not comment on efficient service. They expect, as a matter of course, promptness, regularity, and courtesy when they deal with the post office. The efficiency of our service in any community depends upon the efficiency of the postmaster. While everyone understands, and I fully appreciate the fact that the proper performance of the routine duties in the post office requires experience and close application on the part of the rank and file, yet I know and you know that no organization is better than its leader. Experts cannot do good work if their efforts are thwarted by an indifferent supervisor, and the postmaster is in fact the number one supervisor of the post office. On the other hand, no one will deny that employees with only ordinary ability can do a very acceptable job under the leadership of one who is intelligent, loyal, and practical. Therefore, we are careful in the selection of postmasters. We want only those who are willing to give the required time and attention to their duties, who feel it is a privilege to serve the public, and who will be loyal to their neighbors, loyal to the Department, and loyal to every other member of the postal organization. We want square dealing and efficiency. We can accept no less from our postmasters.

The old saying "There is nothing new under the sun" is truly applicable to the Postal Service. You may think you have a problem that is strictly local—a condition that does not exist in any other post office, but if you will discuss that problem or condition with the officials of the Department, the inspectors, and your fellow postmasters who attend these meetings, you will find that the same problem, possibly with slight variation, has been encountered somewhere else and solved to the satisfaction of the patrons and to the satisfaction of the Department.

It is true that you can and should present such problems to the Department or to the inspectors; and when properly presented in that manner, you can be assured they will receive careful attention and that you will be fully and completely instructed. We are organized to do things that way. We must be so organized if we are to protect the public against poor service due to lack of knowledge and training of our field forces.

The Postal Service is well timed and carefully checked. It is so huge, however, that it is difficult for those in high positions in the several bureaus of the Department to give friendly and personal attention to your individual affairs. We in the Department would like to have the opportunity to go over with you in some detail

the matters that are troublesome to you in the conduct of your local offices. Obviously, that is not possible, and out of sheer necessity the handling of the thousands of letters that come into the Department daily from postmasters and others must be disposed of in a systematic manner. It is only the serious matters, those affecting general policy, those affecting generally the methods adopted, and complaints from the public that come to the direct attention of the officials. It is for that reason that we are glad to assign to the various State conventions and national conventions of postmasters and employees one or more of the departmental officials and several of the more experienced post-office inspectors. By coming to you in this manner we get your viewpoint, which is helpful to us. Likewise we present to you our views as they affect the problems of the Service generally.

It is possible for the departmental officials to have more intimate contact with you as a group, and as individuals, during meetings like this, than in any other way, so it is for that reason that I feel it is helpful to the service and helpful to the postmasters to hold gatherings of this kind.

In this connection I want to talk to you briefly but frankly about our accomplishments under this administration of the Postal Service; our objectives, and the manner in which you can cooperate with us. When we took over the affairs of the Department in March 1933 there was a huge postal deficit. An immediate survey was ordered and when the results were presented to me I concluded that under proper management and with the return of normal business throughout the country it was not unreasonable to expect a balanced budget, and with the help of my administrative force in Washington and the postmasters and employees in the field, we have achieved that end.

We have insisted upon regularity of service. With the cooperation of the Treasury Department we have provided many fine, new, and well-equipped post-office buildings. We have improved the City Delivery Service and the Rural Delivery Service. We have taken advantage of every opportunity to perfect and extend the air-mail system and to expedite the handling of mail by railroad and we have added regular trans-Pacific and trans-Atlantic Air Mail Service to our foreign air-mail system.

We have carried on campaigns and have secured much good will by courtesy on the part of our officials and employees. We reduced the local rate of postage in cities and towns from 3 to 2 cents, and we are giving to the public a service on letters going out of town that is most assuredly worth the 3 cents paid for it. Last but not least, we have not forgotten the welfare of our employees. We have provided for them better working conditions in better buildings, and we have shortened their workweek without reducing their pay, so that now they have time for recreation and pleasure.

These benefits have not been confined to any one section, one State, or group of States. They are to be found in every State and in every county throughout the country.

We in the Department adopt policies, promulgate regulations, and, in the broader sense, manage the affairs of the postal establishment. But you men and women in the field are face to face with the everyday service problems, which at times must become monotonous. Some of you may feel that your part in this vast organization is not so very important, but let me assure you that the postmaster in the smallest office, the carrier on the most sparsely settled rural route, the employee in the most obscure position in the service is just as important as the postmaster in the largest city.

Stop and consider for a moment what would happen to the millions of pieces of mail that are deposited with our Service in the principal cities of the Nation if the post offices in those cities did not have means of transporting them to the smaller offices through which they reach the addressees. On the other hand, the big post offices would not be so big if they did not receive mail for delivery to their patrons from the thousands of cities, towns, and hamlets throughout the country. So I say to you in all sincerity that the Postal Service of the United States is an organization which depends for its efficiency on the thousands of small organizations and units maintained within the system itself. So bear in mind always that your part in this organization is most important. Be proud of your opportunity to do your share, and be assured that your efforts are greatly appreciated.

We must remember that we are partners in the world's largest business, public or private.

During the fiscal year ended June 30, 1938, we handled more than 26,000,000,000 pieces of mail matter. Of this number, more than 14,000,000,000 pieces were first class, in excess of 5,000,000,000 pieces third class, more than 600,000,000 parcels, and more than 200,000,000 pieces of air mail. The remainder was made up of newspapers, magazines, and penalty matter. The handling of that volume of business, of course, requires a huge organization, totaling nearly 400,000 people at this time.

With the exception of the motor-vehicle service in the cities, the Department itself does not own any of the transportation facilities used, but depends upon the air lines, the railroads, steamships, and other forms of service under contract to provide the actual vehicles for carrying this tremendous load across the country and around the world. We buy supplies in the open market, therefore, our operations either directly or indirectly affect a major portion of the industries of the country. For example:

During the fiscal year 1938 we paid out in salaries approximately $585,000,000, paid more than $99,000,000 to the railroads, in excess of $14,000,000 to the air lines, about $11,000,000 for ocean mail transportation, and approximately the same amount to contractors for star-route and other vehicle service. We also spent more than $7,000,000 for mail-messenger service. We bought more than $10,000,000 worth of miscellaneous supplies used in service operations, and $1,600,000 worth of supplies used in the maintenance of public buildings. We paid approximately $15,000,000 for rent for post-office quarters, and the heat and light bill for our public buildings amounted to approximately $3,000,000.

I am pleased to be at the head of this business organization of the Government, which collects in the aggregate a staggering sum of money from the public each year, but considering the character of service rendered gives back in that service alone adequate return to those who patronize it. You will also observe from the facts I have just related that in salaries and money spent for work performed we immediately turn back into the channels of commerce, not at any one central point, but through all the cities, towns, and hamlets in every State in the Union, all of the money we collect. We maintain this business on a sound financial basis, for, as you know, in 4 of the 5 full years under this administration we have had a balanced budget; as a matter of fact, a surplus from that part of our service which we render to the public for hire.

I know that you, as postmasters, and all postal employees are proud of your connection with the postal establishment, and that you do and should take full credit to yourselves for the contribution you make to the Department's success.

These are a few of the aspects of the Postal Service I felt you would be particularly interested in hearing about today. Of course, we have a great many problems in the Department and we are always striving to improve the service. The cooperation of the employees everywhere has been most valuable.

In fact, the success that has been achieved in providing better postal service to the people of the country is due chiefly to the earnest efforts and loyalty of those who make up our great organization.

Graduation Exercises of the National Police Academy

EXTENSION OF REMARKS

OF

HON. CHARLES H. LEAVY

OF WASHINGTON

IN THE HOUSE OF REPRESENTATIVES

Monday, July 17, 1939

ADDRESS BY HON. FRANK MURPHY

Mr. LEAVY. Mr. Speaker, the Honorable Frank Murphy, Attorney General of the United States, presented the graduates of the eleventh session of the F. B. I. National Police Academy with their diplomas upon the completion of their training in the eleventh session of that academy, and in his presentation address he gave to the group of peace officers who were being honored some of the soundest advice, to men engaged in protecting society against those who would injure or destroy it, that I have ever heard. In order that that advice may reach throughout the Nation, I am making the address of the Attorney General, together with the names of the graduating class and the places from which they came, a part of the CONGRESSIONAL RECORD.

The address follows:

Mr. Hoover, Dr. McCartney, Father Walsh, members of the graduating class, ladies and gentlemen, I am indeed happy to be here today and to congratulate each one of you who is graduating from the National Police Academy. It is no common distinction, and I trust that you will always keep in mind that you are symbols of the struggle for everything that is decent and fine in law enforcement in this Nation.

Recently when on a tour with Mr. Hoover, I visited various offices of the Department of Justice, and in justice I must say that there was no place where efficiency, orderliness, punctuality were more in evidence than in the F. B. I. offices. I mention it to you now because I hope you will carry on this tradition of keeping orderly offices and keeping yourselves fit—spiritually, mentally, and physically—to do the job that is yours. Indifferent and careless people cannot be expected to do the great jobs that need to be done in this country, and they cannot be expected to measure up to the wonderful standards that Mr. Hoover has set for you in this Division.

In a few days there will be released a report on the activities of the Department during the first 6 months of this year. It is especially interesting because of the efforts of the men in the field, such as the able district attorneys; the great leader of the

F. B. I., Mr. Hoover, and members of his division; a great Solicitor General, Mr. Bob Jackson; and others, who together have made a record for 6 months that I believe has not been surpassed in the history of the Department.

Recently, a very distinguished visitor from abroad, in a visit with me, was asked these questions: "Have you found it interesting in this country? What did you think when you first saw the great buildings? Have you been to some of the great factories where thousands of men work under one roof? Have you seen the miraculous achievements that we alone claim in this Nation?"

The visitor at once expressed great interest in all of this, but turning to me, he said, "Tell me something about crime. Is it still as it has been? Is it true that you have so much crime? Is it true that so much money is spent a year on crime detection in America? Is it true that you have so many people in prison?" And to this very distinguished person, the whole subject of crime was breath taking.

Unfortunately the things this visitor had heard of and asked me about are true. We have become a great people. America has grown great in so many ways. In no other place has the banquet table been spread in such rich abundance. We are great in our material accomplishments as well as in our idealism. We are great in many other respects.

But as we have been growing greater we have failed to give to some things, such as the problem of crime, the consideration they should have had. Today it is encouraging to realize that we are beginning to come to our senses and that the scales of heedlessness are dropping from our eyes.

Sometimes I think that even though you have the advantages of the leadership of this great Department and the latest developments of science in your profession, you are under somewhat of a handicap because of some needed things that have not yet been done in the field of personnel administration. I think those of us in this Department, as we are beginning to adjust personnel standards, realize this. I so heartily approve of what Mr. Hoover has said of bringing permanency to the leadership of police departments, of keeping police service on a merit basis, of maintaining the whole Department of Justice on a merit basis. Personnel must be carefully trained, and then, so long as their fidelity, their sense of duty, their efficiency and competency are what they should be, they should not be taken by political transition out of the picture. We are undertaking to establish new personnel standards to insure an efficient and competent Department.

We have been set down to do this work among magnificent surroundings. We are given great offices. I imagine that until recently, no group of police officers such as this have foregathered in a hall of this beauty before, or had the chance of being trained in a building like this. No other Assistant Attorneys General have occupied such offices, and only one other Attorney General has been privileged to work in an office the like of which has been given to the present Attorney General. The fact of it is that unless we all keep our thinking straight and clear, we are likely to be enmeshed in grandeur.

If I can leave one thought with you, I would like it to be this: The people who started this country on its way to greatness were simple and humble people. The modest things in this life appealed to them. And there is something about humility and simplicity that goes with common sense.

And so, as we find ourselves in the midst of great material grandeur, let us be very thoughtful. Let us try to keep our feet on the ground, and let it not bring out in us the weaknesses that are ours. Instead, in the face of it all, let us grow strong—strong because we realize that we are just public servants, servants of the people, of all the people. We are not servants of any clique or any group; we are not the servants of an individual; we are never the servants of special pleaders; and when we assume office, we are not the servants of a party. We are the servants of the people of the United States, and in a democracy it is a good thing to keep these facts in mind.

There was never a time when men in your work needed more to approach their duty with a sense of high integrity. We have had much question lately about crime in some of our great cities and about espionage. Crime has gotten the hold that it has in this country for a number of reasons. But one of them is the connection between powerful political groups and those in public office. Espionage has grown in this country because of laxity and indifference. Let us thoroughly realize that here we have the resources to cope with these conditions. We have the National Police Academy; we have the F. B. I. with its wonderful equipment and high standards; we have a Department of Justice that we are going to try to make second to none on earth. With all this, there is no reason why the deplorable situations that have developed should be allowed to continue.

We cannot be defied if we are on the job. There isn't any such thing as a lawless element, from gangsters to corrupt politicians, that can dominate any community in this Nation if the people are awake and if the police administration is clean and decent and independent.

It is going to require courage. The one thing it is going to require above everything else is this: A willingness to say that there is something greater than the prestige of holding a job, and that is your sense of decency and integrity. Every man ought to be willing to say: "I take great pride in my job. It is an honor and a distinction. I'd like to keep it. But there is something I want more, and that is my own sense of what is right. And I will leave my job before I will compromise or before I will do a thing that is a betrayal of the faith that is placed in me."

And so I hope that with great spirit and courage, and with a desire to enter vigorously into the struggle to achieve what our fathers and mothers before us, and the children who will follow us, would want—a land of justice and decency preserved against every attack. I hope that you will go forward and do your share. I congratulate each one of you most heartily. [Applause.]

The eleventh graduating class of the National Police Academy were the following:

John D. Allen, patrolman, Highland Park, Mich., police department.

Burton T. Andrews, superintendent, bureau of identification, St. Joseph, Mo., police department.

M. T. Atkins, deputy sheriff, Dillon County, S. C., sheriff's office.

Frank Bland, officer, Needles, Calif., police department.

John G. Faulkner, patrolman, Arkansas State police, Little Rock, Ark.

Elmer R. Fletcher, captain, Eldorado, Kans., police department.

R. E. Floyd, inspector, Houston, Tex., police department.

Gaston A. Fortin, deputy sheriff, Belknap County, Laconia, N. H., sheriff's office.

Joseph H. Frazier, deputy sheriff, Ashtabula County, Jefferson, Ohio, sheriff's office.

Merl A. Gladieux, sergeant, Toledo, Ohio, police department.

John M. Gold, chief of police, Reidsville, N. C., police department.

Virgil W. Hanlin, chief of police, Petersburg, W. Va., police department.

William Gayle Haynie, officer, Orlando, Fla., police department.

Nicholas H. Holland, chief of police, Salisbury, Md., police department.

Howard F. Hornbuckle, sergeant, San Jose, Calif., police department.

Golden L. Hunsaker, chief of police, Globe, Ariz., police department.

James F. Ingoldsby, chief of police, Bristol, Va., police department.

Ernest Klingbeil, deputy sheriff, Houghton County, Houghton, Mich., sheriff's office.

George J. Koch, Jr., sergeant, Missouri State highway patrol, Jefferson City, Mo.

Kenneth Logan, special agent, Federal Bureau of Investigation.

Edward James Luce, patrolman, Montpelier, Vt., police department.

Alvin D. McGuire, deputy sheriff, Sarasota County, Sarasota, Fla., sheriff's office.

J. J. McGuire, special agent, Federal Bureau of Investigation.

George A. McLaughlin, sergeant, lower Merion Township police department, Ardmore, Pa.

Joseph F. McMeel, assistant superintendent, bureau of identification, Shreveport (La.) police department.

William J. Marley, lieutenant, metropolitan district police, Boston, Mass.

Ernest Minniear, officer, Gary (Ind.) police department.

C. E. Musgrave, trooper, West Virginia State police, Charleston, W. Va.

G. R. Park, sergeant, Shanghai municipal police, Shanghai, China.

Harold Patterson, sergeant, East Orange (N. J.) police department.

J. M. Peach, captain of detectives, Newport News (Va.) police department

Archie J. Richardson, assistant identification officer, King County, Seattle (Wash.) sheriff's office.

Aubrey A. Rowles, chief of identification department, Spokane County, Spokane (Wash.) sheriff's office.

Charlie W. Smith, chief of police, Chesterfield County police department, Chesterfield, Va.

James F. Stahl, sergeant, Yuma (Ariz.) police department.

Joseph W. Sullivan, commissioner, Binghamton (N. Y.) police department.

Leon Wier, assistant chief of police, Greenwood (Miss.) police department.

Activities of the Department of Justice Under Attorney General Murphy

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EXTENSION OF REMARKS

OF

HON. HENRY F. ASHURST

OF ARIZONA

IN THE SENATE OF THE UNITED STATES

Tuesday, July 18, 1939

LETTER FROM HON. FRANK MURPHY

Mr. ASHURST. Mr. President, I ask unanimous consent to have printed in the Appendix of the RECORD a report of the activities of the Department of Justice during the first

6 months of the incumbency of Hon. Frank Murphy, Attorney General of the United States.

There being no objection, the report was ordered to be printed in the RECORD, as follows:

JULY 7, 1939.

MY DEAR MR. PRESIDENT: On January 1, 1939, upon appointing me to the office of Attorney General of the United States, you directed me to endeavor in every possible way to continue the efforts of my predecessor, Homer S. Cummings, to strengthen the Department of Justice. You directed me to improve the Federal judicial system and provide vigorous and honest law enforcement; to eliminate congestion in the court dockets; to guard against privilege and favoritism; to modernize and improve personnel practices wherever possible within the Department; and to effect such additional administrative measures as might be necessary and advisable for the betterment of the services rendered by the Department of Justice.

In presenting this report on the activities of the Department during the first 6 months of my tenure, I am keenly aware that the major part of the work in the attainment of these objectives lies ahead. I trust, nevertheless, that the summary which follows will serve to indicate that within this limited time and with such means as have been at our disposal, we have sought to move forward on each front.

FEDERAL JUDICIARY

The Department shares wholeheartedly the high regard for the judicial system which is so justifiably entertained by the public at large. Accordingly, we have been at pains to conduct our efforts toward the improvement of the judiciary with discrimination and a concern for the avoidance of any action which might reflect unwarranted discredit upon the system as a whole. In one instance, an appellate judge has been found guilty of malfeasance in office, prosecuted, and convicted. I am happy to express the settled conviction that such unfortunate instances are in no degree representative of a judicial system headed by a tribunal as outstanding in ability and exemplary in character as the Supreme Court.

In the matter of appointments to the Federal bench, we have sought to examine the qualifications of candidates with all possible care, to the end that we might recommend to you, persons of the highest integrity, technical qualifications, and judicial temperament. Of the nominations made by you for high positions in the Federal judicial system on the basis of the Department's recommendations, all have been confirmed by the Senate virtually without opposition. Included among these appointees are highly regarded legal educators and scholars as well as practicing lawyers distinguished alike for their learning and probity.

FEDERAL DISTRICT ATTORNEYS' OFFICES

With a view to relieving the congested conditions of the Federal court dockets, all United States attorneys were directed to submit a thorough, explanatory report on all cases more than 2 years old and other cases to which notoriety attached for one reason or another, and which had not been brought to trial.

For the first time in the history of the Department, the United States attorneys were requested to meet in Washington for the purpose of discussing common problems and methods of improving the work of their respective offices. As a result of this conference and the study of the attorneys' reports, a material improvement had already been achieved in the condition of the dockets. It is felt that the meeting was generally of considerable aid in improving the disposition of Government litigation by the attorneys. A similar conference is planned for the United States marshals in September.

In the war on crime and official corruption, particularly in large centers, the office of the United States attorney plays a part of strategic importance. Especially in view of this fact, a studied effort has been made to select for key positions the most thoroughly qualified individuals available. It is believed that careful selection of personnel, coupled with more active support and encouragement of their efforts, has strengthened and improved the quality and vigor of the attorney's work.

In the belief that the Federal Department of Justice should aid the people of local communities, wherever proper and reasonable, in the improvement of the quality of their Government, we have assisted in obtaining the conviction of the leader of one large political machine whose activities in the past have operated to the great detriment of the cause of good government in that community. Similar efforts are being carried on in other parts of the country.

RECORD OF CONVICTIONS

During the 6-month period the number of criminal cases disposed of in the Federal nisi prius courts was 19,229 against 18,103 for the same period last year, an increase of more than 1,100. This figure includes those cases that were disposed of by nolle prosequi or voluntary dismissal. Of the remaining cases, convictions were obtained by trial or plea of guilty in 16,563 cases. This constitutes 97.1 percent of all cases disposed of by final judgment following trial or plea of guilty. While the percentage of convictions has always been high, it is doubtful if this figure has ever been surpassed. It reflects high credit on the work of the United States attorneys and their assistants.

RECORD BEFORE THE SUPREME COURT

The period has been marked by significant and far-reaching decisions of the Supreme Court on questions of constitutional law of vast public importance. The reciprocal immunity of Federal and State officials and employees from income taxes on their salaries has been finally abrogated. A broad construction has been placed on the commerce clause in upholding the validity and application of Federal regulation to new spheres of economic activity. In all these cases, representatives of the Department of Justice played an important and effective role. The record of victory of the Department before the Supreme Court at this term has probably never been surpassed. The success of the Department in this respect has been due in large part to the very able and effective manner in which its cases have been prepared and presented by the Solicitor General, Robert H. Jackson.

EXTENSION OF MERIT SYSTEM TO PERSONNEL

In accordance with your instruction relative to personnel administration, the Department has engaged a highly qualified personnel director who, with the assistance of competent technicians, is now conducting a survey of the departmental personnel with a view to the establishment of modern personnel practices. The Department has recommended to the Congress that the staffs of all United States marshals, including deputies, be placed on a civil-service basis. Pending action on this measure, there has been issued a set of personnel standards to which all marshals are required to conform.

No activity of the Department is of greater significance or more promising from the viewpoint of potential benefits to the public than the study now being made under the direction of the Solicitor General of the administration of receiverships and the liquidation of bankrupt estates. It is one of the objectives of this survey—and one with which the members of the judiciary are almost unanimously in accord—to determine the feasibility of placing receiverships and the disposition of bankrupt estates in the hands of salaried Federal officials, selected on a merit basis. We are convinced that in this way many of the undesirable features now attaching to this work in the jurisdiction of the Federal courts can be eliminated.

IMPROVEMENT OF REHABILITATION PROCEDURES

Acting upon your expressed desire that the Federal Government should concern itself equally with the rehabilitation of criminals as with their apprehension and conviction, the Department in April sponsored the first Nation-wide parole conference held in this country. Attended by many authorities in the field of penology and by representatives of a large number of lay organizations and groups, this meeting has been favorably appraised for the encouragement which it gave to the extension of modern parole practices and methods in the various States, as well as the Federal Government.

The building program of the Bureau of Prisons is making rapid progress. Several new institutions are in course of construction, in addition to extensions of several existing prisons. This work has been necessitated by the growth of the Federal prison population.

IMPROVEMENT OF ADMINISTRATIVE PROCEDURES

The problems of administrative law arising from the procedure of administrative agencies, which were first presented to you by my predecessor, have been approached by the appointment of a committee to make a thorough inquiry into the subject. This committee has been actively engaged in this task for several months.

The correction of various other defects in the administration of justice has been sought through the preparation and recommendation to the Congress of several legislative proposals, among which are the following:

(1) A proposal to create an administrative organization for the Federal judicial system.

(2) A proposal to empower the Supreme Court to regulate criminal procedure—similar to legislation enacted in respect to civil procedure.

(3) A proposal to create the office of public defender for the Federal courts.

(4) A proposal to place deputy marshals within the competitive classified civil service.

(5) A proposal to abolish the fee system under which referees in bankruptcy are now compensated and to place them on a salary basis.

(6) A proposal to enable the Federal Government to reach the gambling ships which operate off the coast of California.

ACTIVITIES OF THE FEDERAL BUREAU OF INVESTIGATION

The activities of the Federal Bureau of Investigation, under the able direction of Mr. J. Edgar Hoover, have been expanded to meet the growing needs of the Federal Government as well as requests for cooperation and assistance by State and local authorities. This admirable organization is rendering valuable service in dealing with the growing menace of foreign espionage.

THE NEW CIVIL LIBERTIES UNIT

Two new units have been organized within the Department. One is a commercial frauds uiit. Through this unit the Department hopes to arouse greater interest in the prevention of business frauds and to achieve better coordination and efficiency in the enforcement of the laws governing mail frauds, the sale of securities, and similar statutes.

The second new unit is a civil-liberties unit. Through this unit for the first time in our history the full weight of the Department will be thrown behind the effort to preserve in this country the blessings of liberty, the spirit of tolerance, and the fundamental principles of democracy. To this end the civil-liberties unit has been charged with the enforcement of the Federal civil-liberties statutes, the conduct of an inquiry into the need for additional legislation on the subject, and, in general, the invigoration of the Federal Government's endeavors to protect fundamental rights in this period of social transition.

It is my personal opinion that the creation of this unit at your order, with all the emphasis it places upon the protection of the civil liberties of the individual citizen and of minority groups, is one of the most significant happenings in American legal history.

This work, meager as it is in the light of what must yet be undertaken, has been done in the belief that the democratic system, to survive, must demonstrate not only its ability to provide for the people the opportunity to earn a decent life, but also its competence to render the services of government with a high degree of efficiency and unquestionable integrity. In a word, this work has been done in the hope that it might, in a measure, supplement and strengthen the broad efforts of the administration to achieve a more gracious, more just, and more complete democracy.

Respectfully,

FRANK MURPHY,
Attorney General.

The PRESIDENT,
The White House.

Freedom of Speech, Press, and Political Activity

EXTENSION OF REMARKS
OF
HON. SHERMAN MINTON
OF INDIANA
IN THE SENATE OF THE UNITED STATES
Tuesday, July 18, 1939

EDITORIAL FROM CORYDON (IND.) DEMOCRAT

Mr. MINTON. Mr. President, nestled in the hills of southern Indiana is the town of Corydon, the first capital of the State. In this cradle of Indiana's history, almost within the shadow where the old Constitution Elm stood, Lew O'Bannon has published for 30 years the Corydon Democrat.

Mr. O'Bannon is an ardent Democrat in the political sense, but he is also a democrat in another sense, spelled with a small "d." He loves his fellow men, and cherishes for them the fundamental rights guaranteed by the Constitution. He sees the Constitution as a protector of human rights, not property rights alone. He believes that these rights extend to and were intended for the humblest citizen. In an editorial he has raised his voice in defense of human rights for the humble as well as the rich and powerful. I ask unanimous consent that the editorial may be inserted in the Appendix of the RECORD.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

[From the Corydon (Ind.) Democrat]

FREEDOM OF SPEECH—FREEDOM OF THE PRESS—FREEDOM OF POLITICAL ACTIVITY

The question of freedom—all kinds of freedom—has been a vital question to the people of America—perhaps we should the better say to the people of the United States of America—ever since the early days of the Original Thirteen Colonies that finally created by their union the United States of America, now, and for sometime past, the greatest nation in the world.

Of course, the word "freedom" has been considerably abused, and has been used by some to further schemes of both business and government that are harmful and that should not be approved.

And, on the other hand, as we view it, conditions arise now and then when there are tendencies to restrict the rights of some people and to deny them some measures of freedom to which they are justly entitled.

Some recent events in Washington, D. C., have suggested to us the propriety, and the apparent necessity, of someone offering a defense for and in behalf of a few million workers in this country who are employed and paid by the United States Government under the W. P. A. (the Works Progress Administration). The reason for this article, or editorial, as it has come to us, is that there has been a tendency to deny to a goodly number of people in this country, known as relief workers—W. P. A. folks—their right as American citizens. This condition seemed evident during the discussion of the W. P. A.—the Works Progress Administration—appropriation, and the passage of the bill appropriating $1,725,000,000 for the relief of several million people who have been unable to secure employment, and who were, for that reason, forced on relief, and who, therefore, have become W. P. A. workers.

Severe criticism was offered from some sources because some of these millions of W. P. A. workers had joined or encouraged or supported an organization known as the Workers Alliance in an effort to influence the Congress of the United States to be or to become liberal in providing funds to support the W. P. A. In other words, it was clearly evident that there were convictions in certain quarters that W. P. A. workers should not take upon themselves such liberties, or such freedom, as to join in any way an organized move to try to increase an appropriation for what is known as the Works Progress Administration relief program. Of course, this attitude toward these unfortunate people was and is prompted because they are poor, too poor to be given or granted the liberties or freedom of an American citizen.

Since when has there been recognized any principle or any right under the Government of the United States to restrict the freedom of speech or the activity of any citizen of this country because of his lack of financial responsibility or because of misfortune that has forced him to become for a time dependent upon others or upon the Government of which he is an integral part by birth and by his rights as a citizen.

There is little opportunity, apparently, for most people to learn, or to know, the quality, and/or value, of many citizens of this country who have been denied the opportunity and privilege to prove themselves as to their capabilities in many lines because of having been driven to penury and want, while many others, born to wealth and favoritism have had chances and have achieved successes wholly beyond their individual desserts.

We take the liberty to assert that for more than a half century there grew up, and continued to grow, in this country, a governmental regime wherein property owners, the possessors of wealth, the masters of finance and of big business, were more and more permitted to dominate and control, and boss, if you please, the highest officials in the Government of these United States of America, but there came a time, not so many years ago, when the people by an overwhelming majority, spoke at the ballot box and said in no uncertain voice, "we want a change; we do not want a government for the favored few," and the champion of this humane, democratic, Christian method of government has been at the head of affairs for some years, and the neglected masses have been given new hope and new inspiration, and "Freedom of the press, and freedom of political activity" have been somewhat clarified, and have been given, to the satisfaction of a good many million of our citizens, who had almost lost hope, a new and helpful meaning, namely, that people and their God-given rights are more important than property in any form or any amount.

We attempt to sound a warning to those who assume to be statesmen that no man's rights or privileges, in this country, to speak personally or by association with others, to the authorities of the land, in his own interests, warranted by his condition of misfortune, or in the interest of others similarly situated, shall be abridged because he does not own property, as the day of property qualifications to entitle people to speak and act in public affairs has passed, and we hope, never to return.

There have been too many jibes and offensive jests cast at the millions of people on relief in this country during the past 5 or 6 years, and in their names and in their behalf we resent it, as we have done before.

And may we, in conclusion, make the point that these complaints and criticisms have come from cheap political actors, mostly in campaign times, evidence of which was recently given by the vote in the National House of Representatives, when the W. P. A. appropriation bill, carrying almost $2,000,000,000, was passed by a vote of 373 to 21. However, a goodly number of Republican Congressmen, as heretofore, will, in the campaign next year, speak against what they themselves voted for.

The people are learning a good deal these days that has not been wholly clear to them before—among which is that it is fine to have at the head of our Government a man who believes more in people than he does in property.

We haven't said much on the most vital question now before the American people, which would require a whole volume, and more to properly cover it, but we hope we have been able to suggest, correctly, that there are clearly evident in this country two ideas of government, one humanely and democratically correct, and the other grossly wrong, and the battle must be fought to a finish, but no one knows how long it will take, or which will eventually win. For us we want to continue to fight alongside of such champions of the people's rights as Franklin D. Roosevelt and his loyal, unswerving supporters, and we have hopes for final success.

Marion County Messenger Editorial on the Business Situation

EXTENSION OF REMARKS

OF

HON. LOUIS LUDLOW

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 18, 1939

EDITORIAL FROM THE MARION COUNTY (IND.) MESSENGER

Mr. LUDLOW. Mr. Speaker, I have often been impressed with the thought that the businessman—especially the small businessman—is the "forgotten man" of this era.

I believe that if we could do something in a constructive way to help the small businessman to get on his feet, and stay on his feet, so that he could function in a normal way in taking over persons on the work-relief rolls into regular jobs at better wages than can be paid to W. P. A. workers, we would go a long way toward bringing about recovery and prosperity in this country. Our banks are loaded with money, but idle money is not promoting creative enterprise which gives employment. It is the duty of statesmanship at this time to find some way to put those idle dollars to work.

In my opinion an admirable editorial on this subject, printed in the Marion County Messenger of Indianapolis, from the pen of its gifted editor, Mr. Toney Flack, is worthy of the careful perusal and serious consideration of every Member of Congress and every citizen who is trying to find a sound remedy for existing ills.

The editorial, which appears in the current issue of the Marion County Messenger, is as follows:

Idle money means idle men. It is a solemn fact that masses of unemployed will never obtain jobs in private industry until owners of capital release that idle money into the channels of industrial and commercial activity. One Indianapolis bank report shows over $140,000,000 in deposits and other holdings and only a little over $14,000,000 in loans. What America needs more than anything else is work for those able and willing to work so the worker can receive a decent pay check each week, a pay of more than just enough for the bare necessities of life. Thousands of W. P. A. workers are being worn out with patience, hoping for a greater income. Their family needs and cost of maintenance are mounting and the $15 a week will not keep them. The common class of people are educated to a higher standard of living than $60 a month, they are becoming dissatisfied with insufficient incomes.

Little-business men from $100,000 down to the $2,000 or $3,000 have had no relief or help. These men are wanting a chance, an economic and banking plan to release idle dollars into the lower bracket which will help conditions.

The Lending Program

EXTENSION OF REMARKS

OF

HON. LISTER HILL

OF ALABAMA

IN THE SENATE OF THE UNITED STATES

Tuesday, July 18, 1939

EDITORIAL FROM THE BIRMINGHAM (ALA.) NEWS

Mr. HILL. Mr. President, I ask unanimous consent to place in the Appendix of the RECORD an editorial from the Birmingham (Ala.) News entitled "Repairing the Weak Point in Our National Economy."

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

[From the Birmingham News of July 13, 1939]

REPAIRING THE WEAK POINT IN OUR NATIONAL ECONOMY

President Roosevelt's proposed lending-for-recovery program was introduced in both Houses of Congress Monday. It embraces plans for several kinds of projects of a self-liquidating character which would involve a total expenditure of $2,800,000,000. In addition, there is a separate bill providing for an increase of $800,000,000 in the borrowing power of the United States Housing Authority, the money to be used to finance low-cost housing projects.

The $2,800,000,000 program would not represent Government spending but Government lending. The Government would borrow the money from private sources, through the issuance of Federal securities, and in turn would lend the money in various ways. It would expect to recover both principal and interest. Thus, as Mr. Roosevelt has said, the program would not cost the American people a cent.

The bill was introduced in a Congress where there is strong opposition to the proposal. So strong is the opposition that has been aroused, in fact, that the fate of the measure is in doubt.

This is probably the most important proposal of any kind put forward by the administration in the last year or so. Certainly it is the most important proposal relating to economic recovery. Congress and the country ought to give it the most careful consideration. No one should reject it out of hand. No one should oppose it, for example, just because he does not like Government "spending" or Government "lending."

In considering the program, everyone should inquire into such questions as whether or not there is a need for it, what it is intended to do, and how well it could be expected to accomplish the purpose.

This newspaper believes there is a distinct need for such a program as this, if recovery is not to be allowed to stagnate, and that the projects outlined by the President offer a very sound hope of real benefits.

Let us inquire into the need for something of this kind. It is obvious that there is a great need for a revival of new capital investment. In fact, the absence of sufficient new investment is the weakest point in our national economy. If new capital investment were forthcoming from private sources, there might be no need for public investment of the kind contemplated here. But the sad fact is that new private investment is lagging seriously. Moreover, idle capital is increasing with alarming rapidity.

As for the need for new investment, whether public or private, an excellent brief summary of the situation was contained recently in an advertisement published by the Bank of New York, pointing out that there has been a deficiency of $56,000,000,000 in expenditures for capital goods in the last 7 years.

To quote the advertisement:

"The unemployment problem is centered chiefly in the durable-goods industries. There is no serious depression in industries that produce nondurable goods.

"This difference is reflected by the index of employment, which in September 1938 stood at 98 percent for the nondurable industries, against only 69 percent in the durable-goods field.

"America used to spend about 19 billions annually for durable goods, based on the average for 1919–29. Since 1932, however, the average expenditure has dropped to less than 11 billions annually, according to best estimates. The deficiency in the creation of durable goods has therefore totaled more than 56 billion dollars in the past 7 years.

"Durable goods largely comprise such things as machinery, tools, new plants, and building construction, representing capital expenditures that must be financed through new investment. Encouragement of the free flow of capital into private enterprise is therefore necessary to revive the durable-goods industries, balance our economy, and solve the most important part of our unemployment problem."

This gives a striking picture of the magnitude of the deficiency in expenditures for capital goods, which is practically the same thing as saying new capital investment. For there is an important difference between expenditures on capital or durable goods and expenditures on consumer or nondurable goods. Expenditures on durable goods constitute investment, by the very nature of such goods, which are themselves real capital and must be financed by new investment. This is not true in the case of expenditures on consumer goods. It is for this reason that spending on consumer goods cannot give the impetus to economic expansion that comes from capital expenditures, a fact which the business cycle economists all recognize. This difference it is important to bear in mind.

The consumer-goods industries are not particularly depressed, although it is true that they themselves would be faring much better than they are if all were well in the durable-goods industries, simply because full employment in the latter would provide far greater purchasing power to be expended on consumer goods. But it is in the durable-goods industries that the problem of unemployment lies chiefly.

We need somehow to stimulate capital expenditures, which means new investment. We need to get idle money to work. If we could do this through private investment, it would be well. But what if we cannot reasonably hope to do it through private

investment, which, unfortunately, seems to be the case? Would it not then be advisable to try to do as much of it as we could through public investment? That is obviously the theory back of President Roosevelt's proposal.

There is another extremely significant circumstance which must be borne in mind. It is that our pool of idle money has been growing rapidly. This fact can perhaps best be realized by reflecting on a few statistics. The banks, for example, are glutted with $4,300,000,000 of excess reserves. This in itself is a staggering fact. It becomes more staggering when we know that these excess reserves are 56 percent higher than they were a year ago. The significance of this increase in idle money becomes still more pointed when we know that it has taken place notwithstanding the fact that general business conditions are 33 percent better than they were a year ago, according to Business Week's index of business conditions, one of the most reliable of all indexes.

Normally, such a rise in business conditions should not be accompanied by an increase in idle money but, on the contrary, should reduce the volume of unemployed funds through increased investment. But, as we have seen, that has not taken place. It is this which is the darkest fact in the situation. It is this which goes very far to explain why the national economy is so badly unbalanced. And, in particular, it is this circumstance which furnishes, at least for the present, a negative answer to the question of whether or not we can hope for a real revival of private investment. Clearly, private capital is not now going to work.

Even if you attempt to explain this by saying that private capital is frightened by political trends and events, and that this is why it is refraining from going to work, the argument falls in the face of these statistics. For if it were merely because of fright, there would be no reason for excess reserves to continue to mount in the face of rising general business conditions. At worst, the ratio of excess reserves should remain unchanged, in view of improving business, if that were the explanation. It seems plain that something else is accounting for this increase in idle money, despite some recovery of business. What it is, apparently, is the lack of sufficient outlets for new investment.

Since the weakest spot in our economy is the durable-goods industries, and since the rising volume of idle capital indicates that we cannot reasonably hope for early revival of private investment, the News earnestly believes that public investment, as recommended by Mr. Roosevelt, is urgently needed to stimulate expenditures on capital goods.

Congress should not go home until this legislation is enacted.

Correspondence Between Sir Henry McMahon and the Sharif of Mecca

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EXTENSION OF REMARKS

OF

HON. JAMES A. SHANLEY

OF CONNECTICUT

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 18, 1939

REPORT OF A COMMITTEE SET UP TO CONSIDER CERTAIN CORRESPONDENCE

Mr. SHANLEY. Mr. Speaker, under leave to extend and revise my remarks in the RECORD, I include certain sections of a report of a committee set up to consider certain correspondence between Sir Henry McMahon and the Sharif of Mecca in 1915 and 1916.

This correspondence comes from London and is not available for ordinary uses. The material is so pertinent to the present situation in Palestine that I think the Members of the House and the reading public generally are entitled to what I think a very important excerpt from that correspondence.

REPORT OF A COMMITTEE SET UP TO CONSIDER CERTAIN CORRESPONDENCE BETWEEN SIR HENRY MCMAHON AND THE SHARIF OF MECCA IN 1915 AND 1916

ANNEX B. THE "M'MAHON-HUSAIN" CORRESPONDENCE

The Lord Chancellor has listened with interest to the statements made at the first meeting of the committee by the various Arab members of the committee, explaining the views held by the Arabs in general in regard to the proper interpretation of the so-called McMahon-Husain correspondence; and he has since read with equal interest the memorandum by Mr. Antonius communicated to him at the same meeting.

2. Owing to the short space of time available for the preparation of the present memorandum, it may be found that there are points made in the Arab statements or in Mr. Antonius' memorandum which have not been specifically covered; but it is hoped that this memorandum will nevertheless serve to explain on general lines the views held by His Majesty's Government about the correspondence now under discussion.

3. As the members of the committee are aware, all governments of the United Kingdom from 1915 onward have held firmly to the opinion not only that Sir Henry McMahon intended by his correspondence with the Sharif of Mecca in 1915 and 1916, and especially by his letter of October 24, 1915, to leave the territory now known as Palestine outside the area of Arab independence, but also that the correspondence in question could not then and cannot now be read as having any other meaning.

4. In order, however, to understand the attitude of His Majesty's Government it is necessary to take into account not only the words of the correspondence itself but all the surrounding circumstances.

5. For a start, and above all, it is imperative to remember the unique position which Palestine held then, as now, as the Holy Land not only of the Moslems but also of the Christians and the Jews, and as a country in which all European and American countries were deeply interested. It was more important for the Christians and the Jews even than for the Moslems, since for members of the first two religions it was the principal and, in fact, the only Holy Land, whereas for Moslems it was second in importance to the Hejaz. It is no exaggeration to say that for Christians and also for Jews Palestine is as important as are Mecca and Medina for Moslems.

6. Moreover, Palestine could not be considered even in 1915 as exclusively Arab territory. It is realized that one of the Arab spokesmen had stated that, on the contrary, it was, unlike the coastal regions farther to the north, unmistakably "purely Arab," and that this is a factor which must be taken into account in assessing the surrounding circumstances. But it must be remembered that apart from any Jewish population there may have been, it was filled with Christian churches, schools, and institutes of all kinds, while thousands of Christian pilgrims and tourists went there every year. These institutions were scattered over the land. Some towns, such as Bethlehem, were almost purely Christian. In fact, in 1912 there were only 300 Moslems out of 11,000 inhabitants. In Nazareth, out of 15,000 inhabitants, 10,000 were of different Christian religions—Greeks, Latins, Maronites, and Protestants. The great majority of these Christians were no doubt, Arabs by race, but, even so, a large residue of foreign Christians and foreign Christian interests remained.

7. Great Britain clearly had no right and no authority in 1915 to say that if the Allies succeeded in wresting from the Ottoman Empire a land of such importance to the Christian world they would hand it over to the rule of another independent Moslem power without first obtaining every kind of guaranty whereby the Christian and Jewish holy places should be protected and free access to them allowed, at least as fully and freely as in Ottoman times.

8. It is therefore, inconceivable that Sir Henry McMahon should have intended to give the Sharif an unconditional promise that Palestine was to be included in the area of Arab independence. The fact that the question of guaranties was not even mentioned makes it clear beyond all doubt that Sir Henry McMahon never supposed for a moment that his letter would be read as including Palestine in this area; and it is surely reasonable to believe that the Sharif of Mecca, who showed such legitimate concern for the Moslem holy places of the Hejaz, must have understood the strength of Christian sentiment on this point, and realized that no British official could possibly undertake to assign Palestine to another Moslem state without making the most express reservations with regard to the Christian holy places.

9. Another highly important factor was the rapidly growing port of Haifa. This port and other ports on the Palestinian coast were very important from the British point of view, having regard to the great interests of Great Britain in the Suez Canal. It must have been apparent to any informed observer that in the event of a victory for the Allied Powers Great Britain would require guaranties precluding the use of Palestinian territory, and particularly of such ports as that of Haifa, for future attacks on Egyptian territory.

10. As regards the interests of France, it is common knowledge that in 1915 France laid claim to the eventual exercise, if not of actual sovereignty, at any rate, of a considerable degree of influence over wide and to some extent undefined areas in the Middle East; and the existence of these claims must have been known to the Sharif of Mecca, as the result of information received from Arab nationalists in Syria with whom he had been in communication. if from no other source, even before the first mention of French interests in the correspondence.

11. Having regard to these considerations, it is in this case again inconceivable that Sir Henry McMahon should have omitted all specific mention of French and British interests in what is now called Palestine unless he had regarded Palestine as automatically and obviously excluded from the area in which he was promising the Arabs independence; and it is almost as difficult to understand how any reader of the letter who was acquainted with the general political situation in the Middle East could have supposed, at any rate without further and most precise inquiry, that Palestine was intended to be included in that area.

12. The general position in 1915 must also be borne in mind. The Turks were in control of both Syria and Palestine and had not been beaten. Great Britain had France and Russia for her

main allies, but she also had to consider a number of other countries in Europe, particularly Italy. She could not give a pledge to the Sharif which might involve her in serious difficulties at the end of the war with the most important countries in Europe.

13. To turn now to the actual words of the "McMahon Pledge" in the letter of October 24, 1915, these must be read in the light of certain discussions which took place between the British High Commissioner in Cairo and Muhammad Sharif al-Faruqi concurrently with parts of the McMahon-Husain correspondence.

14. Al-Faruqi may not have been an accredited representative either of the Sharif of Mecca or of the leaders of the Arab nationalist movement in Damascus, none of whom may have been aware until later of the tenor of his discussions with the High Commissioner in the autumn of 1915. But he was unquestionably well informed as to the views and aspirations of the Arab leaders and no Arab would be likely to deny, either then or now, that he was putting their claims at their lowest when he said (as he did) that the Arabs would fight for "the districts of Aleppo, Hama and Homs, and Damascus," that by "districts" he must have meant the surroundings of these towns in the widest possible sense and that he cannot possibly have meant that the Arabs would fail to fight for any part of the Mediterranean hinterland from the Cilician border to the Gulf of 'Aqaba. This point is important because the phrase subsequently used in Sir Henry McMahon's letter was adapted from al-Faruqi's own words.

15. It was furthermore al-Faruqi who expressed the opinion that the Arabs might accept a general reservation by Great Britain of the areas in which she was not free to act without detriment to her allies, and although His Majesty's Government do not wish to lay too much stress on this, seeing al-Faruqi was not a plenipotentiary, the point is germane to a consideration of what Sir Henry McMahon had in mind when giving the pledge.

16. All these considerations must be remembered when any attempt is made to attach a special and specific meaning to certain words in the correspondence of 1915 and 1916. The correspondence between Sir Henry McMahon and the Sharif may appear at this date to be far from clear in its meaning. But the circumstances summarized above, as well as all the numerous anxieties pressing upon any official in Sir Henry McMahon's position at that time, and the position in Arabia, are all relevant to a consideration of the text. This is true above all if the meaning of the pledge is considered in the broad light of the probable intentions of the two parties; but it is also true if it is considered in the narrower light of the actual legal interpretation of the words of the pledge, for in such a case as this, where the language used has given rise to controversy and speculation, it is legitimate to take all the surrounding circumstances into account when attempting to reach a decision as to what the words could and should have been taken to mean.

17. In the light, then, of all these surrounding circumstances, the case of His Majesty's Government rests on two main points:

(1) A specific, geographic reservation with regard to the areas in which Great Britain could promise the Arabs independence;

(2) A general reservation with regard to the same area.

18. As regards (1), the view of His Majesty's Government has always been that the phrase "portions of Syria lying to the west of the districts of Damascus, Hama, Homs, and Aleppo" embraced all that portion of Syria (including what is now called Palestine) lying to the west of interalia the administrative area known as the Vilayet of Syria.

19. It is true that there were no Vilayets of Homs or Hama, but it is also true that both Damascus and Aleppo were the capitals of Vilayets, and the reference to Damascus should alone have sufficed to establish Sir Henry McMahon's meaning. The additional mention of Homs and Hama was evidently made because al-Faruqi had mentioned them and to ensure that the intervening territory, of which they were the most important towns, should not be excluded from the area consigned to Arab rule. Obviously, no reference was intended to nonexistent Vilayets.

20. It is also true that the official Turkish name for the Vilayet of which Damascus was the capital was Vilayet of Syria, but there should have been no misunderstanding of this phrase, especially as the writer of the letter had already found it necessary to use "Syria" (even though there was a Vilayet of that name) in order to describe comprehensively a vague geographical area evidently including the Vilayets of Syria and Beirut, the independent Sanjaq of Jerusalem, the Province of the Lebanon, and part of the Vilayet of Aleppo.

21. It may be worth adding at this point that the phrase, "districts of Damascus, etc." would hardly have been desired by the Sharif to be taken to mean small areas immediately surrounding the towns in question (as one of the Arab spokesmen argued, if the Lord Chancellor has correctly understood him, at the first meeting) since, if this had been the case, the territory in which the Arabs would have been denied independence would have been brought much farther east than on a more liberal interpretation of the phrase. The non-Arab territory would in fact have reached eastward almost to the outskirts of Damascus and the other towns, and have covered substantial portions of Transjordan and considerable sections of the Hejaz Railway.

22. Nor is it denied that in one sense there was no territory east of the Vilayet of Aleppo and that if the letter of October 24, 1915, was to be interpreted by the Sharif on the lines suggested by His Majesty's Government the area of Arab independence would not reach the Mediterranean, although the fact that it would not do so was not mentioned in the letter.

23. As regards the first point, it must be remembered that Sir Henry McMahon was not attempting to define with any great accuracy the eastward limits of the territory which he was excluding from the area of Arab independence, and he clearly used a phrase to define in a general way a stretch of territory lying along the Mediterranean coast some of which might lie outside, and some of which might lie inside, the "districts of Damascus, Homs, Hama, and Aleppo," but all of which lay to the west or in the western parts of those districts.

24. As regards the second point, the Lord Chancelor does not feel that it is possible to base any conclusions on the fact that the exclusion of access to the Mediterranean for the Arab area of independence was not specifically mentioned by Sir Henry McMahon. If the areas which he defined as lying outside that area were so situated that access to the Mediterranean was denied there was no necessity to say so in so many words.

25. The Lord Chancelor has taken note of the argument based upon the fact that in his letter of December 14, 1915, Sir Henry McMahon only referred to the possible exclusion from the area of Arab independence of the two Vilayets of Aleppo and Beirut, and these two only, without any mention of the Sanjaq of Jerusalem or of other areas. But it seems clear that in referring to these two Vilayets, Sir Henry McMahon was merely replying to a point raised by the Shariff in his letter of November 5, 1915, and it does not seem possible to draw any particular conclusion from this circumstance.

26. This no doubt leads to another point made by one of the Arab spokesmen: That seeing how much importance the Sharif attached throughout the correspondence to the Vilayets of Aleppo and Beirut, and to the Vilayets of Mesopotamia, the Sharif would unquestionably have referred in even stronger terms to Palestine (or the Sanjaq of Jerusalem) had he had the slightest suspicion that it was being excluded from the area of Arab independence. This may well be the case, but surely the opposite conclusion can equally well be drawn that the Sharif understood and accepted the fact that because of its special position as a country interesting to all the world Palestine was a territory which had to be reserved for special treatment.

27. The same considerations apply to the fact that in his letter of January 1, 1916, the Sharif referred to "the northern parts and their ocasts." It is possible in this case again to conclude that Palestine was accepted by him as lying outside the area of Arab independence. But in any case the words "northern parts" or "northern coasts" could legitimately be taken by the reader of a letter written in the Hejaz as meaning the whole Mediterranean coast.

28. The foregoing arguments with regard to the "specific" reservation are offered in order to show that in regard to each point of criticism it is possible to find a probable reason for what Sir Henry McMahon had in mind. But the Lord Chancelor would not for a moment wish to suggest that this passage in the letter which Sir Henry McMahon sent on October 24, 1915, on the instructions of His Majesty's Government was clear or well expressed, or that any of the other territorial reference (on either side) were clear or well expressed, or that it is upon such arguments that His Majesty's Government rely in the presentation of their case.

29. The best explanation which His Majesty's Government can give as to what was meant by the phrase "districts of Damascus, etc.," in the letter of October 24, 1915, is that the phrase was borrowed from al-Faruqi and used in the same wide and general sense as that in which he himself used it, i. e., as one which covered the Syrian hinterland southward to the Gulf of 'Aqaba.

30. But although His Majesty's Government consider that the specific reservation should have sufficed to exclude Palestine, they attach less importance to this point than to the general reservation.

31. The wording of the general reservation is, in view of His Majesty's Government, perfectly clear. It limits the area to which Sir Henry McMahon's pledge was to apply to:

"* * * those portions of the territories therein [i. e., in the area claimed by the Sharif] in which Great Britain is free to act without detriment to the interests of her ally, France."

In other words, the pledge did not extend to any territory in which Great Britain was not free to act without regard to French interests on the date on which the letter was despatched, i. e., on October 24, 1915.

32. It must also be made clear, since the point has been raised by the Arab members of the committee, that, in the opinion of the Lord Chancelor, any subsequent developments which may at later dates have modified the extent of the area in which Great Britain was free to act without detriment to French interests are irrelevant to a consideration of the extent of the area to which the pledge applied on October 24, 1915, and has continued to apply ever since.

33. Now, if there is anything which is certain in this controversy it is that Great Britain was not free in October 1915 to act in Palestine without regard to French interests. It may be perfectly true that under the influence of Lord Kitchener and others His Majesty's Government before and after the outbreak of the war were anxious to restrict the French claims on the Levant coast if they could find a legitimate means of doing so.

But there is a great difference between desiring an object and attaining it. It can be stated as a fact that at the time of the correspondence France claimed the Mediterranean littoral as far south as the Egyptian border and as far east as Damascus, and it was not until the spring of 1916 that these extreme claims were modified as the result of discussions culminating in the so-called Sykes-Picot agreement.

34. As has been stated, the Sharif must have realized the possibility and even the extreme probability of the existence of a French claim to Palestine, even if he did not know of it for a fact, and in view of the circumstances, and of the extensive British and religious interest in Palestine, the wording of the McMahon pledge ought surely to have suggested to him and to any other reader of the letter that Palestine was excluded from, or, to say the least, not clearly included in, the area of Arab independence.

35. There are some further points which must be noted in connection with the correspondence. In paragraph 2 of the Sharif's letter of November 5, 1915, and in the fourth paragraph of Sir Henry McMahon's reply of December 14, 1915, it is made clear that many important details regarding the territorial situation were left over for a later settlement.

36. Furthermore, in his letter of January 1, 1916, the Sharif agrees to leave for future consideration the French occupation of Beirut and its coasts. Whatever may have been meant by this phrase—and it might well be argued that the "coasts" of Beirut extended as far as the Egyptian border—it clearly excluded the coasts of Palestine as far south as the limits of the Vilayet of Beirut, i. e., as far south as a point just north of Jaffa. This in itself amounted to a provisional acceptance of a reservation of nearly half of Palestine.

37. The Sykes-Picot agreement of May 1916 has already been mentioned, as has also the fact that the claims of France at the beginning of the war extended over the whole of Palestine, as well as to Damascus and Aleppo. In this connection it must be remembered that Sir Mark Sykes was definitely sympathetic toward the Arab cause and he must clearly have negotiated the agreement in the belief that the reservations in the pledge of October 24, 1915, justified his concluding an agreement in the form which it eventually assumed. His Majesty's Government have no doubt that he was right.

38. Moreover, Sir Mark Sykes secured a great concession from the French negotiators as regards the Sanjaqs of Hama, Damascus, and Aleppo, which, as a result of what al-Faruqi had said at a slightly earlier period, His Majesty's Government had reason to suppose were vital to the Arabs. It was an exceedingly difficult task to obtain this concession from the French Government, and it was genuinely believed at the time that the arrangements would (to quote from an official report of the period) "adjust the fundamental divergencies of Arabs and French regarding Syria."

39. In the agreement Palestine was admittedly to be international. The Sharif of Mecca was, however, to be consulted, and the form of government was to be agreed upon with (among others) his representatives. These points are generally overlooked, but if they are taken into account it is difficult to see how the agreement can fairly be represented as a breach of faith with the Sharif. Moreover, as has already been emphasized His Majesty's Government were not, in 1915, in a position to give the sovereignty of Palestine to the Arab people. They had to consult their allies and other countries having interests in that territory just as they are now obliged to consult the members of the League of Nations.

40. The form of the promise given to the Sharif assumes particular importance in connection with the "Sykes-Picot" agreement. It is apt to be forgotten by the Arabs. It was to the effect that Great Britain was prepared "to recognize and support the independence of the Arabs" and "when the situation admits Great Britain will give to the Arabs her advice, and will assist them to establish what may appear to be the most suitable forms of government in those various territories."

41. His Majesty's Government maintain that Great Britain has substantially carried out these promises—in the face of great difficulties. They may regret that she could not carry them more fully into effect; but she never gave, and the Sharif could not have thought she was giving, a promise of such a kind as might involve her in war with any of her allies in order to fulfill the Arab aspirations in every part of the territory which the Sharif had claimed.

42. The Balfour declaration is a subject of frequent complaint, but it cannot be supposed that Mr. Balfour would have made it had he thought that Palestine had been included in the promise given in Sir Henry McMahon's letter of October 24, 1915. It should, however, be observed that the grievance as regards which the Arabs complain is dependent very largely on the view which is taken as to the meaning of, and the implications said to be derived from, the declaration. It is not within the scope of this memorandum to express an opinion as to the validity of the Zionist view on this matter; but it must be remembered that the declaration expressly safeguards the civil and religious rights of the Arabs, and this qualification is one of great importance and should have a far-reaching effect on policy.

43. It is hoped that these explanations will convince the Arab members of the committee that Sir Henry McMahon never had any intention of including Palestine in the area of Arab independence; and, furthermore, that he never had any reason to suppose that his intention was not perfectly clear to the Sharif. But whether this hope is realized or not, His Majesty's Government must make it clear that they repudiate very strongly any suggestion of breach of faith on the part of their predecessors or of themselves.

44. In conclusion, the Lord Chancelor would remind the committee that what matters today is the existing state of affairs. The mandate was given to Great Britain with the approval of some 52 nations from all parts of the world, and its existence as an obligation incumbent upon His Majesty's Government, which His Majesty's Government cannot themselves alter, is a fact which cannot be ignored. Cannot all concerned recognize the reality of these facts and work together to make a fair settlement in the existing circumstances?

HOUSE OF LORDS,
February 24, 1939.

Alaska and National Defense

EXTENSION OF REMARKS
OF
HON. ANTHONY J. DIMOND
DELEGATE FROM ALASKA
IN THE HOUSE OF REPRESENTATIVES
Monday, July 17, 1939

Mr. DIMOND. Mr. Speaker, Dr. Vilhjalmur Stefansson, the famous Arctic explorer, has made a study not only of the North American Arctic region but also has made an equally careful and precise study of Alaska and of the situation in Alaska with respect to concepts of national defense. What Dr. Stefansson says about the Arctic, or about Alaska, or about national defense in its relation to Alaska is worthy of consideration. Therefore, pursuant to unanimous consent given in the House, I offer for incorporation in the RECORD the following report of a statement made by Dr. Stefansson appearing in the Washington Post, issue of July 15, 1939:

In the person of Vilhjalmur Stefansson, the Arctic yesterday told this country to look to its northern possessions.

Here to confer with the Government on Alaskan problems—including its defense—the explorer said it is high time the United States matched the progress of other countries, particularly Russia, in the Territory to which his discoveries added hundreds of square miles.

But Stefansson made little mention of his own exploits in an interview at the Carlton Hotel. Instead, he pointed out on a map a vast region of Soviet colonization and development of the Arctic country, indicating the proximity of warlike Japan. Hastily, he placed his finger squarely on Alaska.

VITAL TO DEFENSE

"It is very important we hasten the development of Alaska," he declared. "In case of attack on this country, it would be of vital importance as a base for counterattack." He added, "Secretary Seward knew that in 1867 when we bought Alaska—he said Alaska would dominate the Pacific—but apparently we've forgotten."

Asked what steps this country should take in fortifying Alaska, the explorer pointed out that there are plans for a large air base there and said he favored establishing strong Army and Navy units to take advantage of Alaska's natural strategic position.

"But just sending troops up there isn't the whole answer by any means," Stefansson said. "Alaska should be developed so as to support those troops independently of this country, both for reasons of economy and in case transportation lines were broken in wartime."

"Of course, the most important thing would be the development of Alaskan meat-producing industries, and we are fortunate that we have our reindeer. Cattle are too costly a proposition."

The reindeer—the herds number half a million, he said—"thrive in the frigid country and are not only a cheap source of meat and hides, but are efficient as draft animals."

"Everyone seems surprised," Stefansson said, "when you tell them how potentially rich the Far North is—that there are vast mineral and lumber resources there; that wheat has been grown 200 miles north of the Arctic Circle."

"But while the United States has continued to think of the Arctic as impracticable, this country's northern neighbors have not been unaware of its possibilities," Stefansson asserted.

"Soviet Russia has built many modern cities above the Arctic Circle to take full advantage of the lumber, minerals, and shipping, especially in the last 15 years. One place, Agarka, a town of 200 trappers in 1929, now has a population of 15,000 and everything from electricity to a daily paper.

"The Russian colonization is far ahead of ours in almost every way. It's time we got busy," the explorer concluded.

Probable Republican Presidential Candidates

EXTENSION OF REMARKS

OF

HON. LEWIS D. THILL

OF WISCONSIN

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 18, 1939

EDITORIAL FROM AFFAIRS MAGAZINE OF JULY 14, 1939

Mr. THILL. Mr. Speaker, under leave granted me to extend my remarks in the RECORD, I include the following editorial from Affairs Magazine, in its issue of July 14, 1939:

The editorial offices of Affairs in Washington received last Saturday a letter which announced the candidacy of Senator BRIDGES, of New Hampshire, for the Republican nomination for the Presidency. It will be remembered that he came before the public eye when he was mentioned for the Vice Presidency with Alf Landon in 1936. Senator STYLES BRIDGES has long been one of the three or four dark horsemen in the 1940 nomination race. Other dark horses are Representative HAMILTON FISH, of New York, and Representative BRUCE BARTON, a Congressman from the blue-stocking district of New York. Both Senator BRIDGES and Congressman FISH are isolationists, while Congressman BARTON is one of the few Republicans that bucks the party on its traditional policy of isolation.

As seen by insiders here in Washington, there are five or six leading Republican candidates for the nominations. Of this number, Thomas Dewey, district attorney of New York, is unquestionably in the lead, and by a large majority. He is also the secret choice of the most powerful inner circle of the Republican Party. They are for Dewey.

However, Dewey will have opposition from a congressional junta, who feel that they represent the Republican Party officially, since they are the officeholders.

The leading candidate of the congressional group is unquestionably Senator VANDENBERG, of Michigan, a very able legislator, but totally lacking in political "it" and mass appeal. Two stronger candidates than VANDENBERG, although younger and less well known, are Congressman HAMILTON FISH and Senator BRIDGES. BRUCE BARTON, of course, has considerable support in business circles.

BARTON MAY BE A CANDIDATE

Next to Dewey, the most handsome Republican candidate is BRUCE BARTON, son of Rev. William Barton, born just 50 years ago in Robbins, Tenn. His supporters believe that there is some occult science that says that ministers' sons have a better chance of achieving fame than most ordinary chaps. And this has proved to be the case with BRUCE BARTON. Starting out with nothing in his jeans, he is now the chairman of the board of one of the country's largest multimillionaire advertising agencies. BRUCE BARTON is an important man in an important city like New York. He is a business philosopher for many an important business; in fact, ever since the World War he has been one of the "pet advisers" of big business. His telephone is constantly ringing, and at the other end of the line are the biggest names in American industry. He understands their problems, and he is an expert on public relations.

There is no question about it, BRUCE BARTON is the best-looking Member of Congress. He inspires confidence. He is impressive looking with his tall, athletic figure, his rosy cheeks, his reddish hair, and flashing blue eyes. Yet he has an easy, pleasant manner that makes the stranger like him instantly. It is a personal touch about him that gives him a certain magnetism, and he is as American as pumpkin pie. He still retains that disarming manner which is without the slightest bit of affectation. It is a sort of heritage from the home folks of Tennessee.

To believe that BRUCE BARTON is just another successful advertising man from New York is a mistake. This son of a circuit-riding Tennessee preacher is one of the best phrase makers in the country. His writing sparkles with homey gems which are known from coast to coast. It was BARTON that said, "A man may be down but never out." There is a certain spiritual side to his character which he inherited from his father, who started him on the road to authorship. His writings have been chiefly along religious subjects, such as The Man Nobody Knows and The Resurrection of the Soul.

Interesting fact is that Mr. Simpson, Republican leader of New York City, who has been closely associated with the leading Republican candidate, Thomas Dewey, also persuaded BRUCE BARTON to run for Congress. While BRUCE BARTON is a dark horse today, he is a more likely Vice Presidential candidate than for the throne itself.

BRIDGES' HAT IS IN THE RING

But in the case of Senator STYLES BRIDGES, it is the Presidential nomination that he is seeking. Let there be no mistake about that. He is just 40 years old now, and there is something magic about the name "STYLES" BRIDGES that has an attraction for the women's vote. Women like this youngish 40-year-old Senator, who has ruddy cheeks and a quiet, reassuring way about him. When he was elected Governor of New Hampshire, he developed a tremendous strength among the young people, and especially the women, during the campaign. When the campaign was over he had won over his Old Guard opponent by the huge majority of 35,000 votes.

When he marched into the United States Senate in 1936, he straightway became one of the Republican leaders and was immediately named to the most important committees. Imagine a young Senator only 38 years old being appointed to the key Appropriations Committee and the Military Affairs Committee. He was also named to the Committee for the District of Columbia, the Committee on Oceanic Canals, and the Committee on Elections.

From the very beginning he made a "dent" on the greatest deliberative body in the world. Hide-bound tradition has it that the young fledgling Senators are to remain on the side lines while the older men do the talking. In fact, the motto of the Senate for young Senators has long been, "To be seen but not heard," but STYLES BRIDGES was not to remain in obscurity while much remained to be done. He became one of the Republican leaders of the body, and now his position in the party is unquestioned.

STYLES BRIDGES will probably become the BORAH of the Senate, since the veteran isolationist has long passed his prime. The shoes of the Senator from Idaho will be filled by the Senator from New Hampshire. But as a Presidential candidate, unless there is some quirk of destiny, this role hardly seems cut out for him since he comes from the tiny distant State of New Hampshire. The next election will be decided in New York, and that is Dewey's State. And it is also to be remembered that it is HAMILTON FISH's stamping ground. And HAMILTON FISH has twice the political "sex appeal" of a VANDENBERG.

The good people of New Hampshire who vote and support STYLES BRIDGES say that he "got horse sense from milking cows." They say he worked his way through the University of Maine in 1918 by milking cows for 9 cents an hour. And then, too, he believes in the old New England motto of "Pay as you go." When and if the Republicans swing back to power, BRIDGES will be their "Rock of Gibraltar" in the Senate.

TAFT IS ANOTHER POWERFUL FIGURE

By no means out of the race since his unfortunate "Gridiron" speech, Senator TAFT is staging a come-back. His speeches and his radio technique have enormously improved, and he is getting his second wind for the coming campaign.

On June 2, Affairs stated that Senator TAFT had failed to vote against the agricultural pork-barrel legislation. Fortunately, we have received a letter from Senator TAFT stating that he had voted against the parity payments in the Appropriations Committee. When the effort to eliminate them was unsuccessful, he voted against the bill in committee, and was the only member to go on record on it there. In the Senate he was paired against the bill. Senator MCNARY favored the parity payments, and Senator TAFT was paired against him. Affairs is happy to make this correction.

HAMILTON FISH POSITION GROWING

Another important potential candidate for the Republican nomination is HAMILTON FISH, of New York. He is one of the few eastern seaboard Congressmen who have the vision to see beyond the Alleghenies. Congressman from the President's district in New York, he is one of the most colorful figures in all American politics today. He looks Presidential timber, and he is by far the best speaker in the party. Despite the fact that he is a Harvard man, and comes from one of the oldest families on the eastern seaboard, politically he is closer to BORAH, of Idaho, and has a rare political sense, and an extraordinary genius for publicity. Still a young man, HAMILTON FISH's political career has just begun. He is strong in the Republican Party because he is strong in the Empire State; and he is strong in the country because he is a political realist. He is a member of the Foreign Relations Committee of the House, and has vigorously opposed meddling in European affairs. When the Republicans choose their candidates in 1940, serious consideration will be given to HAMILTON FISH. He is a dark horse to be kept in mind.

Farmer the Victim of High Cost Transportation

EXTENSION OF REMARKS

OF

HON. VINCENT F. HARRINGTON

OF IOWA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 18, 1939

ARTICLE BY JOHN L. BOGERT

Mr. HARRINGTON. Mr. Speaker, under leave to extend my remarks, I include herein an article by Mr. John L.

Bogert, editor of the Marine Journal, and a recognized transportation economist. In this editorial Mr. Bogert very clearly points out that the American farmer today is the victim of high-cost transportation, and that in order to compete with the producers of other nations he must have the benefit of commensurate low water-transportation rates. I think this article is very timely, in view of the pending railroad legislation, which would tend to strait jacket or destroy altogether the freedom of water transportation in the United States.

[From the Marine Journal]

DOING SOMETHING WORTH WHILE FOR THE FARMER

(By John L. Bogert, transportation economist, editor of Marine Journal)

The only kind of help for anyone that doesn't weaken the moral fiber of the recipient is self-help. It is easy to pauperize with the dole; it rarely fails. How can anyone ever develop self-reliance who is led to believe that he can always count on Government assistance whenever the going gets tough? This is peculiarly the case with our farmers; every year now millions of the taxpayers' money is handed out to him in one form or another. And the worst of it is, there seems not the slightest chance that the hand-outs can one of these days be discontinued. Why can't the farmer make a living like anyone else? His ancestors got along without hand-outs, why not he? The Government will tell you it is a long story, but that there is no other solution than that the Government should treat the farmer like a mentally undeveloped individual who needs a guardian. That's a terrible libel on our farmers if it isn't true, and we for ourselves refuse to believe that it's true. Isn't there a much better way to help the farmer than by giving him money hand-outs? We believe there is.

The principal trouble with the farmer is high-cost transportation for his crops. If we can give him cheap transportation, just as cheap as his Canadian cousin enjoys or his Argentinian rival, he can take care of himself without Government help. But he most certainly cannot afford to pay 25 cents per bushel to have his grain hauled 1,000 miles to Chicago or Duluth, and then realize that it is still 4,500 miles from market, while his Argentinian competitor pays but 13 cents per bushel to get his grain carried 7,000 miles to channel ports. No, the farmer is the victim of high-cost transportation; he hasn't a fair chance, and so gets discouraged. Now, supposing, instead of giving him hand-outs in money that he has to use to overcome the excess cost of getting his produce to market, suppose we see to it that his freight charges are cut to the bone. He won't feel then that he is living on charity; he will hold up his head and keep his self-respect. It can be done, and it has been done. We have told the story frequently in the past, and suppose we will have to tell it frequently in the future. It's the story of the 10,000,000 bushels of corn that were grown in Iowa, shipped down the Mississippi to New Orleans, and there loaded for European ports. In the case of 5,000,000 bushels that went down the river from Muscatine, the shippers saved $308,000 in freight money over what they would have been obliged to pay the railroads to haul the same grain to Chicago.

For the railroads wanted 15 cents per 100 pounds for the haul of 574 miles to Chicago from Muscatine, while the barge rate was but 4 cents per 100 pounds, 1,430 miles all the way down the Mississippi River to New Orleans. That means but 2.4 cents per bushel for wheat and but 2.24 cents per bushel for corn. It was simply out of the question to pay 9 cents per bushel or 8.4 cents even—a 6-cent saving per bushel is well worth while; on 5,000,000 bushels it comes to $300,000.

What about the barges that quote such low rates, do they make any money? Well, nearly all of them are privately owned; the Federal Barge Line, which belongs to the Inland Waterways Corporation, only handles 2 percent of the river traffic. The Inland Waterways Corporation is a Government created corporation, financed by the Government through an appropriation of a certain amount of money; but for some years now it has been entirely "on its own." It does not ask for Government assistance of any kind; it pays its own way out of what it collects from its shippers. It not only pays its own running expenses of every kind, but it also repairs and reconditions all its floating equipment out of its freight receipts.

It is customary for the friends of the railroads to jeer at it, and claim that it operates hopelessly in the "red." Well, so long as its floating equipment does not deteriorate, so long as it is able to renew the same as need arises, so long as it pays its crews and maintains them, we can't see just why any taxpayer should put up a "holler." One-third of the railroads are in the hands of receivers, and in so doing admit they can't pay their bills; and another third can't pay any but the smallest kind of a dividend. So just what right have these to point the finger of scorn at the Inland Waterways Corporation? The Inland Waterways Corporation was presented with its floating equipment and some few millions for an operating fund. It never has used all the money it was given, but has turned back into the United States Treasury a very respectable sum. Now the railroads received vastly more than the Federal Barge Line; they received land gifts in fee simple equal to the entire area of the original 13 States—to be specific, 275,000 square miles.

Don't ever let anyone tell you that individuals hazarded their own individual fortunes in pioneer railroad building, that the winning of the West was their unaided accomplishment; practically close to a billion dollars of the taxpayers' money made possible the transcontinental railroads, and it comes with mighty poor grace to begrudge the few millions that made the Federal Barge Line possible. We never have been able to maintain our foreign commercial marine on a smaller expenditure than $27,000,000 annually, with no depreciation allowance included. And for many years it cost us twice that sum to keep our flag on the ocean. So suppose all hands lay off "knocking" the Inland Waterways Corporation and the Federal Barge Line.

Marine Journal never was an advocate of Government ship operation or Government competition with private enterprise in any field. But if, and when, through unfair skullduggery, any field is preempted by monopoly, then is the time when Government should step in and restore normal conditions. Seventy years ago our rivers were full of steamboats, but the railroads were permitted to refuse to transship by water and to quote only all-rail rates. That did the business; very little freight originates at the waterside, the bulk comes from the hinterland. The railroads bought into steamboat property to kill it; they leased canals, just as the Pennsylvania Railroad leased the Delaware & Raritan Canal, to hamstring it. And, because of their Wall Street banker control, they could and did strangle waterways competition. Look at Long Island Sound. Fifty years ago there were many important steamboat lines connecting practically all the important New England coastal cities with New York. Where are the fine steamboats that used to shuttle back and forth between New York and New Bedford, New York and Fall River, New York and Providence. New York and Stonington, New York and Norwich, New York and New London, New York and Hartford, New York and New Haven, New York and Bridgeport, New York and Sag Harbor? All gone; only the Colonial Line and the Eastern Steamship Co., which goes through the Cape Cod Canal, left on the Sound; and practically all the Maine steamboats gone, too. The Long Island Sound steamboats were bought up by the railroads and the lines discontinued. The same is true of the boats that ran from Boston to Maine cities. So the farmers of the West should learn a lesson from our experience here in the East, and highly resolve that the Federal Barge Line shall never be sold to interests friendly to the railroads.

And woe be to the western farmer if his Representatives in Congress ever permit the passage of any legislation which turns over to the tender mercies of the Interstate Commerce Commission the waterways transportation freight rates! The only way those freight rates can be regulated is to raise them, not lower them. For they are as low now, in many instances, as either the rates on the Great Lakes or on the ocean. When corn is carried "downstream" from Iowa ports to New Orleans for prices as low as 2.24 cents per 56-pound bushel, it is equivalent to fifty-six one-hundredths of a mill per ton-mile, and that compares favorably with ocean grain rates from River Plate ports to channel ports.

The cheapest ocean grain rates are those which obtain for the sailing ships which once a year carry Australian grain some 15,000 miles to channel ports. The usual price is $6 per ton for the haul. Now, $6 is 6,000 mills, and if we divide 6,000 by 15,000 we get four-tenths. So, the rate there is four-tenths of a mill per ton-mile of haul. Our river barges, with a fifty-six one-hundredth of a mill per ton-mile, are pretty near what Captain Erickson's superannuated sailing ships can do, and they are better than the ocean tramp rate of 20 shillings per ton for the haul from Argentina to Liverpool. This latter figures pretty close to seven-tenths of a mill per ton-mile. Contrasted with the foregoing, the railroads are all patting themselves on the back when they announce that through the use of heavy rails, long trains of 100 or more cars of large carrying capacity pulled by extra big locomotives using high pressure, high superheat steam, they have reduced traction costs from 9 mills per ton-mile to between 6 and 7 mills per ton-mile. Kindly note their costs are, on their own showing, 10 times as high as the waterways barge or the ocean tramp face.

All the foregoing should be everyday knowledge not alone to our economists and statesmen, but to the farmer and the man in the street, so that no bad legislation would ever stand a chance of passing in Congress.

By all means let us continue to do something for our farmers, but let it take a form which will hearten him in the industrial struggle, because he will know that he is just as well served in the matter of transportation as his world competitors. No more "hand-outs" with their pauperizing tendency, but the highest grade of basic conditions on the farm, so that agriculture may be made attractive to the rising generation. Never let us forget that farm life is natural life; urban life is artificial life. Grass would most certainly grow in the streets of every city in the world if it were not for the food the farmer ships to it every week in the year. As goes farm life, so goes the security of the Nation. Cities full of people who have abandoned farm life, and are living on charity, is a clear proof of economically unhealthy farm conditions. Back to the farm is only possible when farm-produce freight rates are cut to the bone, and the farmer's interests are not subordinated to the fancied needs of the railroads.

Administration of the National Labor Relations Act

REMARKS

OF

HON. THOMAS F. FORD

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 18, 1939

Mr. THOMAS F. FORD. Mr. Speaker, it is my purpose to show that the National Labor Relations Board, in the exercise of its functions, has accomplished with a remarkable degree of success the important and difficult task set for it by Congress, namely, that of "diminishing disputes between employers and employees which interfered with the free flow of commerce between the States."

First, let me say unequivocally that I consider this resolution—House Resolution 229—a wholly unwarranted and entirely gratutious insult to the Committee on Labor of the House and the Committee on Labor and Education of the Senate.

Let me tell you why I say this. Both of these committees have been diligently holding hearings on the subject. The House committee has heard 36 witnesses over a period of 2 months and has taken in excess of 4,000 pages of testimony. The Senate committee has heard 104 witnesses, taken in excess of 6,500 pages of testimony, and consumed over 3 months' time. These two committees are the regularly constituted standing committees of the Congress; they are the bodies from which we expect recommendations for legislation on this subject. Yet, in spite of the fact that these two committees have been diligently laboring with this problem, a little group of men in this body have taken it upon themselves to ask for a special House committee to duplicate the work of these committees and bring back to this body a report on the activities of the National Labor Relations Board.

It is my reasoned conviction that the request for this resolution is preposterous and that the allegations made in at least six of the whereases in the resolution are wholly untrue and based either on false information or a deliberate refusal to report the facts, if figures supplied by the Board are correct.

MISSTATEMENT NO. 1

For the purpose of clarification and substantiation of this charge, permit me to say that the resolution (H. Res. 229) states that since the enactment of the National Labor Relations Act "there has ensued an alarming increase in strikes and labor disputes generally."

The Board's records show the reverse to be true. In his statement before the Committee on Labor of the House of Representatives on proposed amendments to the National Labor Relations Act, May 18, 1939, Senator ROBERT F. WAGNER pointed out that—

> In 1938, the first full year of the act's operation under the Supreme Court's mandate (April 12, 1937), there were only about half as many strikes, one-third as many workers involved, and less than one-third as much working time lost as in the year 1937.

Senator WAGNER stated further that—

> The record for 1938 not only shows a tremendous improvement over 1937, but it represents the best record in recent years.

Senator WAGNER concluded that the—

> solid improvement in labor relations is due largely to the operation of the Labor Act, which is rapidly eliminating the causes of strikes over the fundamental rights to organize and bargain collectively.

In its report to the House Committee on Labor, the National Labor Relations Board showed that—

> from 1933 to 1937 the number of strikes per year rose steadily from 1,695 to 4,740.

Although the act was passed in 1935, it did not become effective until its validation by the Supreme Court in April 1937. Since that date the number of strikes started to decline. In 1938—the first full year after the Supreme Court decisions—the number of strikes decreased sharply to 2,772, which is over 40 percent less than the number of strikes in 1937. The number of workers involved in strikes decreased from 1,860,621 in 1937 to 688,376 in 1938, a decrease of about 63 percent. During 1937 there was a total of 28,424,857 man-days of idleness due to strikes, whereas in 1938 the number of man-days of idleness fell to 9,148,273, or a decrease of about 68 percent.

In its report the Board pointed out further that—

> Although the number of strikes in 1938 was greater than the number in any previous year since 1921, excepting 1937, the number of workers involved in strikes in 1938 was less than that for each of 8 years since 1921. Even more significant is the fact that man-days of idleness due to strikes in 1938 were less than for each of 8 of the 12 years during which such data have been collected (1927–38). Taking into consideration the low ebb of unionism in the 1920's, it is clear that the year 1938 compares favorably with the preceding years with respect to the lessened intensity and duration of industrial strife as measured by the number of workers involved and man-days lost.

These facts show that the act has played a substantial part in the reduction of strikes since 1937.

MISSTATEMENT NO. 2

The resolution states that the—

> act is of an experimental nature and necessarily requires amendments and corrections, as indicated by experience and the effect of its operation upon the economic system of the country.

The National Labor Relations Act is not of "an experimental nature" but was created as a result of the cumulative experience of many years during which various ways to deal with labor relations had been tried by the Federal Government.

The act is based on the experience of the Federal Government in the railroad industry under the Erdman Act of 1898, the Newlands Act of 1913, the Railway Labor Act of 1926, and the amended Railway Labor Act of 1934; it is also based on the experience of the Federal Government in other industries under the National War Labor Board, the National Labor Board, and the various labor boards for particular industries under section 7 (a) of the N. I. R. A. and the first National Labor Relations Board under Public Resolution No. 44.

In addition, the procedural provisions of the act are modeled after the statutes setting up the Interstate Commerce Commission, the Securities and Exchange Commission, the Federal Trade Commission, and numerous other administrative agencies of the Government. These procedural provisions have been fully sustained by the Supreme Court of the United States. In answer to the charge made by many employer's associations that the Board is prosecutor, judge, and jury, and has unusual powers, the report of the Senate committee in 1935 stated:

> Despite the widespread charges that the bill invokes novel procedure and vests unusual powers in an administrative agency, the bill is modeled closely upon numerous Federal statutes setting up administrative regulatory bodies of a quasi-judicial character.

MISSTATEMENT NO. 3

The resolution states that—

> It has been frequently charged that the National Labor Relations Act has contributed to rather than diminished labor disputes.

This charge is unfounded, if the Board's is a correct statement of the facts.

In its report to the Senate Committee on Education and Labor—April 1939—the National Labor Relations Board pointed out that "prior to the validation of the act by the Supreme Court its full effectiveness in affording a peaceful outlet for employer-employee differences could not, of course, be known." During the first 3 months of 1937, there was filed with the Board a total of 544 cases, involving less

than 150,000 workers. In this same period there were 940 strikes, involving nearly 500,000 workers.

The Supreme Court decisions in April 1937 changed all this. During April 1937 the number of cases filed with the Board almost equaled the number of strikes. Since that date, for each month Board cases have exceeded the number of strikes. Since June 1937 workers involved in Board cases have exceeded workers involved in strikes. At the present time the ratio of number of Board cases and workers involved, to number of strikes and workers involved, is approximately 3 to 1.

Thus, rather than resorting to strikes, labor organizations have utilized the services of the Board. Labor situations which, prior to the enactment of the act, would have resulted in strikes have been handled in an orderly, peaceful, and democratic manner under the auspices of the Board.

MISSTATEMENT NO. 4

The resolution states that the "Board has shown consistent partiality toward one labor organization over another." An examination of the record refutes this charge.

In its report to the House Committee on Labor, the Board revealed statistics on its operations from October 1935 through December 1938. These statistics show that:

First. The A. F. of L. cases have been disposed of in exactly the same manner as those filed by the C. I. O. The following tables show the methods by which the Board has disposed of A. F. of L. and C. I. O. unfair-labor practice cases and representation cases:

Unfair labor practice cases

	American Federation of Labor	Congress of Industrial Organizations
Cases disposed of without decision and order	95.4	95.8
Settled	53.4	53.2
Dismissed	15.6	13.9
Withdrawn	24.9	27.6
Otherwise	1.5	1.1
Cases disposed of by decision and order	4.6	4.2

Representation cases

	American Federation of Labor	Congress of Industrial Organizations
Cases disposed of without decision and order	84.0	84.7
Settled	54.1	54.9
Dismissed	7.9	5.1
Withdrawn	21.3	23.7
Otherwise	.7	1.0
Cases disposed of by decision, certification, and order	16.0	15.3

Second. A. F. of L. cases have been handled by the Board, if anything, more expeditiously than C. I. O. cases. The following table shows the average length of time taken by the Board in disposing of A. F. of L. and C. I. O. unfair labor practice cases:

Unfair labor practice cases

Number of days from—	Number of days: American Federation of Labor	Number of days: Congress of Industrial Organizations
Charge to complaint	66	108
Complaint to hearing	17	15
Hearing to intermediate report or proposed findings	58	67
Intermediate report or proposed findings to exceptions	16	15
Exceptions to oral argument	28	34
Oral argument to decision	77	85
Total	262	324

From this table it appears that the average length of time it has taken the Board to dispose of cases filed by A. F. of L. unions is 262 days, while the average time consumed in disposing of C. I. O. cases is 324 days.

The length of time required for the disposition of A. F. of L. and C. I. O. representation cases is shown by the following table:

Representation cases

	Number of days: American Federation of Labor	Number of days: Congress of Industrial Organizations
Number of days from—		
Petition to hearing	51 to 63	61 to 65.
Close of hearing to certification or refusal of certification	50	65.
Hearing to election	68	82.
Election to certification or refusal of certification	31	27.

It will be noted that the Board's records show that where the cases have been disposed of without election the average time in A. F. of L. cases has been from 101 to 113 days as against 126 to 130 days in C. I. O. cases. In cases requiring elections the average time in A. F. of L. cases has been 200 to 212 days as against 235 to 239 days in C. I. O. cases.

Third. The A. F. of L. unions have resorted and are continuing to resort to the act, and have recently invoked the services of the act to a greater degree than C. I. O. unions.

Additional figures compiled by the Board show that during the fiscal year July 1, 1937, to June 30, 1938, C. I. O. unions filed many more cases with the Board than A. L. of L. unions. At the present time, however, A. F. of L. unions are filing more cases than C. I. O. unions.

During the fiscal year 1937–38, C. I. O. unions filed three cases for every two filed by A. F. of L. unions. Broken down in terms of unfair labor practice and representation cases, respectively, the figures show that for every four charges filed by C. I. O. unions during the year three were filed by A. F. of L. unions, and for every two petitions for certification filed by C. I. O. unions, one petition was filed by an A. F. of L. union. When we compare these figures with the figures for the first 9 months of the current fiscal year, that is from July 1, 1938, to April 1, 1939, we find that the trend in representation cases is apparently on the way to being entirely reversed. Thus, A. F. of L. unions have filed five petitions during the first 9 months of this fiscal year as against every four petitions filed by the C. I. O. The number of charges filed by A. F. of L. unions have not yet quite caught up with the number of charges filed by C. I. O. unions; the figures show that for every 14 charges filed by the C. I. O., A. F. of L. unions have filed 13.

The change that is taking place in the respective figures is shown more dramatically if we look at the most recent figures, those for the first 3 months of the present calendar year. A. F. of L. unions have filed a total of 465 charges, while C. I. O. unions have filed 384 charges, the number of A. F. of L. charges filed exceeding those filed by the C. I. O. during each of the 3 months. During the same 3 months the A. F. of L. filed 252 petitions, as against 209 filed by the C. I. O. Two million five hundred thousand members belong to the 58 international unions whose locals have filed cases with the Board during this 3-month period.

MISSTATEMENT NO. 5

The resolution states that the National Labor Relations Board "has consistently refused to recognize any rights of the employer under said act."

In its report to the House Committee on Labor, the Board pointed out the following facts:

First. About 94 percent of all cases have been disposed of without formal decision. Of these, 42 percent—or a total of 6,680 (up to March 1, 1939)—were disposed of in favor of the employer by dismissal or by withdrawal. About 52 percent—or 8,378 cases—were settled by agreement of the employer and the union.

Because of the careful and exhaustive sifting of cases a large proportion of the cases are decided in favor of the employer. From January 1, 1938, to April 1, 1939, the Board issued decisions in a total of 438 unfair labor practice cases. Of this total, the Board, in its decisions, dismissed the complaint in its entirety in 34 cases, dismissed it in part in 137 cases and upheld the complaint in full in 257 cases. Figures concerning the disposition of discriminatory discharges likewise show that a large proportion of the cases are decided in favor of the employer. For example, from July 1, 1938, to January 31, 1939, the Board ruled upon 1,675 individual instances of alleged discriminatory discharge of employees—this does not include cases settled by stipulation between the parties. Of these 1,675 cases, the Board upheld the alleged discriminatory discharges in 1,022 instances and dismissed 653 instances of alleged discriminatory discharge either upon the merits or the failure to produce testimony in the particular cases.

Second. Furthermore, the Board's record in the Supreme Court is substantially superior to the average of the Federal administrative agencies in the same Court. From 1928 to 1937 all administrative agencies were sustained by the Supreme Court in 64 percent of the cases reaching that Court, were reversed in 35 percent, and were modified in 1 percent. During the period of the Board's existence, the Board has been unheld by the Supreme Court in 78 percent of its cases, reversed in 11 percent, and modified in 11 percent. This unusually successful court record indicates that the Board's decisions were based upon a careful study of the evidence presented in the cases.

Third. One of the rights which opponents of the Board claim that the Board has denied to employers is the right to file a petition for election and certification of representatives of employees when two competing labor organizations have caught the employer in the middle. But the Board on June 20, 1939, announced that it will amend its rules and regulations to permit employers to petition the Board where two or more competing labor organizations are claiming a majority, but where neither petitions the Board for certification.

MISSTATEMENT NO. 6

The resolution states that—

In the interpretation of said law and the promulgations of regulations thereunder those charged with administering the National Labor Relations Act have construed the term "interstate commerce" to include business in nowise engaged in interstate commerce so as to enlarge its jurisdiction to cover matters of minor and local character.

The facts provide a convincing answer to this premise. There is no rule or regulation promulgated by the Board concerning "interstate commerce." In accordance with the statute, any party may obtain a review by the circuit court of appeals to test the question of whether the Board has correctly taken jurisdiction over his business. Of the 83 cases which have been passed upon by the circuit courts of appeals and the Supreme Court of the United States, as of July 1, 1939, the Board's jurisdiction over the respondents—the employers—have been sustained in 82 cases and reversed in only 1 case (*Idaho Maryland Lines Corporation*, 4 N. L. R. B. 784, 98 Fed. (2d) 129).

Now, Mr. Speaker, the facts and figures herein stated are all readily available to any Member of this body who questions their authenticity.

It seems to me that they completely refute the allegations contained in the resolution before us.

My only further comment is, if you believe in the right of the man who labors to a voice in the fixing of wages and hours and working conditions under which he must earn his daily bread; if you believe in collective bargaining as a sound principle in our democracy, you will vote down House Resolution 229 and permit the regularly constituted committees of the Congress to make such recommendations as they, after exhaustive investigation, find necessary.

Mere lip service to the principle of collective bargaining is not enough. We have heard too much of the "yes, but" stuff. Let us make our stand in favor of collective bargaining clear and vote down House Resolution 229.

Philippine-American Economic Relations

EXTENSION OF REMARKS
OF
HON. JOHN W. BOEHNE, JR.
OF INDIANA
IN THE HOUSE OF REPRESENTATIVES
Tuesday, July 18, 1939

ADDRESS BY HON. PAUL V. McNUTT

Mr. BOEHNE. Mr. Speaker, under leave granted to extend my remarks in the RECORD, I include the following address by Hon. Paul V. McNutt, United States High Commissioner to the Philippine Islands, at the Institute of Public Affairs, University of Virginia, Charlottesville, Va., July 7, 1939:

I have just come from the other side of what was once known, with some justification, as "the good earth," but what has earned in recent years the title "the tragic earth." The reason for this change may be found in the failure to answer a question which one of the wise men of Indiana, William Lowe Bryan, has listed for many years: "Why is it that we human beings succeed so much better in conquering nature than in conquering human nature, in dealing with things than in dealing with ourselves and with one another?" The first step in answering such a question is to find the actual ways men contract the disease called war, and the actual methods by which they achieve the health called peace.

In this tormented, confused, deluded, bewildered, and bedeviled world today the prayer of every sane man is for peace, peace at home and with all peoples. Shortly after what we thought was the last world war one of the seers of this century said that what he feared was that America would refuse to take the position of leadership for which she was so eminently fitted both as to resources and ideals. A leader leads by precept, and, what is far more important, by example. We have said that all nations should, through voluntary self-restraint, abstain from use of force in pursuit of policy; that all nations should seek to adjust problems arising in their relations by processes of peaceful negotiation and agreement; that all nations should uphold the principle of the sanctity of treaties, and of faithful observance of agreements, and that each nation should respect the rights of others and perform scrupulously its own obligations. If these professions are to be practiced by nations, which are, after all, organizations of individuals, they should be practiced by the individuals as well. If we are to lead the way to peace we must practice peace at home. We do not find peace in the abstract. We find it by living and acting it.

I believe in the destiny of America, believe in it more profoundly than in anything human. I have faith in the future of America, the same faith which has been the essence of the American spirit. I scorn the suggestion of surrender to the demands of difficult circumstances. I believe we have the power within us to solve our problems with fairness and justice to all. We must not, we will not, lose our sense of direction.

Please believe me when I say, after seeing a portion of this troubled world at close range, that with all of our domestic problems, our efforts to cure injustices, our fears, both imaginary and real, America is the best place on earth in which to live and work. By comparison with the rest of the world today, this is paradise.

I have come from one of the few other comparatively happy spots in the world, the Philippines, a happy place in an unhappy Orient—the one place out there where decency, democracy, and peace reign; where the orderly processes of democracy have a chance to develop; where, and only where, Christianity rules the souls of an Eastern people; where, and only where, the peculiar culture of America holds forth a torch of liberty and the love of fellow man.

The 7,000 islands are inhabited by 18,000,000 people who owe allegiance to our Nation, salute our flag, most of which speak our language, sing our Star-Spangled Banner, and, what is most important, worship our Christian God. And their number is growing rapidly. Population has twice doubled since they came under our flag 40 years ago.

We took over the islands through no real choice of our own. Their acquisition was the consequence of a war waged with Spain on another issue. Perhaps it was not wise; perhaps it was not altogether fortunate for us, but it is a fact of history, and we cannot shun its consequences. When the Treaty of Paris confirmed our proprietorship we undertook a noble experiment—one which was new to the world of colonies and empires.

Spain had accomplished little else than the Christianization of the great majority of the people; nothing creditable in the way of schools; no marked improvement of health and sanitation; no improvement in the people's standard of living; nothing of what we call political liberty; no substantial participation in government. She had ruled harshly amid big and little rebellions and without the affection or understanding of her wards. Our

policy was the reverse. The bugles of war had not quieted and the acrid smoke of gunpowder still clouded the rice fields when, wonder of colonial wonders, corporals and sergeants shared their rations with famished natives and opened schools for the thought-hungry youth of the Philippines.

One Army transport, the unforgettable *Thomas*, brought not guns and soldiers, but 600 American school teachers. Then followed doctors and sanitarians, engineers, judges, civil servants, and devoted commissioners and Governors—a line of gracious, humanitarian, altruistic Americans who saw the Philippine problem solely as one of self-sacrificing duty in perfecting a harmony of welfare between the motherland and the colony. As I have read over the annals of American occupation I have felt proud of that list of distant proconsuls who so honorably acquitted their tasks in so distant an outpost, and I have felt a humility in joining their company.

But my pride goes deeper than the Governors. No community has ever harbored a more attractive group of Americans. Ex-soldiers and officers who stayed on and others who followed became honest merchants, founders of new industries, miners, lumbermen—a goodly concourse who believed in the Filipino and paid him higher wages than he had ever previously earned; who believed in the Philippines and gave them their last ounce of thought and American ingenuity. There was not an exploiter or enslaver among them. They worked hard, plowed back their profits, held their counsel, and assisted mightily to lay the foundations of American culture in the Orient, Christianity, and American culture.

With the best of intentions, ever anxious to improve the ways and means, the spirit and conscience of colonial enterprise, the American regime followed two contradictory policies. First, the political side. From 1898 to 1913 we insisted that the Filipinos be prepared for self-government. While the word "independence" seems not to have been officially used, we read aloud our own Declaration of Independence, and our school teachers taught the children to recite Patrick Henry's "Give me liberty or give me death." We made no effort to "doctor" history. We let the Filipinos in on our own great epic. But, more substantially, we established a wide suffrage; we appointed natives as town presidents and provincial Governors—we nearly forced them to take posts in their own government.

In 1916 we established a very full scheme of self-government on the American tripower Democratic-Republican model, with a promise of future independence, and, except for the highest executive and the highest judges, we put the whole organization into native hands. When and where they failed, they were taught to correct. And so the process went on until an autonomous commonwealth government and a definite date of independence was set in the Independence Act of 1935. From some 65,000 American soldiers and 5,000 American civil employees in 1900 we came in 1935 to a garrison of less than 5,000 American soldiers and about 100 American employees, practically all in subordinate positions. Thus with good grace and speed we proceeded through participation and partnership to a fixed date, July 4, 1946, for absolute political international independence.

Next the economic policy. The Philippines were not at first brought into our own customs and tariff area. There was a 10-year promise in the Treaty of Paris to grant Spain the same Philippine trade privileges we might grant ourselves. This, together with the most-favored-nation clauses in treaties with still other nations, enabling them to claim any Philippine trade privileges we might grant Spain, prevented us from extending special privileges to American goods in the Philippines until 1909. We did, however, grant Philippine goods the moderate advantage of a 25-percent discount on our import duties. This period, 1899 to 1909, may be termed a period of independent economy. The Philippines traded with other countries as much as they did with us, and their trade was in close balance. There was a slow but steady development based largely on indigenous economy.

When 1909 came around and America was released from its obligations to Spain, the policy of independent economy was changed to one of complementary economy. Congress adopted the policy of limited free trade between the United States and the Philippines. The goods of both areas were freely traded, except that the quantities of sugar and tobacco products which could enter the United States free of duty were strictly limited. These were the only two commodities produced in the Philippines at that time which threatened to become competitive with American production. The plan was to create an "economic couple" between the motherland and the colony in such manner that both would prosper and neither be damaged. The arrangement was healthy. Both American and Filipino producers and laborers prospered.

It is to be regretted that this policy of complementary economy was not continued for long. In 1913 Congress removed the limitations on sugar and tobacco and granted unlimited free trade between the United States and the Philippines. This fact and the heightened demands of wartime resulted in an overwhelming development of production of sugar, coconut oil, and other commodities which, after the war, came into competition with the normal supply of like commodities produced in continental United States itself. Thus the period from 1913 to 1934 is termed one of competitive economy. Philippine industry and government revenue were directed into artificial trade channels. Artificial, because the trade was supported only by the fact that Philippine goods entered the American market free and there commanded a high price because we imposed high tariffs on the same or similar goods from other countries.

So far as actual dollars and cents go, it was a fine time for the Philippines. Trade doubled, trebled, quadrupled. The balance of trade with foreign countries was negative, but that with the United States was great enough to wipe out all losses and provide in some years a net favorable balance of between forty and fifty million dollars, an amount about double the public debt of the Philippines; an amount equal to one and a half times the annual budget; an amount almost equal to the average annual circulation of money in the islands.

The profit has not been all on one side. American export business to the islands has flourished. It rose steadily and the Philippines have come to be the seventh best customer of the United States, purchasing from 60 to 70 percent of their requirements from America. The islands are America's largest export market for wheat, flour, butter, condensed milk, cotton cloth, galvanized iron sheets, and a host of other items. Their consumption preferences have been pretty thoroughly Americanized, thanks to energetic American business pioneers there. Their citizens have learned to like American things, from food and dress to motorcars and moving pictures.

Today the Philippines are the only bright, prosperous spot in the Orient. Their people enjoy the highest wages and best standard of living in the Far East. The deadly tropical diseases—smallpox, cholera, bubonic plague—which long decimated the population, have been wiped out. Thousands of miles of good highways are maintained. Bridges have replaced bamboo rafts. The budget is balanced. Taxes are the lowest in the world. The reserve behind the currency is 100 percent. The per capita national debt is less than $2. Schools and hospitals dot the jungle and plain. We built well in the Philippines. Our work is a monument to American idealism and enterprise—a living monument of 16,000,000 rescued from tyranny, rebellion, ignorance, poverty, and disease, and set upon the path of free government, peace, education, prosperity, and health. With all seriousness, no nation in the world can boast of so grand a monument.

But a problem has arisen, one which we alone can solve. You recall the two policies which I have described. Politically we brought the islands through progressive steps to the verge of independence. Economically we brought the islands through progressive steps to almost complete dependence upon our markets. On one hand we sought to sever the ties; on the other we chained them ever closer to us.

The problem arose from the insistent repeated requests of the Filipino leaders during the twenties and early thirties to fix a nearby date for independence, but for independence with a continuation, at least in part, and for a considerable time, of economic protection we have granted them. They also wanted neutralization or American military protection if they could get it. Here at home groups representing American producers and investors who found duty-free Philippine products in competition with their own products quickly took advantage of the desire of the Filipino leaders, brought pressure to bear on general policy, and sought to obtain for the Philippines a fixed date of independence, but without economic protection thereafter.

I have no quarrel with the lobbies. They were open and aboveboard about it and behaved as well or better than do most lobbyists. There was some competition and more threatened. However, there were offsetting American advantages which were not properly presented to the people. For example, the annual value of tobacco and tobacco machinery which we sell to the Philippines generally equals and sometimes exceeds the value of cigars which we buy from them. The annual value of the farm products—wheat flour, condensed milk, dairy, and meat products—which American farmers sell to the Philippines exceeds the value of Philippine coconut oil sold for us in margarine. Philippine sugar has never replaced an ounce of beet sugar; it has replaced a quantity of Cuban sugar. One can go right down the line and point out the many instances of trade reciprocity which our lobbyists neglected to mention.

This is the story of the Philippine market:

1. Friendliest, most adaptable to United States products, standards, specifications, and promotional ideas.
2. No blocked money, no quotas, no exchange difficulties.
3. Best market for United States cotton textiles.
4. Seventh best United States export customer—improving every year—capable of doubling its purchases of United States goods in time.
5. No real competition with American labor, since the labor-factor integral in the value of United States manufactured products is many times greater than the labor factor in the raw agricultural products bought from the Philippines.
6. Business on a buy-and-sell basis. No loans or bond issues for purchase funds; no defaults, discounts, devaluations, or confiscations.

I wish to qualify some misconceptions concerning American-Philippine trade—misconceptions which have been widely accepted in spite of their inaccuracies.

Men have looked at the gross statistics of American-Philippine trade, for example, for the year 1937 and have said, "$126,057,000 worth of goods imported from the Philippines (exclusive of gold); sales to the Philippines of $85,028,000—ergo $41,029,000 lost."

I have had many, even trade experts, tell me that this situation is a calamity. That the United States would gain if it ceased trading with the Philippines altogether. It seems to me that such persons mistake arithmetic for economics. While the United States has long been able to report a favorable balance in her overseas trade with all nations, there never has been a year when the trade with certain countries did not result in a negative balance. United States trade figures for 1937 show: Balance with Brazil, negative in amount of $52,000,000, or 28 percent of total trade—reason,

coffee; balance with Chile, negative $22,000,000, or 31 percent of total trade—reason, nitrates; balance with Cuba, negative $56,000,000, or 23 percent of total trade—reason, sugar.

Going to the part of the world in which the Philippines are located: Balance with British India, negative $60,000,000, or 40 percent of total trade; balance with the British East Indies (Malaya), negative $226,000,000, or 92 percent of total trade—reason, rubber and tin; balance with the Dutch East Indies, negative $90,000,000, or 64 percent of total trade—reason, vegetable oil and rubber; balance with our own East Indies, the Philippines, negative $41,000,000, or 19 percent of total trade—reason, vegetable oils and sugar. Thus it seems that the critics of negative balances might find a dozen examples more "horrible" than the Philippines. Follow the theory of these critics, stop trading wherever we have repeated negative balances, and what will have been accomplished? This much we do know would happen: Not a few American factories would shut down for want of raw materials; not a few workmen would join the relief rolls for want of employment; we would do without tea, or coffee; we would use iron tires on our automobiles; we would cut down on the use of soap and sugar.

In a country whose trade is so great and so dispersed as that of the United States, negative balances with some countries are as normal as favorable balances with other countries.

Then there is another school of theorists that looks at free trade between the United States and the Philippines from the viewpoint of the amounts of tariffs not collected on each side. They point out that if Philippine goods paid full tariffs in the United States the sum would be very much greater than if United States goods paid full tariffs in the Philippines. They seldom mention that their calculations of the amount not paid by Philippine goods is based on the super-rates of the Hawley-Smoot Tariff of 1930, and that the amount not paid by United States goods is based on the moderate rates of the Philippine tariff enacted for the Philippines by Congress in 1909 and not generally revised since that time.

It is apparent that a mere legislative enactment revising the Philippine tariff far enough upward could, without changing trade trends and values, result in the Philippines foregoing more revenue on United States goods than the United States on Philippine goods. I certainly would not attempt to defend the Hawley-Smoot tariff—its rates were far too high for the good of American trade. Nor have I any attachment to the Philippine tariff—its rates are too low to afford United States goods due protection in this market, and it can be changed by action of Congress when and if Congress so desires. I merely wish to show the fallacy in the arguments of some of our trade theorists.

But let us return to the United States-Philippine trade in 1937 and, using the figures of the United States Department of Commerce, subject it to a more discriminating study.

First, from the $126,057,000 of purchases, there should be subtracted $7,620,000, the value of manila hemp imported from the Philippines. This is on the United States free list and has never received any preference or protection in the United States market. It is needed by American producers of rope. There are other minor free-list items which for the present may be disregarded. Eliminating manila hemp, the United States purchases are reduced to $118,437,000, and the sales remaining at the same figure, the balance favorable to the Philippines is reduced to $33,409,000.

Now let us consider the exchange of certain specific commodities under the existing free-trade provisions between the United States and the Philippines as these are shown in the statistics for 1937:

Of tobacco products the United States purchased $3,418,000 worth from the Philippines, mostly cigars, but sold the Philippines $5,615,000 of tobacco, mostly cigarettes.

The United States purchased $679,000 worth of hemp yarn, twine, and cordage from the Philippines, but sold the Philippines $792,000 worth of cotton thread, twine, and cordage.

The United States purchased from the Philippines $1,669,000 worth of wood products, but, on the other hand, sold to the Philippines $3,101,000 worth of wood and paper products.

The United States purchased from the Philippines $35,438,000 worth of coconut oil and copra, of which approximately a third, or $11,813,000 worth, went into the manufacture of margarine and other edible products said to be in competition with the American farmer's animal fats and cottonseed oil. Against this may be set sales to the Philippines of American farm products to the amount of $11,942,000 worth of animal and vegetable products other than tobacco and rubber goods, principally meat, milk, wheat flour, fresh and preserved vegetables, fruits and nuts, and leather goods. In this connection it should be noted that in 1937 the United States imported from countries other than the Philippines $30,000,000 worth of edible oils, including nearly $12,000,000 worth of cottonseed oil.

Two-thirds of the coconut oil and copra which the United States purchased from the Philippines, or $23,625,000 worth, went into the manufacture of nonedible industrial products, principally soap. Against this amount may be placed $25,076,000, representing the value of United States sales to the Philippines of mineral oils, chemical products, and textile products, principally cotton goods. Concerning this exchange it is interesting that in 1937 the United States imported from countries other than the Philippines over $61,000,000 worth of industrial vegetable oils, not including essential oils.

The United States purchased from the Philippines $18,035,000 worth of all other commodities except sugar, against which may be balanced sales to the Philippines of $19,095,000 worth of machinery and vehicles, including automobiles, typewriters, sewing machines, radios, etc.

There is left of United States purchases the $59,198,000 worth of sugar. This may be partly offset by charging against it the gains in trade in the foregoing commodity exchanges amounting to $6,382,000, plus sales of iron and steel goods, hardware, and rubber goods totaling $19,407,000.

Thus it may be reasonably said that United States-Philippine trade in 1937 was offsetting or reciprocal, except for $33,409,000 worth of sugar.

Is this sugar in competition with United States cane and beet sugar? The annual sugar consumption in the United States is about 7,000,000 short tons. About 4,000,000 short tons are produced on the mainland, in Hawaii, Puerto Rico, and the Virgin Islands combined. The deficit of 3,000,000 short tons is made up by importing slightly over 2,000,000 tons from Cuba, about 970,000 tons from the Philippines, and the balance from foreign countries other than Cuba. One is forced to conclude that up to the present time Philippine sugar has not replaced mainland sugar. I feel certain that if, in the future, Philippine sugar should come into direct competition with mainland sugar, the Philippines would be willing to share with Cuba and foreign countries appropriate reductions in their quota.

I am not arguing for letting down the bars. I realize that Philippine sugar, coconut oil, and cordage, under the careless statesmanship of the twenties, increased with such alarming rapidity that they threatened to come into unsupportable competition with homeside productions. But since 1934 the situation has been rationalized both by duty-free limits and fixed quotas. With the experience of the past, good statesmanship on both sides will prevent the recurrence of the threat of harmful competition.

There are characteristics of trading in the Philippines which in these times should interest every farmer and manufacturer of the United States. The Philippines are a peaceful place, with a currency backed 100 percent by dollar reserves. There are no blocked pesos, there are no restrictions on the purchase and sale of exchange, there are no quotas against incoming goods.

If we accept the only common-sense interpretation of trade between two countries, "purchasing what you need but have not, and selling what you have but do not need," the trade between the United States and the Philippines as it has developed under the free-trade provisions can be shown to be wholly normal and mutually advantageous. In this day when the United States seeks a market for surplus goods this trade should be maintained. It can be maintained through appropriate legislative action.

The combination of Filipino leaders interested in independence and American lobbyists joined by sincere believers in self-determination at any cost, and by a few insolationists, resulted in the Hare-Hawes-Cutting Independence Act of 1932. This act sought to solve the problem of fixing the date of political independence 10 years later; by providing immediate quota limits on duty-free Philippine sugar, coconut oil, and cordage; providing for a 10-year period of transition under an autonomous commonwealth; providing for increases in duties on Philippine goods from 5 percent in 1941 to 25 percent in 1945; providing for 100 percent duties beginning at the moment of independence, and finally providing that the act should not become law until accepted by the Philippine Legislature.

The act had rough going in the United States. It was vetoed by the President, then repassed over his veto. When the act arrived in the Philippines it had still rougher going. The Ninth Philippine Legislature met and rejected the act. Many thought that was the end of it. But in 1933–34 other Filipino leaders came to the United States and tried to get a better bill—one that would be more protective to their economic interests and more clearly define the political powers of the Commonwealth government. In this they were blocked; no better terms were available. So, the rejected Hare-Hawes-Cutting Act was revived with no change in these respects, though it was renamed the Tydings-McDuffie Independence Act and the clause providing for American military bases after independence was stricken out. The Tydings-McDuffie Act was promptly accepted by the same Ninth Philippine Legislature which had just previously rejected the Hare-Hawes-Cutting Act. It should be said, however, that the resolution of acceptance carried a clause praying for future amendment of the economic terms of the act in accordance with the expressed views of the President of the United States that inequalities in the act would be examined and corrected later. Some correction is made in the bill now pending in Congress.

But the Commonwealth was inaugurated. Sovereignty was not altered. The islands remain until 1946 in full allegiance to the United States. In the meantime the problem has broadened. Treaties concerning the Orient have been violated. Over the major area of the Orient famine and pestilence and bloodshed are raging. Our open-door policy has been more than seriously challenged. Our policy of freedom of the seas and freedom of the air is in the balance.

And what of the Philippines? They have come to the crossing of the roads. The events of the last 2 years have given many thoughtful Filipino leaders an object lesson and food for thought. Perhaps, suddenly, but they hope not too late, many have come to realize that independence, however attractive from a spiritual viewpoint, may mean a mere trade of sovereignties. They realize that the laws—the United States laws—excluding Asiatic immigration could scarcely be enforced by an independent small nation in their quarter of the globe. The Philippines are sparsely populated, and they are surrounded with nations whose teeming millions are

spilling over their national boundaries. An independent Philippine government thus faces a very real threat of racial extinction. Add to this the question of its ability to defend itself from foreign military aggression and the economic disaster attendant upon sudden loss of the American market and you have the picture.

From the American viewpoint the picture is equally gloomy. If we withdraw from the Philippines, we lose our voice in oriental diplomacy. We leave a barrier reef of islands from Kamchatka to Borneo—all practically within sight of each other—a barrier which will intervene between the United States and the Continent of Asia. In foreign hands this barrier will block our trade and intercourse with China. It will solve the claims of freedom of the seas and freedom of the air—solve them unfavorably to us and to our children.

To us there comes a responsibility. It appears now in respect to the Philippine problem broadened to become a part of a greater Oriental problem. If we scuttle, if we run away, our monument will be destroyed. The things we counted on, our aspirations to point the way to a new benign colonialism, our handicraft will perish. Our grandchildren will read a history which will apply to us the epithet "quitter"—a word which is just about the worst insult in the lexicon of a true American.

I believe I voice the inherent desire of my Nation when I say that we want to solve the Philippine problem in fairness to all—we want to solve it just as we wish with fairness and justice to solve our domestic problems. It can be solved.

On the political side, our flag and sovereignty should remain, allowing to the Philippines every ounce of domestic autonomy they can absorb—holding in our own hands foreign affairs, tariffs, immigration, currency, and public debt—scarcely more than marks of the necessary reservation of a dominion. We should feel free in case of any crisis to help preserve the democratic basis of the Philippine Government.

On the economic side, we should, from time to time, give the Philippines the best trade deal we can without injuring our domestic producers. We must admit the possibility of competition. The present quantity quotas on sugar, coconut oil, and cordage should be retained and if other or new commodities come into competition with homeside products, they also should be restricted with quotas. Our aim should be to assist with capital and men, with good will and such preferences as we can afford, the return to a complementary and reciprocal economy between the United States and the Philippines.

Then there is the problem of military protection. I venture to predict that so long as our flag flies over the islands no foreign power will trespass, irrespective of the military forces stationed there. So long as our flag flies there, the Philippines will be the cornerstone of peaceful reconstruction in the Far East. I further venture that if our flag comes down, trouble will follow for at least a generation.

Granted the Philippines are an outpost and a distant one in miles—but today they are only 5 days by trans-Pacific clipper.

But the Philippines are an outpost of decency and peace—the only safe outpost for Christianity in the Orient—the only sure outpost for Americanism in the Orient. And whenever have we not had outposts? Our entire history has been one of pushing the frontier; of setting distant points to be reached and distant aspirations to be achieved. Outposts have been the milestones of American progress.

Neither this American generation nor any other American generation should falter on its onward path. We cannot scuttle. We must not shirk.

Without too great a loss of time and with the cooperation of the leaders among the Filipinos, we should proceed to a realistic reexamination of the needs of these people and the long-range interests of ourselves. If this study results in a policy favoring a permanent political and economic relationship with the Philippines, it shall be, I trust, because the Filipinos want it and because it is in aid of our national purposes. America will not impose her sovereignty by force upon any people. The enduring welfare and safety of both countries are to be the paramount consideration.

It is my conviction that they are not far apart and that they can be harmonized—harmonized for the salvation of the Philippines, for the larger interests of America, and for the peace of the Pacific.

Discovery of Radigen

EXTENSION OF REMARKS

OF

HON. M. M. LOGAN

OF KENTUCKY

IN THE SENATE OF THE UNITED STATES

Tuesday, July 18, 1939

LETTER AND STATEMENT BY NOEL GAINES

Mr. LOGAN. Mr. President, I ask unanimous consent to have printed in the Appendix of the RECORD a letter addressed to Secretary Henry Wallace by Noel Gaines, of Frankfort, Ky., together with a statement which he makes relating to a scientific discovery.

There being no objection, the letter and statement were ordered to be printed in the RECORD, as follows:

FRANKFORT, KY., *July 4, 1939.*

Hon. HENRY WALLACE,
United States Secretary of Agriculture,
Washington, D. C.

DEAR MR. SECRETARY: This American Flag Movement has the honor to bring to you today, upon this the anniversary of our great American independence, the enclosed full account of my discovery of radigen, in which you will see that your honored predecessor wrote us that your United States Department of Agriculture would bring this discovery to the attention of all interested scientists in Washington if we would furnish your Department a full account of it.

Because of the magnitude of this matter, its tremendous importance and far-reaching import, not only to all of our United States but to all of the world, we have diligently worked for several years on it—in thorough research and investigations, in earnest experimenting and demonstrating to evolve all findings—and now we have taken several weeks in writing and rewriting this enclosed brief report of our discovery, which paper we now release enclosed herewith and dated today, July 4, 1939.

Since our finishing the writing of this enclosed account of our discovery we have just read the widely published article by United States Senator GEORGE W. NORRIS upon your Department's great tree-planting program of windbreaks to protect the farmers of the Great Plains, and citing the proof of the soundness of your program. I am glad to bring to you the additional and absolutely conclusive proof, which this discovery of mine shows, that these large (extensive) tree-planting programs are the only practical means under Nature's natural laws to save our great drought-stricken plains, farm areas, and to save our large flood-stricken areas along the large rivers by restoring trees to the cut-over lands and be able to hold the rainwaters better in the soil.

The Senator's cited proof is most illuminating. How your great Federal tree-planting program is helping to conserve soil and moisture and to protect crops and livestock from the hot, scorching winds of the prairie summers, and from the snow-driven blizzards of the plains' winters; how in winter the winds now blow the snows against the great tree-planting windbreaks, and snows settle through the trees and pass over them evenly in the lee of the trees; and in summer how the hot winds sweep to the tree strips and there deflected upward, so that on the other side there is relative calm and shade and cool; and when the crop-growing season is at hand there is moisture in the land on both sides.

And now when you apply what this my discovery of radigen shows to this particular proposition of yours here; how all heat and energy in our earth's atmosphere is generated right here in our atmosphere, as the account of our discovery shows, by the combining and processing of the radigen light rays of the sun with the oxygen in the atmosphere, then it becomes clear that when large plains areas are covered with these large-scale plantings of tree windbreaks, and all this large area's tree foliage is continually consuming both the oxygen and radigen light rays of the sun in Nature's provided manner for nourishing and growing of all those trees; then all of that takes up much of those two great elements from the atmosphere which would otherwise be utilized in the heat combining processing in that area and, therefore there follows far less heat combining from oxygen and radigen light rays of the sun, and far less heat there. All thereby conserving the moisture in the land there. Verily, under the laws of Nature, the general growing of trees everywhere is indispensable to man's existence on this earth.

I have the honor to enclose you here the full account of this my discovery of radigen, which your Department wrote me that you would bring to the attention of all interested scientists in Washington.

Your friend and your obedient servant,

NOEL GAINES,
President, American Flag Movement.

NOEL GAINES REPORTS HIS DISCOVERY OF RADIGEN TO THE GOVERNMENT

FRANKFORT, KY.

The Honorable the SECRETARY OF AGRICULTURE,
Washington, D. C.

DEAR MR. SECRETARY: I have the honor to send you this a full account of my discovery of "Radigen" as an original element of the atmosphere, covering the several years of my work and experimenting with the results of same. I am sending this following account now to you in compliance with the request and kind offer of the head of your Department in 1929:

DEPARTMENT OF AGRICULTURE,
Washington, July 23, 1929.

Mr. NOEL GAINES,
President, American Flag Movement,
Frankfort, Ky.

DEAR MR. GAINES: I am in receipt of your interesting letter about your discovery of a new element in the atmosphere, which you have named "Radigen."

If you will send me a full account of your discovery I shall be glad to call it to the attention of scientists interested here in Washington.

Very truly yours,

ARTHUR M. HYDE, *Secretary.*

I was nearly ready then in 1929 to report an account of my discovery, but the correspondence I had started with Admiral Richard E. Byrd at the time of his Antarctic expedition and his long absence at the South Pole and some correspondence I later started with the National Geographic Society and certain leading scientists and then the still later stratosphere flights by those able explorers—Piccard in May 1931 and August 1932; the Piccards in October 1934; Commander Settle and Major Fordney, of our United States Navy and Marine Corps, in November 1933; Capt. Albert W. Stevens, Capt. Orvil Anderson, and Maj. William E. Kepner, of the United States Army Air Corps-National Geographic Society Stratosphere Expedition, in July 1934; and Captains Stevens and Anderson's *Explorer II* flight expedition in November 1935—all moved me to await their findings in the stratosphere and which I would take into account for possible corroborative facts bearing on my discovery.

AND NOW CONCERNING RADIGEN, SEE WHAT GOD HATH WROUGHT AND SHOWN TO US

It at once has to do with the truth concerning the sun which God created in the beginning and is recorded in the Holy Scriptures, and the revealed facts now completely disprove some of the major claims of the unbelieving element of astronomers and other scientists that the sun is a great body of heat more than a million times as large as the earth and sending forth its heat rays through 93,000,000 miles of space upon the earth to heat it, but which facts we now find corroborate the statements in the Holy Scriptures of the sun being a body of light only, "to give light upon the earth"; that the sun is not a body of heat and does not send forth heat rays to heat the earth but all heat in our earth's atmosphere is generated right here in the atmosphere, like heat is generated right here in fires and in human bodies; and that the sun is not only not a million times larger than the earth but the sun is smaller than the earth, as the abundant facts show.

All these facts we now find are: That the heat element in the earth's atmosphere and on earth is generated right here through the processing—igniting and combining—of the original element of light rays from the sun (called radigen in the troposphere and on earth) with the element of oxygen in the atmosphere, and by that Nature's processing generates that heat and its energy right here necessary for sustaining all life; that the commencing and continuing of that heat and its energy processing here in the atmosphere depends wholly upon the presence here of the light rays from the sun (radigen) to combine with the atmosphere's oxygen; that the amount of heat and energy so processed in a given area in our different latitudes depends first upon the directness or obliqueness of the light rays from the sun (radigen) in combining with the atmosphere's oxygen, and even then upon the proportion of the natural eminations of the sun's light rays which get through to the troposphere and earth free from intervening things and conditions, and all of those shorter or longer dufations of conditions is what makes for shorter or longer periods between hot and cold here; that also the reduction of the oxygen volume in any atmosphere area works the same reducing effect upon the heat results in the generating as does the reduction of the light rays component from that end for any cause, and that fact is corroborated by the discoveries in the several recent stratosphere flights when it was found that upon their ascending higher into the troposphere and stratosphere the oxygen volume in the atmosphere up there is very greatly less than nearer the earth, and that the thermometer registers the air up there greatly colder than on earth, though it is nearer the sun, and that is because the greatly reduced oxygen volume up there so upsets the equilibrium of the oxygen and light (radigen) rays in the combining necessary in the generating of heat, that substantially no heat is generated there, though nearer the sun.

We also find, that just as the original elements of the atmosphere of oxygen and nitrogen have their counterparts stored in compound in certain earth substances, so also the original element of light (radigen) rays of the sun has its counterpart stored in compound in certain earth substances such as in wood, vegetation, coal, oil, gas, etc.; and just as oxygen and nitrogen can, through Nature's provided laws, be separated from the solid compound and returned back to oxygen and nitrogen gases in the atmosphere, so can light (radigen) rays in compound, through Nature's provided laws of burning, be separated and returned back to light rays, and the light rays now of the fire instantly combining with the oxygen of the air, that causes the heat generating in the grate or stove or furnace, just like the combining processing of the sun's light rays and the oxygen in the atmosphere causes the heat generating in the atmosphere, as shown. And still another corroborative fact, which all admit, is that fact of heat and energy being generated right here in our human bodies.

We also find that these marvelous light rays of God's created sun are continuously shot forth from the sun as light rays only, and in their free original state; that these light rays when piercing through the different layers of space and entering the earth's blanket of atmosphere called the troposphere and different from the other air layers, that there the light rays take on their original element of radigen light rays which are native to this created troposphere composition, just like those other great elements of oxygen and nitrogen here take on their original element forms which are native to this troposphere. And then some of these radigen light rays continue earthward and combine in certain substances of the earth, just like some of the oxygen and nitrogen of the air combine in certain substances of the earth. And with these as Nature's provided factors, when active light radigen rays come together with active oxygen and combine, that causes the generating of all the heat and its energy right here—in the atmosphere, and in our fuel fires on the earth, and in our human bodies, and all living and growing things.

We find with regard to the size of the sun as compared to the earth that the claims of the afore-mentioned astronomers—in the geographies and school textbooks and elsewhere—stating that "the sun is much larger than the earth," and "the sun is a million times as large as the earth" in volume, and "the sun is 110 times the diameter of the earth," are all wholly wrong, because the facts show that the sun is much smaller than the earth. In our long investigations and demonstrations we have collected several different school geographies and while the texts of every one of them teach that the sun is that much larger than the earth, yet in their picture illustrations accompanying the text in every geography, with the truth shed thereon, prove the falsity of their textual statements. Not one of them pictures the sun as thus larger than the earth like their text states it, but all picture the sun smaller than the earth. And, indeed, had they pictured the sun 110 times larger by diameter than the earth, as their texts teach, or even only and merely five times larger, then their picture illustrations would have shown direct light rays upon the whole North Pole region in the December season when that point is leaning 23½ degrees away from the sun and making it always light and never darkness there. But as we know that there is 6 months' darkness there at that time, that proves that oblique sun rays do strike the Arctic Circle then, and thus accounting for the actual 6 months of darkness there then, and thus proving that the sun is a smaller body than the earth to thus cast those oblique rays there. Our several experiments even corroborate this. Our first in a darkened room, with a small spherical body representing the earth, before a large glowing light fire representing the sun (the astronomers claim the sun as larger); and next with a small spherical body representing the earth before a large electric-lighted body representing the sun as they claim it; and both demonstrations proved conclusively that a merely five-times-larger light body casting its light rays upon a one-fifth-size body continuously lights the North Pole region even though leaning away 23½ degrees. And next with a large spherical body made for us by the Goodyear Tire & Rubber Co., with its diameter 110 times larger than the smaller spherical body's (the astronomers claimed relative sizes), and it completely proves that a large light body's direct rays would be so abundant above and below the 110-times-smaller body that it would continuously light the pole regions even while they were leaning 23½ degrees away.

We challenge the astronomers, and their agreeing scientists and teachers, to just reduce their claims to a practical demonstration; to construct two spherical bodies, the larger representing the sun and the smaller representing the earth as they claim, with the larger made 110 times larger by diameter than the smaller earth as they claim, and when they charge their larger with electric-light rays and turn those light rays upon the smaller body, then they will see that the direct rays from the 110 times larger body continuously light the North Pole region of the smaller body, even though tipped or leaning 23½ degrees away. This practical demonstration will straighten these astronomers out. We have some more paralyzing proof to cleanse their science of these bad errors, but the above will suffice here now.

But if some of our scientific leaderships, who are hit, love truth and established facts as true science more than they love a long-standing error of science, and will pause to consider earnestly the things in this discovery before they holler, then they will find that this discovery will help them toward removing some of their major perplexities of science today.

This discovery that all heat and its energy are processed and generated right here in the troposphere and on earth—in our atmosphere just like it is in our fuel fires and in our human bodies and all living and growing things—will help toward a better solving of all the static and other difficulties in radio and other radiation; the thus showing of all the factual conditions really existing in our atmosphere above us, together with God's great first commandment to man to "subdue the earth," but did not include for man to subdue the firmament of the heavens above us, which we are pressing hard upon the world to see, will help mankind toward a better understanding of the many tragic disasters overtaking the lighter-than-air and the heavier-than-air ship attempts to conquer the firmament of the heavens above us.

This discovery will help the two leading schools of thought here in the United States in the study of the cosmic rays, as to what the cosmic ray may be. And toward a better understanding of the findings of those able stratosphere explorers who reported but could not give explanations of some of the facts found. For instance, when they found that the cosmic rays' penetrating intensity increased as their balloon rose, until the rays were at 40,000 feet coming in more than 50 times as fast as on the ground, and at their higher elevation of 60,000 feet were passing through their instruments at a rate roughly between 100 and 150 times the rate at the ground level.

Our findings will help toward an understanding—that as all heat and its energy in the troposphere are processed and generated right here by the two active original elements of oxygen and radigen light rays coming together and combining—and as these radigen light rays of the sun are an original element occurring in their free state in the troposphere, like those other original elements of oxygen and nitrogen occur in free state there—that, therefore, light rays are not, as some cosmic ray investigators have held, "an electromagnetic radiation similar to radio waves and

X-rays," nor similar to anything, because light rays are an original element in themselves occurring in free state from the sun. And that should now help greatly in the scientists considering all forms of radiation—from earth substances or from the combination of certain substances, to know that light rays are an original element of the sun's radiation, that the sun emits light rays only. And just as the Holy Bible states it.

And our discovery will help toward an understanding of some of those other stratosphere unexplained findings: For instance they found that the temperature falls rapidly as one leaves the earth's surface going upward in the troposphere and stratosphere, and why, though, at summer temperatures at ground and sea level, at around 10 miles up, and which is nearer the sun, it is 75 degrees below zero Fahrenheit and more. Thus, our discovery shows, that as they found the oxygen decreasing as they rose higher, there was not sufficient oxygen in the air up there to combine with the adequate sun's light rays necessary to generate heat, and though it is nearer to the sun no heat is generated up there for the want of oxygen.

The stratosphere explorers also found but gave no explanation of why the blanket of moist air which covers the earth, and known as the troposphere, is with decreasing intensity and temperature as one goes higher, and why moist air is restricted to the troposphere and substantially none above in the stratosphere? And why this blanket of moist air of the troposphere is elliptical in shape, at the equator extending outward 50,000 to 55,000 feet, in the temperate zone reaching out some 35,000 only, and at the poles it is estimated to reach an altitude of only 15,000 feet? Our discovery furnishes the answers: The temperature decreases as one goes higher in the troposphere, because, as we have shown, the oxygen decreases, which is necessary for combining with radigen light rays to generate heat, and there is no heat generated up there and there is no heat there; the moist air decreases as one goes higher in the troposphere with substantially no moisture in the stratosphere, because that high up moisture is not needed for any purpose, when if moisture did exist that high up with that greatly added extent, its precipitation into rain and snow would drown out the earth; and the blanket of moist air of the troposphere is elliptical in shape, extending out 50,000 to 55,000 feet at the equator, while it extends out only 35,000 feet at the temperate zones, and only 15,000 feet out at the poles, because, over the equator where the direct light rays strike in that region from the sun, and there combine with the oxygen in the atmosphere and generating the greater heat belt there, more moisture is required for more rain over that hot equator region, while correspondingly less rain being required in the colder temperate zones and still less in the polar regions, less moisture is required over those than above the equator. Hence, why the troposphere is thus elliptical. Why its moisture blanket extends out over three times farther over the equator than at the poles.

When the great common people everywhere grasp the tremendous import to them of God's great truth and the facts of the wonderful original element of radigen light rays of the sun, as they surely will grasp it, then that knowledge will work the greatest boon to the health and happiness of the people in over 1,800 years;

When the people see that the God of Nature has put the original elements of oxygen, nitrogen, and radigen in our atmosphere—in their free state and in proportions correct for our human needs—and your wisdom moves you to learn what and how to eat and drink and breathe in order to take into your bodies Nature's provided proportional amounts of oxygen, nitrogen, and radigen for our bodies; and

When the people see from this discovery of the facts that radigen light rays is an original active element occurring in free state in our atmosphere from the sun; that they combine with the active original element of free oxygen in the atmosphere, and generate heat and its energy right here in the atmosphere, like it does in our fires and bodies here; and you learn how to bring your bodies in proper direct contact with the sun's radigen rays, and what to take into your bodies as food and drink which contain these radigen rays in compound, in order that your intake of radigen shall be what Nature has provided for combining with oxygen in your bodies to generate the proper amount of heat and energy in your bodies when the weather outside is winter cold, and what lesser amounts of radigen foods are Nature's requirement for heat generation in your bodies when the weather outside is summer heat; and

And even then when the people push on for a practical realization and learn not only what fertilizing crops and what fertilizers-in-compound add oxygen and nitrogen to your greatly depleted soils in the Temperate Zones—and do it; and also what forms of cultivation and fertilizing will promote radigen in free state and radigen in compound in these soils and in your growing foods therein—and do them as we have already demonstrated with ample experiments, then you will raise the same foods which you are now raising, but far more delicious and pleasing to the taste, and a hundred times more healthy to your bodies.

We have conducted these demonstrations through enough seasons to now announce positive success in producing wonderfully improved all kinds of vegetables, fruits, eating corn and corn for meal, and it will produce a new-substance wheat which will make a sensationally improved flour for the breadstuff of the human race. These are not theoretical claims. We have experimented and proven it. We offer ourself to the Government and to the people to show this to all others. If practical trials do not result fully as we here report, we will publish a retraction to the public. If it is as we claim, we ask the world to adopt it fully, for the improved health of the world.

As to whether this great original active element of radigen occurring in free state in the atmosphere occurs in compound in any of the rocks of the earth's crust and in large enough quantities for the world's use as a fertilizing agent to all depleted soils, we find that the great and extensive limestone deposits here in my home State of Kentucky, and found in some few other places, are its only sources in the world's rocks. And the fact that this limestone will put that wonderful igniting and energizing sun's element into depleted soils; that it adds the imperative sweetening and purifying qualities of the sun when limestone is added to sour or acid soils; that it is the soil conditioner for growing leguminous crops for adding nitrogen which most soils seriously need; and which all poor soils must first have, that it adds the absolutely required calcium which most soils are deficient in; and that it acts as a freeing agent in freeing all the other needed minerals in the soils so that they can be taken up in the growing process for perfect-health foods; because of all of this, history will record of this marvelous limestone, that all its great hills and deposits are worth a millionfold more for improving the growing foods and health of our human race, and producing a new-health race, than if all our limestone were acres and hills of solid gold.

Respectfully offering the above account of my discovery of the original active element of radigen occurring in free state in the atmosphere, and expressing my deep appreciation for your esteemed United States Department of Agriculture's kind offer to bring this to the attention of scientists in Washington, I now have the honor to hand you this paper containing a full account thereof; which I do in my most humble spirit of faithfulness to God, to our country and people, and to mankind of all nations.

NOEL GAINES,
President, American Flag Movement.

Commencement at the National Police Academy

EXTENSION OF REMARKS
OF
HON. CHARLES H. LEAVY
OF WASHINGTON
IN THE HOUSE OF REPRESENTATIVES
Tuesday, July 18, 1939

COMMENCEMENT ADDRESS BY FATHER EDMUND WALSH, VICE PRESIDENT OF GEORGETOWN UNIVERSITY

Mr. LEAVY. Mr. Speaker, I have heretofore placed in the RECORD the addresses made by the Honorable J. Edgar Hoover, Director of the Federal Bureau of Investigation, and the Honorable Frank Murphy, Attorney General of the United States, at the graduation exercises of the Eleventh Session of the National Police Academy of the Federal Bureau of Investigation on July 8, 1939, when the exercises were held in this city at the Great Hall of the Department of Justice.

The principal speaker upon that occasion was Father Edmund A. Walsh, vice president of Georgetown University.

The motto of the F. B. I. is "Fidelity, Bravery, and Integrity." As an inspiration to add determination to the graduates and all others engaged in law enforcement to live true to this motto, the commencement address of Father Walsh was most fitting. He delivered an address to the graduates that was not only eloquent and convincing, but was unusually appropriate and contained such fine counsel and advice, both to peace officers throughout America and the general public. I feel it a privilege to make it a part of the CONGRESSIONAL RECORD, in the hope that it will have a wider circulation, and with the assurance that it will bring about better law enforcement and a better understanding between police and public.

The address follows:

Mr. Hoover, Dr. McCartney, distinguished guests, members of the graduating class, and friends, may I at the outset express to the authorities of the Department of Justice the deep appreciation I feel for being permitted to be associated with you today and throughout the other years that Mr. Hoover has mentioned in that most admirable, intelligent, and successful campaign which the Federal Bureau of Investigation has been waging these latter years against crime and criminality in these United States.

The results of that experiment are now apparent. The achievement of solidarity, of understanding, and of whole-hearted cooperation between the Federal, the State, municipal, and county governments, as manifested in the success and in the very practical fruits of this academy—all that put together constitutes, in my opinion, one of the most significant demonstrations in our time and one of the most significant interpretations of the meaning of representative democracy. It is one of the most important stages of progress in the evolution of the American plan, I submit, in recent generations.

If you analyze it, you will see why I place such insistence upon that aspect. Representing, as you do, many police jurisdictions and many of the political subdivisions of this great land of ours, you assemble here from year to year under the auspices of the Federal Government for the purpose of strengthening the administration of justice in your part of the world by increasing your own personal and your collective efficiency in that field of law enforcement and crime detection and prevention. Now that has not only a professional significance but a national significance, a significance in the field of political science and in the organization of our Government. I am confident, then, that I express the gratitude of the citizenry of this land when I thank the Attorney General, Mr. Hoover, Mr. Clegg, and all the cooperating personnel of the Bureau, as well as you yourselves, for the distinguished public service which all are rendering on the firing line of this unending warfare between the principles of authority and the principles of spiritual revolt, which is crime. Men are breathing more easily in their homes these days; women are less fearful of their beloved young; and children are walking safer in their innocence and in their helplessness since the strong arm of this combination of chosen men from all of the States and the Federal Government has been spread over them.

As the Constitutional Convention in the year 1787 brought union out of the disunion that was then threatening with disintegration the newly won freedom of the United States, and as there was a drift in the Thirteen Colonies toward disintegration due to lack of union, so this united front in 1939 of 48 States, with the Federal authorities, has expressed and reduced the theory of Federalism to one of its most practical expressions. And not only that, but it has checked and has reduced that social menace which had elevated us in previous years to the humiliating preeminence of being the most crime-ridden country in the community and in the family of nations. That reproach in latter years has been frankly faced and has been courageously met. It has been attacked through organized and cooperative counterattack. Consequently, the battle against organized crime has been won through organized justice.

But those of us who work in organizational atmospheres, as I do, have learned over a long period of years what experience has confirmed in this case. Let us never forget that no organization is stronger than the links in the chain which binds the individual unit to the directing head, no matter who or what it may be. The Attorney General and Mr. Hoover here, in their position of centralized responsibility, will be impotent; their program, no matter how enlightened and inspired, will be frustrated; and their labors, no matter how heroic and devoted, will be absolutely sterilized and nullified if they cannot rely absolutely and in every moment upon the loyalty, upon the absolute incorruptibility, and upon the initiative and the coordinated teamwork of every individual officer and every agent in the field. That is the basis of faith and trust, and the moment that basis of utter incorruptibility, from the highest to the lowest, is weakened in the United States, then your enemies will have achieved a much more important victory than the slaying and the adding of any other number of names to that tablet in this Bureau. That corruption, no matter where found, is a greater wound to the shining white radiance of justice than is any frontal attack of the criminally inclined.

For that reason, it is to me, as a layman in this profession, a pleasure and a duty to reiterate and to confirm and to support wholly what the Attorney General has touched upon and what Mr. Hoover has dissertated; namely, that rightly and truly must the Federal Bureau of Investigation be kept absolutely above and superior to party lines. It must continue to be detached from the pressure of domestic politics because only in that independence and oneness of vision and objective can the Federal Bureau of Investigation, like the Army and the Navy, continue to function as the front line of national defense for all the people, all the States, all the municipalities, all the counties, and all the parishes, for the people, of the people, and by the people, and not for any one party.

I therefore—and I am sure that my esteemed and beloved colleague in this city, Dr. McCartney, would join with me—for one pledge myself to resist publicly, openly, and with every power at my disposal, any attempt to weaken the independence and the political autonomy of the Department of Justice, and I hope that you will join with me all over the country if you see any indications of it, from no matter what source it appears. I say that with considerable feeling, because, having lived here in the city of Washington for over a quarter of a century, I have seen a great turn-over in personnel, and I have seen the tremendous waste, both of men, money, intelligence, genius, and of human energy in that perpetual beginning over and over and over again, in the retracing of steps that had already been taken, of systems already well set up and confidence already well inspired by men who then, through the whim of some inferior mind, are obliged to turn over that delicate machinery to someone of absolutely no experience, but to pay a political debt.

I may say this possibly with more emphasis than the Attorney General might think it prudent to indulge in, because we who are permanent residents of the District, like Dr. McCartney and myself—we don't belong to any political party. We, because of the fact that we are the disenfranchised of the United States—we, like the American Indian, we maintain—are the only real Americans left. [Laughter.] Because of the fact that we do not belong to either political party, because neither political party has thought us important enough to enfranchise us—therefore the half million of us remain outside of party affiliations—I believe that your permanent, not your transient resident of the District of Columbia, ought to be capable of looking at great national issues directly.

It is inherent to the biparty system, and quite legitimate, that a member thereof, or an official, is bound to look two ways before voting once. He is bound to look at the issue in itself and through loyalty and a quite legitimate historical psychology, he must also look at what does the party platform hold. Now frequently there is a considerable divergence in the merits, and it is the attempt to maintain that wide angle of vision that has caused so much moral astigmatism in high places. [Laughter.] It is a tremendous strain on the eyes.

We in this city, not being members of parties, can look straight at the issue. I don't imagine that that would be entirely understandable to everyone. In fact not long ago I was giving an address out in Kansas and I broached that point of view because you cannot these days mention any great public issue without getting on very thin ice. And, of course, a man in the front row leaned over and said to his neighbor in one of those stage whispers meant only for him but which went through the whole hall, "I wonder if he is a Republican or a Democrat." [Laughter.]

I was able to assure him that I was neither because of that statutory inhibition on me, and I explained that we in the District can achieve by law and necessity what the Non-Partisan League attempts to achieve by art. [Laughter.] But that didn't satisfy my good friend, and in the free time of the open questioning afterward, he said, "Now that is all right, but from what part of the country do you come? Where were you born?" When I admitted that I was born in Boston, he said, "Ah, then you have a slight Democratic tinge." [Laughter.] I had to admit that, but explained that removing to the District very very early, that had been polarized; the light had been straightened out. [Laughter.] But I did admit to him something, and those of us who have some experience of Boston traditions—and I know some here have—will understand what I mean.

There was a tradition, however, among our elders which ran something like this. I recollect one of my elders saying, "I don't want to interfere with your political thought in the future. However," he said, "note, boy, that if the Republican Party ever nominated an archangel, but if the Democrats in a regular convention—" and I didn't know until later what he meant by that—"if the Democrats nominated in a regular convention the devil himself against this Republican archangel, well" he said, "God help you. But I don't know what else you can do." [Laughter.]

Being scripturally inclined, this grandfather of mine then said, "Son, avert thine eyes and vote the straight Democratic ticket and let the chips fall where they may." [Laughter and applause.] But he used to say, in all seriousness, "Then go swiftly to the priest and confess thine iniquity." [Laughter.] But he used to add as a sort of coda to this symphony, "Don't go 'till after election day." [Laughter.] "Because," he said, "if I know the Boston clergymen, I think they will have some difficulties of their own."

Consequently, I say that merely to emphasize the fact that we here who live in the District have an excellent opportunity to observe the growing importance of this cooperation between the States and the Federal Government. Reverting to my analogy, I consider that in this sphere of cooperation in the police power, this development of the last 3 or 4 years constitutes one of the most important in many generations toward a practical and a reasonable and an American way of working out representative democracy. It is a great step forward, and I am sure there are still greater steps to be taken.

Now you are beginning what Mr. Hoover has well described as the second phase of your more enlightened career as law-enforcement officers at a period of the world that is characterized by events that have been condensed into 20 years, but which normally would have been spread over a lifetime of change. But under our own eyes and in our own time social changes, radically new forms of government, and challenges toward existing institutions have taken place with a dizzying rapidity. In fact, it is the very fabric of civilization that is being subjected to question these days, and what is being asked is its very ability to endure.

Now there is a social consequence of those broad, major worldwide political movements. The reflex of this outward disequilibrium in the international and in the intellectual sphere has a repercussion in the form of inner social demoralization and confused thinking, and frequently a loss of sight of final objectives and—and here is your function; here is the point where you come into the great world picture—it has resulted in the rising of much human scum to the surface of these troubled waters. Whether the scum rises to the surface when the sea and when the lake is disturbed, it is

always there. But it is in socially disturbed conditions that this reflex takes place in the individual and you have these distressing crime waves, and the outbreak of organized crime that has made in the past such a disagreeable history for us.

Now it is not the incidents of crime, or even the magnitude that has appealed with its significance to the social historian during the last decade, but it is the quality of the mind behind the crime, the organized maliciousness of intelligent, organized criminality. That magnitude and that ingenious but perverse diversity are no mystery to the candid social diagnostician. Few men, I firmly believe, come to great crime or become hardened criminals suddenly and without a case history, and I think your files in the F. B. I. will bear me out on that. To put it another way, trees always fall on their leaning side. We feel these public stirrings and this magnitude, this quality, this ghastly quality of organized crime in recent years because of certain weaknesses in our national development.

I know that others, much more competent from the point of view of technical information, have taken you through the various fields of crime detection, crime prevention, evidence, and all the physical paraphernalia and equipment necessary for your profession. Consequently, I am merely going to say a few words to you, in this second part of my address, on the causes, on the breeding places of crime, on the human passions and the emotions that antedate the external commission, but which, if removed or if held, will greatly reduce the external manifestation of crime.

In a word, I beg to invite your attention for a moment to the spiritual, the psychological, and the moral antecedents of the criminality that has so appalled the American community during the last 10 years, but which, happily, has now been controlled and stopped in its previously destructive advance due to the organization and to the intelligence of which you have been made participants and inheritors.

The social, the economic, and the political development of these United States, over 100 years, was determined and shaped in a certain direction which finally led to a tremendously important debacle. The economic life of this country through that 100 years after the first impulse of the industrial revolution—that life, I say—was determined, the direction was chosen by men and pilots who had a better sense of speed and motion than they did of direction. Particularly in the last quarter, they were neither intellectually nor spiritually in control of the very complicated social and economic and financial machine which they had set up.

As a result, we in this day and generation are living through what I am convinced that historians of future ages will describe as one of the interludes between two great periods of human history. One of those periods began at the close of the Napoleonic era in 1815, after the Congress of Vienna, when a new phase set in, in world history, and it continued roughly for 100 years until the outbreak of the World War. The remaking of the map of Europe at that Congress of Vienna and the rise of the American republics was followed by a fascination which we are accustomed to describe as the machine age.

Now, please understand, I am far from denying the advantages and the contributions of that machine age to the progress of the human race. The material inventions and the advantages that it has showered upon us, I would not willingly forego, and the load that the machine achievement has taken off the back of poor, sweating humanity needs neither defense nor explanation. The question is really one of emphasis, and the answer, in my judgment, will show that the body of mankind, though it profited enormously, profited far more than his spirit, as was said here today. There was a lack of proportion which finally led to disaster.

False values were created in that universal worship of mechanical achievements, and a softening of the moral fiber accompanied the softening of the roadbed over which humanity was proceeding. That industrial revolution, of which we saw the climax in 1929, ushered in mastery of production, but ushered out the production of abiding and permanent spiritual masterpieces. It developed the proportion of all our senses, but it killed the sense of proportion. The age of electricity has yet to reveal a classic comparable to Dante, Michelangelo, and Shakespeare, who composed immortally by the aid of two flickering tallow candles, without any benefit of frigidaires or mauve bathrooms that rivaled the baths of Catacella with their reflecting and disconcerting mirrors. [Laughter.]

That hundred years of the machine inclination cultivated a spirit of things, but I ask, Did it discourage the things of the spirit? It standardized and it scattered libraries, but I raise the question, Did it increase or diminish the intellectual value of the books upon the multifarious shelves of these libraries? It exalted the natural sciences, but did it not corrupt the art of living naturally? It multiplied devices to save both time and human exertion, and then what did we do with all those salvaged kilowatt-hours except to rush jazzily to nervous prostration. [Laughter.] Out in Battle Creek Sanitarium or up there in Muldoon's Sanitarium for tired businessmen, I have seen them sitting on the piazza rocking back and forth, with the blood pressure mounting every day and merely looking at a timetable as to when they could get back to New York to begin all over again. Think of the median line in the mortality rate of American men of business—too young, burned out. I have often thought, looking at those men—not that I was confined there myself for those purposes, but I have frequently visited the sanitarium, where we go for general check up—if ever I were asked to pick out a symbol of American life, some one thing, for example, such as the samovar for the Russian, I think that I would choose the rocking chair. Why? Because it is a device by which you can always keep in motion while remaining in the same place. [Laughter.] And this urge and this launching of the energies in any direction whatsoever, that has been the besetting sin of the last 100 years in which many men, as you know, as one of the classicists put it, rushed violently into the open air, leaped upon his horse, and dashed off in all directions. [Laughter.]

Well, let us continue this analysis. That spirit of mere speed and mere achievement, which was one of the outlets for the tremendous driving genius of the American people, what did it do next? It then outlawed nature's way of dealing with the juice of grapes, and in their place sowed dragon's teeth that spawned that vicious underworld of lawlessness, assassination, and racketeering. It has popularized education, but I raise the question if it has not diminished the number of the truly educated by substituting information for wisdom—and they are not the same thing. It then invented the time clock for checking hours of labor and stifled the spontaneity and the pride in craftsmanship that dotted Europe with Gothic cathedrals which are still the despair of architects with all of our modern implementation. And then, alas, that spirit of mere motion, remember, without control and direction, that spirit invaded my own professional field of education. The horror came into the universities under the name of what we call the credit system, under which I am sure many of you have suffered, only to laud the credit of academic degrees when they are computed so exclusively in that mysterious unit called a semester-hour, which is trying to get the fingerprint of the soul. [Laughter.]

It diminished humanism. This spirit of the pure mechanization of civilization then displaced humanism from academic halls and installed a cafeteria of bizarre elective studies, which produced a generation of students characterized by broad superficiality but by very shallow wisdom. You know wool wears, even though shoddy does shine. I have often thought, as I have had to admit each year new students into our educational system, and have inwardly raged at the artificiality of attempting to estimate a man's worth by these units called a semester-hour, and I am sure that if Socrates and Aristotle and Plato and Atticus and Shakespeare or Bacon ever entered into a modern dean's office he'd be routed off the campus, because he certainly couldn't show 16 standard units. In a word, this particular age not only seduced the mind of men to mere productivity of exchangeable commodities but it also seduced education from the production of leaders to leadership in production. And frequently, I understand, as Mr. Dooley might say, it attempts to corner the market.

Too often this spirit transformed college presidents from scholars to go-getters of endowments and reduced deans to the status—instead of being friends and scholars and counselors of youth, this spirit—and I say this with considerable feeling, because I have suffered from it personally—simply reduced them often to the status of referees of eligibility contests for the athletic part of the university; and made the dean, instead of being this counselor to youth that he used to be, a mere overseer of modern filing systems.

The age then went further within the last 10 years. It banished all the free-lance minstrels and troubadours of the world, I suppose, under the vagrancy act. [Laughter.] And substituted what? The scratchy whine of phonographic disks and the howling of midnight radios. You know, as you realize that the atmosphere of the world, the ether, is now stricken north, south, east, and west by a cacophony of jitterbugs, it must, I think, give value and a great deal of credibility to that statement of Mr. Chesterton before he died about the radio—that in addition to all its advantages, he said, "the crushing thing is that radio, allowing everybody to speak at any place and at any time, had to come at a time in the history of the world when nobody had anything to say." [Laughter.]

In a word, this particular era, the era of the triumph of the pure mechanically productive mind for a hundred years, promised a socially hygienic millenium. And what did it produce at the end? It sired as its first progeny the moral sterility of bolshevism. Because I maintain that bolshevism and communism is the child—the illegitimate child, if you will—of a runaway capitalism; and the offspring is now laid upon the doorsteps of Wall and Threadneedle Streets to annoy the baronets. It is a direct descendant. Because, seeing what the exaggerated capitalist had done when he was in control, then the Communist said, and the ideologists of Lenin's time said: "Why, the villainy you teach me I will execute, and it will go hard, but I will better the instruction." And they did, with the result that within a few short years this world was divided into two ideological camps, communism on the one side and the antitoxin, its reaction, fascism, on the other; and we, not partners to this great dispute, nevertheless find that that issue is now so vital in the United States that governmental action must be taken to ascertain the subversive and secret activities of both these great disputants, mind you, in a quarrel of which we were not a part. But little by little these great issues have infiltrated into the United States and we can no longer ignore them.

Now, how did that affect the mind of the criminally inclined? Why, very clearly. The criminals of the world, particularly in the United States, seeing what the bigwigs had done, decided themselves to move into that very fruitful territory and, as they would put it, "to get theirs." And so you will find that the unholy lust for gold, manifesting itself, as it did, in very respectable quarters, brought about a most unsocial reaction in the minds of those who witnessed it, because gold, together with lust—I mean the lust of the flesh—is the source of most of the crime and most of the sin in the world.

And so it worked out this way. The public greed of licensed money changers, of certain unscrupulous bankers, and legally incorporated buccaneers furnished, alas, a very precious precedent and example for the underworld, whose criminal methods lacked only legality and the comfort of a respectable office address. They saw what the others had done in high places. They saw that they had plundered through legal loopholes, and so they determined to plunder, too, but at the end of a sawed-off shotgun. But the motivation and the objective were the same—other people's money. They simply stalked their prey by different paths, by night. The others stalked it openly in limousines, protected by entourages of very high-powered and highly paid legal staffs. Frequently, it was a question of address, whether in the Loop or on Michigan Boulevard.

When greed, therefore, in high places operated through bucket shops, fraudulent investment trusts, price pegging, rigging the market, closed pools, short selling, and the dumping of worthless securities on unsuspecting clients, why, of course, crime in low places retaliated—retaliated in the language which they understood and with the weapons which they controlled; namely, racketeering, assassination, kidnaping, extortion, bootlegging, corruption of public officials and the suborning of juries, and the intimidation of public prosecutors by mobilizing a flock of unscrupulous criminal lawyers skilled in paralyzing the nerves of judges, witnesses, and those same prosecutors. Now, mind, I am not palliating the guilt of the underworld. I am merely analyzing the genesis of much of the crime that shocked this community in recent years. Criminals were created by the examples and by the opportunities flaunted in their very faces, and they determined to have their share in the prevailing orgy of extravagance. Now that is a social crime and that is the problem that you are faced with.

Consequently, the police function in modern times is not a question of the mere detection of petty criminals or those who obstruct traffic or petty larceny, but you are members now of an organized reaction against a great historic error. We are suffering in this day and generation from the tragic errors of the past, and so much of it was caused by greed.

In one of the hours that it is my pleasure to have with these classes during the course of the academy, I remember that I submit to them at one point that most crime, if you analyze 100 cases, you will find can be broken down to one or another of these motives: Either to greed, revenge, or fear, or fear of something that you have and may lose, or fear of something that you have not got, or to sex, and so on. In other words, crime can be broken down in its motivation, and I maintain that the motivation of crime during the last 20 years is reducible precisely to the one word, "gold"—money, and the things that money can buy; and that the criminal was encouraged in that by what he saw in high places; and that consequently the police function in this day and generation is quite different from what it was in the past. And therefore the building up of character and the undoing of the errors of the past is the responsibility of society, and you have the right to expect that society will cooperate with you in doing that.

If we are to rely only upon the physical means of crime detection and crime prevention, you are not laying the ax to the roots of the evil because it will flourish again once your back is turned. If you were to ask me what is the ascent of education to moral integrity, I would say, instruction, information, knowledge, wisdom, character. That is the ascending hierarchy of the faculties of man. Many people mistake mere information and instruction for education, which it is not; and certainly, it is not wisdom; and very rarely does such education evolve in character. Character, therefore, is the keystone of the arch which a regenerated and a chastened society must achieve in the minds of its fellow men in these days.

The church, for which Dr. McCartney has spoken today in offering his invocation, and in which I participate too, though more in the field of education, has learned its best sociology and its most practical psychology across many centuries in close contact with human nature in the raw. That church knows that its conclusions are fortified by 19 centuries of contact of that kind with human nature. In the face of changed externalities, the church is sometimes accused of being intransigent, but it is intransigent because it knows and keeps its intransigency intact because of testimony of many disillusioned derelicts and from many expiring gasps of millions of broken men who feel no further need on their deathbed to be reticent.

The police officer, the clergyman, and the doctor often meet around the deathbed of dying humanity. The lawyer comes a little later for other purposes. [Laughter.] But the three that I have mentioned have a very close knowledge of human nature in its unguarded and its frankest moments, and they know where a headlong worship of brute matter always leads, what Caesars a chauvinistic worship of the state will breed, and where reckless rushing passion always leads. I maintain that it is the spiritual ence in the laboratory of human conduct, and the pity of it all is that pride disdained to accept her findings until the wrath of a self-provoked chastisement descended upon us all in the late fall of 1929.

It is to return mankind to acceptance of these unchanging verities that the spiritual forces of the community must mobilize their every effort. The challenge is not for religion and the spiritual forces to lower their standards one iota or to deviate in the estimation of a hair from the doctrines that they have taught with regard to this social debacle that has come upon the world, but they must hold them both unchanged. Oh, I know that a church that preaches that doctrine today will be hated by many, and it may offend many prominent pew holders, but it cannot do otherwise if it would save its own soul and the soul of humanity.

In a word, I leave with you this final epitome, as I look back over these past 20 years, as to what is the obligation of the social forces of the community toward you in your attempt to check crime. It is this: Something which I first saw many years ago engraved over the baptistry of the aesthetic and wonderfully beautiful cathedral at Rheims in France. There you find a phrase which is taken from the life of Remi, archbishop of Rheims, which he spoke to Clovis, King of the Franks, in the year 1496, when this powerful chieftain renounced his idols and accepted the cross. So, too, that same phrase, it seems to me, is what the spiritual and the moral forces of the community must say to a chastened civilization today. These were the words: "Bend the neck, proud Sicambrian. Adore what thou hast burned; burn what thou hast adored." [Applause.]

Neutrality

EXTENSION OF REMARKS

OF

HON. ERNEST LUNDEEN

OF MINNESOTA

IN THE SENATE OF THE UNITED STATES

Tuesday, July 18, 1939

ARTICLE BY HON. GERALD P. NYE, OF NORTH DAKOTA

Mr. LUNDEEN. Mr. President, I ask unanimous consent to insert in the Appendix of the RECORD an article by the junior Senator from North Dakota [Mr. NYE], published in the July 15 issue of the Christian Science Monitor, entitled "Can the United States Be Neutral? Yes; if It Minds Its Own Business."

There being no objection, the article was ordered to be published in the RECORD, as follows:

CAN THE UNITED STATES BE NEUTRAL?—YES; IF IT MINDS ITS OWN BUSINESS

(By GERALD P. NYE, United States Senator from North Dakota)

Looking at the policies to alter the neutrality law from whatever angle one will, of necessity one must come back to the conclusion that the effort is one of gaining larger power for the President to exercise in the tense international field. To grant this larger power to the President, especially at this time, is to turn our back upon and make ourselves blind to every teaching of experience. The fact that President Roosevelt desires this power, and desires to occupy the same impossible spot that our country has forced others to occupy in the past, ought not in the least alter American determination to avoid repetition of an experience, the memory of which ought to be constantly with us.

There is a greater need today for calm, clear thinking about our country's relationship to the rest of the world than on any other subject. In the event that the dreaded second world war should come, what we do now is far more crucial than what we do after the conflict commences. If we are to be spared the agony and devastation of participation in another war the policies now formulated will achieve that merciful end. If we are to be plunged into another war it will be likewise because of what is done now.

This is so clearly demonstrated in retrospect by the years from 1914 to 1917 that it should require no argument. Those years are a story of a nation drifting into deepening entanglements with a European conflict with which it had originally little direct concern, and finally into that struggle. No single action was responsible for American involvement in the World War. Rather it was the cumulative force of a long series of day-by-day actions, each establishing precedents for those that were to follow and each bringing involvement closer.

With that experience still fresh in our minds, it is amazing that so many persons, in high and low places, should forget the lesson of 1914 and 1917. Yet today that lesson has been forgotten by the very men and women who best should remember it. Steps are being taken, policies are being inaugurated, precedents established today that in large degree parallel the "road to war" which America trod only a little more than 20 years ago.

Close examination of the words and deeds of our Chief Executive reveals a policy based on the belief—fallacious and erroneous, in my opinion—that if there is another general war in Europe the involvement of the United States in that conflict is inevitable; that there is nothing we can do, no step we can take, that will save us from being sucked into such a war. This is a counsel of despair, generated by emotion and hysteria, without a basis of fact or realistic appreciation of world affairs.

It is in the acceptance of this belief that we are asked to amend the neutrality law to permit sale of munitions and instruments of war to belligerent nations. It is on the acceptance of this belief that there is predicated the contention that America must give aid and support to the democracies of Europe in difficulties with which we have no concern. It is the basis for the contention that this country should not undertake to observe a rigid neutrality, but should take sides in words and deed among the quarreling nations of Europe and Asia.

In other words, our policy appears to be that since our involvement in another war is inevitable, then we should do all in our power now to assist and support nations which in a future conflict may be our allies in order to prevent such a war.

Since this proposition is predicated on a theory that we are doomed to be participants in another war, whether we like it or not, it is argued that by pursuing a policy of cooperation and collaboration with certain European nations we are not running any risk which does not now confront us.

Of course, it is fantastic to say that the United States is in danger of an impending attack from abroad. And it is just as fantastic to contend that this country cannot keep out of another war if its people are determined to do so and if its Government pursues a course of caution and wisdom. The knowledge of what happened between 1914 and 1917 should forearm us against the dangers which overwhelmed us in those earlier years. Because of that experience we should now be able to steer a course which would avoid the whirlpools which sucked us into war some 20 years ago. These factors, along with our geographic isolation, make it ridiculous to talk about this Nation facing an impending threat, either of actual invasion or to its institutions from beyond its borders, unless we deliberately ally ourselves with the affairs of Europe. It must be obvious that participation in another war by the United States would mean the end of those American institutions of liberty and freedom for which we now are being urged to fight.

We can keep out of war by keeping aloof from the hatreds, greed, and ambitions now rocking Europe. We can isolate ourselves from war, not by burying our heads in the sand but by pursuing a course based solely on what is for the best interests of America and spurning pleas to become the moral policeman of the world and to save democracy in other lands. The job of saving democracy in this country is task enough for this generation of Americans.

For over 2 years we have had what is commonly referred to as the neutrality law, which might more properly be called the law to help keep America out of other people's wars. This law was written as a result of the revelation of the selfish steps that led us into the World War, when we declared high purposes and discovered too late that we had won no purpose for which we fought, even though we won the war. Criticism of this law never took on serious proportions until last fall and winter, when the administration began to chafe under this harness of neutrality law. There came the announced desire to have the United States operate in a way that would punish the alleged aggressor in war, to invoke quarantines and sanctions upon the alleged aggressors. These warlike steps could not be lawfully taken by the President with the neutrality law upon the statute books. Then came the proposals to change the law, amend it, and repeal it. It is these proposals that are now pending before the Senate.

The truth of the whole controversy is that the Neutrality Act, even with its present shortcomings, which some of my colleagues and myself propose to remedy by amendments, is the only bulwark which the American people have been able to build and maintain that helps them fortify their resolve to stay out of other people's wars. And they had better be waking up to what is being undertaken at this hour or they will lose that.

Let there be no mistaking the present challenge and the issue involved in that challenge. The line is clearly drawn. The decision must be for a policy of law that will fortify America against being drawn into other peoples' wars, or for abandonment of such fortifying steps as have been taken and their replacement by a policy that leaves the Executive free to pursue a course of seeing how near he can get to the fires and hates of Europe without burning his fingers and, because of the burn, inviting an insult to all the people of America that would take us to war.

If we are really going to succeed in staying out of other peoples' wars, we are going to have to divorce ourselves from the profits available from other peoples' wars. A cash-and-carry basis on all commodities in time of war is not going to help us materially, and it certainly cheapens America to put herself on a basis of cash and carry in the name of peace. If we are going to stay out of other peoples' wars, we are going to have to learn to mind our own business and to keep minding our own business, however much the President or anyone else may want to meddle in foreign affairs or lead the hosts in splendid-sounding causes.

Surely I would like to see a world peace accomplished and made permanent. But by what right do we Americans today assume that those we are choosing as allies, England and France, for example, are wanting the same thing? Wouldn't it be well to know what kind of democracy our allies would like to help save? Would it be the Chinese kind? The Ethiopian kind? The Czechoslovakian kind?

Of course we all want to see Europe cooled off and settled down. Our own stability would be served if that end were accomplished. But the job of cooling it isn't ours. That settling down, to my mind, is wholly dependent upon that day when England is ready to pull her chair up to the table and offer the world a chance, an outlet, a sufficiency. And this is not going to be done by British insistence upon holding everything she has, all that she has gained through generations of aggressions. Saving British imperialism isn't going to save the world. And until imperialism is removed as cause No. 1 of war abroad, there is every reason why the United States should refrain from making the job of halting the drifting border sands of Europe a W. P. A. project for the "relief" of the unemployed and millions of our American sons. There is plenty of work to be done right here within our own borders if we are really eager to save democracy, the kind of democracy that we know.

Woman Commissioner for Federal Communications Commission

EXTENSION OF REMARKS

OF

HON. STYLES BRIDGES

OF NEW HAMPSHIRE

IN THE SENATE OF THE UNITED STATES

Tuesday, July 18, 1939

LETTER FROM THE EDITOR OF THE RADIO GUIDE

Mr. BRIDGES. Mr. President, I ask permission to have inserted in the RECORD an open letter to the President of the United States from the editor of Radio Guide. The open letter has to do with the recommendation made by the National Federation of Business and Professional Women's Clubs urging the appointment of a woman to the Federal Communications Commission. I think the statement in this letter is an appealing one. At any rate, it appeals to me, inasmuch as it was my privilege while serving my State as Governor to appoint the first woman judge in the State and also the first woman to high executive position. I ask that the open letter be printed in the Appendix of the RECORD.

There being no objection, the open letter was ordered to be printed in the RECORD, as follows:

[From Radio Guide of July 14, 1939]

AN OPEN LETTER TO THE PRESIDENT OF THE UNITED STATES FROM THE EDITOR OF RADIO GUIDE

The Honorable FRANKLIN DELANO ROOSEVELT,
The White House, Washington, D. C.

DEAR MR. PRESIDENT: We submit for your consideration an idea of great importance. We suggest that you appoint a woman commissioner to the membership of the Federal Communications Commission.

As I read the act which sets up the Federal Communications Commission, its duty is to so supervise broadcasting that it shall be "in the public interest, convenience, and necessity." In short, the public is to be served. Well, who is the radio public? In the daytime hours it's almost exclusively the women who turn on their radio sets when they get out of bed and follow setting-up exercises, heart-rending serials, advice to the lovelorn, and recipes for making fluffy oatmeal cookies as they go about what used to be the drab task of homemaking.

So the early morning and afternoon pass and junior comes home from school. And what happens? Junior immediately wants to turn off the sage advice of Millie Cookright and find out what's happened to little Algy, who's been kidnaped by a gang of vicious criminals.

Then evening comes, and with it, daddy. Junior is fed, tucked in for the night and daddy and mother settle back for the evening.

There is one significant fact in this whole chain of circumstances: Mother has her hand in the pie from early morning until late at night, because mother's place is in the home, and home is where the radio is. So, if the public is to be served and the Federal Communications Commission has been set up to serve it, surely the ladies are entitled to a voice in this administration.

But there are many other reasons why a woman should be the next appointee to the Commission. In the first place, women have a well-grounded, realistic sense not—as commonly believed and as you know is untrue—unallied with humor which would have made many of the situations which have arisen and against which so much F. C. C. criticism is leveled almost an impossibility. The great ado which followed the Mae West broadcast a short time ago, for example, would hardly have occurred had there been a woman member of the Commission. The hubbub arose as a result of the Commission's action in making an important matter—even to the point of threatening indirect censorship—of what was an entirely minor and unimportant consequence in the life of a great industry.

A woman who has spent hours in the kitchen has a better sense of values and proportion than that. If the meatloaf burns, she knows that it won't ruin Jim's dinners for the rest of the year, that it isn't really cause for divorce. It becomes an

unpleasant incident, remote and disconnected from the greater business of getting good meals for her family day in and day out throughout the years. By the same token, such a woman would have understood that the Mae West incident—while unpleasant at the time—was not worth the hullabaloo and commotion the Commission chose to raise about it.

I don't want you to think that this is just an offhand idea, a crazy proposal that springs from nowhere. I've even gone so far as to scan the national scene in search of women who might fill the bill, and perhaps, by a passing glimpse at a few of these, I can better show what I mean when I say that there should be a woman radio commissioner in Washington.

Take, for example, Mrs. Charles B. Knox, of the Knox Gelatine Co. Compare her qualifications for the post of radio commissioner with the qualifications of any of the current politically appointed Commissioners and watch the latter shrink to microscopically small stature.

Back in 1908, Mrs. Knox's husband died, leaving her a small gelatin manufacturing company at Johnstown, N. Y., a hard-pressed newspaper in the neighboring town of Gloversville, and two sons and a daughter to rear. She was then in her forties, a housewife, and everyone said, "I wonder what the Widow Knox will do now? There she is with a small business; a newspaper that's a stone around her neck, and three children to raise." Well, Mrs. Knox gave them their answer in short order. She went into the plant and started building up the business to its present gigantic stature. Simultaneously she set about the task of curing the newspaper's ills and selling it at a nice profit, and she reared her children to a rich and full adulthood.

Mrs. Knox runs her business in every sense of the word—even to the giving of recipes to housewives in Kokomo and Omaha. She rules her thousands of employees with a hand at once stern and benign, and with the ultimate result that more than 85 percent of her employees have been with her for more than 25 years. During the depression years, when others were pulling in their horns and waiting for the hurricane to pass, she made four large additions to her already huge plants.

Here are qualities which mark her as an outstanding woman for a job of this sort. Aggressive, understanding, and with a keen sense of human relationships born of her rich experience as a mother, as an employer, as an industrialist, as a public-spirited citizen who has made countless donations of both cash and time for the betterment of humanity, Mrs. Knox would bring to the Commission and its discussion tables a tempered wisdom, a wide understanding and a business-like procedure that would be of invaluable aid in keeping the Commission out of the hot water into which it has a seeming mania for diving.

Or take Eleanor Patterson, who is, comparatively speaking, a neighbor-of-sorts to you and who publishes an around-the-clock newspaper down the street from the White House. I believe that Mrs. Patterson has but one ambition as a publisher—to give to Washington a vigorous, informed, and entertaining newspaper. Surely she cannot be accused of thirsting for social or political power, for she has tasted of these bitter-sweets too long and too often to have much appetite for them now. And such ambitions—the publication of such a newspaper—coincide rather closely with the ambitions of radio.

Here again we have a woman of understanding—a woman who can go into a pressroom and speak the pressman's language, or agilely unlimber a delicate French at an embassy ball; a woman who believes in playing the news straight and without innuendo; a woman who has wandered through the poverty-ridden South of the sharecropper; who has a feeling for people and news; who has an executive experience and ability. And like Mrs. Knox, Mrs. Patterson's participation in commission discussions and the shaping of policies would add a new and keen note and gain for them a wider and more friendly public acceptance.

When Jane Addams of Chicago's famous Hull House died and the directors began casting about for a successor to the Nobel-prize-winning Miss Addams, they hit upon one of your proteges whom they found feeding more people each day—as director of the New York City Emergency Relief Bureau—than live in the city of Milwaukee. Charlotte E. Carr was fending off Tammany attacks, dog-fighting with Mayor La Guardia and Gen. Hugh Johnson, struggling to be free from the governmental red tape which hampered her in her desire to serve the under dog efficiently and well, and spending $9,000,000 a month.

This was the type of person that Hull House needed—not that her budget there would nearly approach this figure. Hull House wanted an aggressive person with wide administrative ability. At the same time that person must have a feeling for the underprivileged and be possessed of a broad vision. In large, gusty Charlotte Carr they found such a person. No yes man, but a woman of ideas, she had the grasp of social problems which comes with experience—in her case, experience which included service as a policewoman in the navy-yard district of New York City, as the first woman Secretary of Labor under former Governor Pinchot of Pennsylvania, as director of the relief bureau in New York.

What a rich and liberal understanding Miss Carr could bring, Mr. President, to a Commission which has been notably lacking in liberal vision and oblivious of American rights and liberties.

There are many others. Dorothy Thompson, wife of Sinclair Lewis and a radio and news commentator in her own right, could bring to the Commission qualities which are now noticeable by their absence. As a practical, working radio woman, she would be close to the broadcaster's problems—without losing her common touch—while, as a correspondent in Berlin and Vienna for many years, she would know well the inherent dangers of censorship, dangers which—for the moment—seem far beyond the ken of those men who currently comprise the Commission.

Or Mrs. August Belmont, one-time actress and patron of the arts. First woman ever to serve as director of the Metropolitan Opera Co., Mrs. Belmont could do much to bring a broader and finer musical education to radio listeners of America in program discussions with radio executives, which would bear weight because of her vast knowledge of the subject and because of the invaluable ideas she must inevitably have on the subject.

In any consideration of women members for the Federal Communications Commission, however, there is one outstanding woman who—in spite of her present position—cannot be overlooked. I speak now of that grand First Lady, Mrs. Roosevelt.

I can think of no person, anywhere, who could bring a finer background, a finer knowledge of the people to be served, and, I am certain, ideas as to how they may best be served than Mrs. Roosevelt. At first the idea seems fantastic—you couldn't appoint your own wife to such a post. But is it fantastic?

Mrs. Roosevelt has definitely refused to be bound by the customs which have kept other First Ladies mental captives in a formal shell. She has carved a career for herself which has—really—nothing to do with the White House, and which—in the fields of writing, speaking, social service—have marked her as a woman of vigor and discernment. She is probably more conversant with the various problems which face the people of various sections of the United States than anyone I know. A wide and energetic traveler, she is curious, a good observer, and possessed of a wide range of knowledge which would be of inestimable benefit to the Commission in its formulation of policies.

If such an appointment were made by you—in spite of the fact that Mrs. Roosevelt is so obviously a separate entity, a different personality—the voices of some people would be raised in protest—protest against what they would term "perpetuation of the dynasty."

But you could rest in the assurance that these voices would die out on the winds of time as radio marched on to render greater service to its millions of followers through a broadcasting which grows richer and fuller as legislation of encouragement is enacted and an administration of understanding and vision is applied by the Federal Communications Commission.

Sincerely,

THE EDITOR.

Civilian Conservation Corps

EXTENSION OF REMARKS

OF

HON. ELBERT D. THOMAS

OF UTAH

IN THE SENATE OF THE UNITED STATES

Tuesday, July 18, 1939

EDITORIAL FROM WASHINGTON (D. C.) TIMES-HERALD

Mr. THOMAS of Utah. Mr. President, I ask unanimous consent to have inserted in the Appendix of the RECORD an editorial from the Washington Times-Herald, together with some comment of my own concerning the editorial.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

THE RECORD OF THE C. C. C.

Director Robert Fechner, of the Civilian Conservation Corps (C. C. C.) a few days ago released a detailed report of the achievements of the C. C. C. in its first 6 years of work on the American landscape.

Every time a German labor battalion reclaims a couple of acres of swampland, the world's press hears about it, usually with pictures to accompany the text. The same thing happens whenever a company of Mussolini's Sons of the Wolf goes through the manual of arms with wooden guns in a fairly creditable manner, or whenever an 11-year-old boy in Moscow patriotically turns in his old man to the secret police for having mumbled agin' the Government.

For really impressive work, though, we would like to nominate the following, rolled up in 6 years by a purely voluntary body of men working for a democratic Government, which, to hear the dictators and their admirers tell it, is necessarily clumsy, inefficient, and riddled with graft:

One billion seven hundred and forty-one million trees planted.

One hundred and four thousand miles of truck trails or minor roads built.

Seventy-one thousand six hundred and ninety-two miles of telephone lines constructed.

Forty thousand bridges built.

Forty-five thousand-plus buildings of various types erected.

Five million dams built.

Sixteen million rods of fence strung—a rod being 16½ feet.

Twenty thousand and eighty-four springs, wells, water holes, and small reservoirs developed.

Fire hazards reduced on 2,000,000 acres.

Three million three hundred and twelve thousand four hundred and ninety-eight acres of forest stands improved.

Nine million man-days spent fighting or preventing forest fires.

Soil conservation work performed on 13,000,000 acres of farm and grazing lands.

Farmers in all parts of the country aided in controlling gullies, building terraces, planting trees, and taking other steps to bind the topsoil down rather than let it ride away on the wind.

During the first 6 years the C. C. C. has had 2,500,000 enrollees, and these men have sent home to their families a total of more than $500,000,000 out of their C. C. C. pay.

It is a magnificent story, we think, and one which ought to close out what arguments there still may be against making the C. C. C. a permanent organization—at least until everybody in this country who wants a job with private industry has one.

We think we detect one serious flaw in the whole C. C. C. story, however.

It is hard to imagine how this country could have created a more effective force for conservation of the land we live on. The above figures are proof enough of that. But is the C. C. C. as good a force for the conservation of men as it might be?

Of course, it has done and is doing great work in that respect, too. That figure of 2,500,000 enrollees in 6 years represents just about that many young men's hopes and ambitions kept from dying of dry rot, that many characters saved from going to seed on bread lines or in hobo jungles, that many bodies given good food and plenty of exercise.

GUNS FOR THE C. C. C.

But suppose we find ourselves in a war in the near future—which Heaven forbid, but it could happen. Men of C. C. C. age will be called on first to fight.

Suppose those 2,500,000 C. C. C.'ers had been given training in the elements of handling guns—keeping them clean, hitting targets with them, running through the manual of arms. Those men would be better prepared to fight, in case of emergency, than they are now. Hence, the chances of each of them to live through this possible war would be better from the start than they are now. You cannot train a man to be a good marksman overnight.

So we say, as we've said before, that the C. C. C., because of pacifist influences which surrounded its birth and which have not yet been shaken off, is not doing all it could do in the matter of conserving our manpower.

Why not get realistic about the C. C. C.? Why not realize that, hate the thought of another war as most of us do, wars can come to any nation—wars which it cannot duck or delay? Why not institute gun training in the C. C. C. now, without waiting for the world to become a worse tinderbox than it already is?

The editorial is a good one, generally speaking. I wish only in comment to answer the charge that we have failed to conserve men as military trainees.

The Times-Herald editor has drawn a bad conclusion. It is bad because he evinces no knowledge of those things which are, after all, the fundamentals of military training. Everyone who had a part in training men during the World War, as I had, knows that it was not in teaching men to fire and to advance and withdraw that our progress was retarded.

The important lessons then untaught were in camp administration, sanitation, physical development, group living, mess management, transportation and logistics, obedience, health and resistance to exposure, understanding of and control of social diseases, care of the feet, fatigue and rest, first aid, the building of roads and trails, the use of the pick and shovel, the driving of cars and heavy conveyances, the making of pontoon and other ready bridges, and the thousand and one other things which distinguish life in the open from life in the shelter of houses and office buildings, between problems of the field and problems of the desk. To parry and thrust, figure out an artillery problem, don a gas mask, and present a West Point line at drill, were minor, and were picked up by our apt boys in relatively a few hours. The C. C. C. certificates of proficiency are a worthy match for the certificate of the ordinary Army subcourse. This is what the editorial writer overlooked. He strained at a gnat and swallowed a camel.

Moreover, there is something to the C. C. C. besides military development. We have never pretended in the slightest degree that it is intended as a military organization, or the back door to one. Its educational defenders would say it is intended as an educational institution. Physical instructors would say it is to build manhood, as would psychologists. Others would say that it is a form of public works. Still others would say that it is recommended and applied as a preventive of crime. It is all these and none of these, simply because it is everything which represents outdoor life and which outdoor life represents.

Had we followed the advice of this editorial, the C. C. C. never would have been continued; for we are not a military nation. Were we to have class 1, class 2, class 3, and so forth, civilians the majorities in Congress would pass to the other side, and would have done so at the first election; and were the C. C. C. a form of this sort of thing, resentment would be no less severe. As things stand, a boy of 16 is in no greater danger of involuntary military training than is a man of 60. We obtain our preparedness through different channels. The young man in college who does not like the R. O. T. C. is not better than the C. C. C. boy who was forced in by poverty. There is no greater reason to arm and prepare him. In either event, however, if he is wise, he will make every effort to improve his physique, learn to take and give orders, sacrifice individual tastes for late or early hours, peculiar foods, and petty eccentricities in favor of the common good while in group life, and in this way, and in either event, become a practical soldier, if without a military uniform, of his Nation and his flag.

Americanism

EXTENSION OF REMARKS

OF

HON. OVERTON BROOKS

OF LOUISIANA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 18, 1939

ADDRESS BY HON. LOUIS JOHNSON, THE ASSISTANT SECRETARY OF WAR

Mr. BROOKS. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following address by Hon. Louis Johnson, The Assistant Secretary of War, at the American Legion Convention, Department of Louisiana, Alexandria, La., June 17, 1939:

Fellow Legionnaires, about 6 years ago it was my privilege, as your national commander, to be your official guest. I then had the opportunity to see what valuable services you, my comrades of the American Legion, were performing in the interests of your communities and in the welfare of our country.

You loyal Legionnaires of Louisiana had just passed through a trying period of economic adversity. Many of you had been hurt, some quite badly. Even now, perhaps, not all of you have recovered. With characteristic determination, you dug in, practiced and preached the principles of Americanism, fortified your position against subversive influences, and moved forward for the counter-attack.

It is a great pleasure to be with you to renew friendships with comrades of the Bull's-Eye and Acorn Divisions, who served overseas with me, and to note with pride again the veterans of the Headquarters Troop of the Forty-second, the Rainbow Division, who distinguished themselves so conspicuously in France during six major engagements. The War Department has changed the designation of that troop to that of "K" of the One Hundred and Eighth Cavalry. Whenever I think of that outfit in Jennings, I recall its well-pointed motto, "Come what may." With a strong and united Louisiana, you are indeed well prepared to face the future, come what may.

There are many reasons why I am especially delighted to be in Alexandria today. In the past, Alexandria, to me, was a synonym for Camp Beauregard and a reminder of the role it played in 1917–18 in preparing America for battle. Today, Alexandria immediately conjures up the name of Lt. Oliver F. Naquin, the courageous commander of the sunken submarine *Squalus*. True to the code of the sea, his heroic example of leadership, courage, and discipline in misery and adversity strengthened the nerves and held the patience of his men. Not until he was certain that every living man had been saved before him, did he venture out of the death trap that had ensnared him. As a representative of the Army, I salute the brave and gallant soldier of the sea, Oliver F. Naquin, Alexandria's gift to the United States Navy.

In the annals of the War Department, there are many records of brave men of Alexandria. The one that you probably know

best is that of the late Capt. Marvel Kappel, Medical Corps, who was attached to the Ninth Infantry of the Second Division. His citation for heroism in France speaks for itself. It reads as follows:

"He visited the front lines continually, both night and day, supervising the evacuation of the wounded, personally directing the work of the stretcher bearers, and on several occasions, when the fighting was most severe, he ran forward under intense artillery and machine-gun fire and personally gave first aid and carried in the wounded."

Among the World War distinguished service citations, I find another of special interest to the men and women of Alexandria. It refers to the heroic conduct of a Negro soldier, Tilman Webster, of the machine-gun company of the Three hundred and seventy-first Infantry. He risked his life to save an officer of the Old South, who had joined the Army from South Carolina.

His citation reads:

"For extraordinary heroism in action near Ardeuil, France, September 29, 1918. With three other soldiers, Private Webster crawled 200 yards ahead of our lines under violent machine-gun fire and rescued an officer who was lying mortally wounded in a shell hole."

The job of preserving America has come to every generation. On this very day in 1775 our forefathers at Bunker Hill gave the world an example of the unparalleled courage that this new country was capable of developing. We did not win that fight. Defeated in a single battle, we have been, many times, but vanquished, never. That is the lesson of the Battle of Bunker Hill. That is the spirit of America.

Thanks to the heroic dead who have fought to preserve our Nation at various times in our history we have a noble heritage. We have a stake in the world second to none. It includes the homes, the lives, the families, the properties, and the rights of 130,000,000 people, occupying an area of 4,000,000 square miles, possessing one-half the total wealth of the world. It includes a standard of living unequaled in any other part of the globe.

Our country is young and vigorous. It is not perfect. No nation is. Compared to the rest of the world, however, the men and women of our country are more secure in their property, more protected in their lives, and more happy in their outlook toward the future than the inhabitants of any other nation in the world.

There is hardly a man living today anywhere in Europe or Asia, who, if given an opportunity and a free passport to America, would not drop his work and migrate to this country on the first available boat. There is hardly a man now living in the United States, citizen or alien, even among those openly critical of America and its system, who would give up his citizenship or his residence, permanently, to leave this country and to seek greater happiness abroad. American citizenship is priceless.

In the days of the Caesars "I am a Roman citizen" was a proud, exultant declaration. It was protection. It was more—it was honor and glory. Twenty centuries of advancing civilization have given to the declaration "I am an American," a higher and nobler place. It stands today in the forefront of earthly titles. It proclaims a sharing in the greatest opportunities. It is a trumpet call to the highest fidelity. It is the diploma of the world, the highest which humanity has to bestow.

We are one of the few bulwarks that still stand in this highly agitated world for personal and religious liberty. We are still the hope of all civilization. We are a Nation with a spirit of tolerance and of understanding and with a recognition and appreciation of human rights.

The success of Americanism does not require unanimity on all matters affecting the State. We, in this country, enjoy the freedom of dissenting publicly. We have the privilege to present our views to the Congress, the President, and to the bar of public opinion. It is the spirit of Americanism which tolerates freedom of expression, not only of applause, upon which dictators thrive, but of criticism, which only democracies, and especially our institutions, foster, and encourage. In other countries, to question an official act is to ask for a one-way ticket to a concentration camp or banishment to distant frozen or desert wastes. Here, our writers, our authors, and our actors, without fear or danger, enjoy complete freedom of speech.

America is a melting pot, and we are proud of the mixed blood of Europe that flows in our American veins. Ours is not a Nation of stereotyped individuals, governed by identical emotions and respondent to identical appeals. America is not a chorus in which individuals sing the same tune. America is a harmonious symphony. Each member of our national orchestra may play on a different instrument, but whatever the individual variations in tone, a beautiful blending of sound comes forth.

We may differ in opinions, in beliefs, in theories. We may worship God as Catholics, Jews, or Protestants. Only in our devotion to liberty and in our faith in freedom—freedom of speech and freedom of conscience—do we act as one. Diverse in origin, unified in purpose, we go forward to achieve for ourselves and for our children the ideals of democracy and of liberty for which loyal sons of America throughout our history have valiantly fought.

In the tolerance of our American spirit is our strength, and the song of Hiawatha may well be paraphrased to apply to us today:

"All our strength is in our union,
All our danger is in discord;
Therefore be at peace henceforward,
And as brothers live together."

America is, indeed, the most fortunate of countries, and we, its citizens, are the happiest people on earth, but we, too, realize that we have not yet reached the millenium. There is still much to be done. Our standards of living must be made higher. Our opportunities for education and for self-development must be made even broader. Our business must be made sounder. Our lives must be made happier. Our national defense must be made stronger. Our Union must be preserved. It is toward these desirable ends that we should eternally strive.

The dangers to the peace of our Union come not only from the un-American, foreign influences that have smuggled themselves into our country to bore at our foundations from within, but from a reversion to the barbaric code of might makes right that has swept across Europe and Asia.

To realize the full destiny of our country, we Americans want peace. We are anxious to remain at peace with every nation in the world. We have made every effort to cultivate patience and self-restraint in dealing with our neighbors in America and with nations across the seas.

We have avoided force or the threat of force in our governmental policies. We have stood ready to cooperate with the rest of the world in the reduction and limitation of overburdening armaments. We have extended our open hand in friendship to all nations.

Unfortunately, however, the world of realities indicates quite clearly that not all nations are as eager as we are to cultivate friendship and understanding. The daily newspapers are filled with reports of dissension, strife, and open battle that imperil the harmony of the world. So long as some members of the family of nations make force and the threat of force their national policies, we must stand on guard. We must keep well armed. We must be ready, but mark you, not for offense, but for defense, not for aggression, but for protection, not to wage war, but to keep out of war.

Strongly armed, we are free to promote the ideals of Americanism and to protect our people and our Government, both against boring from within and against attack from without.

We are the fortunate heirs of a great human achievement. It is our solemn duty to keep inviolate the ideals of liberty and equality for which man has struggled for thousands of years and has begun to realize only in the short span of the existence of the American Republic, and to pass them down to our children for their security and for their happiness. Let us cast out the ideologies foreign to our Constitution and in the spirit of Andrew Jackson, one of the stanchest defenders of our Union, rededicate ourselves to the toast he made famous:

"Our Union, it must be preserved."

Greeks Favor Third Term for President Roosevelt

EXTENSION OF REMARKS

OF

HON. THOMAS A. FLAHERTY

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 18, 1939

ARTICLE FROM THE HELLENIC WORLD

Mr. FLAHERTY. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following article from the Hellenic World for July 15, 1939:

[From the Hellenic World of July 15, 1939]

GREEKS GIVE F. D. R. THIRD TERM—MORE THAN 7,000 GREEKS VOTE IN HELLENIC WORLD POLL

(By Peter J. Jordan, Greek member of Massachusetts State Legislature)

BOSTON, MASS.—Franklin Delano Roosevelt will be reelected President of the United States in 1940, and will become the country's first President to serve three terms. At least, this is the verdict of the Greek voters expressed in the national poll conducted by the Hellenic World during the past several months.

The Greek people have thus paid the President "a vote of confidence," approving his policies by 60.1 percent of the vote cast.

The total vote was 7,129. About 60 percent of these, or 4,349 votes, were for Mr. Roosevelt for a third term, and the remaining 2,780 were cast against a third term.

THE QUESTION

The question which was submitted by the Hellenic World to its subscribers and readers throughout every State in the Union was: "Do you favor a third term for President Roosevelt?"

Of the 4,349 votes cast for Mr. Roosevelt, 53 were Republican votes, while of the 2,780 that were opposed to a third term 108 were cast by Democrats. As was to be expected, strict party lines in nearly every other case were observed.

In answer to the question, "Why do you favor or oppose a third term?" various reasons were assignd. Those favoring the reelection of the President asserted in some such phrases as "No one else can fill as well the place of President Roosevelt"; another said, "President Roosevelt has proven the country's savior." Still others: "The American people will make a great mistake if they do not reelect President Roosevelt."

RHODE ISLAND OPPOSED

Rhode Island Greek voters joined the States of Vermont, New Hampshire, Maine, and Ohio in opposing President Roosevelt. All the other States enumerated were pro-Rooseveltian. The city of Chicago which opposed Mr. Roosevelt in its poll published in the last issue of the Hellenic World, turned for Roosevelt in the final tally, while the city of Worcester which Mr. Nestor polled as exactly equally divided, namely 46 pro-Roosevelt and 46 anti-Roosevelt, in the final count emerged anti-Roosevelt.

The poll was the first of its kind ever conducted exclusively for the Greek people of the United States. The interest demonstrated was remarkable, and the vote cast, 7,129, is a marvelous total equally divided, namely 46 pro-Roosevelt and 46 anti-Roosevelt, in the Greek people but of the tremendous circulation the Hellenic World has achieved the past 6 months of its existence.

The total and the final vote is as follows:

Third term?

	Yes	No
Lowell	191	142
Chicago	141	127
New York City	389	131
New York State	266	203
Boston	342	263
Worcester	355	145
Springfield	146	156
Washington	211	103
State of Alabama	51	20
California	153	63
Connecticut	102	73
Florida	67	62
Georgia	43	29
Indiana	60	53
Maine	104	29
Louisiana	43	19
Maryland	93	56
Michigan	101	67
Minnesota	33	26
Mississippi	18	1
Nebraska	17	6
New Hampshire	52	125
New Jersey	221	87
Ohio	78	96
Philadelphia	82	61
Rhode Island	51	67
Mixed citied	944	570
Grand total	4,348	2,780

In giving the President almost 61 percent of their vote, the Greeks of the United States who participated in the Hellenic World poll paid the President a fine tribute.

Put Bank Deposits to Work

EXTENSION OF REMARKS

OF

HON. EUGENE J. KEOGH

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 18, 1939

ARTICLE FROM THE BROOKLYN EAGLE

Mr. KEOGH. Mr. Speaker, under leave to extend my remarks, I include the following article which appeared in the Brooklyn Daily Eagle of July 17, 1939, showing the increase in the amount of deposits in the 134 mutual savings banks of New York which I submit in further support of my House Resolution 218, which proposes to study the availability of private capital to take over the mortgages and property held by the Home Owners' Loan Corporation and thus permit the Government to withdraw from the mortgage-servicing and real-estate businesses:

The amount of deposits in the 134 mutual savings banks of New York continued, during the quarter ending June 30, to show as substantial a gain as was registered in the first quarter of this year, while the number of depositors also continued to increase measurably, according to a report issued today by the Savings Banks Association of the State of New York.

Deposits, as of June 30, aggregated $5,514,256,154, a gain of more than $36,000,000 for the 3-month period, an increase of over $109,000,000 over December 31, 1938, and a gain of approximately $178,000,000 for the 12-month period ending June 30, 1939. All of these increases are considerably in excess of the dividends credited, which have been at the rate of 2 percent per annum for the past year.

The gain in number of depositors for similar periods was at a lower rate of acceleration than the dollar volume of deposits. For the quarter ending June 30, 1939, the increase was 6,515; for the 6 months ending the same date, 49,194; and 58,098 increase over June 30, 1938. The total number of depositors now listed aggregates 5,973,672. Dividends declared for the quarter ending June 30 are estimated to be in excess of $27,000,000.

National Labor Relations Act

EXTENSION OF REMARKS

OF

HON. LEE E. GEYER

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 18, 1939

LETTER AND RESOLUTION FROM THE CALIFORNIA COMMITTEE TO SUPPORT THE WAGNER ACT

Mr. GEYER of California. Mr. Speaker, under leave to extend my remarks, I include a letter and the copy of a resolution from the California Committee to Support the Wagner Act. The Members will be interested in noting the large number of labor bodies affiliated with the American Federation of Labor. The letter and the resolution follow:

CALIFORNIA COMMITTEE TO SUPPORT THE WAGNER ACT,
Los Angeles, Calif., July 14, 1939.

Representative LEE GEYER,
House Office Building, Washington, D. C.

DEAR MR. GEYER: It was with great amazement and consternation that this committee learned that the Smith resolution authorizing an invesigation of the National Labor Relations Board had been favorably reported by the Rules Committee of the House of Representatives.

The committee has been engaged for some months in mobilizing opposition to the amendments to the Wagner Act which have been introduced into the Senate and the House. Our resolutions have been adopted by 200 organizations representing more than 175,000 members, in the Los Angeles area alone, and thousands of post cards have been mailed by individuals.

All these resolutions and post cards have been addressed to the Senate Committee on Education and Labor and to the House Labor Committee, since these are the committees which have been conducting hearings on the Wagner Act and the Labor Board.

The Smith resolution is an affront to the House and Senate Labor Committees and betrays the real purpose of its sponsors—to disregard all the volumes of testimony which have been so painstakingly compiled by these two committees and to start over again with a new committee which will be biased and prejudiced against the Board and the act and will conduct a one-sided investigation.

It is quite obvious that the sponsors of the Smith resolution fear that the voluminous testimony which has been presented to the House and Senate Labor Committees would not warrant the kind of amendments which those sponsors want—amendments which would destroy the benefits of the Wagner Act to labor and even turn it against labor. Hence, the provision that the investigating committee could recommend amendments to the act.

This second investigation would be a completely unwarranted use of public money and completely unjustifiable at a time when Congress is cutting down on all other appropriations.

We note that the alleged purpose of the Smith resolution is to determine whether the Labor Board is prejudiced in favor of the Congress of Industrial Organizations. A copy of our resolution is enclosed, and we call your attention to the words "* * * the Labor Board, which latter we believe has been eminently just to all groups of workers organized in bona fide trade-unions * * *."

The names of the following American Federation of Labor unions in the area have been affixed to the resolution containing these words, and the resolutions have been mailed to Senator THOMAS and Representative NORTON:

American Federation of Musicians, Local 47; International Jewelry Workers, Local 23; Watchmakers, Local 115; Diamond Setters, Local 95; Dental Technicians; Building Janitors and Watchmen, Local 72-B; Elevator Operators, Local 82; Studio Workers Maintenance Union; Laboratory Technicians, Local 683; Studio Machinists, Local 1185; Nurses, Hospital, and Institutional Employees; District Council of Painters, and 15 affiliated painters' locals; Glendale Central Labor Council and 22 affiliated unions;

Millinery Workers; Local 41; Cap Makers, Local 22; American Federation of Teachers, Local 430; Credit and Collection Employees, Local 20369; Borax Workers Union, Local 20621; Cement Mill Workers Union; Shipwrights, Local 1335; Port Watchmen, Local 137; Carpenters, Locals 769, 563, 909, 721, 1500, 1437, 1976; Rock Product Workers, Local 21643; Plasterers, 739; Papermakers Pioneer, Local 337; Culinary Workers, Locals 694 and 531; Barbers, Local 606; Machinists, Local 727; Electrical Workers, Local 18; Cracker Bakers, Local 418; Pipe Fitters, Local 250; and Mailers, Local 9.

By recording their belief that the Labor Board is not biased in favor of the C. I. O., these unions have also recorded their opposition to the Smith resolution.

Speaking for them, and for the many nonlabor organizations which have supported the campaign of this committee, we strongly urge you to work and vote against the subversive Smith resolution.

Very truly yours,

RUBE BOROUGH,
Executive Secretary, California Committee to Support the Wagner Act.

RESOLUTION

Whereas the provisions of the Wagner Act have served to protect the entire working people of this country in their efforts to organize and bargain collectively; and

Whereas all organized labor has an equal and vital stake in the preservation of the act, its principles, and its administrative body, the Labor Board, which latter we believe has been eminently just to all groups of workers organized in bona fide trade-unions; and

Whereas it is the intention of enemies of the Wagner Act, by means of amendments, to weaken or destroy the protection afforded by the act and to curb drastically the power and effectiveness of the National Labor Relations Board: Therefore be it

Resolved, That we, members of ———, go on record as unalterably opposed to any and all changes in or amendments to the Wagner Act and the Labor Board, which administers it; and be it further

Resolved, That a copy of this resolution be forwarded to the Senate Committee on Education and Labor, Hon. ELBERT D. THOMAS, chairman; to the House Labor Committee, Mrs. MARY T. NORTON, chairman; and to the California Committee to Support the Wagner Act, 536 South Broadway, Los Angeles, Calif.

———, *Secretary.*

Public Expenditures and the National Debt

EXTENSION OF REMARKS
OF
HON. STYLES BRIDGES
OF NEW HAMPSHIRE
IN THE SENATE OF THE UNITED STATES
Tuesday, July 18, 1939

EDITORIAL FROM LIBERTY

Mr. BRIDGES. Mr. President, I ask unanimous consent to have printed in the RECORD an editorial taken from the Liberty magazine entitled "Common Horse Sense Tragically Needed."

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

[From Liberty of July 15, 1939]

COMMON HORSE SENSE TRAGICALLY NEEDED

If we could induce the unthinking masses in this country to use their reasoning powers, our worrisome political difficulties would soon be solved.

Now, there has been no change in the conclusion that two and two equal four, and there are many apparent complications in our present political mix-up in which important deductions are just as plain and dependable.

It is admitted by everybody that experience is the best teacher, and if we accept this conclusion, the experience we have secured from the first hundred and fifty years of the life of this Government presents various conclusions that in no way harmonize with the present governmental policies.

The wealth of this country, the colossal credit structure that the New Deal is now using, was developed by previous administrations. It was not acquired by the New Deal. And year by year this administration has been spending these accumulated assets like a crowd of drunken sailors.

What reason have we for believing that the wisdom of the officials of the present administration far outweighs that possessed by all the great statesmen throughout the life of our Nation? They had political differences * * * many of them; but never at any time have any of the wise leaders of the past questioned the fundamental principles of our Government laid down by our Constitution. Any one of these men would have shuddered in horror if they were faced with the revolutionary changes with which this country is now threatened. Why should we ignore the beneficent results that have come to us throughout the long period of our national life?

Why try during a protracted depression to make new paths through the wilderness of experimentation?

We know that certain results have been accomplished in previous years by following certain governmental policies, and similar profitable results can be expected by adhering to them.

We became the wealthiest Nation in the world, with the highest standard of living for what we call the common people. Wealth has been more thoroughly distributed here than in any country throughout the entire history of the world.

There can be no evasion. Much of the restrictive legislation advocated by the present administration will rob us of our liberties. Patrick Henry's famous slogan, "Give me liberty, or give me death," has been implanted in the hearts and souls of our people, and God forbid that we should have to part with these invaluable privileges.

We should all become crusaders, every one of us who realizes the dangers we are facing.

The situation is not unlike the experience of a son who suddenly, at the death of his father, takes over the management of a huge fortune * * * built up through years of careful hard-headed management.

The son has new ideas. His father is an old fogy, so he believes. He risks his wealth in various new enterprises, and in a few years the entire fortune is dissipated.

It will take several more years to dissipate the colossal credit of this great Nation accumulated previous to the New Deal, but every citizen should realize the imperative necessity of living within our income. It is just as important for a government as it is for an individual or a corporation.

Although the present enormous taxes are fast becoming confiscatory, they fall short by many billions of paying our expenses. The national indebtedness is increasing at the rate of from eight to ten million dollars every day.

These calamitous facts should be given consideration. It is time for us to wake up and realize this Nation belongs to us, and if we desire to keep it intact * * * if we want to continue to retain our liberties * * * we will have to vote in a manner to uphold the principles of government that have been the source of our great wealth and have given us the invaluable privileges which have been ours throughout the life of this Nation.

BERNARR MACFADDEN.

Tribute to Christian Heurich, Sr.

EXTENSION OF REMARKS
OF
HON. ANDREW C. SCHIFFLER
OF WEST VIRGINIA
IN THE HOUSE OF REPRESENTATIVES
Tuesday, July 18, 1939

RADIO ADDRESS BY HARRY J. THOMPSON

Mr. SCHIFFLER. Mr. Speaker, under leave to extend my remarks in the Appendix to the RECORD I include an address delivered by Mr. Harry J. Thompson.

It is appropriate, I believe, to point out some pertinent facts in connection with the address, which I will quote.

First, this is essentially a public tribute to an employer by his employees. This spirit of cordiality and of appreciation by union workers and, indeed, by all workers, is to be commended. This Nation needs more of that same spirit. Here we have a public tribute that is a profound thing—a radio address delivered on behalf of 350 employees, paying their respects to Christian Heurich, Sr., nearing 97 years of age, who operates in the District of Columbia the oldest brewery under the same management in all America.

I should like to point out also that this public tribute to an employer by his employees was made possible through devotion to public service by radio station WJSV, of Washington, which is owned and operated by the Columbia Broadcasting System. Here is radio at its best—an institution for the diffusion of public information, for the public welfare. The address was delivered on the Labor News Review radio program, which station WJSV has presented continuously as a public service since the summer of 1934 and which has become the oldest continuously presented labor

radio program in all the world. Devoted to facts and avoiding participation in any controversy within the ranks of labor, the Labor News Review has become a worthy institution, rendering a first-class public service that is highly regarded, not only by labor but by the entire public. Nearly 150 guests have appeared on this program, including high labor officials, Government officials, and others, and it now also includes a section known as the Women's Labor Review, in addition to the major feature, which is a weekly summary of trends and events as they affect all labor, and the Labor Question Box, in which all questions concerning labor and industry are promptly and correctly answered.

These matters are brought to the attention of the Congress and placed on undying record in the historic pages of the CONGRESSIONAL RECORD not alone because of what they are but as well for what they represent. They transcend local boundaries in their importance and stand as practical examples—one of a public service of great values and the other of a commendable public tribute by a large group of workers to their honored employer. Both of these actions transcend any individual concerned, as well as any community, to the greater significance of our national well-being.

The peaceful adjustment of differences between groups, as between individuals, and the patriotic devotion of all to the best interests of our national peace and progress, are best aided by better public understanding and by expressions of appreciation for the good that is done. The address which I will quote and the radio program which I have discussed both serve most effectively this commendable purpose.

The address of Mr. Harry J. Thompson, business representative, Brewery and Yeast Workers' Union No. 48, over radio station WJSV, July 8, 1939, is as follows:

A TRIBUTE TO CHRISTIAN HEURICH, SR., BY THE UNION REPRESENTING HIS EMPLOYEES

Perhaps I should make it clear at the outset that the information which I have gathered for presentation here has been prepared from the workers' viewpoint, and is presented as public information; in fact, as a public service. We believe too little is known about the very few substantial industries in the District of Columbia that give employment to residents here; too little is known about how they operate and who is concerned in the operation. Accordingly, the union which I have the honor to represent, "Brewery and Yeast Workers' Union No. 48," requested sometime ago and renewed the request recently, to Albert N. Dennis, producer and broadcaster of the Labor News Review, over Station WJSV of the Columbia Broadcasting System, the privilege of presenting the story of the 350 employees of the Christian Heurich Brewing Co. and particularly a workers' tribute to the founder of that industry. In keeping with the high standard of public service for which the Labor News Review has long been noted, the request of my union has finally been granted, and it is a pleasure, indeed, for me to present what I believe to be an unusually interesting summary.

In preprohibition days, there were five breweries in Washington and one in nearby Alexandria. At present there is only one, the Christian Heurich Brewing Co., whose present modern brewery is located at Twenty-fifth, Twenty-sixth, D, and Water Streets NW, facing the park system and the Lincoln Memorial, this plant having been constructed in 1894. This brewery is the oldest in the United States to be continuously under the same management, and it seems to me especially fitting that the message of its employees be presented on this, the oldest continuously presented labor radio program in the world.

The plant employs about 350 men. Some of these employees were with the firm in preprohibition days, notably Mr. Christian Stoll, the fermenting-cellar foreman, and Mr. John Gretlein, the stock-cellar foreman, both of whom have been with the firm over 40 years, as well as Mr. Dilger, superintendent of the bottling plant. Other employees in both the bottling and brewing houses have been with the firm from 20 to 35 years.

A brief sketch of the founder of this industry should prove of special interest: Christian Heurich, Sr., was born September 12, 1842, at Haina-by-Roemhild, Saxe-Meiningen, Germany. On next September 12 he will be 97 years of age. After securing a common-school education, he worked as a journeyman brewer in Germany and in Austria, including some of the most celebrated breweries of those countries, in order to perfect himself as a master in the art of brewing. He came to the United States in 1866, 73 years ago, with the determination to make a mark for himself in this land of freedom and progress. In 1872 he started his first brewery in Washington, later having a larger brewery on Twentieth Street, until 1894, when the present large and modern brewery was established. Thus, starting with nothing but an expert knowledge of brewing and a willingness to work hard, Christian Heurich has won for himself a foremost place in the brewing industry. He is a self-made man, ever a gentleman, a true friend, and an ornament to the trade.

Mr. and Mrs. Heurich have three children—two daughters and one son. Mr. Christian Heurich, Jr., is following in his father's footsteps with energy and enterprise. He is sports-minded, also sponsoring basketball, soccer, baseball, and bowling. He was instrumental in having a very fine gymnasium built at the brewery. Mr. E. C. Eckles, son-in-law of Mr. Heurich, is also prominently identified with the brewery, and representatives of employees speak highly of his dealings with them. Others concerned with the plant management, to whom Brewery and Yeast Workers' Union No. 48 wishes to pay cordial respects on this occasion, include Messrs. R. H. Gangwisch, general manager; Eric Dilger, managing bottling department; A. J. Narr, manager keg department; H. A. Price, acting chief engineer; Cr. R. Streeks, chief accountant; W. A. Stowell, personnel and purchasing agent; and W. A. Brooks, manager ice department. All concerned with the management have established sound reputation for "getting along" with employees through fair and considerate treatment. And now these employees, members of Brewery and Yeast Workers' Union No. 48, are glad to have this opportunity, through the medium of the Labor News Review, over station WJSV of the Columbia Broadcasting System, of publicly expressing their appreciation, as follows:

"Brewery and Yeast Workers' Union No. 48, congratulates and extends sincere good wishes to our honored employer, Mr. Christian Heurich, Sr., as he approaches the ninety-seventh milestone in a long and useful life. We all hope he will continue to brighten our lives and to inspire our community for many years to come. Likewise, the 350 employees of the Christian Heurich Brewing Co., through our union, bespeak for this worthy enterprise the cordial good will of all."

That in brief is our story. It does not need embellishment.

A Monument to Chief Joseph

EXTENSION OF REMARKS

OF

HON. USHER L. BURDICK

OF NORTH DAKOTA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 18, 1939

LETTER FROM J. M. PARSONS

Mr. BURDICK. Mr. Speaker, a bill has been introduced in the House to appropriate $25,000 to erect a monument to Chief Joseph of the Nez Perce Indians. This is known as H. R. 4331.

In the matter of monuments we should make sure that such monuments are deserved, no matter what the cost may be. Twenty-five thousand dollars is not too much for a monument to some worthy person, but there are two reasons why this act should not be passed now. First, this $25,000 will feed a thousand families for more than a month this coming winter, according to the grants administered by the Farm Security Administration. Second, the question of whether Chief Joseph deserves a monument has never been established. Among his own people there has always been and still is a feeling that his record deserves no such recognition. First of all he was not a full-blood Nez Perce; second, he was not a recognized chief of any great number of the Nez Perce; third, he could not have been the great leader and director of the master retreat of the Indians across Montana. History says he was, but history has never been written from Indian facts.

I submit herewith a letter on this subject just received from a full-blood Nez Perce and president of the tribal business committee of the Nez Perce Indians. The letter follows:

KAMIAH, IDAHO, *June 21, 1939.*

The Honorable USHER L. BURDICK,
Representative, North Dakota, Washington, D. C.

MY DEAR SIR: If it is not too late, I would like to ask you to oppose the passage of a bill to provide a congressional appropriation of $25,000 for the erection of a monument and museum at Lapwai, Idaho, in memory of Chief Joseph.

I am informed that this bill has been favorably reported in by the House Library Committee, No. 4331, if I remember correctly.

Lapwai, Idaho, is on the Nez Perce Reservation, and, as I understand, the presumption is that Chief Joseph was a Nez Perce chief and leader of the Nez Perce war, and therefore the memorial monument should be set up within the reservation.

This is incorrect. Joseph was only fractional part Nez Perce; he was not chief of the Nez Perces; and he was not the leader of the

Nez Perce war. This, of course, is contrary to recorded history; but history is glaringly in error when it ascribes to Joseph all these things.

Chief Joseph's name is linked with the Nez Perce war only because the origin of Nez Perce troubles arose in the Wallowa Valley, where a small band of the Nez Perces roamed under the regime of Old Joseph (the Chief's father). And since Chief Joseph, by birth part Umatillan, had assumed leadership after the death of his father, the Old Joseph, the army and civilian authorities seeking to adjust the Indian troubles made direct negotiations with the chief. And when Joseph had finally acceded to comply with the orders to go on the Nez Perce Reservation and subsequent events developed which brought on the war, all or most of the attempts made by the army and the civilian authorities to conciliate the warring Indians were made through Chief Joseph on the assumption that he was the leader and chief of the Nez Perces.

When the Nez Perces finally surrendered at Bear Paw Mountains October 5, 1877, the few remaining fighters of the Nez Perces drew to the background while General Miles sought out Chief Joseph to complete the arrangements of the surrender.

In fact, however, the leaders and directing chiefs of the Indian forces were Chief Lookingglass and Chief Whitebird and their veteran warriors during the entire war from the battle of Whitebird June 17, 1877, through the battles of Clearwater, Big Hole, Camas Meadows, Canyon Creek, and Bear Paw Mountains. Neither Joseph nor any of his men were familiar with the buffalo country, and it could not be logical to say that Joseph directed the long retreat into Montana, as has been claimed for him. On the other hand, Chief Lookingglass and Chief Whitebird were annual sojourners on the plains and their followers were noted for their prowess as fighters among all the plains Indians, not excepting the Sioux and other large tribes. Thus it was natural for them to find the devious routes for the retreat which was not the most convenient for the pursuing soldiers.

One other important point, Chief Joseph was not the man which history would place before the educational institutions as has been suggested along with the erection of the memorial. He is guilty of wantonly killing a white woman, Mrs. J. Manuel, while he was under the influence of liquor. On June 15, 1877, the chief and two companions, also under the influence of liquor, visited the home of the Manuels on Whitebird Creek, where friendly Indians were keeping guard over the wounded Mrs. Manuel and baby with the understanding that the woman would be given aid in escaping to the white settlement. Joseph proceeded to wrangle over the succoring of the enemy white woman, and when the friendly Indians remonstrated, the chief reached out with a dagger and plunged it into the breast of the woman, killing her almost instantly. General Howard had heard of this soon after the war but refused to believe it. There is an old warrior living today who was present when the killing took place, and it has been generally known among the Nez Perces that Joseph committed the deed.

I am a full-blooded Nez Perce, president of tribal business committee, American Legionnaire, and I am engaged in writing history of the tribe and particularly the Nez Perce war from the Indians' viewpoint. The foregoing statements are verified.

Very respectfully,

J. M. PARSONS.

Many Filipinos Ask for Investigation

EXTENSION OF REMARKS

OF

HON. JOHN G. ALEXANDER

OF MINNESOTA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 18, 1939

RESOLUTION ADOPTED BY THE NATIONAL CENTRAL COUNCIL, YOUNG PHILIPPINES, INC., ON JUNE 10, 1939, AT MANILA

Mr. ALEXANDER. Mr. Speaker, every interest in the Philippines is asking Congress to proceed with consideration of my resolution (H. R. 193) to investigate our problems in those islands. I am daily receiving letters, petitions, and newspaper articles praying for action. Businessmen, civic and political organizations, and all factions, except President Quezon himself, are asking for passage of this resolution. The following resolution, which has just arrived from Manila, and which was passed on June 10 by the popular youth organization known as Young Philippines, Inc., is an illustration of the desire of our Filipino subjects:

Whereas Representative JOHN G. ALEXANDER, of the United States Congress, has presented a bill appropriating a certain sum of money for the expenses of a congressional committee to investigate alleged charges that there is a trend toward dictatorship in the Philippines, and that government officials have connived to deliver the resources of the country to foreigners;

Whereas if there is any truth to the charges the proper remedies could be applied to ameliorate existing conditions, and if the investigation should reveal that there is no ground for the charges then the good name and reputation of the Philippine government could be established in the eyes of the American people and of the world: Now, therefore, be it

Resolved, and it is hereby resolved, That the Young Philippines express itself as favoring the proposed investigation, and that the text of this resolution be relayed to Representative ALEXANDER in gratitude for his interest in the welfare of this country, to other Members of Congress, and to the press.

Adopted this the 16th day of June 1939 in the city of Manila, P. I.

WENCESLAO Q. VINZONS,
President.

Attested:

GREGORIO C. ASIS,
Acting Secretary.

Futures Trading—A Respectable Racket

EXTENSION OF REMARKS

OF

HON. USHER L. BURDICK

OF NORTH DAKOTA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 18, 1939

Mr. BURDICK. Mr. Speaker, recent press dispatches tell of the alleged embezzlement of half a million dollars by Dr. James Monroe Smith, fugitive president of Louisiana State University, which he is said to have lost in playing the wheat futures market.

The commodity futures market is undeniably a gambling racket. Yet, strange as it may seem, it appears to be respectable. Ultrarespectable men and women, who move in the highest circles of polite society, and who frequent the most aristocratic clubs and churches, play the futures market without compunction of conscience.

Why not? In the schools and colleges it is regularly taught, thanks to the effective propaganda of the commodity racketeers, the futures trading is perfectly legal and legitimate and that it serves a fine economic purpose. Professors of agricultural economics regularly teach their pupils as facts those things which, if said by a witness in court, would cost him a stretch in the pen for perjury.

The fact is that those persons, brokers and customers, who play the wheat futures market violate the criminal code every business day of the year. No prosecutor has the courage to go up against that powerful, highly organized racket. The professors who teach their pupils that the wheat futures market is a market for the future delivery of wheat pervert the truth, ignorantly or intentionally. The 1938 Report of the Commodity Exchange Administration shows that only thirteen one-hundredths of 1 percent of the volume of wheat futures trading for that fiscal year resulted in delivery of actual wheat.

Every sale in the wheat futures market is a short sale. It is a gambling game, denounced by the courts as such.

Every play in the wheat-futures market results in a winning on one side and a loss on the other side.

They say that, even if the wheat-futures market is a gambling game, it serves a useful economic purpose as a price-making device. And what prices it makes! The game not only cause loss to half of the people who play it, but it also, at the same time, fixes a low ceiling over the price of wheat, in the domestic market as well as in foreign trade.

Our educational institutions have much to answer for in their attitude of sponsorship for this heinous racket. When the truth about this devastating game becomes known to the public, our presidents and professors of colleges and universities will have plenty of explaining to do.

It matters not that President Smith lost rather than won in playing this iniquitous game. The fact that he is said to have embezzled half a million dollars from his university is not half as important as the fact that he played the game

at all. If President Smith had won instead of lost, nothing would have been said and no doubt he would have been considered as a wise and able financial administrator. The trouble was he played at the wrong end of the table. He should have been in with the operators themselves and in that event he would have been guaranteed against any loss. He played at the end where the outsiders play and no outsider ever escaped the inevitable losses which must follow in playing a game where the opposition deals all the cards.

We should permit no such place in the United States—places where able and respectable men can hand their money or other persons money over to an organized racket—organized to win for them.

The Smith case is a deplorable example of how good men can be fleeced and degraded and ruined, but the devastating damage to a few individuals is not to be compared to the annual losses to farmers who proceed lawfully to grow their crops only to have this organized gambling institution, known as the Board of Trade, manipulate the prices and fix a ceiling over prices beyond which the cash value of the farmers' annual crops cannot go. Foreclosed farms, dispossessions, dilapidated buildings, neglected families, testify to the work of this system of organized robbery.

What will Congress do about it? Nothing, is my answer. I have had a resolution pending before the Rules Committee for 6 months asking that committee to allow my Resolution No. 25 to come out on the floor of Congress for discussion. I have appeared before the committee to answer any and all questions within my knowledge, but yet, no report on that resolution.

Who Pays the Taxes?

EXTENSION OF REMARKS

OF

HON. CARL T. CURTIS

OF NEBRASKA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 18, 1939

Mr. CURTIS. Mr. Speaker, who pays the taxes? Recently a protest went up in the House of Representatives when a gentleman representing a district which manufactures certain well-known brands of cigarettes claimed for his district the payment of enormous sums in taxes. All the other Members contended that the consumers in their districts paid their just share of the taxes on tobacco. In this they were correct. The manufacturer merely collected the taxes and turned them over to the Government.

But why confine this analysis to tobacco alone? All taxes are ultimately paid by the consumer. The middle-class people and the poor people pay the bulk of the Nation's taxes in increased living costs. Many a poor man, who has little or no property to list with the assessor, is a heavy taxpayer in his purchase of the necessities of life for himself, his wife, and his children. Manufacturers' taxes, sales taxes, pay-roll taxes, and all other of the many kind of taxes create increased labor costs and production costs, which in turn means that we pay more for shoes, tractors, mowers, plows, overalls, medicine, and other things that we must have.

Industry passes these added charges on to the next fellow, and so on until the article reaches the consumer. I do not mean to say that taxes are not destructive to industry and business, because they are. The increased cost of goods cuts down the amount of goods that can be manufactured and sold, and there are cases where business cannot pass on these added burdens.

But, Mr. Speaker, I call your attention to the peculiar position of the farmer in our tax scheme. In the first place the farmer cannot escape assuming all these added costs on the machinery, repairs, clothing, foodstuffs, tools, equipment, and other articles he must buy. In the second place the farmer cannot pass on to someone else any part of these added costs. Who ever heard of a farmer demanded and receiving a few cents more for a bushel of wheat or a pound of butter or a dozen eggs because he has had to pay added charges on what he must buy?

The trend of the Government for the last 8 years has been to increase the spread between the price of the things a farmer must buy and the price of the things he has to sell. This wild spending orgy and the costly enlargement of the functions of government have been at the expense of the farmers of America. The national debt will be an unjust weight on the backs of the farmers for generations to come.

Farmer-Labor Relations

EXTENSION OF REMARKS

OF

HON. BERNARD J. GEHRMANN

OF WISCONSIN

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 18, 1939

RADIO ADDRESS BY LAURIE E. CARLSON

Mr. GEHRMANN. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following address by Assemblyman Laurie E. Carlson, over radio stations WHA, Madison, Wis., and WLBL, Stevens Point, Wis.:

Fellow citizens of Wisconsin, I want to discuss with you today one of the most important and one of the most profoundly disturbing problems of our time. I refer to the so-called clash between agriculture and labor, and I mean "so-called" because the clash exists only in the cunning strategy of the exploiting class of America and Wisconsin.

At the very outset I want to tell you that I am myself a farmer, that I came from a farming family, and that my people for years have struggled to win a living from the soil.

The question of farmer-labor relations is uppermost in my mind because as a member of the legislature I have lately witnessed a cold-blooded, well-financed campaign by the wealthy interests of Wisconsin to drive a wedge between farmers and laborers.

Now, you and I know that the natural, the normal relationship between agriculture and labor should be one of complete harmony and cooperation. Both groups furnish the producers of America—the workers, whether on the farm or in the factory, who actually create the Nation's wealth.

Their interests are identical. Both farmers and laborers are struggling constantly for a greater share of the wealth they create. Their goal is to preserve for themselves a large enough portion of that wealth to provide a decent and a comfortable standard of living.

Given this common objective, it is only logical to conclude that they will work closely and harmoniously together in pursuit of identical goals.

It is true that sometimes farmers and sometimes laborers do not quite understand the singleness of their common objective. But one group in society has grasped its significance and its implications. And that group—the group which makes handsome profits by selling the products of farm and factory—had determined that its own selfish interests will best be served by keeping these natural allies apart.

Manufacturers, processors, and big business generally have worked out a brutal formula of disunion which is calculated to prevent agriculture and labor from joining forces. For big business knows, and knows only too well, that if farmers and laborers pool their resources for common purposes they can secure for themselves a sufficiently high standard of living which will cut into the profits of capitalist management.

The strategy of big business can be summed up in cold-blooded military terms with the old strategy of divide and conquer.

I feel deeply about this because, as I said before, I am both a farmer and a member of the legislature who has had a chance to watch the greed-inspired strategy of big business in actual operation.

After all, the best customers we farmers have are the laborers in the city. You and I know that beyond a certain point wealthy families can consume no more of our products.

We also know, or should know, that our markets expand or contract in direct variation with employment and wage scales in the city. Given a fully employed and well-paid city population, the farmers of Wisconsin and the Nation would begin to enjoy the kind of prosperity about which we can only dream now.

Recently, at a program attended by 3,000 farm families, the University of Wisconsin's college of agriculture showed the graphic effect of city activity on farm prices.

Based on careful research by nonpartisan university scientists and economists, the survey showed that unless labor in the city receives a high income, dairy prices and dairy income cannot remain on a high enough level.

The university's study showed that the bulk of Wisconsin's dairy products are consumed by factory workers and city folk, and that when their income is low or unemployment is general the price received by the farmer drops accordingly.

After all, no good businessman hopes that his best customers' income will be cut, for he knows that if it is, his own income will be slashed proportionately. And yet a so-called farm organization in Wisconsin is pursuing a policy now which can mean only ruin for agriculture—a policy of driving down the wages of laborers, the very people who buy an overwhelming portion of the crops we farmers produce.

The group goes by the name of Wisconsin Council of Agriculture. It is a sort of super holding company, to which a number of farm organizations, rather than individual farmers, belong. And yet this Council of Agriculture lobbies before the legislature as the representative of 80,000 Wisconsin farmers.

As an alleged farm organization, you might expect that it would spend farmers' money to further the cause of agriculture before the legislature. Instead, it has taken our money to open a suite of offices in Madison's most expensive hotel, to hire Milwaukee attorneys, and to pay for a full staff, and for what? For agriculture?

I wish that were the answer. We'd all feel much better about it. But tragically enough, the answer is quite the reverse. The council of agriculture has thrown what strength it has behind big business' drive to cripple the farmer's best customer—the workers in the city.

Yes; it does sound incredible. But that's precisely what has happened. The council of agriculture has become the stooge or errand boy of big business, and it has completely replaced the manufacturers' association as the most vicious antilabor force in Wisconsin.

While the big boys lurked in the background, this self-styled farm organization carried on a brutal and indefensible campaign of hatred against labor, a campaign which culminated in the passage of the incredibly barbaric "employment peace act."

This new law is designed to smash unionism in Wisconsin and to drive down the standard of living in the cities. This can only mean an accompanying decline for us farmers. And yet all this was done in the name of agriculture.

The council's position as a front for big business became so obnoxious that two of the most powerful component units of the council withdrew. I refer to the Midland Cooperative Wholesale and the Farmers' Cooperative Milk Pool.

Both agencies denounced the vicious assault on organized labor. Only a week or two ago, at its annual convention at Wausau, the milk pool unanimously adopted a resolution blasting the council's smear campaign on urban labor.

The milk pool's resolution pointed out that the council's attack on labor was absolutely uncalled for, that members of the pool have enjoyed cordial relations with organized labor, and that both agriculture and labor can prosper only if they work wholeheartedly together.

Anyone who studies the history of recent legislation both in Wisconsin and in Washington knows that only through the cooperative action of both groups can each attain the goal it seeks.

After all, the rural-electrification program which has benefited thousands of farm families in Wisconsin, was passed in Congress and in the legislature only with the help of labor votes. I was deeply conscious of this in 1937 when as a farmer I watched a labor organizer introduce and fight to pass a bill designed to help Wisconsin farmers secure the benefits of electricity which have so long been denied them.

Similarly, it was labor votes which helped pass legislation for milk control, for easing of farm mortgages, for payment of benefits to farmers, and so on. Without the support of labor representatives both in the National Congress and in the State legislature, such remedial farm legislation could never have been enacted into law.

It is this very success in cooperation between farm and labor groups which led the country's exploiters to the decision that they must be divided. As long as they worked together, both agriculture and labor would continue to achieve some measure of progress along their common path.

But in the degree that they advanced, big business retreated. When farmers get more for their products and labor gets more for its work, big business, of course, must be satisfied with less profits. And big business refused to accept that remorseless logic. It thus pooled its power and wealth in a shrewd and bold effort to divide agriculture and labor.

Farmers may be fooled for a while. Labor may be fooled for a while. But take it from one who has watched the struggle at close range, we won't be fooled for much longer. After all, we do have a vital interest at stake—our very security and the security of our children.

That is why I want to appeal to you today, to you farmers and you laborers, to examine and to understand the implications of the destructive course now being pursued by the Wisconsin Council of Agriculture.

It is a course inspired by malice and greed, a course mapped out by ruthless business interests which deem it much wiser to lurk in the background while an alleged farmer organization carries the ball for them.

We have seen the disastrous consequences of such a policy on the Pacific coast. There an organization known as the Associated Farmers, Inc., has directed the drive to divide labor and agriculture. And like our own Council of Agriculture, which copied the western technique, the Associated Farmers' organization is dominated and controlled by wealthy interests with no concern for the farmer's problems. Its only interest is to divide agriculture and labor and thereby rule both unmolested.

I wish you could have sat with me in the legislature and watched the operation of this cold and merciless strategy. I wish you could have seen how the Wisconsin Chamber of Commerce, big business' own organization, applauded the Council of Agriculture's fight against labor on the one hand and opened warfare against legislation in behalf of farmer cooperatives on the other hand.

If you could have seen this in actual operation, I feel sure that you would agree with me that the time has come for us to act; the time has come to tear away the mask from this alleged farm organization and show it to the world for what it is—a well-paid front for big business.

I feel confident that if we farmers and the representatives of labor can sit down together and discuss our mutual problems that we can work out a sensible program of common action which will not only provide the way for a decent standard of living for the two great producing groups, but will also strike a mortal blow at our common enemy.

In Re Pending Conference Report on H. R. 6635—Social Security Act Amendments

EXTENSION OF REMARKS

OF

HON. CHARLES A. PLUMLEY

OF VERMONT

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 18, 1939

Mr. PLUMLEY. Mr. Speaker, the financial set-up of some 28 States is directly or indirectly, and disadvantageously, affected by the mandatory amendments, adopted by the Senate on July 13, requiring $10 of State money as a minimum per beneficiary.

My duty is to represent Vermont in the Congress, so may I say that if the Congress approves this so-called Johnson amendment which became a part of the measure as it passed the Senate on Thursday, the State of Vermont will be obliged to have a special session of the legislature to vote more money for old-age assistance or will have to reduce the number of recipients now on the rolls. Other States are similarly disastrously affected.

The leading daily newspaper of Vermont, the Burlington Free Press, makes the following comment upon the Senate's action:

The Senate, in what appears to have been hasty action, provided for a $25 per month minimum pension, in order to secure Federal assistance we assume, since the Congress cannot compel the States to adopt any particular pension minimum except as it exercises this power to withhold Federal aid. The State would be expected to provide a minimum of $10 per recipient while the Federal Government would supply $15.

This is another attempt to push the States to raise their appropriations for old-age assistance, and also an attempt to remove the old-age assistance grant from the basis of need and put it on a flat rate basis not governed by need.

The Free Press opposed such a proposal when it was before the people of Vermont in the gubernatorial campaign last fall, and we oppose it today. The people of Vermont very definitely repudiated it in the November elections last year, and again through their representatives in the legislature.

In fact, the refusal of the legislature to give Director W. Arthur Simpson, of the old-age assistance department, as much money as he asked for to carry on the work of this department for the coming 2 years seems to indicate that Vermonters feel it is well to go slow on increasing old-age assistance payments now that the biennial appropriation has passed the $1,000,000 mark.

Director Simpson has reported that the old-age assistance department paid benefits to 5,677 recipients in Vermont during the month of June, and that the average monthly benefit was $15.06.

Since it may be assumed that the Federal Government matched the State on each grant made, the State's share of this $15.06 average was $7.53. If this were increased to $10 per person as the State's share, it would mean an additional $2.47 per person per month, or $168,266.28 additional for the year.

Perhaps the money could be found for this, if it were thought necessary. But that isn't the whole story. The State of Vermont is not now giving assistance to all who are in need of it, according to Director Simpson. He reported recently that his department was unable, because of lack of funds, to give aid to 339 out of 570

applicants who had been investigated and found eligible for assistance. He said, also, that it would be necessary for the department to reduce its case load this month.

Mr. Simpson has taken the sound position that the State should make the money available help as many persons as need it, so far as that is possible, rather than pay larger benefits to a smaller number of people and refuse some who need it.

Thus, if and when we decide to increase the State's contribution for old-age assistance, we believe most Vermonters will agree that it should be used to help more old people who are in need of help rather than trying to pay larger benefits to those now receiving it.

If with present appropriation it became necessary for the State to pay a minimum of $10 per month as its share of old-age assistance, the number of recipients would have to be reduced from 5,677 to approximately 4,275.

In a letter addressed to me, Director Simpson, a recognized authority on such questions and one whose reputation as one of the most efficient State administrators is as well known to you as to all those who are familiar with such matters, states:

Any attempt to fix minimum amount of old-age assistance by legislative enactment destroys "means test" as requisite for aid and opens the door for pensions for all the aged. Good social practice requires that public assistance be given on the basis of need as determined by sound budgetary standards. In Vermont, our policy has been to make grants on basis of budgetary deficiency whatever it may be. Grants range from minimum of $5 a month to a maximum of $30. Within these limitations the needs of recipients are quite as well met with smaller as with larger grants. The issue in Congress, by the way, has been much confused by reference to "average monthly grants." Grants are variable according to the need of the individual. Any other basis of aid becomes a straight Federal pension for which all the aged may become eligible and is economically disastrous and socially unsound.

Establishing minimum grants on the part of the State in order to secure Federal participation would require Vermont to raise additional funds amounting to $175,000 annually to meet present case load. It would open the door to many thousands with no sound reason for denying aid. It might conceivably cost Vermont upward of $4,000,000 per year. Entire philosophy of present program would be destroyed and such a policy would easily be beyond economic capacity of the Nation.

Connally amendment with two-thirds Federal participation on grants not exceeding $15 would provide nearly $8,000 extra money each month for Vermont on present case load. It would not increase average monthly payment since payments of $15 or less, or more, are established entirely on the basis of need. It would simply give us additional money to spend on pending cases not now receiving aid.

Political implications and economic consequences of yielding to the liberalizing proposals would be disastrous since it is frankly the objective of certain forces to obtain greater and greater benefits.

I do not wish to add to the foregoing, nor can I overemphasize the importance and necessity for careful consideration of such proposals, loaded with dynamite, as are found in the amendments to which reference has been made above.

I just cannot believe that a conference committee, or the House or the Senate, could, after considered judgment prevails, willingly and knowingly agree to perpetrate, perpetuate, or support such a prejudicial piece of legislation.

Port of Portland, Oreg.

EXTENSION OF REMARKS

OF

HON. HOMER D. ANGELL

OF OREGON

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 18, 1939

LETTER FROM THE PORTLAND (OREG.) CHAMBER OF COMMERCE AND EDITORIAL FROM THE PORTLAND OREGONIAN

Mr. ANGELL. Mr. Speaker, the Port of Portland occupies a strategic position in shipping in the Pacific Northwest, being located on the Columbia River, the second largest river in the United States, over 100 miles inland and on tidewater. It is in an excellent location. Through the Columbia River Gorge it has a water-level haul eastward to the great hinterland, where originates immense traffic from the farms, mines, and forests of Oregon, Washington, Idaho, and Montana. With the Bonneville Dam and the development of the Columbia River, it has the only natural outlet for water transportation for this great producing area. Through the years it has afforded immense outgoing water-borne traffic. There was furnished in out-bound local-originating cargo in this port area more than any other port on the coast, excepting for the petroleum areas of southern California. For many years the Columbia gateway port maintained an American-flag line to the Orient which was successfully operated. It was one of the few similar concerns that paid its bills and paid for its vessels while giving dependable service. The line was maintained under subvention contracts made pursuant to existing laws. The Maritime Commission has canceled these contracts, thus placing the port of Portland at a disadvantage with other Pacific Coast ports which are allowed to maintain such lines.

The Portland Chamber of Commerce addressed an open letter to the Maritime Commission with respect to this matter, which I ask leave to include as a part of these remarks. It is as follows:

GIVE US SHIPS

Maritime Commission:

GENTLEMEN: Columbia gateway ports over many successful years maintained an American-flag line to the Orient.

We furnished more out-bound local-originating cargo in this port area than any port on the coast, except for the petroleum areas of southern California.

We made this line a financial success and paid the Government the price it asked for the vessels sold to this port.

Our company was one of the few concerns that paid its bills, paid for its vessels and gave dependable service.

This line was working under subvention contracts made in accordance with law.

You canceled the subvention contracts, and announced that under the provisions of the Maritime Commission Act subsidies would be paid for American-flag foreign service, based upon the difference in cost of construction and the difference in operating costs.

We asked you following cancelation of this subvention contract to give our line a subsidy under the terms of the new law.

We have waited for more than a year for action on your part and believe you must admit we have been duly patient.

In the meanwhile you have established a Government-owned and operated line between San Francisco and the Orient, which will undoubtedly cost much money before it gets on an earning basis.

You have made an operating agency agreement with a Puget Sound company, under which you offer vessels for the trans-Pacific service, and you will take operating losses.

We have asked you before and repeat it now: Will you please act on one of these three bases: (a) Grant a subsidy to the private corporation which is ready to operate its ships under the American flag to the Orient; or (b) grant us an operating agency contract for a company that will be organized here to handle your vessels as from Puget Sound; or (c) give us a Government owned and operated line?

We cannot understand why we are not entitled to the same consideration as is being accorded to other ports of the Pacific.

We are ready again to prove the soundness of past operations and present evidence of prospective success under any of the three above plans proposed.

We are part of America. We are seeking an outlet for surplus commodities which the Nation wants exported. We have conducted our program in a businesslike way and we ask for a business response.

Should a troubled world be precipitated into war and foreign-flag tonnage scattered to the four winds, how can we protect our business to the Orient except under an American-flag line?

We are patiently awaiting a decision.

On May 31, 1939, the Oregonian, of Portland, Oreg., published an editorial concerning this subject which is worthy of consideration. It is as follows:

NOT ONE PORTLAND SHIP

When the New Deal came in we were told in buoyant tones that the past was a pattern of mistakes, but that a few deft twists of the wrist would make it all right again. At that time Portland was quite a center for home-owned ships, many of them plying to the Orient. Now the deft twists of the wrist have taken place and Portland is no longer such a center. It has been a successful piece of magic in reverse. The plant over which the magician murmured "Abacadabra," promising to make it grow, has all but vanished.

Take a look at the lead article by Lawrence Barber, the Oregonian's marine editor, in Tuesday's paper. It recounts the pleasing fact that wheat and flour shipments from this port for the 1938–39 season promise to break all records since 1928–29.

Then glance through the list of vessels, those coming, those going, and those in the port district. (On the average, 6 or 7 ships arrive each day, 6 or 7 depart, and 20 to 30 are in the Columbia and Willamette.) In the entire list there is not one, carrying on foreign trade, which is owned in Portland. But that is only the beginning of the humiliation. The fact is that not one of those engaged in foreign trade is owned in the United States. They are all under the foreign flags.

No wonder that the weekly publication of the Portland Chamber of Commerce, in the current issue, gives over its front page to an editorial which comes close to anger. The editorial is in the form of a letter addressed to the maritime commission. It opens with a statement of Portland's shipping greatness a few years back. Portland—it says—had a line to the Orient, and the Columbia ports furnished more "out-bound local-originating cargo" than any other area on the coast except for the petroleum center of southern California. The line was a financial success—one of the few—under the subvention contracts offered by the Government.

Then the subvention contracts were canceled and the Maritime Commission put into effect a new system of subsidies, but the appeals of Portland under this new system have been unavailing. A Government-owned and operated line between San Francisco and the Orient has been established. An agreement has been reached with a Puget Sound company for a trans-Pacific service. Both of these will be costly—probably far more costly than a line from Portland, where we had such marked success under the old mail contracts and where there is now so much originating cargo. But Portland has been appealing to the Maritime Commission for more than a year and getting absolutely nowhere.

In retrospect the whole business has been phooey. A subsidy is a subsidy under whatever name, and the old mail contracts were just as honorable as the new system based upon differences in cost of construction and operation as between American and foreign shipping. The money has to be supplied by the Government in either case. But the Roosevelt administration and the Democratic Congress had to do something to show how superior they were to the bad old Republicans—even if disruption of a going commerce was the price to be paid.

That, however, is water under the bridge. All we can hope for now is a little fair treatment—a recognition of Portland's position as a port, and an arrangement to end the present disgraceful situation, where the harbor is full of ships loading foreign-bound cargo, not one of them under the Portland flag or even the flag of the United States.

The Omnibus Transportation Bill

EXTENSION OF REMARKS

OF

HON. WILL M. WHITTINGTON

OF MISSISSIPPI

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 18, 1939

RADIO ADDRESS OF MR. FRED BRENCKMAN, WASHINGTON REPRESENTATIVE, THE NATIONAL GRANGE, JULY 15, 1939

Mr. WHITTINGTON. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following address delivered by Mr. Fred Brenckman, Washington representative of the National Grange, over the radio on the Grange hour, Washington, D. C., July 15, 1939, to wit:

I am glad for this opportunity to talk to you about certain phases of the so-called omnibus transportation bill, S. 2009, which is intended for the benefit of the railroads, and which has already passed the Senate. The House committee is writing its own bill in this connection. The final form it may take cannot be definitely foretold at this time.

Let me say in the beginning that the National Grange is in full sympathy with the idea that proper steps should be taken by Congress for the rehabilitation of the railroads. But we consider it a public duty to register a positive and emphatic protest against those provisions of the Senate bill which would make the carriers on the inland waterways and in the coastal service, together with private motortrucks, subject to regulation by the Interstate Commerce Commission. We believe that these particular provisions of the bill are contrary to the public interest.

The Grange maintains that there are only two legitimate grounds upon which the Government could justify itself in attempting to regulate water transportation. One of these grounds would be in the interest of safety, and the other to protect the public against monopolistic rates and practices.

So far as safety is concerned, the Bureau of Marine Inspection and Navigation, coming under the Department of Commerce, already looks after that. And when it comes to protecting the public against monopolistic rates and practices, the truth is that no monopoly exists among the carriers on our inland waterways nor in the coastwise trade.

HARMFUL AND UNNECESSARY REGULATION

The rivers, the lakes, and the seas are open to all. These are highways that were created by Nature herself. So far from breaking up any monopoly among the water carriers, which in reality does not exist, the Senate bill takes a long step toward creating a monopoly. The carriers that are now operating would be permitted to continue, subject to rules and regulations laid down by the Interstate Commerce Commission; but before it would be possible to establish a new service, it would be necessary to secure from the Commission a certificate of public convenience and necessity.

During the course of debate on this bill in the Senate, it was urged that the United States was committed to a policy calling for the regulation of transportation. Starting from this premise it was further argued that water carriers should be subject to regulation just as well as the railroads. But who would go so far as to say that everything in this country should be regulated, whether it was necessary or not?

There is no public demand whatsoever for subjecting the water carriers of the Nation to the type of regulation proposed in the Senate bill, nor is there a scintilla of evidence of discriminatory practices among the water carriers to warrant such regulation, which could not fail to increase transportation costs.

There are good reasons for believing that one of the prime purposes in seeking to bring the water carriers under the jurisdiction of the Interstate Commerce Commission is to increase the cost of water transportation, so as to bring water rates on a level comparable with rail rates, and to eliminate what some people are pleased to term "destructive competition."

The truth is that the Senate bill was largely inspired by a six-man committee composed of railroad executives and the representatives of railroad workers appointed by President Roosevelt last fall. It is worthy of note that the shipping public was without representation on this committee, which made its report and filed its recommendations in December. It is only natural that a committee thus composed, however well intentioned, should view the transportation problem from the standpoint of the railroads, minimizing and largely forgetting the interest that the people as a whole have in the proper solution of the problems involved.

The Senate bill, which is very complicated, and numbering nearly 200 pages, represents an attempt to codify the most important Federal laws relating to interstate commerce. Interlarded with this is a lot of new matter that is very imperfectly understood and concerning the purport of which the general public is very much in the dark.

EASTMAN VOICES DISAPPROVAL

Joseph B. Eastman, one of the ablest members of the Interstate Commerce Commission, who formerly held the important post of Coordinator of Transportation, in testifying on this bill before the Senate committee, said with great cogency and force:

"If you are going to undertake such an important job as the codification of the Interstate Commerce Act, I think, as a matter of procedure, the initial work should be done by a body representing the public, and that body should make a report which should disclose what it has done and the reasons for it, so that those who are directly interested and concerned can have full notice of what is being proposed, instead of being asked in the middle of a session to consider, without any such report, a bill of 183 pages, or two hundred-odd pages, and be asked to look that through and find out at their peril in what way it may affect them. I do not believe that is proper procedure."

That is the opinion of Mr. Eastman, who, as I have indicated, is one of our foremost authorities on matters relating to transportation.

Harry H. Woodring, Secretary of War, whose department from the beginning has been charged with the improvement of our inland waterways, has likewise expressed disapproval of the provisions contained in this bill for the regulation of water carriers. So has Rear Admiral Emory S. Land, Chairman of the United States Maritime Commission.

AGRICULTURE HAS VITAL STAKE

There are those who assert that water transportation means little or nothing in the solution of our farm problems. That is a great mistake. As an illustration, L. R. McKee, who has been a grain dealer at Muscatine, Iowa, for a quarter of a century, reports that last year several million bushels of corn were shipped south by boat from his section and the farmers in the vicinity of Muscatine were paid from 3 to 6 cents per bushel more for their corn than they could possibly have received if it had been shipped by rail.

By virtue of the fact that water rates are lower than rail rates, a considerable part of this corn was shipped through the Panama Canal to the Pacific coast, enabling American corn growers to compete with those of the Argentine in this market.

The farther farmers are removed from their markets, the more important transportation rates become. Several years ago I had a conversation with an apple grower who owns an orchard of 46 acres in the Yakima Valley of the State of Washington. He said that during the previous year, he had paid the railroads $23,000 for transporting the products of his orchard to market.

I have a letter from C. H. Bailey, editor of the Oregon Grange Bulletin, in which he states that one of his neighbors is a man who came to the Northwest from Arkansas 25 years ago to engage in fruit growing. He has developed a fine orchard of 100 acres, but high freight rates have made his business so unprofitable that

he has concluded to give it up and go back to Arkansas. He intends to sell his farm if he can. If not, he declares he will walk away and leave it.

Under present conditions, the farmers and fruit growers of the Pacific coast can effect some savings by shipping their products to southern and eastern markets by way of the Panama Canal. But if water rates should arbitrarily be raised to a level comparable with rail rates, this advantage would disappear and leave then in desperate straits.

We must not lose sight of the fact that the higher transportation costs that would inevitably result from the enactment of the pending bill would react to the detriment of the entire country. Those engaged in agriculture would be hard hit, because the farmer pays the freight both going and coming.

According to the Bureau of Agricultural Economics, last year the farmer received 40 cents out of every dollar spent by the consumer for food. During the depth of the depression, the farmer's share of the consumer's dollar dropped to 33 cents. While those engaged in transportation and distribution perform a legitimate and indispensable service, no fair-minded person can deny that when this service costs vastly more than the share received by the farmer or the producer, it amounts to the same thing as an economic crime.

HANDS OFF PRIVATE MOTORTRUCKS

As I indicated in the beginning, the Grange looks with disapproval upon that feature of the Senate bill which, under certain conditions, would make private motortrucks subject to regulation by the Interstate Commerce Commission. There is no legitimate excuse whatsoever for this provision, and no good purpose will be served by taking such a step.

According to the findings of a recent survey, not one private truck in 10 ever crosses a State line. These trucks are now subject to the rules and regulations that are in effect in the several States. Why should Federal control and regulation be superimposed upon State control and regulation? With the Federal Government collecting $6,000,000,000 a year in taxes and spending about $10,000,000,000, why should this expense be duplicated? Since about one-fourth of the more than 4,000,000 motor trucks of the country are found upon our farms, this is a question of vital importance to agriculture.

It is manifest that the Interstate Commerce Commission would need a small army of men to enforce any regulations in this connection that it might attempt to impose. Because no such force is available, the Federal Government of necessity would have to rely upon State agencies for the enforcement of Federal laws and regulations. But in many instances Federal rules and regulations might not be in harmony with State rules and regulations. So there would be conflict, confusion, and uproar.

These are not the only considerations involved. For many years the Federal Government has been steadily encroaching upon the rights and prerogatives of the States. Unless a halt be called on this un-American tendency, the result will inevitably be the destruction of our dual system of government.

Electric Power Rates in New Hampshire

EXTENSION OF REMARKS

OF

HON. FOSTER STEARNS

OF NEW HAMPSHIRE

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 18, 1939

EDITORIAL FROM THE CONCORD (N. H.) DAILY MONITOR

Mr. STEARNS of New Hampshire. Mr. Speaker, under leave granted to extend my remarks in the RECORD, I include the following editorial from the Concord Daily Monitor of July 13, 1939:

[From the Concord (N. H.) Daily Monitor, July 13, 1939.]

RANKIN ANSWERS BRIDGES

That some of the members of the administration in Washington would desire more than almost anything else to establish a T. V. A. in New England, and particularly in New Hampshire, is made certain by remarks of Representative RANKIN, of Mississippi, in the National House of Representatives. He devotes a long speech to New Hampshire electric rates, concludes they are the highest in the country, and winds up by saying:

"It is too much to expect that all this can be accomplished by regulation. To insure fair regulation at least one yardstick plant should be established in this section (New Hampshire) in order that public opinion can regulate the regulators (the Public Service Commission)."

Just why Representative RANKIN should be so interested in electric rates in New Hampshire is disclosed in his opening remarks, "Under the rules of the House," he says, "I cannot answer a United States Senator on this floor or refer to him by name, but I can answer the arguments and attacks made by a Member of another body on one of the greatest governmental agencies this Nation has ever created—the Tennessee Valley Authority." The reference is plainly to Senator BRIDGES, of New Hampshire, formerly a member of the Public Service Commission.

So the regulators need regulating? And New Hampshire needs a Federal yardstick electric utility plant?

This State permits municipal electric utilities. It hasn't many, though there is one at Wolfeboro. Such plants are yardstick plants. They are owned by the people and operated on a mutual rather than a profit basis. But their record is not sufficiently impressive to have stampeded the public of northern New England into municipal utility plants.

This State has a good public-service commission. It is working rates down, and where it has been unable to do so by suggestion it has not been afraid to use all the power which the people, through the legislature, have granted it, as witness the Concord Electric Co. case. These regulators are susceptible to public opinion. They live in New Hampshire.

Does Representative RANKIN think New Hampshire public opinion would be more effective upon some Federal agency down in Washington than it is on a State agency in Concord? That is what he would substitute for present methods.

It is funny that Representative RANKIN should be so concerned about New Hampshire when New Hampshire people have not asked for the type of protection which he suggests. That doesn't mean that New Hampshire people are completely satisfied with their electrical utilities or that they are ignorant of such yardsticks as T. V. A. It does mean that they have the feeling that no chain is stronger than its weakest link, and that if New Hampshire cannot by itself maintain its strength as one of 48 links, nobody else can or will do so.

Self-Liquidating Loans

EXTENSION OF REMARKS

OF

HON. ROY O. WOODRUFF

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 18, 1939

Mr. WOODRUFF of Michigan. Mr. Speaker, the Nation and Congress as well have been startled by the bold proposal of the President that the administration be given authority for a new borrowing and spending program of approximately $3,860,000,000.

The President has asserted that such a program would not cost the taxpayers a penny and that all of the projects would be self-liquidating.

This is an amazing statement in view of the fact that heretofore no one has ever considered schoolhouses and highways to be self-liquidating investments. The administration in this matter ignores as usual all rules of economy and that the average citizen is aware of the plain fact that when an individual or a corporation or a government purchases the means by which new wealth is to be produced at a profit, that is an investment, but when an individual or a corporation or a government spends money for something that is to be worn out and which will not produce new wealth, that is an expense.

For example, if a man buys a shoemaking machine with which to make shoes at a profit, he would be making an investment. If he buys a pair of shoes to wear out, he is making an expenditure.

The administration's habit of interchanging these noninterchangeable ideas, however, is not new. We have been told that a debt is not a debt, because we borrow the money from ourselves, and therefore we owe ourselves, and that if our posterity has to pay the interest it would be paying the interest to itself, so that the whole idea of a debt being an obligation to be discharged has been tossed into the discard by Mr. Roosevelt.

One might well inquire, since $500,000,000 of the President's proposed spending is money to be loaned to foreign governments which are in default to American bondholders, since when have loans to foreign governments become self-liquidating. If any nation has had any experience which shows these loans are not self-liquidating and even not collectible, the United States is that nation.

The most startling thing about the President's proposal, however, is his statement that this program will not cost the taxpayers a penny, which assumes, of course, that every loan will prove to be 100-percent sound and self-liquidating.

The plan is, of course, for different governmental agencies to sell to the people Government's I O U's and then use the money to relend at a lower rate of interest to seekers after loans whose credit is not of a quality to justify their requests at the private banks.

South and Central American bonds are in the hands of the American public. Thousands upon thousands of our citizens who own these bonds will be shocked when they learn that at his press conference of June 23 President Roosevelt dismissed their investments with an airy wave of his hand and the assertion that those loans now in default were "ancient frauds of the twenties." If foreign borrowers ever needed any word from any responsible spokesman of the United States to justify them in refusing to pay a dollar on their bonds, Mr. Roosevelt gave them that word. Having branded the loans made by Americans of their hard-earned money through bonds which are supposed to represent the integrity and ability of the issuer to pay as "ancient frauds," Mr. Roosevelt has probably foreclosed any opportunity American bondholders may have had to ever collect anything on their investments.

It would appear that the interests of American bondholders have been utterly sacrificed by the President in his eager desire to now pursue a plan which he condemned in 1932, to wit, to lend money to foreign governments in order to encourage them to buy American products.

The truth about the whole matter is that these foreign loans are to be political loans. They will not be liquidated, and the President's severest critic would hesitate to charge him with being so naive as believing any such thing.

The whole proposition, however, is indicative of the wild and irresponsible attitude of the administration about spending. Apparently the program, at least until the 1940 elections are out of the way, is to be spending and more spending in sums heretofore undreamed of by the American people.

Of course, in the final analysis, if the Congress should pass the measure now urged by the President, a very great portion of the money would be lost, and the burden would fall on the American taxpayer, just as the burden of the South and Central American defaults have fallen on the American people.

Scuttling the W. P. A.

EXTENSION OF REMARKS

OF

HON. JOHN G. ALEXANDER

OF MINNESOTA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 18, 1939

Mr. ALEXANDER. Mr. Speaker, I am in receipt this morning of a mimeographed pamphlet or strike bulletin sent down to me from a friend in Minneapolis, which bulletin has a heading as follows:

W. P. A. Organizer—Issued by the W. P. A. strike committee of 500, Federal workers' section, Local 944—vol. 1, Sat., July 15, 1939—Bryant and 7th Avenue No. —, No. 3.

Cops Murder Picket! Gas Women—Shoot Kids—Hide in Armored Cars.

In the body of the bulletin on page 2 I find the following illuminatory paragraphs:

Now who is this gent in the White House with the grin on his pan? Is he a friend of the workers? Then how come? No friend of the worker acts like this. No friend of the worker ever acted like this.

Let the F. B. I. and the ABCDEFG-men investigate this racket. The Woodrum starvation relief bill, with wage cuts and inhuman provisions, is supported by dear old Franklin Delano Roosevelt himself, and nobody else, and is administered by the man Frankie appointed—the Army czar, Harrington, who is using this 5-day dismissal deadline racket. This is not part of the Woodrum bill; this is Czar Harrington's own idea, and he takes orders from other people, namely Roosevelt.

Our stomachs can't tell you from anybody else, Frankie. We want decent food, decent treatment, and decent jobs, and we are willing to work for decent wages. Is this the richest country on the earth or isn't it?

In these days, in the light of this bulletin and with the Nation-wide W. P. A. strikes and bloodshed, with the charge being made that the administration intends thus to scuttle and liquidate the W. P. A., and with the greatest unemployment and relief rolls in the course of the entire depression, we are given cause to consider and to ponder just what the most constructive answer, and the best in the long run, is to this whole great problem. Is it to continue the W. P. A. or to scuttle it? Is it to set up the President's $3,800,000,000 loan program, or is it to institute a home-building program?

I am still forced to believe my suggestions in my remarks in the House on the subject of Relief and the W. P. A., on June 15, are the ones which good American citizens will eventually all have to accept and adopt as the answer.

Support for this theory comes to my office every day from all over the Nation in the form of letters of approbation and confirmation similar to the one which I am inserting herewith from the pen of Rev. Theodore Krebsbach of St. Joseph's Church in Minneapolis, who certainly hit the nail on the head with the second and third paragraphs of his letter which follows:

MINNEAPOLIS, MINN., *July 6, 1939.*

The Honorable JOHN G. ALEXANDER,
House of Representatives, Washington, D. C.

DEAR MR. ALEXANDER: This is just a little note from one of your constituents to compliment you on bringing to the attention of Congress the very constructive lesson that lies for all of us in Father Ligutti's work at Granger, Iowa.

I am very sure that we as a nation will have to proceed along some such lines as Father Ligutti has taken before we can expect our economy to function with any degree of equity for all our citizens. It seems to me that our present system is taking an appalling toll of the morale of those that have to depend on Government aid for their sustenance. The better type of people that find no other way of providing for themselves than to work on W. P. A. are frequently filled with consternation at the attitudes of their coworkers. It seems too bad that the immediacy of the problem makes this sort of project necessary. Certainly if the money we had spent on relief thus far had been largely used to promote some projects like Father Ligutti's and the execution thereof left largely in private hands, things would look much better than they do now; as a matter of fact, they look very much now as they did when all this started.

No doubt many clergymen of all denominations and other people capable of exercising the necessary leadership would be happy to pursue the road that Father Ligutti has blazed and lead those parts of their flocks that are stricken into the country and teach them to take care of themselves, if the loans could be made without too much folderol at headquarters.

Sincerely yours,

REV. THEODORE KREBSBACH.

In view of the economic, political, and social crisis which this country is facing, I hope the leaders of the Nation will demand that action be started along the line of Rev. Krebsbach's suggestion without delay. In the light of our present W. P. A. situation, and of our national and the international situation, it is high time that we get busy on a sound and constructive program and solution for our unemployment problem.

A Brief for Old-Age Refunds

EXTENSION OF REMARKS

OF

HON. JOHN M. COFFEE

OF WASHINGTON

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 18, 1939

ARTICLE BY WILLIAM V. COWAN, OF KIRKLAND, WASH.

Mr. COFFEE of Washington. Mr. Speaker, many citizens throughout the country have written me letters in reference

to a previous article written by Attorney William V. Cowan, of Kirkland, Wash., which I had printed in the CONGRESSIONAL RECORD. They expressed a desire to read further material prepared by him. Mr. Cowan is a thorough and sound progressive, highly educated, and very intelligent, and possessed of the type of mind which is receptive sympathetically to new ideas. Recently he wrote another article entitled "A Brief for Old-Age Refunds," which I consider to contain such meaty content as to be deserving of publication in the CONGRESSIONAL RECORD. The article discusses the problem of old age philosophically. I commend its scrutiny to all who are of warm heart and who desire to learn something more of the proper manner in which to treat the deserving elderly of our country.

A BRIEF FOR OLD-AGE REFUNDS

(By William V. Cowan)

The first vote has been taken and the line-up is on record. But it settled nothing. Every man in political life knows that the question will assume louder proportions in 1940. There is no escape. However, one may regard Dr. Townsend, he has at least succeeded in stirring up the old folk of the Nation. And they are stirred up. Every one of them is dreaming of the day when want and penury and starvation in this "land of plenty" will not be lurking in the corner with the cane and the crutch.

With that in mind, it might be wise to take another squint at familiar facts, even if they may now sound like platitudes. Old facts, rightfully viewed, placed in a different juxtaposition, sometimes assume a new aspect.

So why not meet this problem of old-age payments frankly and face to face? Is it mere charity, as some pretend? Is it economically unsound? Is it crackpot? Is it contrary to our boasted American system?

THE AMERICAN SYSTEM

What was the American system which Henry Clay fathered back in the 1830's? It was simply the tariff system, a sales tax on consumers by which owners of certain industries received an indirect subsidy, paid not by the Government itself but by the people—which, of course, results in the same thing. Both labor and farmers were duped into believing it advantageous even for them. Only by hard pinching of themselves have the American people slowly awakened to the tremendous extent and effect of this subtle, century-old thievery.

TARIFF SUBSIDIES

In 1897 R. Q. Mills, in the Halls of Congress, called it "legislative rapine and robbery," and said that the American people were even then, through the tariff alone, paying the privileged few annually the sum of $2,293,000,000. Considering the higher tariffs of later years, it is safe to estimate that for the past 60 years and more the consumers of America have paid an average annual tax of $4,000,000,000 to the tariff beneficiaries alone. Nor does that sum include the enormous and ever-increasing subsidies to railroads, shipping, and the like. In addition, there is also the all-important power to coin money and regulate the value thereof, which Congress generously turned over to private bankers.

Small wonder then that we have a prolonged depression in the 1930's. A century of political and economic sins have finally found us out. A nation cannot tax its populace for a century in that fashion and expect any other result. It cannot create monopolies, encourage the concentration of wealth in a few families, and turn the Republic into a plutocracy without at least a few chickens coming home to roost. We, the posterity of yesterday, are paying grievously for the sins of our fathers. And as long as American voters continue to elect to office storm troopers of the money oligarchy merely because they wave a favorite party banner, we can hope for no surcease.

What is the result? The taxes we pay indirectly to the oligarchy, through tariff and patent laws alone, are far heavier than the combined taxes to the Government—Federal, State, and local—to say nothing of the added billions we pay because we permit it to control our money and trade markets. Consequently, with only one-tenth of the Nation's wealth remaining in the hands of the 130,000,000 with which to pay interest and tribute to the holders of the other nine-tenths, we are in a sore way indeed.

BENEFICIARIES OF SUBSIDIES DENOUNCE HELP FOR POOR

And now those favored families for whom four generations have taxed themselves to make incomparably rich dub the request for old-age security as "crackpot" and "mere charity." Old-school economists pull their hair in horror at the prospect of paying 8,000,000 old folks even a miserly allotment on which to live, though the same economists can advance a hundred threadbare arguments why the tariff and subsidies have been good for the Nation.

Old-age dividends, or whatever you wish to call them, are not charity. They are merely an equitable refund of taxes unmorally collected. They are nothing but a repayment by law of what was unconscientiously taken away by law.

If a protective tariff was sound economy, then why are not old-age payments sound economy? The recipients of one toss their millions into race tracks, yachts, and regal living; the recipients of the latter will expend their money for necessaries and for keeping ordinary business moving. Just as it requires the labor of several men behind the lines to keep one soldier at the front, so will it require the labor of several men and women of younger age to furnish old age with the necessities of life. Furthermore, it is pretty well admitted that the four or five billions expended by the Government each year since 1932 have resulted in 5 or 10 times that amount in annual turn-over.

Old age, more than youth or middle age, demands the labor of others, hence there would be the same rate of turn-over. Every small village in every section of the country would profit. Today everywhere, in every small town and community, we see the dampening effect of the recent economy drive against the W. P. A. It goes without saying that old-age allotments and relief spending has been the mainstay of the small store at the crossroads—an institution which has long been an emblem and rendezvous of democracy in America.

Conservative southerners fume when they think of pensions to the Negro aged. Yet those happy-souled people would spend the money more in their own localities which, with the drift of the old folk of the cold North to the warmer belt, the South would probably benefit more than any other section, except possibly the far West.

GENEROSITY FOR CORPORATIONS VERSUS ECONOMY FOR THE IMPECUNIOUS

Thomas Paine wrote that our Government is "a delegation of power for the common benefit of humanity." The preamble to the Constitution reaffirms that statement. Although it mentions neither banks nor corporations, if you listen today to lawyers in courts or certain heated gentlemen in chambers of commerce, you may likely get the impression that that great document of human rights is now the sole preserve of money changers and profiteers. Such usurpation is all the more patent when duly elected officials are so generous with public funds to men of finance and so miserly to the unfortunate two-thirds of our people over whom the Constitution was designed to spread its protection.

"Thank God for your blessings and don't complain," shout certain clergy!

"Beautiful old age. How I shed tears for their infirmities and hardships," weep certain politicians.

"Let them worry. That's the way to keep them subdued," said a western banker.

"They should be humanely chloroformed," suggested the fat-salaried militarist.

Yet the preamble says, "We, the people * * * in order * * * to promote the general welfare and secure the blessings of liberty to ourselves and our posterity * * *."

A collectivist document indeed. Communal, dating back to Solon.

Notwithstanding it, however, 31,000,000 of our Nation's employed received last year an average annual wage of only $875. One-third of the Nation's families received only $471; 89 percent received less than $2,500. How can any of them save for old age?

THE PLAIN PEOPLE HAVE BEEN PATIENT

Yet, during our history until now, those low-salaried groups have somehow muddled through and have cared for the aged of the country. All through those years, in addition to public taxes to the Government and the greater private taxes to privilege, they have cared also for the derelicts of our national economy. As long as some vestige of the Republic were functioning they could do that. Now, with plutocracy in the saddle, it cannot be done.

Who is responsible for this? The answer is obvious. Our money system and our process of taxing the poor to increase the wealth of the rich.

IMPOVERISHMENT BY LAW

We have impoverished our people by law. By law we established corporations. By law we gave them the status of individuals. By law we sanctified a contract above morality. By law we permitted profiteering and monopolies. By law we took from the farmer in order to enrich the manufacturer, made serfs of 90 percent of our people in order to enable 2 percent to live in royal splendor. By law we have permitted bankers to cache in their lazy vaults more than $4,000,000,000, symbolical of stored labor of the past, frozen assets lolling there while women and children clamor outside for bread! By law we have thus established greed in the chair of the mighty, have permitted the few to lord it over the many, to instill a psychology of fear into the minds of our populace, a belief that success in life, even the success of the Nation, is measured in dollars, not in character and knowledge and human comfort.

By law we have committed all these grievous sins against our people. By law now we must approach the mourner's bench. It is no longer a matter of politics; it is a matter of economics and righteousness. By law we must take from those who profited unjustly and care for those whom, by law, we have reduced to rags, often to a shack and a hunk of bread.

Thank God it is possible yet in America to correct our mistakes by law.

Through trick of sophistry and vanity we have boasted of our many millionaires and our billionaires. What fools we've been. Unless we repent, we shall soon have trillionaires—though it is said that no man can count a trillion.

TRIBUTE FOR THE PRIVILEGED AS AGAINST RUGGED INDIVIDUALISM FOR THE MASSES

For a hundred years our "infant industries" were our general relief problem. The public dole lavished for years upon them they now claim as a vested right, using all the accumulated arguments that the ingenuity of parasites can muster. And,

like the proverbial dog in the manger, they howl and growl when we suggest putting the old folk into the manger with them.

Is it a crime to be dupes of our economic system? Especially to grow old as such dupes? It is said that only America, China, and India make no provision for the aged. Yet the ancient Incas and the American Indians treated their elderly folk reverently and generously, feeding and housing them. Not so in America today. Though a Christian nation, apparently we believe profit is more important than a lot of gray heads ambling about on rheumatic legs. Redskin aborigines regarded their old folk as their most precious mature crop, valued their wisdom and advice. Americans quite obviously look upon the "frozen" billions in bank vaults, the gold in the ground in Kentucky and at West Point, as their most precious mature crop.

Mark Hanna said, "Make the laws for the big fellow. Enough will trickle down for the little fellow." Following that theory for 50 years brought us to 1933. Yet men in high places still mumble those moth-eaten words. And the same gentlemen whine that if we now refund to our aged even pinch-penny sums on which to exist, it will bankrupt the Nation. If we could carry the horseshoe, grandma's slippers, lumber, wool, steel, oil, and sugar on old-age pensions for a century, feeding those industries until they roll in fat, why should we falter in the presence of appealing wrinkled hands?

"This stomach complaint of the poor!" sneered a tariff beneficiary who owns his share of the $800,000,000 golf courses of America.

"The aged should be ashamed to ask the Government for charity. Let them look to their relatives," said a millionaire Governor of a Western State.

Old-age refund is no more charity than was the tariff for "infant industries," than insuring loans of bankers, than subsidies to railroads and shipping. It is an economic right. Andrew Mellon and others, through technical flaws in the statute, obtained generous income-tax refunds. Grandma, who toiled all her life to pay private taxes to privilege because of a technical flaw in our righteousness, is likewise now entitled to her tax refund. And so, with absolute morality instead of chicane, why are not elderly Americans entitled to this belated refund of the ungodly billions forced by law out of their pockets into the coffers of the rich? No statute of limitations must run against that right.

OLD-AGE PENSIONS ARE JUST

If tariffs and subsidies and land grants were sane and sound, then all the more are pensions or dividends or refunds to old age. If it is legal sanity to endow pen-and-ink-made corporations with the same status under the Constitution as grandma and grandpa, and shower those robot "persons" with gifts, then it is a thousand times more sane and lawful and constitutional to care for the flesh-and-blood men and women who are the victims of that unholy legal fiction, and refund to their gnarled and knotty hands the decades and decades of unrighteous taxes we imposed upon them.

The Bloom Neutrality Act

EXTENSION OF REMARKS

OF

HON. ROY O. WOODRUFF

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 18, 1939

Mr. WOODRUFF of Michigan. Mr. Speaker, the country is beginning to understand the reason why Congress has been so hesitant to pass the Sol Bloom so-called neutrality bill granting to the President powers hitherto unknown to any President.

Some inkling of the powers still being sought by the President and his New Deal administration may be gathered from the fact the Bloom bill mentions the President specifically 29 times in giving him different powers and discretions.

The powers that are not vested in the President are vested in the Secretary of State, which amounts to the same thing. Never in the history of the Nation has there been such a serious attempt made to clothe the President with such autocratic and dictatorial powers over the issue of peace or war, which means to say, over the life or death of American citizens, as has been proposed in this bill.

After the 4th of July holiday the President announced he would fight vigorously to secure passage of the bill, and expressed, according to the newspapers, great indignation over the action of the House in amending the bill to prohibit the sale of implements or munitions of war to belligerent countries.

Of course, as the citizens are now beginning to see clearly, this was not a neutrality bill at all, because it would clothe the President with the full powers of decision as to when a state of war existed, as to where a state of war existed, as to what territories, either land or water, must not be crossed by American ships or nationals, in fact, this bill would clothe the President with complete dictatorial power to declare war to exist any time he chose to do so, after which he could invoke the provisions of the bill under which he could extend such aid as he deemed necessary or desirable to either side of an armed conflict.

Of course, Mr. Roosevelt makes no pretense of being neutral. In his press conference following the holiday he was reported to have named both Germany and Italy, and he has named Japan several times. He repeatedly has done this in the past. Therefore to pretend that this was a neutrality act and to make the President personify the act, was a gross fraud upon the American people, because the President cannot be said to be neutral, and any claim to the contrary is absurd.

The country is beginning to see a sinister threat in the President's violent insistence for more and more power, particularly the power under which we could be thrown into war, in which case he would become a military dictator as Commander in Chief of the armed forces of the United States.

Other laws are on the statute books which would then immediately set up a completely controlled dictatorship in Washington and would bring within that control the activities of every citizen, man, woman, or child, in business or out, and that control not only would exist during the period of war, but would continue until the President himself saw fit to declare the emergency ended.

Countless thousands of letters have been received in Washington to vote against granting the President these powers, and the people themselves may well be thankful they have been alert and have written their Representatives that the power to declare war be retained where it has always been and where the Constitution of the United States placed it—in the people's representatives, the Congress.

It now appears that the Bloom bill will "rest in peace" in the Senate Foreign Relations Committee, at least for the balance of this session of Congress. Whether the President will later this summer or early fall call a special session for its consideration is a question that only the President himself can answer. Whether he does this or not it is a practical certainty, however, that the bill will be revived in the next regular session; when all the powers of the Executive will be brought to bear upon the recalcitrant members of his party to bring them into line and give him the power he seeks.

Story of the Great Seal of the United States

EXTENSION OF REMARKS

OF

HON. FRED L. CRAWFORD

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 18, 1939

ARTICLE BY HON. FRED L. CRAWFORD, OF MICHIGAN

Mr. CRAWFORD. Mr. Speaker, one of the most interesting and important instruments of the National Government is the great seal of the United States, yet textbooks and other publications contain little information concerning it.

Becoming interested in the great seal as I have noted its daily appearance on the CONGRESSIONAL RECORD, as well as on the new $1 bills, and reproduced on certain documents and publications, I have sought out data on it and

compiled the material in an article which has just appeared in the current issue of National Republic magazine, a well-known patriotic publication devoted to fundamental Americanism.

Because of the increasing interest manifest in the history of the great seal and because few publications are available on it, I am glad to present, with the unanimous consent of the House of Representatives, the article which I have prepared. It is as follows:

UNCLE SAM'S GREAT SEAL

Another tremendously important event took place on that momentous day, July 4, 1779, besides the signing of the Declaration of Independence. To give the world official assurance that a new nation had been born, the Continental Congress decided that an official seal should be affixed to the document. Consequently, late in that Fourth of July afternoon a resolution "that Dr. Franklin, Mr. J. Adams, and Mr. Jefferson be a committee to prepare a device for the seal of the United States of America," was adopted.

From that July 4 resolution came the great seal of the United States which today is affixed to all important national and international documents of the United States.

The history of the great seal reveals it to be as truly American as the Declaration of Independence, the Constitution, and the flag. Six years of evolution in the making of the final design of the seal erased from it unpleasant reminders of sovereign rule and individualism and brought forth symbol of fortunes and destinies of the United States.

Franklin, Adams, and Jefferson were three of the five men who drafted the Declaration, and it is fortunate that they were selected to further their concepts of American ideals into a seal that would be the national coat of arms.

For the most part, existing seals represented the family coat of arms of a sovereign and inasmuch as the Declaration itself severed this Nation from the ties of a sovereign, the coat of arms should not be that of a ruler or even any individual. It was true that some of the American Colonies had seals but this committee had different ideas as to a seal—they wanted it to mean something truly American.

Each of the three committeemen had his own ideas which they penned out in a rough manner and then called in a West Indian Frenchman and artist by the name of Du Simitiere to improve upon their ideas.

Dr. Franklin wanted depicted on the seal Moses lifting up his wand and dividing the Red Sea and Pharoah with his chariot overwhelmed with the waters and on the seal he suggested the motto "Rebellion to tyrants is obedience to God." Jefferson suggested portrayal of the children of Israel in the wilderness, led by a cloud by day and pillar of fire by night. Adams offered what he himself admitted was "too complicated a group for a seal" showing the hero Hercules resting on his club with Virtue pointing to her rugged mountain and urging him to ascend while nearby was Sloth ready to charm and seduce him to vice.

Du Simitiere himself submitted a design consisting of a seal containing the arms of the several nations from which Americans descended and on the reverse side Liberty and a rifler in uniform.

On August 20, 1776, the committee made its report, recommending that the seal bear a shield divided into six parts. One of each of the six parts of the shield was to represent one of each of the following countries: England, Scotland, Ireland, France, Germany, and Holland, being, as the report reads, "the countries from which these States have been peopled." Surrounding these on the shield, the report proposed 13 other shields representing the 13 States. Supporting the shield on the one side was the Goddess of Liberty and on the other the Goddess of Justice, the latter replacing the rifleman in the original of Du Simitiere. In the crest was "The Eye of Providence in a radiant triangle whose glory extends over the shield and beyond the figures." The seal carried the motto "E pluribus unum."

On the back of the seal the committee recommended Pharoah in his chariot, riding through the water, sword in hand, in pursuit of the Israelites. In the sky was a pillar of fire "expressive of the divine Presence and Command" and its light beaming on Moses with his hand outstretched over the sea causing it to overwhelm Pharoah.

The committee report was laid on the table and the Government continued its activities for 4 years without an official seal. However, consideration of the subject was not relegated, because the Report on the Device for a Public Seal was among the papers selected from the files of Congress by a committee appointed in 1777. On March 25, 1780, another committee was appointed to report on the great seal, and to it was referred the report of the first committee. Further consideration of the subject was probably hastened by the revival of the complaint made by the American Minister to France of the impropriety of representatives of the new Nation being without a seal with which to authenticate their official acts.

This committee had its own ideas about an official seal, and it recommended a shield with 13 diagonal stripes supported on the one side by a warrior holding a sword and on the other by the figure "Peace" holding an olive branch, and for a crest it was proposed that there be a radiant constellation of 13 stars. Encircling the whole seal was the legend "The Great Seal of the United States of America." For the reverse side the committee proposed the figure of Liberty sitting in a chair holding a staff bearing a cap. This report was recommitted and further altered, but no additional action was taken.

That the need for a seal was keenly realized is indicated by the appointment of still another committee in May 1782. This third committee called into consultation the son of a preacher—a private citizen by the name of William Barton. It was Barton who introduced the eagle, later to become the central figure of the seal, to the design.

Barton's first proposal was not sketched, but his second device was submitted in the form of a drawing in colors. Its shield bore 13 bars surrounded by a border containing 13 stars. Its crest was an eagle on a helmet, and in one talon the bird held a sword and in the other the flag of the United States. Supporting the shield on one side was the figure of a woman, representing the American Confederated Republic, and bearing a dove on her right hand. On the other side of the shield was an American warrior. For the reverse side of the seal Barton proposed a pyramid of 13 steps, above which was an eye surrounded with glory.

Although this complicated design was endorsed by the committee, it met the fate of the previous designs. Congress was not satisfied with it, and referred the matter on June 13 to the Secretary of Congress.

It has been indicated that one of the objections to Barton's eagle was that it was a crested and not the baldheaded or American eagle. This is another indication of the desire of these early Congresses to keep the design purely American.

The Secretary of Congress at that time was Charles Thomson. His own design, which was a wide departure from previous ones, placed the American eagle as the central figure. In its left talon he placed a bundle of arrows to denote war power and in its right, an olive branch. He continued the earlier idea of a crest with a constellation of 13 stars. He placed a shield on the eagle's breast and this shield bore 13 bars to form chevrons. From the original great seal committee report he took the motto "E pluribus unum." For the reverse of the seal Thomson adopted Barton's device of the pyramid and the eye. Thompson returned his design to Barton for his further consideration. Barton replaced the chevrons on the shield with perpendicular bars and he suggested that there be 13 arrows in the eagle's talon.

After 6 years of effort the new Nation officially adopted its seal on June 20, 1782, when Congress approved the design of Thomson and Barton.

In the formation of the new government to take the place of the Articles of Confederation the matter of the great seal was not overlooked in consideration. On August 20, 1787, "Mr. Pinkney submitted to the House, in order to be referred to the committee on detail, the following propositions," and among those is found this: "The legislature of the United States shall have the power of making the great seal which shall be kept by the President of the United States or in his absence by the President of the Senate, to be used by them as the occasion may require. It shall be called the great seal of the United States and shall be affixed to all laws." With the creation of the present Department of State custody of the seal was placed in the Secretary of that Department.

The act, which was passed September 15, 1789, is still in force, being sections 4 and 5 of title 4 of the United States Code. Those sections read as follows:

"4. Seal of United States: The seal heretofore used by the United States in Congress assembled is declared to be the seal of the United States.

"5. Same; custody and use of: The Secretary of State shall have the custody and charge of such seal, and shall make out and record, and shall affix the same to all civil commissions for officers of the United States to be appointed by the President, by and with the advice and consent of the Senate, or by the President alone. But the seal shall not be affixed to any commission before the same has been signed by the President of the United States, nor to any other instrument without the special warrant of the President therefor."

In consideration of earlier devices they were referred to as the "great seal," it being intended that a lesser seal be devised for minor documents. However, this idea was never carried out, and it will be noted that the 1782 act merely refers to the "seal of the United States."

Pendant seals were the vogue at the time. These were seals stamped in wax, metal, or clay to a ribbon affixed to the document. These were fragile instruments and were usually encased in a metal container, for protection.

Apparently in an effort to get away from this delicate system and in view of the development of a process whereby the seal could be impressed directly onto the paper, the State Department had a new die cut in 1841. This became famous as the "illegal seal." A Maryland postmaster with a reputation for making seal engravings was given the job of making the new die and apparently thought he could make some improvements on the design. At any rate the new die was accepted without the changes he had made being discovered for some time. A careful study was made of the seal of 1782 and the radical changes made by the Maryland postmaster-engraver were eliminated, and, with the exception of a few minor technical changes, the seal was restored to its original form.

Eighteen years later it was deemed advisable to recut the die because of wear and because it was desired to make some improvements on the press. This time Congress took no chances on the initiative of an engraver. In granting an appropriation for the recutting of the die the appropriation was "to enable the Secretary of State to have the great seal of the United States recut from the original model." Thus the words "original model" insured against any repetition of the 1841 incident.

It is to be noted that the eye of Providence on the obverse side of the original Du Simitiere design is carried out on the reverse side of the seal adopted as official. Also the motto, "E pluribus unum," has been retained from the original. The motto is attributed to Jefferson.

Out of the second committee's report we find in the official seal the bright constellation of 13 stars. Also the olive branch.

The reverse side of Barton's design, as has been previously stated, has been preserved in the official seal practically as he proposed it with the exception of the motto. It will be recalled that he, too, first proposed the use of an eagle in designing the seal.

The seal of the United States as provided in the act of 1782 and as used today may be described as follows: On the obverse side the American eagle is the central figure. The shield on the breast of the eagle has 13 perpendicular stripes, 7 white and 6 red. Clutched in his left talon the eagle has 13 arrows and in his right an olive branch, which incidentally holds a scroll bearing the motto "E pluribus unum." The crest of the seal is a circle of clouds through which shows the glory of the constellation of the 13 stars.

On the reverse side is the unfinished pyramid. Above it and in a triangle is the zenith of an eye and the triangle is surrounded by a glory. Over the triangle are these words "Annuit coeptis" (God has favored this undertaking), and beneath the pyramid the motto, "Novus ordo seclorum" (a new series of ages).

An explanation was submitted by the congressional committee at the time the seal was made official. The report states as follows: "The escutcheon is composed of the chief and pale, the two most honorable ordinaries. The pieces, paly, represent the several States all joined in one solid, compact entire, supporting a chief, which united the whole and represents Congress. The motto alludes to this Union. The pales in the arms are kept closely united by the chief, and the chief depends on that union and the strength resulting from it for its support, to denote the Confederacy of the United States of America and the preservation of their union through Congress. The colors of the pales are those used in the flag of the United States of America; white signifies purity and innocence; red, hardiness and valor; and blue, the color of the chief, signifies vigilant perserverance and justice. The olive branch and arrows denote the power of peace and war, which is exclusively vested in Congress. The constellation denotes a new State taking its place and rank among other sovereign powers. The escutcheon is borne on the breast of an American eagle without any other supporters, to denote that the United States ought to rely on their own virtue.

"Reverse. The pyramid signifies strength and duration. The eye over it and the motto allude to the many signal interpositions of Providence in favor of the American cause. The date underneath is that of the Declaration of Independence, and the words under it signify the beginning of a new American era, which commences from that date."

One may see the seal of the United States in a number of places in ordinary life. The new $1 bill, for instance, bears a copy of both the obverse and reverse devices of the seal. It may also be found on the daily issues of the CONGRESSIONAL RECORD. It is watermarked in the official stationery used by Members of Congress.

The official imprint of the seal is restricted to commissions of Cabinet officers and diplomatic and consular officers nominated by the President and approved by the Senate, ceremonious communications of the President with heads of foreign governments, and on treaties, agreements, pacts, etc.

Comments From President Thomas Jefferson on National Debt

EXTENSION OF REMARKS

OF

HON. RUSH D. HOLT

OF WEST VIRGINIA

IN THE SENATE OF THE UNITED STATES

Thursday, May 25 (legislative day of Friday, May 19), 1939

Mr. HOLT. Mr. President, I ask unanimous consent to have printed in the Appendix of the RECORD comments from Thomas Jefferson, President of the United States, on national debt.

For years spokesmen of the Democratic Party have recited the story of Thomas Jefferson. He has been called "the father of the Democratic Party." Annually Jefferson Day dinners are held and speakers refer to Jefferson's philosophy. For the use of the speakers I desire to cite the statements of this great American on the subject of national debt. Much will be said about the debt which has already passed $40,000,000,000.

There being no objection, the comments referred to were ordered to be printed in the RECORD, as follows:

IS PUBLIC DEBT A DANGER?

I place economy among the first and most important of republican virtues and public debt as the greatest of the dangers to be feared.

To preserve our independence we must not let our rulers load us with perpetual debt. We must make our election between economy and liberty or profusion and servitude.

There does not exist an engine so corruptive of the Government and so demoralizing of the Nation as a public debt. It will bring on us more ruin at home than all the enemies from abroad against whom this Army and Navy are to protect us.

DEBT REFLECTED IN TAXES

If we run into such debts as that we must be taxed in our meat and in our drink, in our necessaries and our comforts, in our labors and our amusements, for our callings and our creeds, as the people of England are; our people, like them, must come to labor 16 hours in the 24, give the earnings of 15 of these to the Government for their debts and daily expenses, and the sixteenth being insufficient to afford us bread, we must live, as they now do, on oatmeal and potatoes; have no time to think, no means of calling the mismanagers to account; but be glad to obtain subsistence by hiring ourselves out to rivet their chains on the necks of our fellow sufferers.

REDUCE EXPENSES 25 PERCENT?

The growth and entailment of a public debt is an indication soliciting the employment of the pruning knife.

PUBLIC DEBT CORRUPTS LEGISLATIVE BRANCH

No man is more ardently intent to see the public debt soon and sacredly paid off than I am. This exactly marks the difference between Colonel Hamilton's views and mine, that I would wish the debt paid tomorrow; he wishes it never to be paid, but always to be a thing wherewith to corrupt and manage the legislature.

An Analysis of Pending Pollution Legislation

EXTENSION OF REMARKS

OF

HON. KARL E. MUNDT

OF SOUTH DAKOTA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 18, 1939

Mr. MUNDT. Mr. Speaker, one of the important problems likely to come before Congress prior to adjournment is the question of whether or not we should take effective action at this time to control and outlaw the pollution of America's streams and rivers. I have been vitally interested for more than a decade in the campaign to curtail pollution in this country and it is my earnest hope that legislation may be passed by this session which will definitely control the misuse and spoiling of the public waters of America.

Early this session it was my privilege to introduce in this Congress an antipollution bill which I am happy to state has the wholehearted support of every major conservation organization in this country. It is now designated as H. R. 6723; when the bill was first drawn it was introduced and became H. R. 4170, in which form it was considered by the Rivers and Harbors Committee of the House. Several objections were raised against this bill during these hearings on the basis that since it was a bill which actually carried teeth in it to enforce the control of pollution it might work a hardship on industries for which no feasible or practical pollution remedy was presently known. In addition polluters recognized that this bill was no shadow-boxing rendezvous with the violators and contaminators of pure streams, so they sent high-pressure lobbyists here to campaign against it. It was a definite legislative enactment providing the ways and means

for protecting the people's rights and controlling economic predators. Even polluters for whose offensive pollutants there are well-known antipollutants which are economically practicable and easily available, fought the bill; it was attacked as being drastic, unreasonable, too tough—it definitely put human rights above property rights in the matter of clean streams and it was subjected to the crossfire of lobbyists from a great parade of polluters. Some of you doubtless received letters of protest against H. R. 4170 as originally drawn.

H. R. 4170 BECOMES H. R. 6723

Feeling that between the men and the industries who consider the public waters as their private sewer and the men or the organizations who feel that the public is entitled to protection for its streams which will safeguard its health and preserve its recreational opportunities, there must be some meeting point upon which honest men might agree, I conferred with representatives of several outstanding conservation organizations and redrafted H. R. 4170 and reintroduced it as H. R. 6723 in a form which meets the objections of those having honest concern that the original bill was "too drastic." Neither I nor any of the conservation groups supporting effective legislation to control pollution has any desire to cripple industry or to injure the business operations of fair-minded and social-conscious men; effective antipollution legislation can be so written as to protect the investments and safeguard the interests of even the worst pollution offenders. In my opinion H. R. 6723 is now that type of legislation.

This redrafted pollution bill was revised too late to receive a hearing before the House Rivers and Harbors Committee because while it was being rewritten to provide additional safeguards for honest industries the committee reported out Senate bill 685 which had passed the Senate. Consequently I am taking this means of calling the attention of my colleagues to the fact that as now constituted H. R. 6723 actually provides for the control of pollution for the first time in the history of America, and it does this while specifically and satisfactorily safeguarding all industries and polluters from any type of unreasonable "crack down" methods. In the first place, the legislation under H. R. 6723 would not become effective until 2 years after the passage of the bill; thus 2 years' advance notice is given before pollution is belatedly outlawed in this country after more than 150 years of studying its effects, analyzing its causes, talking about its injustices, and spending taxpayers' money in employing State officials, sanitary engineers, and bureaucratic boards to issue "please-please" statements to polluters which were promptly and piously ignored.

H. R. 6723 SAFEGUARDS HONEST INDUSTRIES

However, H. R. 6723 goes much further than issuing a 2 years' advance notice in its deliberate steps to safeguard the investments and the interests of polluting industries. Since the pollution legislation was considered by the Rivers and Harbors Committee, paragraph C was added to section 7 of the bill; it can be found starting on page 5 of the printed bill. This paragraph provides that "where compliance with standards of purity fixed by the Chief of Engineers be impossible or impracticable" a 5-year extension of time can be granted to the pollution offender. That defers for 7 years the necessity of industries meeting the established standards of purity in the event that such conformity would not be economically or scientifically possible or practicable. But H. R. 6723 goes even further to safeguard any industry which even after 7 years could not work out with the cooperation of the Government a feasible method of controlling its pollution. After the expiration of this period of grace, if an industry can still show at a public hearing that there is no "possible or practicable" method of eliminating its pollution, the Chief of Engineers is empowered to grant "such further extension of time as may be reasonably necessary."

No man or industry need therefore oppose H. R. 6723 because it is "drastic" or "unreasonable"—it is now written in a form which is admittedly reasonable and fair. At long last, after 150 years of permitting pollution of the public waters it removes all sham and pretext, strikes through the confusing and beclouding smoke screen of studies, reports, and investigations, recognizes the futility and fatalism of "please-mister-quit-spitting-in-my-drinking-water" pleas and recommendations, and commits this great country to a policy and a program of clean streams and pure rivers. And it does all this without any evidence of venom or vengeance against those who have ruthlessly violated the public interests in years past by assuming a right they never had to make bigger profits for themselves by despoiling the waters of the public through commandeering them as open sewers and private dumping areas. It simply serves notice that henceforth such penurious and predatory practices must cease just as soon as science can devise for each pollutant a workable and practicable corrective which is economically sound and industrially possible. No honest industry should ask for greater consideration; no dishonest industry is entitled to greater latitude.

SHOULD THE OFFENDER JUDGE HIMSELF?

Legislation is a slow process of compromise and evolution. It is perhaps unfortunate that H. R. 6723 was not presented in its present form to the Rivers and Harbors Committee where it might have been reported out favorably before the Senate passed S. 685, because on this committee are some mighty sincere gentlemen and most of them, I am sure, are strong enemies of pollution. However, the original bill I introduced was rightfully criticized for wanting to go too far too soon; the conservation organizations of America who supported it were sick at heart at the destruction of our water resources and naturally wanted to call a halt before it was too late. On the other hand, the polluting industries and their high-salaried lobbyists came as a man and with great unison and intriguing unanimity not only condemned my bill but miraculously—to any who are credulous enough to accept all they hear without analyzing why they hear it—testified in favor of S. 685. Marvelous was it to behold these notorious offenders of the public's rights and the Nation's greatest polluters pleading with Congress to "stop pollution"—but the miracle was short lived and the marvel easily analyzed when they all joined in a chorus insisting that pollution be "stopped" by S. 685. No other bill would do. The criminal was to reform but he insisted on the privilege of dictating the extent of his confessional and the type of penance he was to make. He urges us to study his errors and to recommend his correction but he demanded that he, alone, be the judge of whether correction should be applied to his waywardness. What to the unitiated might seem to be a miracle of reform, therefore, to the knowing was a desperate last minute effort to stave off conviction and true reformation by perpetuating the piracy of pollution for unnumbered years to come by once again giving it the protection of Government "study clubs" at taxpayers' expense.

H. R. 6723 IS A COMPROMISE BILL

So, fellow Members, H. R. 6723 comes to you as an honest compromise between those who would stop all pollution by immediate legislative mandate and those who would stop pollution control by legislative soothing sirup; it is a halfway meeting point between those who would put the public interests first and those who say "let the public be damned"; it is a fair approach to the problem of pollution which neither "cracks down" on the polluter unfairly or without reason nor "cuddles up to him" with a promise to salve his fears with further study as provided for in S. 685. H. R. 6723 is a people's bill to control pollution, with due consideration given the investment and interests of the polluters; S. 685 is a polluters' bill to stop pollution control, with little consideration given to the interests of the people. An analysis of S. 685 is disillusioning to one hoping to renew faith in miracles by the spectacle of polluters coming at their own expense to testify before a congressional committee in favor of stopping pollution—so slyly and sympathetically does S. 685 fail to

control pollution in any way, shape, or form that a study of the bill reveals the surprising fact that at no place in the bill, except the title, does the word "control" even appear in the bill. No great wonder the criminal leads the rooting section for this type of reform.

ONE MILLION DOLLARS PER YEAR FOR "STUDY CLUBS"!

Despite the fact that S. 685 would cost the taxpayers of America $1,000,000 a year and set up a great bureaucratic body to centralize public-health matters in Washington and to promote "study clubs" on pollution, I would not necessarily oppose its passage simply on the grounds that it is a "lobbyists' luxury," but I do so on the basis that its passage would retard the progress of antipollution legislation for several decades, and on that basis I feel that every sincere conservationist and antipollution advocate must oppose it. In fact, S. 685 is almost identically the same bill that passed Congress last session and was vetoed by the President after conservative organizations and individual conservationists throughout the country flooded his office with telegrams and letters urging his veto of what they considered a bill which would promote rather than prevent pollution. Since that veto nothing has been added to the bill to make it any more effective as a pollution control measure, and we still face the paradoxical situation of considering S. 685 as a "pollution bill" which is opposed by conservationists and advocated by the polluters. Surely no bill at all would be better than legislation which protests so weakly against pollution that those whom it would correct welcome it to their breasts with glee and spend money trying to secure its passage.

WHY DO POLLUTERS FAVOR S. 685?

You may ask, Why do the polluters favor S. 685? Let me point out a few reasons briefly; there are many more. In the first place, it would divert public attention away from pollution as it would take several years for the general public to realize how completely innocuous the bill actually is. Thus polluters would be given an additional breathing spell to exhale their halitosis of corruption, disease, and pollution into the God-given water resources of America. That would be victory No. 1 for the polluters.

A BOUNTY FOR POLLUTERS!

In the second place, S. 685 would score an even greater victory for those who have always fought pollution regulation. In section 5, page 4, of S. 685 it actually places a premium upon municipal pollution by the following bizarre offer to reward dereliction:

> Any State, municipality, or other public body which is discharging untreated or inadequately treated sewage or wastes into navigable waters of the United States or streams tributary thereto is hereby declared to be eligible to Federal aid in the form of grants-in-aid.

Believe it or not, ladies and gentlemen, Uncle Sam puts up a reward to all those who can prove they are guilty of nefarious pollution. Even a better example of how the philosophy of the polluter dominated the language and purpose of S. 685 is found on page 5, paragraph 6, reading the exact language of the original bill and revealing its contents before the committee amended it. In that section a reward was actually offered to the individuals and industries who pollute the public's waters. As a premium for pollution activities, as compensation for corruption, the original bill—No, I am not kidding—read it yourself—offered not alone special loans, but grants-in-aid—money on the barrel-head—to anybody establishing eligibility by "discharging untreated or inadequately treated sewage or waste in character or quality sufficient to be deleterious to the navigable waters of the United States." Pass S. 685 and we must amend the axiom that crime does not pay so as to exempt the crime of pollution. The Government would offer to pay 33⅓ percent of the project cost to the most conspicuous criminals. Is it any wonder the polluters advocate the passage of S. 685?

To the credit of the House Rivers and Harbors Committee, be it said that they amended section 6 to modify this unholy offer to subsidize pollution in America; I think the committee intended to remove the bounty for aquatic biliousness entirely, but even the new language is so vague that it holds a real attractive lure for polluters; and passage of the bill in its present form would comprise victories two, three, four, and five for the polluters. Well can they afford to pay high-priced lobbyists to come to Washington to urge us to pass such a bill under the misnomer of "pollution control." I know the House Rivers and Harbors Committee would willfully play no part in retarding pollution regulation; their attempted deletion of the bounty for industrial polluters indicates their sincerity. These gentlemen are earnest and able legislators; only the hurry and hustle of their committee activities, which have been so numerous and varied as to crowd out calm and complete consideration of the problems of pollution, permits S. 685 to come before us in its present innocuous and dangerous status, even as amended. I know and respect the chairman of the committee as a lovable and high-principled legislator, and I am sure he is fundamentally as firmly opposed to pollution as I am. In fact, he once authored and introduced a pollution-control bill which no polluter would support; and, were he not overburdened with the manifold problems confronting his committee this session, I am sure he would write a pollution-control bill of his own that conservationists would gladly support. If S. 685 is recommitted to committee, I feel that this group of fine gentlemen will bring back a carefully redrafted bill which will reduce and regulate pollution; in fact, several of the committee members are already advocating passage of H. R. 6723 at this time or urging that the Senate bill be defeated so more comprehensive legislation may be written.

S. 685 CONTAINS AN ERRONEOUS IMPLICATION

There is at least one other important reason the polluters favor S. 685. They see another victory for their practice in its passage. It is now recognized by common law that water is public property and that the responsibility for correcting pollution rests with the polluter. Because of this fact it is now possible to bring suits in equity to restrain pollution. The terms of S. 685, however, imply that there is no technical information available with which to meet these requirements and that the responsibility for correcting pollution rests with the Government. It occurs to me that should S. 685 be enacted it would upset the present status and place a definite obstacle in the path of present pollution control by such agencies as honestly wish to control pollution.

ANTIPOLLUTION CONTROL OR CONTROL OF ANTIPOLLUTION

If S. 685 so completely fails to correct pollution as the facts bear out, one might well ask, Why did it pass the Senate? How did it happen to be reported favorably—but not unanimously—by the House Rivers and Harbors Committee? Are those in Congress who support it willfully carrying the colors and beating the music for the polluters' victory parade? The answer to this last question is emphatically "No." Those who have supported it in committee or in another body, I am sincerely convinced, have done so with sincerity of purpose and honesty of intention. Most of them have had neither the time nor the occasion to analyze all of the hearings carefully nor to study thoroughly the history of pollution legislation since it first came to Congress.

They have perhaps taken at face value too much testimony from wily witnesses whose first interest is the protection of polluters without carefully enough inquiring about the reasons for the reformation. But in the busy lives we all lead in Congress it is easy for committee members during a brief hearing or for legislators confronted with photoflash decisions on bills of importance to overlook the forest because of a sincere effort to examine the nearest trees. In the case of the pollution legislation pending in this body, it is particularly easy to be confused by the situation and confounded by the testimony. But each legislator by a careful personal examination of H. R. 6723 and S. 685 can convince himself in the fact-revealing privacy of his own office which of these two bills is an antipollution bill and which

is an anticontrol-of-pollution bill. And by a search of his own conscience he can convince himself which, if either, of the two proposals he should support in the best interests of both his country and his constituents.

CONSERVATION GROUPS FAVOR H. R. 6723

It cannot be ignored in a study of pollution legislation that all national conservation organizations are supporting H. R. 6723 and asking that S. 685 be defeated or recommitted to committee for further study. If S. 685 were a hindrance to pollution instead of a help to polluters, is it reasonable to suppose that these unselfish, public-serving conservation agencies and organizations would so commit themselves? What interest could the American Wildlife Institute, the Izaak Walton League of America, the American Nature Association, the Audubon Societies, the American Wildlife Federation, the American Fisheries Society, and similar groups have in either of these bills except to support the one which would correct the evil rather than postpone the remedy? These associations and organizations do not operate for profit; they represent no polluting industries and no selfish interests; they can make neither a dishonest penny nor a profiteering dollar by controlling pollution or by polluting controllers. Their support of H. R. 6723 is a patriotic endeavor to help us enact a pollution-control bill which will bring joy to nature lovers and the common people and not one which will be so pleasing to polluters, themselves, that they spend good money to send lobbyists to Washington to promote it.

MR. PACK ANALYZES HOUSE DOCUMENT NO. 155

In conclusion, let me point out one final reason for some of the confusion existing among high-minded men eager to vote for the best antipollution legislation presently available. I refer to House Document No. 155, available to you all, and upon which the provisions of S. 685 are based, and which provides much of the data for those who support it. As a Government publication it commands attention and a casual glance at it might convince the hasty student that S. 685 was "a step in the right direction." But the careful legislator who studies this document well must reach a quite different conclusion. I am inserting, therefore, an analysis of House Document No. 155 and the resultant conclusions made by one of America's best-known and most respected conservationists. I refer to Arthur Newton Pack, long-time president of the American Nature Association and editor of Nature magazine. His motives cannot be questioned; his ability is nationally recognized. Because I feel it will be helpful to you in arriving at a logical and laudable decision in connection with the question of how to vote on antipollution legislation, I am putting in the RECORD the following statement by Arthur Newton Pack with reference to the source book from whence S. 685 was conceived and with regard to the attitude of this prominent conservationist and the society he represents on the problem of pollution in America.

STATEMENT BY ARTHUR NEWTON PACK

Before any vote is taken on pending legislation on water pollution every Member of Congress should be informed on the pernicious contents of House Document 155, upon which the President's message to Congress and the Barkley bill, S. 685, are based.

This is an amazing document of half truths and much more sympathetic toward industrial polluters than toward the right of the public to pure streams. This is not surprising in view of its acknowledgment of collaboration with the Manufacturing Chemists Association, National Paper Board Association, Institute of American Meat Packers, Tanners Council of America, American Iron and Steel Institute, American Petroleum Institute—representatives of the major polluting industries.

SOME INCONSISTENCIES

The opening statement says, "Water pollution is a problem of national concern." Two lines later we find, "Responsibility for abatement of pollution is primarily local." In one breath water pollution is a national problem, in the next a local one. Page 2, "Industries are commonly as indifferent to the pollution problem they create as are communities. As a result, pollution abatement is given a low priority in the improvement programs of municipalities and industries alike." A splendid statement of fact, but where is the connection with the next one: "The committee believes that no basic changes in Federal law with reference to Federal regulation of pollution should be made at this time." There seems to be little or no connection between the factual findings and the recommendations; it is like an elaborate declaration of war in which it is clearly stipulated that the armed forces of the country must under no circumstances be used to repel the enemy.

ACCOMPLISHMENTS EXAGGERATED

Much stress is laid on the "unprecedented progress" in municipal waste treatment during the past 6 years, but the increase of additional sewer systems without treatment plants is conveniently ignored. When we consider this added pollution and eliminate the 5,000,000 people included in 1938 as treated, but which are actually covered only by plants that are planned or under construction, we find this "unprecedented progress" is by no means so great as the report would infer. The net improvement on a population basis during the past 6 years is only slightly over 2,500,000 people, and compared with 1910 the raw sewage today is greater by approximately 8,000,000 people. It is these many half-truths that makes the report so misleading.

COSTS AND DIFFICULTIES EXAGGERATED

The report stresses "the prohibitive cost of treatment plants" and the economic hardships of pollution correction. However, analysis discloses that the capital cost of installing treatment plants is 4.3 percent, and the annual operating costs 1.02 percent of the annual sales, and the number of people employed is but 2.2 percent of the population. The report also gives the annual products of polluting industries an $18,000,000,000 value and claims this represents approximately 75 percent of all manufactured products. Simple arithmetic shows this to be actually about 30 percent instead of 75 percent of the total production of over sixty billion.

NEED FOR FEDERAL ENFORCEMENT INDICATED

On page 50, "Industries which contribute heavy pollution loads to surface waters are more inclined to spend money fighting regulatory legislation and State and local enforcement activities than in finding practicable means of waste treatment." Page 68, "Partial or ineffective control is exercised by responsible agencies in 26 States. * * * There are still significant deficiencies in the laws of not less than 33 States." Page 71, "There are few States in which existing statutory authority is not defective in one or more respects. * * * It is significant that a number of State agencies having relatively severe regulatory powers have exercised those powers rarely." Page 80, "First, abatement works commonly do not benefit the persons who contribute the waste and who generally are expected to bear the cost of treating it. * * * Pollution abatement differs therein from street, water supply, public building, and similar improvements. That condition fosters a natural tendency to defer action on pollution abatement so long as the interests of the polluters are not damaged or the downstream users do not protest formally or vehemently." All the above, and many additional references, indicate the clear need for Federal control of pollution; yet the committee makes the strange recommendation that there be none.

POLLUTION VIEWPOINT

That the report is more sympathetic to the problem of polluting industry than to the inherent right of the public to pure water, we cite the following references. Page 7, "Under certain conditions, no treatment of sewage may be necessary or desirable." Page 42, "These estimates are based on assumptions that water bodies will be used for dilution of wastes." Page 49, "It also is generally true, however, that the useful products which could be made from a small fraction of the available volume of a given industrial waste would satisfy the market for such products, and that it would be impossible to increase their consumption sufficiently to justify widespread adoption of the method of waste disposal involved."

Pages 56 and 57, "Stream systems are Nature's sewers * * * the key problem is to find the standards in each section of a stream which express the best balance between the stream's use for receiving and assimilating sewage and other waste and its use for other purposes, aesthetic and economic." Page 72, "No industry can be forced to invent improved methods of treatment or to install treatment devices at unreasonable cost of construction or operation." "The committee has found no need for complete treatment of all waste * * * wherever practicable, however, the natural purification capacity of the receiving water bodies should be utilized." The attitude is that unless treatment can bring a financial return to industry or pay its way it is "impracticable."

These statements illustrate the wide difference in viewpoint between the committee and the conservation organizations of the country supporting H. R. 6723.

FINDINGS AND RECOMMENDATIONS NOT RELATED

"It is becoming increasingly evident that efficient abatement of pollution over large areas can be brought only in terms of programs covering drainage basins as units." And then on the very next page, page 84, we find, "Administration of pollution abatement is a function best performed by State and interstate agencies."

As a defense for industrial pollution, House Document 155 is an excellent, although illogical, treatise, but as advice to Congress for correcting pollution it is worthless.

Statement of Hollywood Motion-Picture Actors

EXTENSION OF REMARKS
OF
HON. JOHN M. COFFEE
OF WASHINGTON
IN THE HOUSE OF REPRESENTATIVES
Tuesday, July 18, 1939

STATEMENT BY CERTAIN MEMBERS OF THE MOTION-PICTURE INDUSTRY

Mr. COFFEE of Washington. Mr. Speaker, under leave to extend my remarks in the RECORD, I include herein a statement in relation to international law with particular reference to Nazi Germany.* It is expressive of the feelings entertained heartily by the foremost actors and actresses in the motion-picture industry. Because these men and women are purveyors of emotion and provide the major share of the entertainment of America, their sentiments are entitled to great weight and consideration at the hands of the Congress of the United States.

This declaration is signed by 56 actors and actresses, directors, and writers. It speaks for itself. It is forthrightly phrased and embodies trenchant arguments which should challenge the Congress to action.

The shadow of the swastika is expanding on the earth's surface. We must be alert to the danger and recognize the menace of its approach in time. Totalitarianism is a post-bellum development—aggression is its handmaiden, suppression is its partner, intolerance is its sine qua non. Its objective is to turn the clock backward. Its concomitant is the submergence of culture; liberty cannot exist under it. Freedom of thought, of the press, of speech, and of conscience are diametrically opposed to it. Where the authoritarian idea exists in many parts of the world, there is a ubiquitous danger to free institutions. Man's struggle up from the darkness of the Middle Ages today faces the greatest crisis in a thousand years. We are confronted with a brazen attempt to snuff out the light of learning and to precipitate us back into the mental hog wallow of the Middle Ages.

But let this statement speak for itself:

DECLARATION OF DEMOCRATIC INDEPENDENCE TO THE PRESIDENT AND THE CONGRESS OF THE UNITED STATES OF AMERICA

On July 4, 1776, the people of our country threw off the yoke of tyranny and called upon the world to witness their Declaration of Independence. Men of free spirit, they proclaimed their belief in man's inalienable right to life, liberty, and the pursuit of happiness. Since that time those rights have been the measure of man's dignity in the civilized world. And since that time, whenever challenged, we have reaffirmed our faith in those rights. Today a new tyranny has arisen to challenge democracy's heritage. We accuse the leaders of Nazi Germany, as a ruler was accused in 1776, of "a design to reduce the world under absolute despotism." They deny the rights of man. They destroy freedom of speech, freedom of worship, freedom of the press, and the right to peaceful assembly. They wantonly persecute defenseless minorities; they imprison ministers of all religions; they enslave labor; they victimize their own citizenry, throwing them upon the charity of the world, and brazenly proclaim that this victimization has only begun; in the name of the state they loot, pillage, inflict torture and commit murder. They defy international law; violate treaties, repudiate covenants of peace; they bring chaos and disunity into sovereign nations and then seize and dismember them. They send their agents to spy upon us. They organize bunds to spread their vicious doctrines in strident contempt for our democracy and its institutions. They exalt error above truth, superstition above science, oppression above justice, and war above peace. And today, as in 1776—"A government whose character is thus marked by every act which may define tyranny, is unfit to be the friend of a free people * * *." Yet we, a free people, have continued to support by trade and commerce this enemy of our liberty and our peace. This, our conscience will permit no longer.

Therefore, we, the undersigned, respectfully petition the President and the Congress of the United States, to make such Executive orders, adopt such legislative measures, and alter such existing laws as may be necessary to the end that all economic connections between the United States of America and Germany be totally severed, until such time as Germany is willing to reenter the family of nations in accordance with humane principles of international law and universal freedom.

Myrna Loy, Paul Muni, John Ford, Pat O'Brien, Jack L. Warner, Rosemary Lane, Bryan Foy, Fay Bainter, Herbert Biberman, Priscilla Lane, Nunnally Johnson, Frank Tuttle, Dennis O'Keefe, Ira Gershwin, Helen Gahagan, Walter Thrubey, Joan Crawford, John Cromwell, H. M. Warner, Walter Wanger, Edw. G. Robinson, Roland Young, Gloria Stuart, Don Ameche, Lucille Ball, Arthur Hornblow, Jr., Burgess Meredith, Bette Davis, Groucho Marx, George Brent, Victor Jory, Donald Crisp, Ben Hecht, Jeffrey Lynne, Philip Dunne, George Cukor, Melvyn Douglas, Rosalind Russell, James Cagney, Lawrence Stallings, Gale Sondergaard, Aline MacMahon, Donald Ogden Stewart, Kenneth MacGowan, Josef von Sternberg, Carl Laemmle, Henry Fonda, Joan Bennett, Bruce Cabot, Elliot Nugent, George O'Neil, Ann Sheridan, Dick Powell, Tony Martin, Charles MacArthur, Alice Faye, Allan Sard, William Keighley, Claude Rains, Miriam Hopkins.

Cooperative Movement in Nova Scotia

EXTENSION OF REMARKS
OF
HON. JERRY VOORHIS
OF CALIFORNIA
IN THE HOUSE OF REPRESENTATIVES
Tuesday, July 18, 1939

ARTICLE BY REV. IGNATIUS W. COX, S. J.

Mr. VOORHIS of California. Mr. Speaker, under leave to extend my remarks I am very glad to include the following challenging article on the cooperative movement in Nova Scotia, by Rev. Ignatius W. Cox., S. J. The article appeared in Liberty magazine for June 24, 1939.

[From Liberty for June 24, 1939]

I SAW A PEOPLE RISING FROM THE DEAD—A STIRRING CHALLENGE TO BELIEVERS IN DEMOCRACY

(By the Reverend Ignatius W. Cox, S. J., professor of ethics, Fordham University)

The cooperative movement in Nova Scotia is one of the most hopeful social experiments in the western world. I studied it for 2 weeks and saw how, under the skillful touch of wise social doctors, an antitoxin is being developed against economic diseases to defeat the creeping death brought upon the world by a perverted capitalistic system. Slowly, because it was very sick, Nova Scotia is becoming a healthy social organism. It is a pledge for all such sick organisms, a social Lazarus, called forth from the jaws of the tomb by the voices of those who follow Christ. That is why I say, "I saw a people rising from the dead."

There is no need to explain the meaning of "social and economic death." We see it all around us in the millions who are without sufficient food because our crops are too bountiful; in the millions who are improperly clothed because our factories produce a superabundance of clothing; in the millions who shiver in the slums while coal miners are idle and steel mills cease to hum.

What is responsible for this state? The vice president of the Cooperative League of the United States answered my question with a simile: "Each year," he said, "the Mississippi River, with its tributaries, carries off millions of tons of precious topsoil, to deposit it, centralized and sterilized, in the Gulf of Mexico." Take a map of the United States, scratch out the names of the great inland rivers and their allies, and substitute the names of chain stores and monopolies, of capitalism gone haywire. Then you can visualize how the economic topsoil, so to speak, is swept from scattered individuals and communities into a central depository controlled by a few men in the financial center, leaving behind a huge aggregate of economically moribund people. If you imagine that I exaggerate, listen to the words of that great social reformer, Pius XI: "It is patent in our days that not alone is wealth accumulated but immense power and despotic economic domination are concentrated in the hands of the few, and that those few are frequently not the owners but only the trustees and directors of invested funds, who administer them at their own good pleasure. * * * Free competition is dead; economic dictatorship has taken its place. * * * The whole economic life has become hard, cruel, relentless in ghastly measure."

These conditions, denounced by the Pope, helped to produce two notorious panaceas—nazi-ism and communism. In both cases the remedy is worse than the disease. Both increase the dictatorship at the top and magnify the slavery at the bottom. Both lull the

masses into economic and social coma by the opium of collectivism or planned economy.

But to return to Nova Scotia. Its hardy people, mostly of French, Irish, and Scotch origin, are the men and women who fled the feudal system of Europe to secure social and economic freedom in America. The New World held and still holds a plenitude of riches. You can still see the rich Nova Scotian fields once cultivated by the Acadians, of whom Longfellow sang. Nova Scotia's fisheries are unrivaled. On Cape Breton Island Nova Scotia possesses coal mines reaching far beneath the ocean, and it is dotted with steel mills. But in spite of all these advantages its poverty is ghastly. Before the resurrection of Nova Scotia its steel and coal mines were the spearhead of Canadian communism.

Nor can we blame the freemen of Nova Scotia for their deep discontent. The economic system made them sharecroppers of the sea, of the land, and of industry. They had less than the share belonging to them by the bounty of Nature and the goodness of God, because the values produced and created by them were swept away into the hands of absentee economic landlords.

The process of the exploitation of Nova Scotia was simple. The primary producers became first the victims, then the slaves, of the middleman who controls distribution and credit. If a fisherman went to the store which sold him goods on credit, he paid 70 cents a pound for the twine which he needed in making his lobster traps. When he sold the product of those traps to the packers, he was able to get only 7 cents a pound for his large lobsters and 3 cents a pound for his canning lobsters, the small ones. The distributor fixed the price of the goods he sold and likewise the price of the goods he bought.

At the small St. Francis Xavier University at Antigonish, administered and largely staffed by the secular clergy, arose a plan to redeem Nova Scotia from its economic and spiritual miseries. Though numbering only 300 students, it is a great university. It is the soul and heart and brain of the movement which is bringing about the resurrection of a wonderful people.

The fathers of St. Francis Xavier University realized that they must wrest credit control from the absentee landlords. They considered how to attack these private monopolists. Certainly not by transferring their power to a public monopoly, by setting up in the government the same despotic control of economic life. That is the answer of Nazi totalitarian communistic or Nazi doctrine. There must be social control of credit, but it must be private and democratic. The credit union was the first answer, and the consumers' cooperative the second. The combination enabled the people to control the price of what they sold and what they bought. The secret of Nova Scotia's revival is cooperative but nongovernmental control of productive and distributive processes.

Father Tompkins is the dynamo of the movement and Father Coady is its philosopher. Father Coady is the director of the extension department of "St. of X.," as the people fondly call the university.

The distinctive characteristic of the Nova Scotian experiment and the reason for its success is that it is based firmly on the rock foundation of adult education. The cooperative system there is founded on an intelligent understanding of fundamental economic truths by ordinary people. They arrive at this understanding by round-table discussions and study clubs in farm kitchens, grocery stores, and village halls.

Encouraged and led by the priests of St. of X., small groups of people in scattered districts in Cape Breton Island and the peninsula of Nova Scotia learned to think and act together and to apply to their own problems the experience of others.

At the base of the system is the control of credit. Let us see how it works.

At the very height of the worst depression in the history of the world, in 1932, Father Coady talked to the miners at Reserve Mines. The miners were working 1½ days a week for $1.50. A. S. MacIntyre, field secretary of the extension department at Glace Bay, an exradical, to whom I talked personally, has a lurid story to tell of subversive activities in Cape Breton Island. Only a few years ago May Day was the biggest holiday in that section of Nova Scotia. Between 5,000 and 7,000 coal miners and steelworkers would turn out with their banners while their bands played The Red Flag and other revolutionary songs. Now they can hardly rally a baker's dozen.

It was in one of these sections that Father Coady began to talk about study clubs and the need of saving as a control to credit. "Save?" they laughed. "From what?" But they did save when they caught on to the meaning and the possibilities of credit unions. Somehow they managed to retain a few pennies from their small resources which formerly went for movies, pool, card games, and mostly rum.

In July 1933 the credit union had 33 members and assets of $60. In June 1937 there were 900 members and assets of $40,000. It seems incredible, but these depression-stricken miners had saved this amount in 4 years and kept it in their own community. It was home-made banking. Up to June 1937 the credit union had loaned the unbelievable sum of $196,000. The miners had erected the Credit Union Building with their own hands and had financed 19 homes. Average receipts on a Saturday were $1,800.

Under a law passed at the instigation of the St. Xavier study clubs, any group of people may organize to save their money and to create a revolving fund from which they can borrow. Each pays a small entrance fee and buys one share, worth $5, paid for in weekly installments of 25 cents. The money is put into a bank. When enough has accumulated it is loaned to the members at current interest rates. The earnings of the association are distributed among the stockholders. The money revolves rapidly. Loans are repaid promptly and every dollar is loaned out several times in the course of a year. No good-for-nothing can put over anything on these fellows. But they are not hard-hearted, as the banks must be, when misfortune strikes one of their number.

A young man wanted to buy a truck to work on the trans-Canada highway. He turned to his credit union for a loan of $500. Soon after he was stricken with illness and spent several months in a sanatorium. Did he lose his truck? Of course not. The credit union took it over and hired a driver. Out of the fund earned by the trust they paid the owner's indebtedness and kept the truck working until his hospital bill was paid and his debt to the credit union liquidated. By the time he recovered the truck was his, free and clear. That, as Father Coady would say, is Christianity. The basis of it all is self-help; no economic hocus-pocus like communism.

Every community can support itself if it can manage to keep its profits at home. By limiting the profit of the middleman, or by eliminating him if need be, and by controlling their own sources of credit, the people can defy the powers of plutocracy. The poor man's pennies are more powerful in the aggregate than the millions of the great corporations. The plutocrat is great only because he controls our pennies.

It is the same story everywhere in the farming districts, as well as in those places where the fisheries are the main industry. It was a historic day in one community when a few lobster fishermen, braver than the rest, pooled together to ship on their own a crate of lobsters for disposal in Boston. One hundred and forty pounds of lobsters are supposed to make a crate. At 7 cents a pound, that spells $9.80 for a crate. These economic pioneers looked up in an old fishing gazette the name of a wholesale fishman in Boston. Four fishermen contributed to make up a crate and waited for results.

Finally a letter came from Boston, and the novice handlers of their own catch opened the envelope with fear and trembling. Out fell a check for $32 as against the $9.80 they would have received from the local handlers. Then things began to happen. The packers had a meeting and declared they would not buy the small lobsters for canning if the fishermen handled their own marketable lobsters. But the fishermen laughed; they had learned their primary economic lesson. Now in many places they are canning their own small lobsters in cooperative factories.

In place after place I saw whole communities rising from death. The fishermen are processing their own fish and canning their own lobsters. The farmers are turning their attention to improved stock and prize cattle. The women are engaged in the handicrafts, hooking their rugs, carding and spinning their own wool, manufacturing in the strictest terms their own wearing apparel. Were it not for the cooperatives they would not be masters of their homes and captains of their souls.

The Nova Scotian movement is founded on the diffused and intelligent understanding by the forgotten men and women of what is best for them. It is likewise founded upon the determination to get what is best for them not through gratuities from above, which may emphasize their economic slavery, but by self-help, self-discipline, self-education. That is real democracy, and nothing else is. Democracy must be self-imposed regimentation or it is not democracy.

We ought to imitate cooperation in the United States. As a matter of fact, we are well on the way. I myself recently formed a group of automobile workers into a study club. Only the other day they started three credit unions. There are 6,000 such credit unions in the United States. If every parish and every labor union were to start a credit union and a cooperative store, we would be on our way out of the depression.

The political or social leader who will speed up the movement will be a Moses leading the American people into the promised land of social peace and economic security.

Revenue Legislation for the District of Columbia

EXTENSION OF REMARKS

OF

HON. JOHN H. OVERTON

OF LOUISIANA

IN THE SENATE OF THE UNITED STATES

Wednesday, July 19 (legislative day of Tuesday, July 18), 1939

EDITORIAL FROM THE WASHINGTON EVENING STAR

Mr. OVERTON. Mr. President, I ask unanimous consent that there be published in the Appendix of the RECORD an editorial in the Evening Star of Washington entitled "Statement versus Facts."

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

[From the Washington Evening Star]

STATEMENT VERSUS FACTS—THE HOUSE LEGISLATES FOR THE DISTRICT ON THE BASIS OF STATEMENTS OF ITS MEMBERS ABOUT THE DISTRICT—COMPARE THE STATEMENTS WITH THE FACTS

On Wednesday the House refused to accept the conference report on the District tax bill, thus repudiating the agreement made by its own conferees and further complicating the already serious condition which finds the municipal government of the District (an agency of the National Government) operating without appropriations and with no authority or money to pay its employees.

The decision of the House to turn down its own conferees was ostensibly reached on the basis of statements made by some of its influential Members regarding the District.

Let us examine some of the statements (in each case taken from the CONGRESSIONAL RECORD) and compare them with the facts.

THE STATEMENT

Mr. TABER. Ninety percent of the inhabitants of the District are on the Federal pay roll and paid by the Government of the United States.

THE FACTS

The number of executive, legislative, judicial, and municipal employees in the District, according to the most recent figures and estimates available, is 143,416. The population of the District of Columbia (United States Census Bureau estimate as of July 1, 1937) is 627,000. The percentage of Federal employees to total population is 22.9. This is high, because an unestimated number of Federal workers live in adjacent Maryland and Virginia.

A large number of municipal employees are paid exclusively from local tax revenues. Others receive about 90 percent of their pay from local tax revenues exclusively the remaining 10 percent representing that proportion of local revenues represented by the Federal payment.

Local taxpayers also contribute heavily to the salaries of Federal employees—including the salaries of Congressmen—through their national taxes, which exceed comparable taxes paid by any one of more than half the States.

THE STATEMENT

Mr. TABER. They (the people of the District of Columbia) have no relief problem of any kind whatever, only that which is imported if they operated the thing properly.

THE FACTS

There are receiving relief in the District at the present time: 9,602 enrollees of the Works Progress Administration; 664 individuals and 900 families (averaging 3.76 per family) or an estimated total of 3,384 persons receiving general relief from the Public Assistance Division, Board of Public Welfare; 648 cases (averaging 4.49 persons per case) or a total of about 1,369 persons receiving "aid to dependent children" relief; 305 cases (averaging 4.49 persons per case) or a total of about 1,369 persons receiving relief for home care; 3,290 persons receiving old-age assistance and 209 persons receiving aid for the blind.

Estimated total of all classes on public relief, 21,427.

Mr. TABER said that if "they operated the thing properly" the only relief problem would be what is imported.

The people of the District lack any voice whatever in the amount of money paid in relief, the rules of eligibility as to who will receive relief, and the designation of persons to whom relief is paid. The people of the District have no power to exclude from the District anyone who wishes to come here.

Article I, section 8 of the Constitution, enumerating the powers of Congress, says that Congress is "To exercise exclusive legislation in all cases whatsoever over such District (not exceeding 10 miles square) as may, by cession of particular States and the acceptance of Congress, become the seat of government of the United Stated * * *."

THE STATEMENT

Mr. TABER. They do not pay anything like what we pay at home. They get out of every bit of taxes they can get out of.

THE FACTS

The last official comparison of Washington's tax burden with that of other cities was made early this year by C. E. Rightor, chief statistician, Division of States and Cities of the Census Bureau, at the request of Senator OVERTON. Using Census Bureau figures, the most accurate obtainable, the comparison showed that when interest and debt-funding payments are included in the tax comparison the tax burden of Washington was higher than 6 of the 11 cities which most closely approximate it in population. When the items of interest and funding payments are eliminated (Washington being permitted to carry no bonded debt, and the relevant comparison relating to the tax burdens for current maintenance and normal development) the tax burden of Washington was shown to be higher than that of all but 4 of the 11 cities, and closely approximated 2 of these 4.

If Washingtonians "get out of every bit of taxes they can get out of" the fault lies with the exclusively legislating Congress, which writes the tax laws and supervises the collection of taxes.

THE STATEMENT

Mr. WHITTINGTON. With respect to the $6,500,000, I invite the gentleman's attention to the fact that this is the most unusual provision that has ever been submitted to this body in a legislative bill. The bill provides "for the fiscal year ending June 30, 1940, and for each fiscal year thereafter there shall be appropriated." This is an appropriation made in a legislative bill in violation of the rules of the House and should properly be voted down.

THE FACTS

On June 11, 1878, Congress wrote into the organic act for the District of Columbia this provision:

"To the extent to which Congress shall approve of said estimates, Congress shall appropriate the amount of 50 percent thereof, and the remaining 50 percent of such approved estimates shall be levied and assessed upon taxable property and privileges in said District other than property of the United States and the District of Columbia."

This remained the law for 42 years, until passage of the District Appropriation Act of February 22, 1921, when the 60–40 ratio was first adopted temporarily for the fiscal year 1922. In that act the provision was:

"Be it enacted, etc., That 40 percent of the following sums, respectively, is appropriated out of any money in the Treasury not otherwise appropriated, and 60 percent out of the revenues of the District of Columbia in full for the following expenses of the Government of the District of Columbia for the fiscal year ending June 30, 1922, only, namely."

The next year, in passing the appropriation act of June 29, 1922, Congress made the 60-40 ratio permanent substantive law in the following language:

"That, annually, from and after July 1, 1922, 60 percent of such expenses of the District of Columbia as Congress may appropriate for shall be paid out of the revenues of the District of Columbia derived from taxation and privileges and the remaining 40 percent by the United States, excepting such items of expense as Congress may direct shall be paid on another basis."

This remained the substantive law until it was repealed in the District Revenue Act of May 16, 1938, although it had been disregarded by the annual lump-sum practice inaugurated by the House in the fiscal year 1925 and repeated in each succeeding fiscal year.

THE STATEMENT

Mr. COLLINS. Mr. Speaker, there are several ways of considering fiscal relations between the District of Columbia and the Federal Government. The first way I shall present to you is the way the Jacobs report considered them—that was to estimate the value of the service each government rendered to the other. The Federal Government renders certain services to the District government, and the District government renders certain services to the Federal Government. That plan would estimate the cost of each and strike a balance. According to the Jacobs report there was a $1,484,014 balance in favor of the District of Columbia. Adding a capital outlays balance of $224,023 in favor of the District to that figure would give a balance to the District of $2,072,037.

THE FACTS

The measurement of intergovernmental services was one point in a three-point formula proposed by the Jacobs committee for fixing the Federal payment. The complete formula, as described in the Jacobs report, embraced these points:

"(1) Extension of the present system of contractual reimbursement to cover the entire field of intergovernmental operating services;

"(2) Establishment of a continuing method for determining the extent of Federal and District interests in each public permanent improvement within the District and for fixing the amount to be paid by each government in each instance; and

"(3) Comparison of the average cost per capita of supplying normal State and local services in a group of comparable communities with the cost per capita of supplying similar services in the District, and payment of any excess from the Federal Treasury as long as Congress exercises direct and positive control over the District government."

Mr. Collins was at that time chairman, as he still is, of the Subcommittee on District Appropriations and the Jacobs report was referred to his committee. He made a thorough study of it and in the report on the District appropriation bill for the fiscal year 1938 said with reference to the Jacobs report:

"As a result of these studies (of the report) the following conclusions have been reached:

"First. That the three- or four-point formula contained and recommended in the so-called Jacobs report to be used to solve the fiscal problem is unsound, both from the standpoint of equity and workability. * * * The measuring and valuing of each specific item of service the District performs for the Federal Government, and the Federal Government performs for the District, as recommended in point one of the three- or four-point formula, would entail a vast amount of statistical work, increase personnel, and the result would be anything but satisfactory. There would be no limit as to what the District government could charge in their bill for each service. * * * The other two or three points recommended by the Jacobs report are as visionary and fantastic as the one just mentioned and will be discussed at length later."

In addressing the House later on the Jacobs report (p. 3091, CONGRESSIONAL RECORD for April 1937), Mr. COLLINS explained each point of the proposed fiscal relations formula, quoted from his examination of Mr. McAneny, a member of the Jacobs committee, and reached this conclusion, which he gave to the House: "Therefore, Mr. Chairman, there is no disposition on the part of this

committee to take chances upon the possibility of the Congress of the United States paying $25,000,000 of the cost of operating the District of Columbia. We felt the additional proposal carried in the Jacobs report was a bait. We realized that when the camel got its nose under the tent, ultimately the entire camel would be under it, too."

The Star supported Mr. COLLINS is his criticism of the Jacobs report not because of the $25,000,000 payment to the District which Mr. COLLINS visualized under its provisions but because it was inclined to agree with another statement attributed to Mr. COLLINS concerning the report:

"To understand it you would have to be an Einstein, understand the fourth dimension and approach the subject upside down."

THE STATEMENT

Mr. NICHOLS. Now, as to the contribution, this $5,000,000 is an arbitrary figure, the $6,500,000 is an arbitrary figure, and I submit that every expert who has been requested to fix a formula or a yardstick, with the exception of the distinguished Senator from Louisiana, if he can be called an expert, has fixed a figure less than $5,000,000 as the Federal contribution to the District of Columbia.

THE FACTS

The Star knows of no case where any "expert" recommended as low a payment as $5,000,000.

Aside from the applicability of the term "expert," there follows a brief summary of recommendations by those who have studied the question of the Federal payment and how to determine it:

1. The act of 1878 was passed by Congress after years of neglect had reduced Washington to a laughing stock as a Federal Capital. Its final passage followed several investigations by House and Senate and represented the conclusion of these "experts" that the Federal Government should assume one-half of the cost of the annual appropriations.

This practice being attacked in the House after 37 years of successful operation, a joint committee of House and Senate devoted many months of study of the problem in 1915 and, while concluding that the ratio of appropriations might be changed, gave this as the unanimous conclusion of the committee: "Our unanimous conclusion is that the rate of taxation in the District should be fixed and certain; that the Congress should pursue a definite policy of regular and liberal appropriations, having in view not only the permanent moral and physical advancement of the city, but also its preeminent beauty and grandeur as the municipal expression of the Nation's home and its people's pride."

2. No change in the 50–50 system was made by Congress until February 22, 1921, when the law was amended to provide for a 60–40 division of expenses. This was reaffirmed in the next year's appropriation bill and made permanent, substantive law. The Federal payments in those years exceeded by over 100 percent the $5,000,000 mentioned by Mr. NICHOLS as the maximum ever recommended.

3. The former Bureau of Efficiency (reputed to have been made up only of experts and assistant experts) studied the fiscal relations problem at the direction of a committee of Congress, reaching the conclusion in subsequent reports that the Federal payment for the fiscal year 1932 should be $10,183,391, and measured thereafter by a formula that would have increased it annually. That is more than twice the maximum mentioned by Mr. NICHOLS.

4. Largely because of the Bureau of Efficiency's findings, the so-called Mapes Committee of the House hired an expert who made an investigation of tax burdens by a highly questionable method and reached the conclusion that the Federal payment should be $6,500,000—which is a million and a half above the Nichols maximum. (More about the Mapes report later.)

5. The Jacobs report a few years later recommended a three-point formula for measuring the Federal obligation, two points of which, applied for that year (fiscal year 1937) would have given the District $2,072,037. Mr. COLLINS, however, estimated the yield from the third point of the formula as being $8,772,000. He estimated that the potential yield of the formula to the District would be $25,000,000—which is five times Mr. NICHOLS' statement of an expert's maximum.

THE STATEMENT

Mr. NICHOLS. When it is proposed that a value be placed on Federally owned tax-exempt property in the District of Columbia and that that property be assessed as business property and that the Federal Government pay a sum to the District Government equal to the amount of money that would have been paid on Federal property assessed as business property, you got a figure considerably less than $5,000,000—$3,000,000 plus is my recollection.

THE FACTS

But $3,000,000 plus what?

If anybody ever made the proposal as outlined by Mr. NICHOLS, his identity is unknown to the Star, which follows such matters rather closely. If Mr. NICHOLS knows him and produces him for public inspection, he will render himself and the Star a great service.

But if this formula as outlined by Mr. NICHOLS were applied the resulting Federal payment would, in round numbers, exceed $11,600,000 which is considerable more than $5,000,000. (NOTE.—United States owned tax-exempt Federal property in the District for the current year amounts to 11,441.74 acres, compared with the 17,357.75 total taxable acres. Federal property is assessed at $662,995,513 with improvements, but is, of course, tax exempt. Total taxable real property is assessed at $1,148,395,501.)

THE STATEMENT

Mr. COLLINS. The third well-known way of figuring fiscal relations is to ascertain whether or not the taxes in the District of Columbia are higher or lower than elsewhere, and when rates of taxation are higher than in comparable jurisdictions then the Federal Government must pay all over and above reasonable tax burdens. That was the principle largely followed in the Mapes report. That report recommended a sum not in excess of $6,500,000. But that is not all. I read the following statement from the Mapes report:

"The committee feels that for the present at least the Federal Government should continue to contribute something of the expenses toward the District, the Capital of the Nation; that to do so is perhaps wise public policy and in accordance with the public sentiment of the country, but with the constant increase in value of privately owned property within the District it becomes progressively more easy for the District to meet the expenses of the District government as the years go by without undue burdens or any increases in the general property tax. The time may come when the District should in all conscience meet the total normal budget of the District government."

That report was made in 1933. Six years have elapsed and privately owned property values are much larger now than then. I regret I cannot go longer into this discussion, but my time is up. [Applause.]

THE FACTS

Mr. COLLINS, whom the Star continues to regard as a valuable friend of the District on Capitol Hill, and not as an enemy, has been misinformed, although he served on the former Mapes committee.

Privately owned property values are not, as he says and as the Mapes committee predicted, higher now than they were when this report was made. As measured by the District's strict assessment of real property in the District, the figures are as follows:

Realty assessment, 1933 (fiscal year)	$1,229,359,566
Realty assessment, 1939 (fiscal year)	1,193,499,086
Decrease	35,860,480

Why this decrease in real-estate assessment? One reason is the increase in the amount of tax-exempt property—taxable property bought by the Federal Government and made tax exempt. In 1933, Federally owned and tax-exempt property was valued at $518,064,979. It is now valued at $662,995,513—an increase in these years of $144,930,534. In these 6 years alone 835 acres of taxable District land has been purchased by the Federal Government and removed to the tax-exempt list—an item that in itself would explain the decrease in private-property values in the District.

Now, as to the Mapes recommendations. The Mapes committee recommended a lump sum of $6,500,000, which in that year would have represented 16.2 percent of the general fund appropriations.

The House conferees, whose agreement with the Senate was repudiated on Wednesday by the House, recommended a lump sum of $6,500,000, which happens to be 16.1 percent of the general fund appropriations agreed upon between House and Senate.

The Mapes committee recommended a new tax program that would have increased taxes by an estimated $4,000,000.

Since the Mapes committee's report, the local tax burden has increased by $11,214,919, or 34.7 percent.

To sum up: The Mapes committee recommended a lump sum of $6,500,000, a tax increase of $4,000,000, and predicted that rising property values would enable the Federal payment eventually to be omitted entirely.

The history of the past 6 years has brought a decrease of $2,775,000 in the Federal payment (Congress made the Federal payment $7,775,000 as a compromise between House and Senate in the year the Mapes report was delivered); an increase of $11,214,919 in the local taxes paid by the District; a decrease in the property values which the Mapes committee predicted would increase.

The American Tax Burden

EXTENSION OF REMARKS

OF

HON. RUSH D. HOLT

OF WEST VIRGINIA

IN THE SENATE OF THE UNITED STATES

Wednesday, July 19 (legislative day of Tuesday, July 18), 1939

ARTICLE BY CHARLES A. SEGNER

Mr. HOLT. Mr. President, I ask unanimous consent to have printed in the Appendix of the RECORD an article entitled "Taxes Consume Almost Two-Thirds of the Earnings of American Industry," with a table showing the record of individual corporations.

This tax burden is passed on to the consumer in most instances. Part of this tax is hidden. Even though the tax is collected by certain businesses, the tax is paid by the ultimate consumer.

No issue is of more importance in our country today then that of taxes.

President Roosevelt said:

Our workers may never see a tax bill, but they pay. They pay in deductions from wages, as increased cost of what they buy or as now in broad unemployment throughout the land. There is not an unemployed man, there is not a struggling farmer, whose interest in this subject is not direct and vital. It comes home to every one of us.

He also said:

Taxes are paid in the sweat of every man who labors because they are a burden on production and are paid through production. If those taxes are excessive, they are reflected in idle factories, in tax-sold farms, and in hordes of hungry people, tramping the streets and seeking jobs in vain.

We should be courageous enough to have the revenues meet the expenditures.

The Federal Government gets its money from the same source as the local governments—that is, from the people. Citizens must realize that the more they demand in expenditures from the Federal Government, the more the situation spoken of by President Roosevelt is aggravated. These Federal expenditures are paid for by those who say they are getting something for nothing.

The one way to stop expenditures is for the people to become aroused and exert their efforts. The spenders are in the saddle. They will stay there as long as the people of the country will tolerate it. Some day, such tolerance of the people will stop.

We must realize that so long as we reward those who spend instead of those who save, we will have continuing deficits with the damage so well spoken of by the President.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

[From Investor America]

TAXES CONSUME ALMOST TWO-THIRDS OF THE EARNINGS OF AMERICAN INDUSTRY

(An authentic survey of 163 representative corporations having $40,000,000,000 in assets, 6,500,000 stockholders, and approximately 3,000,000 employees)

(By Charles A. Segner)

American industry last year paid more than twice as much in taxes as was paid in dividends to common-stock holders.

Taxes paid by American industry for 1938 amounted to almost two-thirds of net earnings, before taxes and dividends.

These startling facts, showing the confiscatory nature of the tax burden imposed upon business and investors as a result of governmental extravagance and a socialistic trend in national policies, are revealed in a survey just completed by American Federation of Investors. The study covers 163 typical American corporations, representing a cross section of various lines of industry.

The results of this survey are of vital concern to business leaders, investors, and workers, who constitute an important element of the consuming public. Among salient facts brought out by this study are the following:

1. Total assets of these 163 corporations are $40,379,000,000.

2. More than six and one-half million stockholders have invested all or a portion of their savings in the 650,000,000 shares of these 163 companies. The average number of common shares owned by each of the 5,806,000 common stockholders is 104. More than three-fourths of the common stockholders hold not more than 100 shares each.

3. The total number of employees of these 163 companies in 1938 averaged 2,854,000, or less than one-half the number of investors in common stock. The average number employed per company last year was 17,601, compared with an average of 21,131 per company in 1937.

4. Total taxes paid by these 163 companies in 1938 was $1,643,000,000, equivalent to $283 per common stockholder and to $576 per employee.

5. These taxes amounted to an average of $2.73 on each share of common stock, whereas the total amount paid by these 163 companies in dividends to the 5,806,000 holders of common stock was equivalent to but $1.33 for each share of common stock.

6. Taxes consumed 61.6 percent of the net earnings (before taxes) of the 163 companies—almost two-thirds of such earnings. Nineteen of these companies reported a deficit before taxes, while the earnings of 15 others were wiped out by taxes, leaving net deficits for the year.

The statistical information upon which these facts are based is authentic, having been obtained by the federation direct from the corporations listed. In a very few instances these figures are obtainable from annual reports or from business manuals, but in a general sense the information contained in the tabulation on pages 10, 11, and 12 of this issue of Investor America is available nowhere else. Its compilation was made possible through the cooperation of 163 corporations whose managements recognize the importance of a frank relationship between the corporation on the one hand and its investors, employees, and the consuming public on the other hand.

Letters of inquiry were sent to 285 corporations, 163 of which responded with the facts requested. In a period when industry is burdened with the task of filling out hundreds of questionnaires for governmental agencies, necessitating heavy additional expenses, it is gratifying that so many companies entered heartily into the spirit of the federation's plan to give the public reliable information relative to the crushing burden of taxes loaded upon American industry.

Business leaders are coming more and more to recognize that only through the united support of their millions of stockholders, who constitute the great middle class of America, can they hope to overcome the effects of demagogic political appeals to class prejudice, and the socialistic efforts to discredit private enterprise in the hope of establishing autocratic government ownership of all industry.

Investors will find much of interest in the tax tabulation in this issue of Investor America. It is not just a lot of dry statistics. Almost every line tells a graphic story of the termitelike ravages of the tax collector. For example, it is shown that, although United States Steel Corporation last year earned $41,124,677 before payment of taxes, nothing was left for stockholders after all taxes had been paid. In fact, a deficit of $7,717,454 was incurred. While 168,399 owners of common stock received nothing, the company was able to pay a dividend to preferred-stock holders out of surplus accumulated in former years. Total taxes were equivalent to $5.61 per share of common stock.

The steel industry as a whole is owned by 519,000 stockholders, about 40 percent of whom are women. Last year taxes amounted to $96,600,000, although earnings before taxes and dividends amounted to but $83,727,000. After deduction of taxes the industry was "in the red" to the extent of $14,879,000. In 1937, the steel industry paid out in taxes 64 percent more than in the prosperous year of 1929, although steel output in 1937 was 10 percent below the 1929 tonnage. Taxes paid by the steel industry in 1938 were equivalent to a year's wage for 83,000 workers. For every ton of steel produced last year, the industry paid $5.18 in taxes, which was 78 percent more per ton than in 1929. What is happening in the steel industry as a result of steadily mounting taxes is taking place in practically every other industry to some degree.

Reasonable taxes are essential to the maintenance of good government, and all good citizens willingly assume their just share of necessary taxes. However, when extravagance and political corruption waste the billions of dollars collected from the people in taxes and result in a steadily mounting debt that threatens the solvency of the Federal Government, there is cause for complaint on the part of those upon whom the burden falls most heavily. The millions of thrifty citizens whose savings form the backbone of industrial investment in this country are the ones most directly affected by these destructive taxes. Workers in industry also are vitally concerned, for unless business is permitted to operate on a basis that will permit a fair margin of profit the system of free enterprise will break down and there will be fewer jobs and lower wages. This would further increase the number of dependents and cut off their support by drying up the sources of taxation from which relief funds now come.

What is the outlook for the future? It can be judged best by summing up the present situation, and noting the trend of national affairs. The fiscal plight of the Federal Government is of vast importance in its bearing on the future. The gross debt is now close to forty and one-half billion dollars and will approximate the statutory limit of $45,000,000,000 during this fiscal year. To circumvent this statutory limitation, the administration is undertaking broader spending and lending by Federal agencies. Although not shown in the public debt, under present bookkeeping methods of the Government, this huge spending-lending program will add billions to the obligations of the taxpayers. Guaranteed bonds and contingent liabilities of this character now amount to approximately $7,000,000,000. It is well to bear in mind that a debt of $45,000,000,000 means that the Government has spent that much more than it has received in revenue, and that unless the debt is repudiated either this or future generations will have to pay it through additional taxes. Continued deficit spending by the Government means either increased taxes or national bankruptcy, or both.

Last year's Federal deficit was three and one-half billion dollars, and Budget estimates for the current year indicate there will be a larger deficit for the fiscal year ending June 30, 1940. The spread between Government expenditures and income is widening. Either Federal expenses must be cut or taxes must be greatly increased. Taxes of the corporations listed in the Federation's tabulation have more than doubled in the last 5 or 6 years, and the total taxes of the Nation have doubled since 1929. A further increase of 50 percent in the revenues of the Federal Government would be necessary to meet current expenses; that is, to balance the Budget,

with nothing left to apply toward reduction of the gross debt, which is now costing the taxpayers $1,000,000,000 a year in interest alone, even at the present low interest rates paid by the Government.

American industry's income dollar

	Percent
Net earning	38.4
Taken by taxes	61.6

The above diagram represents the total income amounting to $2,666,192,399 of the 163 corporations listed below. This income is after payment of all wages and salaries, cost of materials, and all other expenses except taxes, and before dividends. The survey just completed by the American Federation of Investors shows that last year taxes took the surprisingly large sum of $1,643,466,791, or 61.6 percent of income, leaving only 38.4 percent available for dividends to investors, or for conversion to surplus to meet the needs of plant expansion or other necessary purposes. In a number of instances taxes consumed all the earnings of a corporation, leaving a net deficit. Exorbitant taxes are the arch enemy of the thrifty, middle-class millions of Americans who are the backbone of democracy.

Taxes on American industry more than double amount paid in common dividends

[For fiscal year 1938]

Name of company	Total assets	Total shares outstanding (common and preferred)	Total number stockholders (common and preferred)	Number of employees (1938 average)	Total taxes, 1938 (all kinds)	Net income, 1938 (after taxes)	Percent of taxes to net earnings before taxes	Taxes per common share, 1938	Dividends per common share, 1938	Taxes per common-stock holder, 1938	Taxes per employee, 1938
Acme Steel Co	$13,433,237	328,108	3,270	2,212	$346,313	$368,168	48.5	$1.06	$1.25	$106	$157
Allis-Chalmers Manufacturing Co	104,578,603	1,776,092	17,525	13,167	3,096,474	2,553,946	54.8	1.74	1.50	177	235
American Brake Shoe & Foundry Co	31,203,526	823,725	6,715	4,200	748,937	1,080,719	40.9	.97	1.00	131	178
American Can Co	174,464,222	2,886,331	35,546	19,950	7,027,996	13,645,499	34.0	2.84	4.00	238	352
American Cyanamid Co	72,034,323	2,825,179	19,000	7,700	1,880,152	2,452,912	43.4	.72	.60	[1] 98	244
American Locomotive Co.[2]	56,649,788	1,119,861	17,365	5,641	932,672	[3] 1,302,195	----------	1.21	None	90	165
American Rolling Mill Co	138,849,766	3,318,575	42,858	14,582	2,453,506	[3] 1,307,880	214.2	.86	None	74	168
American Smelting & Refining Co	164,108,100	2,691,669	28,119	28,734	6,600,000	10,611,809	38.3	3.01	2.25	322	230
American Telephone & Telegraph Co	5,119,062,915	18,686,794	646,882	[4] 257,443	147,431,837	155,543,000	48.7	7.54	9.00	228	573
American Tobacco Co	276,663,968	5,083,174	60,614	20,091	129,669,012	25,435,643	83.6	28.46	5.00	2,466	6,454
American Water Works & Electric Co	399,501,620	2,543,105	18,910	8,899	7,000,000	2,095,085	77.0	2.99	None	495	787
Armstrong Cork Co	53,306,870	1,462,660	9,109	[4] 8,673	1,105,595	1,150,796	49.0	.78	.75	122	127
Atlantic Refining Co	199,058,436	2,811,999	34,041	11,816	[5] 5,318,827	4,317,297	55.2	2.00	1.00	181	450
Atlas Powder Co	24,617,729	317,760	4,464	[4] 2,225	512,051	1,013,056	33.6	2.06	2.25	164	230
Baldwin Locomotive Works [2]	56,143,386	1,079,529	11,868	6,477	1,527,212	[3] 1,032,641	308.8	1.49	None	139	236
Baltimore & Ohio R. R. Co	1,190,120,713	3,151,585	39,930	33,442	10,717,048	[3] 13,124,530	----------	4.18	None	307	320
Beatrice Creamery Co	23,312,194	474,657	7,282	5,276	1,135,000	1,623,141	41.2	3.00	1.75	272	215
Belden Manufacturing Co	3,233,700	241,547	996	922	93,621	[3] 101,711	----------	.39	.20	94	102
Bendix Aviation Corporation	33,790,480	2,097,663	23,193	7,752	1,092,208	156,048	87.5	.52	None	47	141
Bethlehem Steel Corporation	699,474,044	5,051,758	74,358	82,680	13,183,148	5,250,239	71.5	4.14	None	278	159
Borden Co	122,400,608	4,396,704	47,668	27,500	6,577,060	6,641,205	49.8	1.50	1.40	138	239
Borg-Warner Corporation	43,191,920	2,302,040	16,800	9,500	1,700,686	[3] 19,966	101.2	.69	.25	101	179
Brunswick-Balke-Collender Co	13,657,213	473,606	2,353	2,234	614,127	1,003,710	38.0	1.39	1.00	305	275
Bucyrus-Erie Co	26,245,216	1,277,235	10,461	2,169	428,767	677,953	38.7	.35	None	47	198
Edward G. Budd Manufacturing Co	23,781,900	1,716,339	14,500	5,934	775,000	[3] 1,482,442	----------	.47	None	61	131
Burroughs Adding Machine Co	36,018,645	5,000,000	16,915	[6] 10,462	2,449,859	2,706,965	47.5	.49	.50	145	234
Butler Bros	32,839,050	1,408,517	17,784	7,500	950,880	718,908	56.9	.84	.15	70	127
Case (J. I.) Co	43,579,878	296,785	3,310	7,439	1,472,712	2,422,372	37.8	7.55	5.00	755	198
Caterpillar Tractor Co	52,738,636	1,997,392	17,911	9,432	1,851,446	3,235,709	36.4	.98	2.00	112	196
Celanese Corporation of America	60,958,060	1,312,997	8,363	8,443	1,309,245	2,479,749	34.6	1.31	None	245	155
Certainteed Products Corporation [2]	20,269,385	698,409	6,569	2,615	361,279	171,010	67.9	.58	None	78	138
Chrysler Corporation	212,046,855	4,351,132	50,931	49,259	21,061,646	18,798,294	52.8	4.84	2.00	414	428
Cities Service Co.[2]	1,080,068,703	4,635,739	622,000	24,000	17,940,158	5,814,515	75.5	4.84	None	35	748
City Ice & Fuel Co	44,859,678	1,353,899	13,061	4,000	[7] 1,703,515	2,816,642	37.7	1.47	1.40	169	426
Colgate-Palmolive-Peet Co	74,867,801	2,195,905	17,383	10,000	7,119,671	4,921,921	59.1	3.63	.25	664	712
Columbia Gas & Electric Corporation [2]	728,169,260	13,324,283	71,000	14,518	11,063,938	10,230,747	52.0	.91	None	187	762
Commercial Solvents Corporation [2]	21,255,955	2,636,878	29,024	1,120	[8] 15,892,689	[3] 294,358	101.9	6.03	None	548	14,190
Condé Nast Publications	6,818,984	327,150	953	1,558	220,252	222,887	49.7	.67	None	231	141
Consolidated Edison of New York	1,358,558,488	13,656,838	123,542	38,378	51,353,569	34,893,619	59.5	4.48	2.00	536	1,338
Container Corporation of America	25,222,126	781,253	8,017	4,000	472,977	29,470	94.1	.61	.30	59	118
Continental Baking Corporation [2]	51,461,029	2,692,713	22,613	[6] 12,466	3,065,168	4,493,803	40.6	1.34	None	191	246
Continental Can Co	123,327,938	3,053,971	37,422	14,931	3,362,545	7,101,973	32.1	1.18	2.00	97	225
Continental Motors Corporation	6,447,854	2,443,552	26,595	1,152	180,207	[3] 548,287	----------	.07	None	7	156
Corn Products Refining Co	113,227,947	2,780,000	19,843	4,473	2,938,285	9,753,669	23.2	1.16	3.00	172	657
Crane Co	105,522,308	2,541,431	11,975	16,400	2,602,982	380,698	87.2	1.11	None	288	159
Crown-Zellerbach Corporation	104,550,172	2,790,854	22,700	8,300	[9] 2,650,000	6,211,414	29.9	1.17	.75	189	319
Curtis Publishing Co	67,213,705	2,515,484	18,761	6,034	1,017,904	1,279,162	44.3	.59	None	186	169
Cutler-Hammer, Inc	7,929,120	659,998	2,717	2,970	303,939	[3] 307,438	----------	.46	None	112	102
Deere & Co	107,931,155	4,547,362	9,836	14,102	4,954,995	9,469,931	34.4	1.65	1.35	1,109	351
Detroit Edison Co	348,934,035	1,272,260	14,697	6,553	7,687,596	7,833,306	49.5	6.04	6.00	523	1,173
Diamond Match Co	34,044,382	1,300,000	8,784	5,265	1,728,289	2,073,862	45.4	2.47	[10] 1.25	259	328
Dixie-Vortex Co	6,467,629	381,310	3,457	990	253,358	734,998	25.6	1.42	1.00	123	256
Du Pont de Nemours & Co	810,543,555	12,640,110	76,535	42,300	13,020,000	50,190,827	20.6	1.18	3.25	218	308
Eastman Kodak Co	177,061,899	2,312,578	38,851	23,800	7,228,000	17,339,408	29.4	3.21	6.00	193	304
Federal Motor Truck Co	3,683,199	491,543	3,082	387	98,232	[3] 299,269	----------	.20	None	32	254
First National Stores	30,235,806	824,573	9,323	13,192	1,817,603	2,624,458	40.9	2.22	2.50	196	138
Food Machinery Corporation	13,269,155	466,676	3,512	1,368	373,221	840,537	30.7	.88	1.375	140	273
General Electric Co	374,465,199	28,784,437	208,580	59,917	15,632,000	27,729,329	36.1	.54	.90	75	261
General Foods Corporation	89,020,025	5,401,440	69,245	10,578	4,693,294	13,577,075	25.6	.89	2.00	70	444
General Mills, Inc	60,557,410	888,111	10,063	7,100	1,935,000	4,110,631	32.0	2.91	3.00	279	273
General Motors Corporation	1,598,012,229	44,697,925	389,509	163,972	73,812,000	102,310,036	41.9	1.72	1.50	200	450
General Theatres Equipment Corporation	12,258,207	597,887	5,790	885	239,000	507,267	32.0	.40	1.00	41	270
Gillette Safety Razor Co	27,431,754	2,298,769	24,164	[11] 3,000	1,895,038	2,941,889	39.2	.95	.70	96	632
B. F. Goodrich Co	132,008,377	1,715,287	26,480	20,000	7,300,000	2,240,119	76.5	5.60	None	362	365
Grant (W. T.) Co	41,181,727	1,538,212	4,429	17,597	3,389,291	2,766,424	55.1	2.85	1.65	833	193
Hat Corporation of America	6,998,915	499,375	2,130	2,600	273,020	325,888	45.6	.58	.20	163	105
Hercules Powder Co	46,992,039	1,412,904	6,680	5,137	1,332,930	3,089,017	30.1	1.01	1.50	312	259
Houdaille-Hershey Corporation	12,609,059	959,057	9,475	3,767	497,614	588,230	45.8	.63	None	66	132
Hudson Motor Car Co	31,525,212	1,588,810	10,270	7,028	2,211,335	[3] 4,670,004	----------	1.39	None	215	315
Illinois Central R. R. Co	740,133,655	1,544,452	18,545	27,362	9,708,123	1,222,874	88.8	7.15	None	651	355
Interlake Iron Corporation	56,641,247	2,000,000	7,142	1,691	462,836	[3] 1,021,655	----------	.23	None	65	274
Jewel Tea Co., Inc	10,347,804	280,000	4,553	3,690	1,100,415	1,423,959	43.6	3.93	5.00	242	298
Johns-Manville Corporation	51,056,564	925,000	7,752	9,838	1,474,664	1,455,302	50.3	1.73	.50	[1] 190	150
Kelsey-Hayes Wheel Co	15,976,612	548,267	3,776	2,455	456,105	[3] 1,045,504	----------	1.77	None	166	186
Kennecott Copper Corporation	342,768,309	10,821,653	79,417	[4] 24,400	9,120,633	22,689,660	28.7	.84	1.75	115	374
Kresge (S. S.) Co	124,925,991	5,489,922	23,273	30,300	6,982,938	8,997,051	43.7	1.27	1.20	300	230
Kress (S. H.) & Co	74,180,718	3,072,573	3,927	13,202	[8] 4,184,775	3,668,216	53.3	1.78	1.60	1,505	317
Kroger Grocery & Baking Co	57,904,642	1,822,976	26,049	[4] 20,498	[5] 12,170,955	3,741,569	76.5	6.68	1.90	468	594
Lehigh Valley Coal Corporation	33,068,123	1,432,846	13,945	7,662	1,517,665	[3] 1,509,958	19,602.0	1.26	None	142	198
Libbey-Owens-Ford Glass Co	45,027,176	2,509,750	13,572	5,209	1,464,916	3,930,460	27.2	.58	1.25	108	281
Libby-McNeill & Libby	56,904,890	2,557,685	12,593	11,868	1,289,779	[3] 3,354,277	----------	.52	None	[1] 102	109
Long-Bell Lumber Co	41,231,965	250,711	8,100	4,748	597,160	[3] 537,549	1,001.8	3.02	None	75	126
Loose-Wiles Biscuit Co	28,302,119	560,710	6,066	9,135	1,176,604	988,074	54.4	2.26	1.05	225	129

See footnotes at end of table.

Taxes on American industry more than double amount paid in common dividends—Continued

[For fiscal year 1938]

Name of company	Total assets	Total shares outstanding (common and preferred)	Total number stockholders (common and preferred)	Number of employees (1938 average)	Total taxes, 1938 (all kinds)	Net income, 1938 (after taxes)	Percent of taxes to net earnings before taxes	Taxes per common share, 1938	Dividends per common share, 1938	Taxes per common-stock holder, 1938	Taxes per employee, 1938
Louisville & Nashville R. R. Co	$529,507,915	1,170,000	7,186	22,001	$7,114,734	$2,706,016	72.4	$6.08	$4.00	$990	$323
Masonite Corporation	5,919,281	557,629	2,550	1,700	450,535	1,144,274	28.3	.84	1.50	215	265
McCall Corporation	16,402,643	528,760	4,340	2,009	362,045	561,842	39.2	.68	1.00	83	180
McCrory Stores Corporation	22,661,965	1,040,253	2,584	9,000	1,279,839	1,765,063	42.0	1.29	.75	643	142
McLellan Stores Co	8,373,389	763,181	2,618	6,000	441,784	860,788	33.9	.60	.60	197	74
Mesta Machine Co	14,503,244	987,979	6,390	2,435	1,171,999	2,909,957	28.7	1.19	2.50	183	481
Middle West Corporation [1]	448,226,233	3,308,355	34,500	8,313	8,299,552	2,678,463	75.6	2.51	None	241	998
Minneapolis-Honeywell Regulator Co	11,016,668	652,600	4,067	2,592	569,081	1,003,289	36.2	.92	2.00	171	220
Missouri Pacific R. R. Co	680,722,978	1,546,396	8,260	22,214	5,835,450	[3] 14,767,960	----------	7.04	None	706	263
Mohawk Carpet Mills	17,762,780	546,300	3,456	5,030	447,505	[3] 1,485,901	----------	.82	.25	129	89
Monsanto Chemical Co	66,737,903	1,341,816	11,286	5,737	[5] 2,640,593	3,290,519	44.5	2.13	2.00	311	460
Montgomery Ward & Co	227,830,990	5,418,701	61,452	43,000	9,155,000	19,644,956	31.8	1.75	1.50	153	213
Motor Wheel Corporation	12,455,440	850,000	8,500	2,510	404,145	621,780	39.4	.48	.40	48	161
Mullins Manufacturing Corporation	5,851,793	574,825	2,613	1,640	183,949	[3] 614,826	----------	.34	None	96	112
Murray Corporation of America	17,302,655	950,615	9,000	5,732	781,396	[3] 1,495,700	----------	.82	None	87	136
National Biscuit Co	124,985,701	6,537,493	54,680	18,347	6,066,471	12,047,038	33.5	.96	1.60	123	331
National Cash Register Co	47,943,580	1,628,000	18,925	6,781	2,640,000	2,392,341	52.5	1.62	1.00	139	389
National Dairy Products Corporation	199,724,676	6,353,956	75,349	35,911	8,035,529	11,326,360	41.5	1.28	1.00	109	224
National Gypsum Co	16,370,377	1,321,458	6,023	1,785	407,249	921,632	30.6	.32	None	88	228
National Supply Co	67,463,371	1,726,156	7,044	6,241	1,492,042	1,283,767	53.8	1.29	None	514	239
National Tea Co	14,814,839	768,407	6,178	6,000	[5] 1,807,056	[3] 982,313	219.1	2.90	None	325	301
Natomas Co	12,402,977	980,250	3,139	375	333,140	1,283,945	20.6	.34	.90	106	888
Neisner Bros., Inc	10,987,157	229,891	1,255	4,000	702,874	421,713	62.5	3.43	1.25	855	176
New York Central R. R. Co	1,822,030,466	6,447,413	62,756	84,031	33,227,578	[3] 20,154,357	254.2	5.15	None	529	395
Niagara Hudson Power Corporation	610,127,913	10,065,839	79,550	11,100	15,231,203	7,195,520	67.9	1.59	.25	200	1,372
North American Co. [2]	931,567,744	9,180,495	68,165	19,000	18,322,282	15,109,007	54.8	2.14	1.20	312	964
Ohio Oil Co	138,670,110	6,917,914	34,995	5,921	[5] 9,022,403	4,582,964	66.3	1.37	.20	288	1,524
Otis Elevator Co	40,035,150	2,065,000	12,375	6,169	1,331,676	1,912,730	41.0	.67	.60	117	216
Owens-Illinois Glass Co	85,057,974	2,661,204	9,212	[4] 13,901	2,333,626	5,383,805	30.2	.88	1.50	253	168
Pacific Gas & Electric Co	764,251,466	11,632,092	95,985	12,575	17,081,167	23,430,289	42.2	2.75	2.00	475	1,358
Pacific Greyhound Lines	12,642,743	521,962	437	1,551	1,418,113	1,729,777	45.0	3.38	2.25	[1] 3,245	914
Packard Motor Car Co	49,752,711	15,000,000	117,528	9,007	3,157,395	[3] 1,638,317	----------	.21	None	27	351
Parker Rust-Proof Co	2,438,910	432,225	3,279	90	157,780	575,738	21.5	.37	.875	49	1,753
Penney (J. C.) Co	85,715,935	2,543,984	17,040	38,000	[12] 6,288,820	13,739,160	31.4	2.47	4.25	369	166
Pennsylvania R. R. Co	2,322,408,356	13,167,754	214,532	89,216	37,403,344	3,010,781	92.6	2.84	.50	174	419
Phelps Dodge Corporation	194,226,766	5,071,260	17,334	10,150	4,041,000	8,656,824	31.8	.80	1.00	233	398
Phoenix Hosiery Co	7,077,890	204,026	840	3,376	302,446	120,175	71.6	1.74	None	850	90
Pittsburgh Screw & Bolt Corporation	7,817,956	1,500,000	10,964	1,389	175,514	[3] 350,948	----------	.12	None	16	126
Public Service Corporation of New Jersey [2]	686,820,915	7,111,590	85,770	20,417	22,991,120	22,733,245	50.3	4.18	2.20	681	1,126
Pullman Inc	254,764,132	3,820,256	35,450	25,000	5,506,039	2,295,829	70.6	1.44	1.375	155	220
Pure Oil Co. [2]	180,363,078	[13] 4,703,450	[13] 40,000	[13] 7,200	[5] 31,956,203	5,412,903	85.5	8.03	None	1,102	4,438
Quaker Oats Co	60,206,714	882,000	7,645	4,072	1,503,628	5,852,895	20.4	2.14	6.00	393	369
Radio Corporation of America	90,799,549	14,795,554	245,895	18,046	4,154,024	7,412,072	35.9	.30	.20	18	230
Real Silk Hosiery Mills, Inc	5,425,856	191,979	1,763	3,112	336,106	119,018	73.8	1.89	None	252	108
Republic Steel Corporation	348,715,525	6,234,757	59,045	42,073	5,548,309	[3] 7,997,825	----------	.95	None	114	132
Ruberoid Co	15,593,759	397,806	1,230	2,500	354,131	515,472	40.7	.89	.60	288	142
Sears, Roebuck & Co	286,084,551	5,588,030	50,658	50,570	19,193,601	23,354,364	45.1	3.43	3.00	379	380
Shattuck (Frank G.) Co	20,931,219	1,257,500	7,000	7,000	1,000,000	536,960	65.1	.80	.50	143	143
Sheaffer (W. A.) Pen Co	3,896,125	160,591	2,370	1,110	242,655	691,112	26.0	1.51	2.00	102	219
Shell Union Oil Corporation	399,399,214	13,411,725	20,266	25,547	[5] 77,316,796	11,318,423	87.2	5.92	.70	4,445	3,026
Silver King Coalition Mines Co	9,687,216	1,220,467	2,600	223	52,035	[3] 2,710	105.5	.04	.10	20	233
Simmons Co	31,498,099	1,158,236	11,200	9,424	1,503,989	1,644,867	47.8	1.30	1.25	134	160
Socony-Vacuum Oil Co	923,438,918	31,206,071	113,240	56,429	[5] 116,475,818	40,106,917	74.4	3.73	.50	1,029	2,064
Southern California Edison Co	400,115,290	6,649,858	98,000	4,432	7,667,739	11,815,470	39.4	2.39	1.75	165	1,730
Spiegel, Inc	36,595,178	1,375,658	6,556	4,800	858,160	1,613,663	34.7	.67	.25	177	179
Standard Brands, Inc	78,188,035	12,848,108	123,207	10,300	7,788,010	8,721,305	47.2	.62	.625	65	756
Standard Oil Co. of Indiana	724,663,142	15,272,020	99,665	[4] 29,928	[5] 97,485,205	27,771,976	77.8	6.38	1.00	978	3,257
Stewart-Warner Corporation	17,812,336	1,241,847	17,176	4,195	908,116	[3] 294,323	148.0	.73	None	53	216
Sun Oil Co	139,139,150	2,416,484	7,223	13,320	[5] 34,375,564	3,085,119	91.8	14.84	1.00	6,578	2,581
Swift & Co	306,454,521	5,919,750	59,000	60,000	8,281,937	[3] 3,493,978	173.0	1.40	1.20	14	14
Texas Corporation	605,360,644	10,876,882	86,380	30,717	[3] 104,357,013	23,139,030	81.9	9.59	2.00	1,208	3,397
Texas Gulf Sulphur Co	61,097,347	3,840,000	30,741	850	2,771,000	6,963,633	28.5	.72	2.00	90	3,260
Thermoid Co	5,400,000	515,800	4,100	700	129,000	20,000	86.6	.27	None	35	184
Tide Water Associated Oil Co	202,758,519	6,875,253	29,416	10,652	[3] 33,443,619	10,427,273	76.2	5.24	1.00	1,386	3,140
Timken-Detroit Axle Co	15,863,537	1,006,077	9,882	2,485	603,000	828,035	42.1	.61	.50	65	243
Transcontinental & Western Air, Inc	6,646,453	830,846	28,940	1,214	191,784	[3] 773,263	----------	.23	None	7	158
Union Bag & Paper Corporation	19,373,390	1,052,274	2,667	3,713	511,921	903,892	36.2	.49	.125	192	138
Union Oil Co. of California	165,993,365	4,666,270	26,524	9,580	[5] 16,109,450	6,862,758	70.1	3.45	1.20	607	1,682
Union Pacific R. R	1,210,357,821	3,218,341	49,989	32,000	15,962,856	18,701,234	46.1	7.18	6.00	402	499
United Carbon Co	30,240,369	397,885	3,943	656	747,912	1,505,874	33.2	1.88	3.25	190	1,140
United Drug, Inc	56,417,855	1,351,602	19,349	15,350	1,525,580	518,432	74.6	1.09	None	79	99
United Gas Improvement Co	837,616,393	[1] 24,017,226	[1] 127,974	13,086	15,439,841	26,832,668	36.5	.66	[1] 1.00	144	1,18
United Light & Power Co	577,069,460	4,076,768	18,746	13,135	11,232,388	3,091,506	78.4	3.23	None	974	855
United States Steel Corporation	1,711,279,006	12,306,063	219,727	202,108	48,842,131	[3] 7,717,454	118.8	5.61	None	290	242
Western Union Telegraph Co	375,558,352	1,045,227	30,772	44,425	5,864,158	[3] 1,637,879	138.8	5.61	None	191	132
Westinghouse Air Brake Co	50,105,744	3,172,111	22,718	5,970	1,215,366	993,816	55.0	.39	1.01	53	204
Westinghouse Electric & Manufacturing Co	207,560,215	2,672,129	44,418	42,402	7,095,787	9,052,774	43.9	2.73	2.50	167	167
Woolworth (F. W.) Co	229,614,592	9,703,610	58,427	46,500	[14] 12,287,133	28,584,944	30.1	1.27	2.40	210	264
Young (L. A.) Spring & Wire Corporation	10,245,007	408,658	3,373	4,016	444,813	[3] 700,182	----------	1.09	None	132	111
Youngstown Sheet & Tube Co	241,719,671	1,825,008	12,209	20,031	3,685,000	[3] 658,934	121.8	2.20	None	371	184
Total for 163 companies	40,379,197,744	[15] 649,744,071	[16] 6,538,459	2,854,382	1,643,466,791	1,022,725,608	----------	----------	----------	----------	----------
Average per company	----------	----------	----------	----------	----------	----------	61.6	2.73	1.33	283	576

[1] Per stockholder (common and preferred).
[2] Includes subsidiaries.
[3] Deficit.
[4] As of Dec. 31, 1938.
[5] $24,194,468 excise taxes not included.
[6] Includes foreign employees.
[7] $2,364,289 Federal and State beverage tax not included.
[8] Excise taxes included constitute considerable portion of total.
[9] Includes $427,700 Canadian taxes.
[10] Plus $2.50 in securities.
[11] Approximate.
[12] $3,258,443 excise taxes not included.
[13] For parent company only.
[14] $3,344,693 excise taxes not included.
[15] Includes 602,682,821 common shares.
[16] Includes 5,806,244 common-stock holders.

The Louisiana Purchase

EXTENSION OF REMARKS
OF
HON. LISTER HILL
OF ALABAMA
IN THE SENATE OF THE UNITED STATES
Thursday, July 6, 1939

ADDRESS BY JUDGE WILLIAM C. HOLMES

Mr. HILL. Mr. President, I ask unanimous consent to have printed in the Appendix of the RECORD an address by Judge William C. Holmes, of New Orleans, on the Louisiana Purchase, delivered before the Louisiana Historical Society on April 30, 1939, on the occasion of the celebration of the one hundred and thirty-sixth anniversary of the signing of the Treaty of Paris.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

THE EXALTED ENTERPRISE—THE MISSISSIPPI QUESTION, THE LOUISIANA ANSWER

(By William C. Holmes, M. A., LL. M., M. C. L., of the New Orleans bar)

The so-called Mississippi question long had been a thorn in Thomas Jefferson's side before he extracted it and thrust it into the body of the Seventh Congress of the United States, which convened December 2, 1802. Throughout the second session of the proceedings and deliberations of that period of 5 months, the question continued to vex and harass both Houses of the Congress in their efforts to remove it. One group of legislative physicians prescribed a course of permitting the nature of diplomacy to run its course, while another group insisted on use of the scalpels and forceps of military surgery and performing an emergency operation. Jefferson was the consulting physician who gave advice and counsel to the temporizing physicians from behind the closed doors of the White House clinic.

The question became a problem that was the subject of lengthy and heated debates. It had developed from denial of the right of settlers in the so-called western States of Pennsylvania, Ohio, Kentucky, Tennessee, and the Mississippi Territory to "deposit" their river shipments at the port of New Orleans. The city long had been under the dominion of Spain, and so continued until the treaty of San Ildefonso, which was executed between Spain and France on October 1, 1800. Therein Spain retroceded to France the territory afterward referred to by America as the Louisiana Purchase. The free navigation of the Mississippi River and the right of "deposit" in the "island of New Orleans" had been solemnly acknowledged and fixed between the United States and Spain by treaty in 1795.[1] Therefore, the compact had been in operation and execution for several years. The peremptory denial of the right of deposit to Americans under date of October 16, 1802, by Morales, the Spanish intendant general at New Orleans, further forbidding Americans from landing on any part of the Spanish Province, was the thrust in the flesh that caused the peace-loving Jefferson to wince.

We find in the treaty of 1795 a specific provision that the use of the port was to be allowed to the citizens of the United States for a period of 3 years. There also was an alternative provision in the document that if Spain should find that the prescribed use of the deposit should be prejudicial to the interests of Spain, or if His Catholic Majesty should not agree to continue the right of deposit at that place, then and in that event he was to "assign to them, on another part of the banks of the Mississippi, an equivalent establishment."

The Spanish intendant general's peremptory denial of the use of the port had embraced no expression of intention to fulfill the alternative provision. Thus it was that American shipping which had been passing through New Orleans found itself high and dry at established points of embarkation, which even in those early days were numerous and largely were the centers of population which were increasing constantly and thriving on the commerce and traffic of the primitive flatboats that plied the Father of Waters. It then is not to be wondered that when Jefferson thrust the thorn into the flesh of Congress there were cries of righteous indignation and political pain directed against the Spanish "daring interdiction," "violent aggression," and an "insult which should be engraven on tablets of brass with a pencil of steel."

In Jefferson's second annual message to the Congress, dated December 15, 1802, appears the first public official reference to the retrocession of the Louisiana Territory by Spain to France then by him unknown to have occurred definitely in October 1800. He said this:

"The cession of the Spanish Province of Louisiana to France, which took place in the course of the late war, will, if carried into effect, make a change in the aspect of our foreign relations which will doubtless have just weight in any deliberations of the legislature connected with that subject."

Evidently the House physicians felt that the bulletin which had been issued from the White House clinic concerning the state of the Union was insufficiently definite for them to diagnose the Nation's ailment and prescribe a proper cure. On December 17, 1802, they called on the President for more information. On December 22 he transmitted to the House a message in which he refers to "the irregular proceeding at New Orleans," meaning, of course, the summary action of the Spanish intendant general. On December 30 he transmitted to the House additional data on the subject matter, which he said had been "recently received," with the following rather suave communication:

"Although an informal communication to the public of the substance of the enclosed letter may be proper for quieting the public mind, yet I refer to the consideration of the House of Representatives whether the publication of it in form might not give dissatisfaction to the writer and tend to discourage the freedom and confidence of communications between the agents of the two Governments."

The message relates to a letter received by him from Gov. William C. C. Claiborne, of the Mississippi Territory, in turn transmitting a copy of a communication which had been received by Claiborne from the Governor General of the Spanish Province of Louisiana, one Manuel de Salcedo. Salcedo's letter is most interesting with respect to the responsibility for closing the port of New Orleans to American shipping. He stated specifically that the King of Spain had issued no orders or directions for closing the port. He "passed the buck" in accustomed diplomatic form. He placed the responsibility squarely upon the shoulders of the intendant general, but in the same breath exonerated him of liability, claiming that the intendant in his own department was independent of the General Government of Spain. The Governor General stated, however, "in conformity with the royal commands (the peace in Europe having been published since May 4 last) * * * the intendant general thought proper to suspend the tacit prolongation which continued and to put a stop to the infinite abuses which resulted from the deposit * * * inconsequence of the * * * frauds which have been committed and which it has endeavored to excuse under the pretext of ignorance * * * thus defrauding the royal interests." He further stated that the intendant general should not have assumed to prolong the period of the deposit or of his own volition have designated another place of deposit on the banks of the Mississippi.

We have not been enabled to locate any public record of the alleged frauds. The truth of the matter probably was that the amount of American shipping deposited in New Orleans was worth about $2,000,000 a year, but the fees and charges accruing to the Spanish Government were negligible. Spain needed money and plenty of it, and even then small contributions had been welcome.

The Governor General's explanation of the summary action of the intendant general at New Orleans evidently did not satisfy the minds of those Members of the House and Senate who were unskilled in the devious ways of diplomacy and official evasion. The discussions in both branches of the Congress disclose a growing sentiment that either the intendant general should be chastised as an officious upstart by an immediate occupation of New Orleans "viettarmis" or His Catholic Majesty should be taught a lesson in warfare by the great American people; this latter, mind you, in face of the fact that we were a puny Nation hardly out of its swaddling clothes, with a Navy that was approximately 75 percent courage and 25 percent effectiveness, and a Regular Army that was irregularly manned and inefficiently equipped.

After the patriotic pot had boiled for a few days the feelings of Representatives simmered down to a state of calmer thought and more deliberate action. In executive session of the House on January 5, 1803, there was proposed a resolution approving the peaceful course of the President and expressing confidence in his "vigilance and wisdom."

The debates in the House commenced in full force from the adoption of the resolution. (It appears that it had been introduced by Mr. Randolph.) There was pointed debate as to whether the data sought should be discussed in public or considered behind closed doors. Griswold, of Connecticut, was for public debate, Randolph for confidential committee discussion. Mr. Randolph ultimately prevailed. The discussions thereafter covered varied subjects—whether or not Spain had the right to cede the Louisiana Territory to France without the consent of the United States of America; whether or not any provision had been made in the

[1] "By the treaty of peace with Great Britain in 1783, by the treaty of amity, commerce, and navigation with her in 1794, and by the treaty of friendship, limits, and navigation with Spain in 1795, the right of a free navigation of the Mississippi is recognized, and declared to exist from its source to the ocean, in the citizens of the United States. By the twenty-second article of the treaty with Spain, it is declared that, 'in consequence of the stipulations contained in the fourth article, His Catholic Majesty will permit the citizens of the United States, for the space of 3 years from this time, to deposit their merchandise and effects in the port of New Orleans, and to export them from thence without paying any other duty than a fair price for the hire of the stores; and His Majesty promises either to continue this permission if he finds during that time that it is not prejudicial to the interests of Spain, or, if he should not agree to continue it there, he will assign to them, on another part of the banks of the Mississippi, an equivalent establishment.' The twenty-second article, granting the right of deposit, is, therefore, founded upon the fourth article, recognizing the right of free navigation, and is intended to give full and complete efficacy to it" (Rives' Abridgments, vol. II).

retrocession for the unobstructed navigation of the Mississippi by Americans and the deposit of their goods at New Orleans; whether or not President Jefferson should have undertaken to protest the cession on behalf of the American people; whether if he were in possession of confidential data relating to the cession he should be required to submit them to the House, and even whether or not we should go to war with Spain for the action ascribed to the Spanish Intendant at New Orleans. The arguments in favor of diplomatic procedure looking to amicable adjustment, which end was proposed by President Jefferson, were headed by Mr. Randolph, of Virginia; the opposition was led by Mr. Griswold, of Connecticut.

The next and most specific reference to the alleged action of the Spanish Government is embodied in Jefferson's message dated January 11, 1803, to the Senate, and by that body considered in executive session. Therein he said:

"The cession of the Spanish Province of Louisiana to France, and perhaps of the Floridas, and the late suspension of our right of deposit at New Orleans, are of primary interest to the United States."

Of course his reference to the cession relates to the cession by Spain to France in 1800. We shall have occasion later to consider the proposition of the cession.

We now are concerned with Jefferson's reference to "the late suspension of our right of deposit at New Orleans." That was the situation which brought forth the problem child which Congress promptly called the Mississippi Question, and by that name it ever since has been known. (It is interesting to note, however, that this was not the first time that vexations had arisen to plague the Government respecting shipping on the Mississippi and a place of deposit for goods that traveled down its current.)

There had been a "design" proposed to the old Confederation to surrender the navigation of the Mississippi for 25 or 30 years in return for some commercial privileges from Spain. James Monroe of Virginia, then a member of the Confederation from that State, mainly was instrumental in defeating the plan and according to Rives, "deserved still higher rewards than honor and gratitude."

The Confederation discussed the proposed "design" in secret session after a series of conferences or negotiations with a minister of Spain especially appointed and sent to America for that purpose. Apparently, there was considerable reluctance on the part of members of the Confederation afterward to divulge the history of this transaction. (They probably were ashamed of their participation in such an abortive attempt at alienation.) Nevertheless, in the debates of the Virginia Convention in 1788, Mr. Monroe at some length discussed the secret conferences and discussions. He summarized the proposition and explained his opposition to subsidizing the river to a foreign power.

The debates on the Mississippi question had continued for approximately a month in the House before the subject assumed any importance in discussions in the Senate. It was on February 14, 1803, that Senator James Ross of Pennsylvania vehemently addressed himself to the alleged action of the Spanish Government and proposed a resolution "That the late infraction of such their (United States) unquestionable right is an aggression hostile to their honor and interests." His resolution proceeded to authorize the President to take immediate possession of the "Island of New Orleans," and that he be authorized to call into actual service any number of the militia of Georgia, South Carolina, Ohio, Kentucky, Tennessee, or the Mississippi Territory, not exceeding 50,000 and to employ them, together with the military and naval forces of the Union for effecting said objects; and the resolution further provided that the sum of $5,000,000 be appropriated for carrying into effect said purposes. (It is interesting to observe that Ross, a Senator from Pennsylvania, while beating the tom toms to arouse the Senators to vote for his resolution, carefully had omitted the name of his own State from the document. Apparently, if any fighting were to be done for the Mississippi settlers, his State's militia were to be not embroiled).

The introduction of Ross' resolution was the opening gun for a long seige directed against conservative Senators, among whom were Clinton of New York, Breckenridge of Kentucky, and Jackson of Georgia, the contest often involving desultory attacks against President Jefferson himself. The Ross resolution together with another and more peaceable proposal by Breckenridge, occupied considerable time during the latter half of the Seventh Session of the Congress, finally resulting on February 25, 1803, in the passage of the Breckenridge resolution which in substance authorized the President "whenever he shall judge it expedient to require the Governors of the several States to take effectual measures to arm and equip and hold in readiness to march, at a moment's warning, 80,000 effective militia." Of course, the amount of funds to be appropriated was left to the House inasmuch as that was and is the body in which all appropriations must arise.

The resolution vested considerable discretion in the President, and therefore it safely may be said that the administration won the skirmish which resulted from the Mississippi question. In passing, it may be said that the controversy developed no sectional animosities. Although the settlers in the so-called Western States of Kentucky, Tennessee, Pennsylvania, Ohio, and the Mississippi territory most were concerned with the closing of the port of New Orleans against their shipping, the debates brought out the fact that a portion of the strongest support of the belligerent resolution of Ross, of Pennsylvania, came from the Senators representing the Eastern States, and the Federalists had joined in the clamor for war hoping to harass the administration then in power.

Senator Mason, of Virginia, made the following cryptic remarks on the subject:

"The Senate at this moment presents a very extraordinary aspect, and by those not acquainted with our political affairs it would appear a political phenomenon. Here we see a number of people from the Eastern States and the seaboard, filled with the most extreme solicitude for the interest and rights of the Western and inland States, while the representatives of the western people themselves appear to know nothing of this great danger, and to feel a full confidence in their Government. The former declaring that the western people are all ready to revolt and open to seduction; the latter ignorant of any such disposition, and indignant at the disgrace which is thrown on their character. In their great loving kindness for the western people, those new friends of theirs tell them that they are a simple people, who do not know what is good for them, and that they will kindly undertake to do this for them. From the contiguous States of South Carolina, Georgia, Tennessee, and Kentucky (those States from which the gentleman from Pennsylvania by his resolutions proposes to draw the militia), every Member of this House is opposed to war, but from the East (and one can scarcely refrain from laughing to hear of the all-important Representatives of the State of Delaware in particular), such is the passion for the wonderful, or the absurd, there prevails the liveliest sensibility for the western country."

Congress adjourned on March 4, a week after the passage of the resolution, without any further action having been taken thereon. The Mississippi question still was a question unanswered in March 1803, and it never was answered—it was settled in a manner quite differently from that proposed by the aforesaid resolution. It was settled by the Louisiana Purchase covenanted on April 30, 1803.

We have seen that under date of December 15, 1802, in his second annual message to Congress, Jefferson had written these words:

"The cession of the Spanish Province of Louisiana to France, which took place in the course of the late war, will, if carried into effect, make a change in the aspect of our foreign relations which will doubtless have just weight in any deliberations of the legislature connected with that subject."

And in his message to the Senate under date of January 11, 1803, he used these words:

"The cession of the Spanish Province of Louisiana to France, and perhaps of the Floridas, and the late suspension of our right of deposit at New Orleans are events of primary interest to the United States. On both occasions such measures were promptly taken as were thought most likely amicably to remove the present and to prevent future causes of inquietude. The objects of these measures were to obtain the territory on the left bank of the Mississippi and eastward of that, if practicable, on conditions to which the proper authorities of our country would agree, or at least to prevent any change which might lessen the secure exercise of our rights."

Observe the words "On both occasions such measures were promptly taken as were thought most likely amicably to remove the present and prevent future causes of inquietude." The sentence is significant for the reason that in an examination of the proceedings of the Senate as well as the House in the first session of the Seventh Congress, which commenced December 7, 1801, and continued until May 3, 1802, we find nothing in the debates or discussions in either Chamber or in any message of the President suggesting any reference to either of the "two occasions" to which Mr. Jefferson had alluded in his message of January 11, 1803, other than his message to both bodies under date of December 15, 1802, a portion of which we have quoted previously.

It is necessary for us to look at the background of the cession to be enabled to evaluate the effectiveness of those acts of Jefferson which he termed "measures to remove the present and prevent future causes of inquietude."

Ridpath gives a concise but excellent set-up of conditions precedent to the execution of the retrocession:

"Meanwhile, what was the real situation which gave rise to these rumors, so alarming even in their uncertainty? France had never willingly given up Louisiana, nor had she ever lost hope of one day regaining it. Talleyrand had brought back from his American exile dreams of a greater colonial France; and it was due perhaps to his efforts that repeated but vain attempts had been made by the Directory to secure the retrocession of Louisiana—to effect which at one time, indeed, only money was needed. The Consulate followed the Directory and established Napoleon's power after an exceedingly doubtful crisis. Another who profited by this same revolution of November 9, 1799 (18th Brumaire), was Talleyrand, who retired from the Office of Foreign Affairs partly because of the disgrace following the exposure of the treatment of the American envoys.

"Talleyrand knew that no European power could long control North America without checking the expansion from the Atlantic seaboard; he regretted that the west bank of the Mississippi was in the hands of a weak nation like Spain, wholly unable to cope with the United States, and he had been persistent in his efforts to secure control of Louisiana. When he returned to office he found Napoleon wearied of "Old Europe," which was all too narrow a field for his gigantic projects, and presently filled the first consul with enthusiasm for his scheme of French aggrandizement in the west.

"Godoy had made the treaty of 1795 with the United States; had used his influence for the speedy fulfillment of its provisions,

and had resolutely declined all overtures from France which had for an object the transfer of Louisiana. Talleyrand had succeeded in driving Godoy from office, and after the 18th Brumaire the way was again open for negotiations.

"Napoleon's victories made it possible for him to offer an apparently substantial return to Spain for Louisiana. The Prince-presumptive of Parma, the son-in-law of Don Carlos, was to be given the title of King of Etruria, with Tuscany or the three ecclesiastical provinces—Bologna, Ferrara, and Romagno—a little kingdom, to contain not less than a million souls. The Queen was delighted over the prospective greatness of her family; and Don Carlos himself was hardly less enthusiastic, since France guaranteed the agreement of those states which might have a right to object—a consent to be obtained when a general peace was made. In return Spain was to transfer Louisiana, "with the same extent it actually has in the hands of Spain and had while in the possession of France, and such as it should be according to the treaties subsequently passed between Spain and the other states." Talleyrand had hoped to get the Floridas as well; but these Don Carlos held to be national domain which he had no right to alienate. Louisiana, on the other hand, had been a gift to his father and was at his own disposition.

"The Treaty of San Ildefonso, ceding Louisiana, was signed October 1, 1800, the day after that of Morfontaine, which Joseph Bonaparte negotiated with the United States. One treaty nullified the other. France west of the Mississippi meant not only the alliance of the United States with England upon the sea, but a policy in the West which must of necessity have led to war or to separation of the West from the States eastward of the Alleghenies. This contradiction of trusties was to Napoleon and Talleyrand a matter too trifling to be noticed. If the United States could be kept in ignorance of the transfer until France was prepared to defend the Territory, if Spain could be forced to give possession at once, the ends of France would be gained. As for the obligations toward the other States, according to Napoleon's theories they might be postponed indefinitely or disavowed. By the Treaty of Madrid, March 21, 1801, the retrocession was confirmed, and Tuscany was definitely ceded to the Prince of Parma."

Doubtless it was the rumors of the ratification of the Treaty of Ildefonso at Madrid (March 21, 1801) which had filtered to the world through diplomatic circles that disturbed the peaceful Jefferson. Apparently he had no authentic information of either the Ildefonso Treaty or the Madrid ratification. But it is evident that he was suspicious of Napoleon's power and aggression, and he was fearful of Spain's subserviency to France. Outwardly, Jefferson was calm and dispassionate, but his confidential correspondence with our Ministers at Paris and Madrid discloses his concern. Jefferson had experienced unusual official relationships with the old government of France, having been our Minister at the French court from 1785 to 1789. Thereafter he was Washington's Secretary of State, the first to occupy that premier position in a President's Cabinet. Jefferson fully was aware of many tricks of the diplomatic trade. At heart he was a pacifist, and in his mind honorable and conscientious; but he was politically sagacious.

In 1787 he had stated that "the act that abandons the navigation of the Mississippi is an act of separation between the eastern and western country. It is a relinquishment of five parts out of eight of the territory of the United States." In 1800 he said: "There is on the globe one spot the possessor of which is our natural and habitual enemy. It is New Orleans, through which the produce of three-fifths of our country must pass to market; and from its fertility it will ere long yield more than half of our whole produce, and contain more than half of our inhabitants." Jefferson accurately had gaged the value of the stake for which he was playing a diplomatic game with France and Spain.

Reverting for the moment to the Ildefonso Treaty, Ridpath states that by January 1801, following the signing of the document on October 1, 1800, Livingston had a copy of the retrocession agreement. In some unknown manner Rufus King, our Minister to London, also had procured a copy as early as November 1800, but expressed doubts that it was authentic. Apparently Jefferson either possessed the substance of the treaty or he had received the copies mentioned. In any event, most of the year 1801 passed without event except that the troubled diplomatic correspondence between Jefferson and his ministers had continued. We find that on September 28, 1801, Jefferson wrote to Livingston to endeavor to "dissuade the first consul gently, on grounds of expediency, from the acquisition of Louisiana." If the cession actually had been made, Livingston was to seek to purchase one of the Floridas in order to secure access to the Gulf. Livingston apparently exerted his utmost to ascertain the facts of the retrocession in his conferences with Talleyrand, Napoleon's minister of foreign affairs. At every turn he was met with bland denials; but Livingston must have pressed the minister, for finally Talleyrand stated positively that the cession "had been the subject of conversation, but that nothing had been concluded." This was a deliberate falsehood, and Livingston suspected it. As early as September 1, 1801, he had written to Jefferson, as follows:

"There never was a government in which less can be done by negotiation than here. There is no people, no legislature, no counselors. One man is everything. He seldom asks advice, and never hears it unasked. His ministers are mere clerks, and his legislators and counselors parade officers."

After the ratification at Madrid, Jefferson's confidential correspondence discloses that he genuinely was alarmed at the situation in Europe. Livingston had acquainted him with Napoleon's plan for the occupation of Louisiana, terming it a "wild expedition." Talleyrand had filled Napoleon with visions of a far-flung western empire, knowing that, at that time, Napoleon had become wearied of "old Europe," which "was all too narrow a field for his gigantic projects." This was no pleasing prospect to Jefferson. We have his own estimate of the western empire; and strange as it may seem, although he had been pointing out emphatically for a decade "the certain danger to our liberty and to our free institutions which would arise from too great intimacy with England," he preferred an alliance with England to control the vast territory west of the Mississippi rather than to have France establish her new empire on the American continent. In substantiation of this, witness this remarkable part of a letter to Livingston in April 1802:

"The day that France takes possession of New Orleans fixes the sentence which is to retain her forever within her low-water mark. It seals the union of two nations who in conjunction can maintain exclusive possession of the ocean. From that moment we must marry ourselves to the British fleet and nation."

In the light of accusations which had been made against Jefferson that he was predisposed in favor of France; that his years in Paris had rendered him pro-Gallic, criticisms which had nettled him on several occasions, his forthright stand against the intended French occupation of the Louisiana territory all the more is notable as evidencing the seriousness with which he privately regarded the European situation. But Jefferson did not vouchsafe to Congress expressions of his personal feelings and reactions to the ominous rumors of conditions abroad. He continued to maintain outwardly a philosophic, unruffled calm and an official attitude of impurturbed presidential dignity.

Adverting to the quoted portion of Jefferson's message to Congress, dated December 15, 1802, we may deduce from the proceedings of the Congress, and our knowledge of the subsequent historical developments that he decidedly was correct in his statement that the change in ownership and possession of the Louisiana Territory would "make a change in the aspect of our foreign relations." On January 11, 1803, in the same message to the Senate from which we quoted, supra, he partially undertook to clarify that which he termed the "measures which were promptly taken as were thought most likely amicably to remove the present and prevent future inquietude." (Mr. Jefferson's language was adroitly allaying.) In this message he states:

"The objects of these measures were to obtain the territory on the left bank of the Mississippi, and eastward of that, if practicable, on conditions to which the proper authorities of our country would agree; or at least, to prevent any change which might lessen the secure exercise of our rights."

Note the physical description of the territory which Mr. Jefferson was seeking to obtain for the United States. He specified the "left bank of the Mississippi and eastward of that, if practicable, on conditions to which the proper authorities of our country would agree." This statement is significant in view of the later developments and outcome of negotiations in France with the First Consul through the lugubrious Talleyrand; and, of course, when Mr. Jefferson used the phrase "on conditions to which the proper authorities of our country would agree," he was stating briefly the substance of a principle of our Constitution that, if a purchase of the Territory should be involved, the appropriation therefor essentially would originate in the House of Representatives and that inasmuch as such a purchase would involve a treaty, so-called, such a compact would have to be ratified by the Senate. Mr. Jefferson did not inform the Senate how the "measures" were to be carried into effect. If he meant that the acquisition of the specified territory should be through purchase, he refrained from the use of that word. Probably the President was feeling out his Congress.

Even if we accept without qualification Mr. Jefferson's statement as to the "measures" which he had taken, there does not appear in Rives' Abridgment of the Debates of Congress any reference of any kind to indicate that either the House or the Senate or any committee thereof possessed any official knowledge of the cession of the Louisiana Territory by Spain to France until December 15, 1802. This was probably due to the fact that when Jefferson had received authentic information respecting the suspension of deposit as well as conditions in France the Congress was not in session. (It had adjourned May 3, 1802.)

As early as January 4, 1803, Mr. Griswold, of Connecticut, a rank Federalist and a severe critic of the President, introduced a resolution respecting Louisiana, which requested Jefferson "to lay before the House copies of such official documents as have been received by this Government, announcing the cession of Louisiana to France, together with a report explaining the stipulation, circumstances, and conditions under which the Province is to be delivered up: * * *."

It was the signal for attacks by Griswold and his supporters in which President Jefferson and his administration were defended ably by Mr. Randolph, of Virginia, and other friends; but while these debates were proceeding, Mr. Jefferson and his supporters in the Senate had been not idle, for in the message of January 11, 1803, he nominated Robert R. Livingston to be Minister Plenipotentiary and James Monroe to be Minister Extraordinary and Plenipotentiary "to enter into a treaty or convention with the first consul of France for the purpose of enlarging and more exactly securing our rights and interests in the River Mississippi and in the territory eastward thereof."

"But," Mr. Jefferson continued, "as the possession of these provinces is still in Spain and the course of events may retard or prevent the cession to France being carried into effect, to secure

our object, it will be expedient to address equal views to the Government of Spain also, to be used only in the event of its being necessary."

Thereupon he nominated Charles Pinckney (already in Madrid) to be Minister Plenipotentiary, and also James Monroe to be Minister Extraordinary Plenipotentiary to Spain for similar purposes. (Monroe's intimate and reliable knowledge of conditions in the West and his previous ministerial experience in France carried no little weight with Jefferson, as well as with the Senate.)

The two related and allied subjects, the Mississippi question and the cession of Louisiana, were being discussed and resolutions relating thereto were being debated in both the Senate and House of Representatives at the same time. Factions were at loggerheads as to the proper action to be taken by the Government with respect to the Mississippi question. It is probable that had not the Louisiana cession already occurred in 1800, the hotheads in both Chambers would have prevailed in the arguments for seizing not only the so-called island of New Orleans, but the Spanish Floridas as well. It was the knowledge of the racheter communicated by Jefferson's messages to Congress which enabled the conservative Members of both bodies to organize and project their support in favor of the diplomatic and amicable procedure proposed by the President. As an interesting commentary on the debates and discussions which raged throughout the whole of the second session of the Seventh Congress—that is to say, from December 15, 1802, to March 3, 1803—Jefferson's opponents sought to have the Randolph resolution passed in such form that, should the confidential data called for therein be submitted to the Congress by the President, they could discuss the information in public session. It is believed that Griswold and his followers were seeking publicly to embarrass Jefferson, for in one of Griswold's speeches (January 11, 1803), addressed to Mr. Randolph's resolution of January 5, he asserted that "We could not sanction those expressions of unbounded confidence in the Executive, and that determination to do nothing which the (Randolph) resolution contained." Apparently this attitude or position was part of a plan to stampede the Congress in supporting demands for immediate seizure of New Orleans. They held "negotiations to be unworthy of the country in circumstances of such wrong and insult * * * and preferred the immediate seizure of New Orleans."

There had been introduced and passed in the House, in executive session, an "Act making further provision for the expenses attending the intercourse between the United States and foreign nations", and in executive session of the Senate it passed that body on February 22, 1803. It was the act which commenced the movement proposed to purchase Louisiana. Rives states:

"At the time it was passed the views of no one extended to the acquisition of that great province, the island on which New Orleans stands, and the two Floridas. Even this object was veiled by general expressions in relation to foreign intercourse, but its true purpose was made known in a confidential message from the President to the House of Representatives and by that body communicated to the Senate when the bill was up for its concurrence."

(We have had no access to the "confidential message." Richardson's Messages and Papers of the President and Rives' Official Abridgements do not disclose it or contain any reference to it.)

The legislation had passed the House, the properly constituted body for the origination of appropriations. The bill carried the sum of $2,000,000, which amount was to be used by the President within his discretion respecting acquisition of the territory which he had specified previously, although there were no words of limitation that the funds should be used for that single purpose. Congress had left the door open for negotiating on a broad scale, evidently trusting the frugal Jefferson to make a satisfactory bargain through the astute Livingston and the patriotic Monroe.

In view of the fact that the United States later agreed to pay $15,000,000 for the Louisiana Territory and, further, in view of the fact that the territory acquired immeasurably was more extensive than Mr. Jefferson or the Congress ever had, either in mind or imagination, the legislation is particularly interesting.

James Monroe and Charles Pinckney were approved by the Senate as Ministers to France and Spain, and early in March Monroe sailed for The Hague. Pinckney, then in Madrid, was serving as Minister to Spain.

A half year was to pass between the time when Monroe joined Livingston in Paris in April and the convention of Congress in a special session in Washington in October. In view of the sudden turn of affairs within that period we may designate it the Amazing Interlude. Let us advert to the situation in France in 1803.

Although only a year had passed since the peace of Amiens had been signed—March 25, 1802—that covenant, insincere in inception and unstable in substance, had become more insecure. Napoleon had provoked an angry scene with Lord Whitworth, the British Ambassador, demanding "Malta, or war." The San Domingo occupation by the French had required more force than had been supposed to be necessary to its "recovery." The "gilded African," Toussaint l'Ouerture, the revolution's patriotic leader, had opposed a strength and spirit to Napoleon's plans that had astonished even that military genius, and had won the admiration of all Europe. Following Toussaint's downfall France had lost more than 40,000 soldiers by April 1803. During that winter, with its disappointments on the island kingdom, severe weather had locked within its icy embrace the armada which France had planned to send to America for occupation and settlement of the territory retroceded to her by Spain in 1800. Over the prologue to the fast-shifting scenes that soon were to follow there impended the clouds of another European war. Napoleon had turned against colonial schemes.

Livingston in despair in March 1803 had written to Jefferson—"With respect to negotiations for Louisiana, I think nothing will be effected here." This was not an indication of a lack of industry or purpose on the part of the American minister. Previous to the aforesaid letter to Jefferson, Madison, our Secretary of State, had informed Livingston of Spain's order restoring the right of deposit at New Orleans. (Pinckney apparently had something to do with his accomplishment.)[2] Spain had kept this fact from France, nor did Livingston divulge it to Talleyrand. Thus encouraged, he had adopted the plan of disparaging Louisiana, referring to it as "an immense wilderness," seeking to underestimate the value of France's lately acquired bargain. He boldly had hinted at Jefferson's idea of an alliance with England, but his suggestions accounted for no noticeable reactions from Napoleon or the wily Talleyrand. It was not because of Livingston's urgings that a shrewd scheme was developing in the sentient mind of the first consul. But it was Livingston's communication of April 8, 1803, informing France of Senator Ross' resolution urging the immediate seizure of New Orleans, which brought forth Napoleon's scheme, a plan not so much designed to aid the United States as it was to thwart England. Napoleon was not ignorant of the potential value of Louisiana to the United States, but he realized that they formed a young and struggling nation, whereas England, with the power of her great navy and unlimited means of transportation, more readily and practicably could reduce and transform a generation's potentialities into a decade of accomplishment. On April 10 he sent for two of his ministers and forthwith asked their opinions on the proposition of selling Louisiana to the United States. Information of this proposal filtered through court channels to Napoleon's brothers, Joseph and Lucien, both of whom at once commenced vigorously to oppose the sale, oddly enough protesting that it would be unconstitutional for France to sell the territory to the United States or to any other nation. From the day that Napoleon had asked the opinions of his two ministers, events moved with kaleidoscopic rapidity across the stage of the drama the locale of which had been shifted to Paris.

(What was the scene of the climatic act of the exalted enterprise? It was the French court, displaying a magnificence of setting which surpassed in splendor, even in that early period of the consulate, that of any kingdom in Europe. Striding nervously back and forth, a short, stocky man in his early middle years, speaking his lines crisply but in modulated tones, dressed in a blue broadcloth coat, with cream silk waistcoat, unbuttoned, his white covert breeches thrust tightly into tall sealskin boots—the first consul of France; and Prince Charles Maurice de Pericord Talleyrand, the crippled Minister of Foreign Affairs, leaning easily upon a gold-headed staff much like the crozier that supported him when he was a prince of the church—suave, sentient, scintillating—glittering in rose taffeta coat, pink silk waistcoat, and white silk breeches, with enormous silver buckles on his low-heeled slippers; Marbois-Barbe, in mauve velvet coat with cloth of gold waistcoat and cream-colored doeskin breeches, white silk stockings, and varnished bootees—calm, confident—speaking slowly and deliberately; Joseph and Lucien Bonaparte standing anxiously to one side, suspended upon the words of their brother; Lord Whitworth, tall, erect, stiff in offended dignity, resplendent in red coat emblazoned with the orders of His Britannic Majesty, wearing buff breeches and cream-colored silk stockings, with a jeweled sword hung from a gold sash; courtiers in flashing regalia in the background; and two quiet-voiced, sombrely dressed citizens of another youthful republic across the Atlantic, their Excellencies, James Monroe, of Virginia, and Robert Livingston, of New York, lately appointed Ambassadors Extraordinary and Ministers Plenipotentiary of the United States of America!)

On April 11 Livingston had been conversing with Talleyrand when the French Minister, without premise, suddenly inquired the disposition of the United States to purchase the whole of the territory retroceded to France by Spain. In his own words Livingston was "startled." He was quick to sense the fact that if he were cautious he might ascertain from the adroit Talleyrand what the inquiry portended, and in any event he felt that he might capitalize on the Minister's suggestion by offering a lesser consideration than he then assumed France would accept for the vast territory. "No," answered Livingston, "only New Orleans and the Floridas, but it would be to the interest of France to add the country above the Arkansas." Talleyrand correctly considered that the territory without New Orleans would be of limited economic or political value to the United States. Livingston knew this to be a fact as well as did Talleyrand, but he was without authority to negotiate on the suggested basis. Nevertheless, he thought the United States would not object to 20,000,000 francs (about $3,862,000) provided the American claims (spoliation) should be satisfied. (Livingston's New England business acumen probably dictated that a purchase price could be cleverly raised, but not successfully lowered.) Talleyrand had not informed Livingston of Napoleon's proposal, but, contrarily, had stated that he was discussing the sale on his own responsibility. Livingston countered with the state-

[2] The royal order was signed by the King of Spain himself, dated October 15, 1802, and directed the delivery of the "Colony of Louisiana and its dependencies as well as of the city and island of New Orleans, without any exception, to General Victor or other officer duly authorized by that Republic (France) to take charge of the said delivery" (Rives' Abridgments, vol. III).

ment that the Minister's declaration was pleasing to him personally for the reason that while the United States did not wish to engage in a conflict with France, nevertheless they would do so to protect their interests at New Orleans, and he frankly added that he hoped that hostilities already had commenced. Talleyrand for once had been disconcerted, according to Livingston, but he declined to commit himself more definitely on the sale proposition.

Monroe arrived in Paris on the 12th of April, the day after Talleyrand's amazing suggestion to Livingston. Hardly had the two American Ministers examined Madison's instructions and had realized the financial limitation which Congress had placed upon President Jefferson and their negotiations, when Marbois suddenly informed Livingston that the terms of the First Consul were 100,000,000 francs ($19,300,000), and a release of the spoliation claims. Livingston and Marbois dickered from day to day, with Monroe in the offing privately counseling Livingston to counter with a lesser price; and Marbois finally offered to submit the proposition to Napoleon on the basis of 60,000,000 francs plus the spoliation claims to the amount of one-third of that sum.

We have no evidence that either the limit of $2,000,000 or the limitation that this sum should be devoted to purchasing "territory on the left bank of the River Mississippi and eastward thereof, if practicable," then was troubling the official or private consciences of our ministers. They had been dealt face hands in the very first round of the great diplomatic game, and with the glittering stake in front of them, they played their cards "close to their waistcoats," praying to receive official absolution and the Nation's blessing upon returning to their native land with the award safely tucked away, hoping that Jefferson, the Congress, and the people would consider first the value of their winnings and regard second their boldness in playing the game. It is enough here to state that the play terminated at an earlier time than the two visitors to the French gaming table ever thought would occur, and the final cash-in was the whole of the retroceded territory and the liquidation of the spoliation claims for and in consideration of an agreement to pay a paltry $15,450,000 of money of the United States of America.

The treaty was signed by Talleyrand, Monroe, and Livingston as of April 30, 1803. (Actually it was signed on May 2. Why it was antedated does not appear clear from any records at our command.) The following significant "conventions" or articles were the causae belli of the political controversies which so vigorously engaged the Congress and entertained the American people in the following autumn:

"Whereas by the third article of the treaty concluded at St. Ildefonso the 9th Vandemiaire, an 9 (1st October 1800), between the First Consul of the French Republic and His Catholic Majesty, it was agreed as follows:

"His Catholic Majesty promises and engages, on his part, to cede to the French Republic, 6 months after the full and entire execution of the conditions and stipulations therein relative to his Royal Highness the Duke of Parma, the colony or province of Louisiana, with the same extent that it now has in the hands of Spain, and that it had when France possessed it; and such as it should be after the treaties subsequently entered into between Spain and other States.

"And whereas, in pursuance of the treaty, and particularly of the third article, the French Republic has an incontestable title to the domain and to the possession of the said territory, the First Consul of the French Republic, desiring to give to the United States a strong proof of his friendship, doth hereby cede to the said United States, in the name of the French Republic, forever and in full sovereignty, the said territory, with all its rights and appurtenances, as fully and in the same manner as they have been acquired by the French Republic in virtue of the above-mentioned treaty concluded with His Catholic Majesty."

The third article of the compact is important:

"The inhabitants of the ceded territory shall be incorporated into the Union of the United States and admitted, as soon as possible, according to the principles of the Federal Constitution, to the enjoyment of all the rights, advantages, and immunities of citizens of the United States, and in the meantime they shall be maintained in the free enjoyment of their liberty, property, and the religion they profess."

(The "convention of incorporation" of the inhabitants of the territory as citizens of the United States is the particular provision which had plagued Jefferson, prompting his doubts that the incorporation into the Union legally could be consummated without an amendment to the Constitution. This covenant, together with the question of France's title, and whether thereby the United States would be vested with valid title, was the subject of the discussions and debates in Congress that followed the ratification of the treaty in October 1803.[3] There is no certainty as to the authorship of article 3, supra, but Monroe is charged or credited with its sponsorship, depending on the point of view. It was this selfsame question of title in America that was debated in the English Parliament for years following the sale of Louisiana. It arose again at Ghent in August 1814. It motivated the expedition which England dispatched from Nigril Bay, Jamaica, in October 1814 to "reduce the Crown Colony of Louisiana." It, indeed, was the "damned spot that would not out" until washday at New Orleans on January 8, 1815.)

Observe the felicitous phrase in the second "whereas" of the treaty that the First Consul used—"desiring to give to the United States a strong proof of his friendship, doth hereby cede to the United States * * *." In the light of his later nonchalant remark that he would receive "sixty million [francs] for an occupation that will not perhaps last a day," one now may wonder if the renowned head of the French Republic weren't congratulating himself upon his profit from a transaction into which he never had invested a sou. May we not appraise his contemporary remark upon being informed of the signing of the compact as mere accurately manifesting the true sentiments which had motivated him when he exclaimed "I have just given England a maritime rival that will sooner or later lower her pride."

Indeed, "a warning presage of the coming storm"—the War of 1812 in which the American Navy won the admiration of the world in its victories over the mistress of the seas. "Sooner," doubtless, than the First Consul had presumed. How precise a prediction "later" when within a fourth of a century, American argosies were bottoming three-fourths of the world's cargoes.

Upon learning of the compact, Spain indignantly had protested against the sale to Secretary Madison, setting forth France's promise not to alienate Louisiana, not omitting the Republic's failure to fulfill the stipulation in the San Ildefonso Treaty whereby the Prince of Parma was to have secured his little kingdom. Charles Pinckney, our Minister at Madrid, had been worried by the brief declaration of Cevallo, Spain's Privy Councillor, that "His Majesty's system did not permit him to dispose of any portion of his estates." (He referred to territory west of the Mississippi.) Thereupon, Pinckney had been adjured to address his communications to the French nation. Too late. America had assumed a role of a bona fide purchaser, traversing with the claim that Spain had been guilty of laches. Spain long had been in the tightening grip of France, too exhausted then to protest, irrespective of any legalistic considerations or moral prerogatives.

She salved her wounds with "the applause of the French Government." Her once invincible armada then was too meager to oppose or combat even the youthful republic across the ocean. King Carlos and Don Cevallo had been unskilled opponents in the devious game of diplomacy dealt at the hands of the Little Corsican and the ex-bishop of Autun.

Although there was doubt in the American ministers' minds of the exact physical boundaries of the "immense wilderness,"[4] to use Livingston's description of Louisiana to Talleyrand, let us return to young America with the words of Livingston uttered upon his signing of the treaty:

"We have lived long, but this is the noblest day of our lives. From this day the United States take their place among the powers of the first rank; the English lose all exclusive influence in the affairs of America."

News of the purchase of the Louisiana Territory reached our shores in June 1803. There was a spontaneous acclaim on the part of the people. Jefferson was eulogized in words comparable to laudations of Washington, and the Congress was praised in written and spoken addresses. That which Jefferson "had done by stealth arose to make him famous." But Jefferson was a modest

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[3] Jefferson informed Congress that "By the Treaty of Ildefonso, of the 1st of October, 1800, His Catholic Majesty promises and engages on his part to cede back to the French Republic, 6 months after the full and entire execution of the conditions and stipulations therein contained," relative to the Duke of Parma, "the colony or province of Louisiana, with the same extent that it actually has in the hands of Spain, that it had when France possessed it, and such as it ought to be after the treaties subsequently entered into between Spain and other States"—slightly dissimilar language from the quotation of the article of the treaty contained in this manuscript.

Senator Jackson (Georgia) said, "The Treaty of St. Ildefonso was the ground work of the cession and whatever might have been the terms to be performed by France, the King of Spain's proclamation and orders (15th of October, 1802) having declared to all the world that they were complied with." (Rives' Abridgments.)

[4] Boundaries of the Province of Louisiana, as contained in a paper communicated by Mr. Jefferson to Congress:

"The precise boundaries of Louisiana, westward of the Mississippi, though very extensive, are at present involved in some obscurity. Data are equally wanting to assign with precision its northern extent. From the source of the Mississippi it is bounded eastwardly by the middle of the channel of that river, to the thirty-first degree of latitude; thence, it is asserted, upon very strong grounds, that according to its limits when formerly possessed by France, it stretches to the east as far, at least, as the river Perdido, which runs into the bay of Mexico, eastward of the river Mobile.

"It may be consistent with the view of these notes to remark that Louisiana, including the Mobile settlements, was discovered and peopled by the French, whose monarchs made several grants of its trade, in particular to Mr. Crozat, in 1712, and some years afterward, with his acquiescence, to the well-known company projected by Mr. Law. This company was relinquished in the year 1731. By a secret convention, on the 3d November 1762 the French Government ceded so much of the province as lies beyond the Mississippi, as well as the island of New Orleans, to Spain; and by the treaty of peace which followed in 1763, the whole territory of France and Spain, eastward of the middle of the Mississippi, to the Iberville, thence through the middle of that river and the lakes Maurepas and Pontchartrain to the sea, was ceded to Great Britain. Spain having conquered the Floridas from Great Britain, during our Revolutionary War, they were confirmed to her by the treaty of peace of 1784" (Rives' Abridgments).

man, of philosophic intellect and conscientious mind. He was a capable lawyer, well versed in the history of government. He had occupied every Federal position of prominence within the gift of Virginia. He had drafted the Declaration of Independence, and was author of the Bill of Rights. He had been a Member of Congress, a Minister to France, Secretary of State under Washington, Vice President under Adams, and was at that time the first Republican (then so-called) President of the youthful Nation.

His first inaugural address is a lofty exposition of the fundamental concepts of our Republic. He accepted the office of Chief Magistrate with "a sincere consciousness that the task is above my talents." He approached it "with those anxious and awful presentiments which the greatness of the charge and the weakness of my powers so justly inspire." He expressed full sentiments of appreciation of his official responsibility, looked with encouragement to the cooperation of the Congress, frankly acknowledging that his administration was embarking "amidst the conflicting elements of a troubled world."

Previous to the negotiations for the purchase of even a part of the Louisiana province Jefferson had been more than a "strict constructionist" of the Constitution. He had been a narrow constructionist—at least he was close visioned on the subject. In 1798, in a letter to Senator Nicholas he said, "I consider that the limits of the United States are now precisely fixed by the treaty of 1783; that the Constitution expressly declares itself to be made for the United States. (He referred to the treaty with England.) I cannot help believing the intention was to permit Congress to admit into the Union new States which should be formed out of the territory for which, and under whose authority alone, they were then acting. * * * I had rather ask an enlargement of power from the Nation * * * than assume it by a construction." He doubtless meant that rather than construe the Constitution too broadly, proper amendments should be voted by the States.

The foregoing portrays Jefferson's deliberate conception of the limitations of the Constitution. His private correspondence in the summer of 1803, after the agreement between our ministers and France in April, strongly indicates that he was confused in his own mind not so much on the question of our right to acquire by purchase the whole of Louisiana Territory, but whether the Territory could be "incorporated" into the Union without an amendment to the Constitution. (The agreement at Paris specifically had provided that "the inhabitants of the ceded territory shall be incorporated in the Union of the United States.") He had been in correspondence with a few confidants—Gallatin, Nicholas, Randolph, and Breckenridge. These supporters argued that if we had the right under the Constitution to acquire the territory, by the same token we had the right to legalize the citizenship of the inhabitants of Louisiana. He did not acquiesce fully in the opinions of his advisers. He doubted so much the right to "incorporate" into the Union the Territory whose inhabitants were to have all the rights of citizens of the United States, that he himself proceeded quietly to prepare an amendment to the Constitution for submission to the Congress scheduled to meet in the following December. As evidence of the doubts that continued to disturb Jefferson, witness this remarkable letter that he wrote to Senator Breckenridge:

"The Constitution had made no provision for our holding foreign territory, still less for incorporating foreign nations into our Union. The Executive, in seizing the fugitive occurrence which so much advances the good of this country, had done an act beyond the Constitution."

He leavened his constitutional bread by this political ingredient:

"The Legislature (Congress), in casting behind them metaphysical subtleties, and risking themselves like faithful servants, must ratify and pay for it, and throw themselves on their country for doing unauthorized what we know they would have done for themselves had they been in a situation to do it. But we shall not be disavowed by the Nation, and this act of indemnity will confirm and not weaken the Constitution by more strongly marking out its lines."

Jefferson might have continued to wander in his sphere of esoteric ether awaiting the regular convention of Congress in December, then to permit the Representatives to solve the problems pursuant to their interpretations, but for the shock of an urgent letter received from Livingston, which conveyed the alarming suggestion that France might avail of any hesitancy on our part in ratification as an excuse to escape fulfillment of the treaty. This brought the President down to terra firma. Jefferson, the pragmatic political philosopher, at once became Jefferson, the practical politician. He addressed one of his confidants thus: "I infer that the less we say about constitutional difficulties respecting Louisiana the better, and what is necessary for surmounting them must be done sub silentio."

Jefferson called the Congress in convention on October 17, 1803. His special message in which he transmitted certain "instruments bearing date the 30th of April last," meaning the treaty at Paris, contains the following interesting statement:

"Propositions had therefore been authorized for obtaining on fair commissions, the sovereignty of New Orleans, and of other possessions in that quarter, interesting to our quiet, to such an extent as was deemed practicable; and the provisional appropriation of $2,000,000, to be applied and accounted for by the President of the United States, intended as part of the price was considered as conveying the sanction of Congress to the acquisition proposed. When these [instruments] shall have received the constitutional sanction of the Senate, they will, without delay, be communicated to the Representatives for the exercise of their functions, as to those conditions which are within the powers vested by the Constitution in Congress."

Appropriately adroit.

Note the phrase that the "provisional appropriation" was intended as "part of the price" to be paid for the territory, and that "it was considered as conveying the sanction of Congress to the acquisition." Mr. Jefferson tactfully had informed Congress that he had done what he thought they would have done with respect to Louisiana. (He had been empowered to expend $2,000,000. Livingston and Monroe had obligated us to spend $15,000,000.) He courteously had deposited the treaty upon the lap of the political gods. The "certain conditions" in the treaty to which he referred meant nothing more than that an appropriation would be required to carry the covenant into effect; and inasmuch as an appropriation must originate in the House, he consigned that part of the treaty to that body for the "exercise of their functions." We are reminded of his letter to Breckenridge, in which he said "the Legislature (Congress), risking themselves like faithful servants, must ratify and pay for it, and throw themselves on their country * * *." In other words, "take it or leave it—and may Heaven support you in either course."

The treaty was ratified in the Senate previous to October 21. On the 25th that body passed an act authorizing and empowering the President to take possession of the Louisiana Territory in the name of the United States.[5] On November 2 the Senate had before it a bill authorizing the "creation of a stock to the amount of $11,250,000 for the purpose of carrying into effect the convention of the 30th of April 1803 between the United States of America and the French Republic, and making provision for payment of the same." It passed that body the next day, 26 to 5. The Massachusetts, Delaware, and Connecticut Senators voted against it.

Although the treaty had received ratification by the Senate apparently with dispatch, the so-called stock bill which had been debated for several days caused varied repercussions among several Members. The two principal arguments advanced against passage of the bill really were arguments which more properly should have been directed against the ratification of the treaty. First, there was the claim that the United States could not constitutionally acquire the territory; second, that the treaty stipulated for the admission of a new State into the Union, and the "incorporation of the inhabitants thereof as citizens of the United States"; and springing from these discussions was the belief that France could not convey a valid title to the territory because she had not fulfilled her covenants with Spain as stipulated in the San Ildefonso Treaty of October 1, 1800. Doubt was expressed by some Senators that Spain would issue an order or direction to her Governor General at New Orleans recognizing France's ownership. (France never had taken actual physical possession of the territory.) Fear was expressed that before the matter could be terminated by our legal possession of the province, we would be at war with Spain or France or in conflict with both of those nations.

Senator White, of Delaware, was vociferous in his arguments that Spain considered herself injured by the treaty, and that she would use force to prevent our occupation of the territory; that

[5] The bill thus passed was in these words:

"That the President of the United States be, and he is hereby authorized to take possession of and occupy the territories ceded by France to the United States by the treaty concluded at Paris on the 13th day of April last, between the two nations, and that he may for that purpose, and in order to maintain in the said territories the authority of the United States, employ any part of the Army or Navy of the United States, and of the force authorized by an act passed the 3d day of March last, entitled 'An act directing a detachment from the militia of the United States and for erecting certain arsenals,' which he may deem necessary; and so much of the sum appropriated by the said act as may be necessary, is hereby appropriated for the purpose of carrying this act into effect; to be applied under the direction of the President of the United States.

"SEC. 2. *And be it further enacted*, That until the expiration of the present session of Congress, unless provision for temporary government of the said territories be sooner made by Congress, all the military, civil, and judicial powers exercised by the officers of the existing government of the same, shall be vested in such person and persons, and shall be exercised in such manner, as the President of the United States shall direct, for maintaining and protecting the inhabitants of Louisiana in the free enjoyment of their liberty, property, and religion."

From the terms of this act, and especially of the second section, it is seen that the Spanish system of government was continued in the ceded territory after it became the property of the United States, and that the military, the civil, and judicial powers of the Spanish intendants (for France never took possession of the country except to deliver it to the United States) were transferred by law to such persons as the President should appoint. The powers of the Spanish intendants, as all know, were an emanation of the despotic power of the kings of Spain, and wholly incompatible with our Constitution—a very clear declaration of Congress that the Constitution did not extend to the territory, and that its inhabitants could claim no rights under it; and this declaration was in consonance with all the previous acts for the government of territories, all of which were inconsistent with the Constitution. (Rives' Abridgements.)

France had broken faith with Spain, and therefore Spain was absolved from covenants of the agreement, especially France's promise never to transfer Louisiana into other hands. He urged an amendment to the Constitution to provide for the "incorporation" of Louisiana into the Union as a form of "national bluffing" of both Spain and France. He emphatically asseverated that even should Louisiana be incorporated into the Union, it would be "the greatest curse that could befall us." He further argued that the settlement of the vast region west of the Mississippi would be "productive of innumerable evils, and highly injurious and dangerous to the United States."

His capping argument was that "even supposing that this extent of territory was a desirable acquisition, $15,000,000 was a most enormous sum to give." This philippic in the light of the price having been 4 cents per acre. Senator Adams limited his remarks to the belief that an amendment was necessary. Senator Wells, White's colleague, was fearful of the title that we were taking; and he was opposed to granting to the President the right to take possession without indisputable advance proof that France could deliver to us "a fair and effectual possession of the ceded territory." He urged that the Senate withdraw and retain the powers which the bill, passed October 26, already had vested in the President.

Senator Pickering of Massachusetts argued that the treaty contravened our Constitution and contained provisions that transcended the powers which the Constitution vested in the President and the Senate. He expressed the belief that the limited powers of our Government would not permit us legally to receive our latest acquisition.

Senator Tracy of Connecticut tracked Pickering's argument, adding that the President and the Senate "have not the power of thus obtruding Louisiana upon us." Observe the word "obtrude". The word "us" in the contemplation of the Connecticut Senator seems to have been confined to Delaware, Connecticut, and Massachusetts, since those were the only States whose Senators voted against the measure under discussion.

Senator Jackson, of Georgia, at least was practical in his support of the measures before the Senate. He said:

"Last session we were impressed with the necessity of taking immediate possession of the island of New Orleans in the face of two nations, and now we entertain doubts if we can combat the weakest of those powers; and we are further told we are going to sacrifice the immense sum of $15,000,000, and have to go to war with Spain for the country afterward; when, last session, war was to take place at all events, and no costs were equal to the object. Gentlemen seem to be displeased, because we have procured it (Louisiana) peaceably, and at probably 10 times less expense than it would have cost us had we taken forcible possession of New Orleans alone, which, I am persuaded, would have involved us in a war which would have saddled us with a debt of from one to two hundred millions, and perhaps have lost New Orleans, and the right of deposit, after all."

Senator Nicholas, of Virginia, the recipient of Jefferson's close-visioned letter in 1798, supra, laconically remarked that the diversified discussions had convinced him of one fact, at least: "Of one thing I am confident," he said, "that if they (France) have the distrust of us which some gentlemen have this day expressed of them, the country will not be delivered to the agents of our Government should this bill be rejected."

In the House of Representatives, in considering the "certain conditions" of the treaty, and in the "exercise of their functions," to which Mr. Jefferson briefly had alluded in his message of October 17, Mr. Griswold, of previous mention herein, arose to offer a resolution requesting the President to lay before the House a certified copy of the treaty, together with all related papers, diplomatic correspondence, et cetera et ad infinitum. John Randolph, of Virginia, the valiant administration "whip," promptly opposed the resolution, and after various proposed amendments, it was lost by two votes. The bill carrying into effect the provisions of the treaty, came up for final consideration on October 25. The ever-critical Griswold was up with it, demanding more data, more proof, and decisive defeat of the bill. The reliable Randolph seems to have had his supporters well organized, for on final vote on October 27, the bill passed 90 to 25. The next day the bill authorizing and empowering Jefferson to take possession of the Louisiana Territory came up for final vote, and it passed the House 89 to 23.

Thus terminated the proceedings in the Congress which had ratified the treaty, created means whereby the "certain conditions" of the document could be carried into effect, and authorized and empowered Jefferson to take possession of Louisiana. Except for a later act whereby the territory was erected into two territories and providing for the temporary government thereof, there was no further legislation respecting Louisiana in either branch of the Congress. (With this act we are not concerned here. It addressed itself solely to the administration of the territory after acquisition and formal possession.)

The final act of the epochal drama was simple and brief. On November 30, 1803, the Spanish officials and the French prefect, the clergy, together with the civil authorities and a few Army and Navy officers, appeared in the Cabildo at New Orleans and the Province of Louisiana formally was yielded to the French Republic. Thereafter, on Thursday, December 20, 1803, the formal possession by the United States of America of the vast and inestimable territory occurred, attended by ceremonies all the more dramatic by virtue of their simplicity. The American commissioners, Governor Claiborne, and General Wilkinson, and the United States troops properly were saluted when they entered the city. There was the customary examination of credentials of appointment, the treaty was read aloud, and the prefect of the Republic of France personally delivered to Governor Claiborne symbolic keys of the city of New Orleans. Claiborne then made an address to the populace which had assembled in the Place de Arms, now known as Jackson Square. The flag of the Republic of France was lowered in silence to a half-way point of the halyards, where it was met by the emblem of the United States, and as the flags of the two greatest republics on earth waved side by side, the crowd shouted huzzas and there was a military salute. The French possession—it never was an occupation—of Louisiana had covered the brief space of 20 days. Thus, upon this simple but impressive scene was ended France's dream of a colonial empire in the Western Hemisphere. Sic transit gloria mundi!

The epilogue to the exalted enterprise, the final curtain of which had descended upon the simple scene at New Orleans on the 20th of December 1803, properly has been preserved to us in the modest words of the leading character of the dramatis personnae, Thomas Jefferson.

Here is the last paragraph of the President's brief message to Congress, dated January 16, 1804:

"On this important acquisition, so favorable to the immediate interests of our western citizens, so auspicious to the peace and security of the Nation in general, which adds to our country territories so extensive and fertile and to our citizens new brethren to partake of the blessings of freedom and self-government, I offer to Congress and our country my sincere congratulations."

Neutrality

EXTENSION OF REMARKS

OF

HON. ROBERT M. LA FOLLETTE, JR.

OF WISCONSIN

IN THE SENATE OF THE UNITED STATES

Wednesday, July 19 (legislative day of Tuesday, July 18), 1939

ARTICLE BY HON. GERALD P. NYE, OF NORTH DAKOTA

Mr. LA FOLLETTE. Mr. President, the junior Senator from North Dakota [Mr. NYE] has contributed to the July number of Investor America a notable article on neutrality, which I ask unanimous consent to have printed in the CONGRESSIONAL RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

[From Investor America for July 1939]

NEUTRALITY SMOKE SCREENS

(By GERALD P. NYE, United States Senator from North Dakota)

"The Neutrality Act is working to the advantage of the aggressor nations and is therefore not neutrality."

"The Neutrality Act has taken from the Executive powers which cripple our country in its conduct of foreign affairs. The act should be repealed or so altered as to give the President a more free hand in the international field."

"There might arise a condition in Europe that would directly challenge the United States. The Neutrality Act should be changed so as to permit the President to move quickly when such a challenge does arise."

The foregoing are stock phrases which have been presented again and again by those who would change or repeal the law commonly referred to as the Neutrality Act. The arguments are without firm foundation, yet they serve as a smoke screen to many Americans who have lost sight of the single purpose of the law in question.

The truth is that on the part of the administration there is will to blind the people to the real purposes of the changes in the law which the administration is urging. In a word, that purpose is to win from Congress a grant of additional power to the Executive—power that was never constitutionally his—power and chance to conduct a reckless course which might easily lead our country into other people's wars.

Anyone who is willing to face the consequences, and who wants the President of the United States to be waving a big stick in this world of trigger-fingering, bluffing, and blustering, should by all means stand in support of the changes now proposed in the neutrality law.

Let us, before we move to any further consideration, consider the purpose of the Neutrality Act. The law ought never to have been called that. Its real purpose was never the accomplishment of a strict neutrality. Strict neutrality is not attainable. Any law we might make with respect to a war in which other nations may engage is bound to favor one side or the other in some degree.

I think it can fairly be said that the single purpose, certainly the primary purpose, of the Neutrality Act was that of helping our own country to keep out of other people's wars. It was founded upon the knowledge of the ease with which commercial

relations, especially trade in munitions, with nations at war could drag us into compromises and finally into war. The law was intended to destroy in part such satisfying of the American appetite for the profit available from other people's wars as might prevent the development of taste of profit to a point where profit would outweigh a desire for peace for our country. This desirable end is attainable to whatever extent we may write off the possibility of a war boom at the expense of nations engaged in spilling each other's blood.

The Neutrality Act forbids loans and credits to nations at war. It forbids the exportation of American munitions and implements of war to nations at war, directly or indirectly. The law originally forbid the exportation of all goods other than munitions and implements of war except as the warring nations paid cash for what they bought and carried the goods away in their own ships and without jeopardizing American ships. But this so-called cash-and-carry clause expired in May. It should be reenacted, with such minor changes in it as will leave less dangerous discretion with a President who might desire to favor one side engaged in war.

Now the forces led and encouraged by the Roosevelt administration come forward with a proposal to substitute for the entire Neutrality Act a so-called Neutrality Act that is far less neutral than the existing law and which invites dangers for the United States which the existing law has made impossible. It proposes to put all commodities, including munitions and implements of war, on a cash-and-carry basis, and it proposes certain powers and discretions to rest with the President that might easily be used to accomplish the creation of circumstances which would ultimately leave a Congress with no alternative other than that of declaring war to save the face of the President and perchance the face of the Nation.

First of all it should be observed that placing all commodities, including munitions, on a cash-and-carry basis is at once a handicap for the smaller nations and a distinct advantage for those nations which are in control of the seas in time of war. At this particular time it would mean distinct advantage to England and France in the event of the outbreak of war in Europe. But, it will be said, isn't this what we desire with the situation what it is in Europe? Well, however desirable it might be considered, the fact remains that the course is definitely not one of neutrality, and those who wish to make the change on the theory that the existing law is not affording neutrality are but engaged in subterfuge. Much fairer it would be for advocates of such a change to seek an open alliance with England and France.

Incidentally, it ought to be noted that in the case of the war in Asia the same change in the law would mean that American goods—including munitions and implements of war—would be available only to Japan, which affords a rather embarrassing circumstance for those who seek change in the law now on the ground that the existing law is an aid to the aggressor nations. The truth is that had the existing law been invoked by a President whose sworn duty it was to invoke the law when hostilities arose between China and Japan, Japan would have been seriously handicapped and her degree of conquest would have been materially lessened.

I am quite ready to concede the possibility of circumstances arising in Europe which would ultimately be a more or less direct challenge to the United States—perhaps a challenge that would make desirable commercial aid by the United States to one side engaged in a European war, or possibly to the extent of active participation in that war, although it is difficult for me to conceive that after our last experience with Europe there can be any condition arising that would warrant the sacrifice of a single American life or a single American dollar in Europe's eternal wars.

But suppose the time should come when the United States would want to throw commercial favor to one side or the other engaged in war. Wouldn't it then be a distinct advantage to find upon our statute books the existing law forbidding sale of munitions to any nation engaged in war? Quite the contrary is true. The law can be changed when, and if, that time comes. Far better it is that the determination of that time be left to the Congress as representative of all the people rather than to a President who might in a strong-minded, hot-headed moment make a choice. Unless it became possible to leave the determination of the time for such a change in policy to all the people, by all means the choice of determining that time should be left with the Congress.

I wish there were less will on the part of Americans to be blinded to certain evidence and certain consequences which ought to have an indelible place in every American mind.

We may like to believe that we went into Europe's war in 1917 for the purpose of winning such desirable ends as the salvation of democracy, the ending of war, the accomplishment of freedom of the seas, and the destruction of militarism. The truth is that these causes became causes only as it was necessary to perch our entry into that war upon a base that would invite the earnest backing of our own people. The truth is that, in the communications and exchanges between heads of our Government, there was little or no concern about these lofty causes up to the time we entered the war. These communications, instead, reveal that the greatest solicitation moving our leaders before we went to war had to do with how we were to continue enjoying the profit that had become ours and the prosperity that was ours by reason of Europe's war.

Step by step the United States permitted its commercial relations and its chance for gain from war to lead it straight into that war. President Wilson, striving with all his might and main to keep America out of that war, was time and again pursued by selfish forces into the abandonment of rules which, had they been pursued, would have kept us from that frame of mind which could not tolerate the thought of having to dispense with the gains we found available from war. President Wilson was upon an impossible spot largely by reason of the lack, at the time, of any written law forbidding American exportation of munitions and instruments of war to nations engaged in war.

In light of the experience then, it would be criminal for the American people or for the Congress to require other Presidents to occupy the same spot. It is criminal negligence even though the present Executive may wish to occupy the same spot. The existing neutrality law should be maintained and strengthened to the extent of re-enacting a strong mandatory cash-and-carry clause to deal with commodities other than munitions and instruments of war which nations at war may desire.

The best security for America would be found to lie with abandonment of all commercial relations with nations at war. We could well afford to abandon all trade with nations at war for the duration of their war rather than let that trade drag us into the frightful waste and never-ending expense which participation in war entails.

Ambassador Page, serving the Wilson administration as its Ambassador at the all-important post in London during the World War, made a representation which is full of meaning in light of what is known to have taken place month after month when, 30 days before the President's request to Congress for a declaration of war, Page sent his cablegram to the President reciting that unless the United States found the way to finance the Allied cause the United States stood to lose that war trade which had given us such prosperity, and said that he noted the "condition most alarming to the American financial and industrial outlook." He declared further that "our going to war is the only way in which our present preeminent trade position can be maintained and a panic averted." We were then face to face with the fact that it was commercial agitation more than anything else that led us to abandon our desire for peace. Let us never be found inviting a chance for that attitude again to play the part in our thinking that it played then.

The existing Neutrality Act takes from the President no power that was ever constitutionally his. The law only affords those safeguards to which the American people are entitled if they are to have the fullest measure of service in their purpose to keep out of other people's wars.

Effect of Trade Agreements With France on American Lace Industry

REMARKS

OF

HON. HARRY SANDAGER

OF RHODE ISLAND

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 19, 1939

Mr. SANDAGER. Mr. Speaker, opponents of the reciprocal trade agreements policy should be indebted to Secretary of Commerce Harry Hopkins for the press release from his Department dated July 5 entitled "No Abatement in United States Demand for Calais Laces." This statement, painting in glowing colors the tremendous boom in Calais lace manufacturing, proves in just so many words the contrasting damage that has been done to the American lace industry by the Franco-American agreements and bears out the oft-repeated contention that the United States is getting the short end of the Hull bargains.

The press release says, according to information received from Consul J. G. Carter, of Calais, France, that the lace manufacturers of that city are booked up with orders from the United States for months to come; that the May exports of laces from Calais to the American markets beat even the high records prior to 1932, and were 171 percent in value and 120 percent in volume over May 1938. This strengthens the claim, which, as a Representative from Rhode Island, a lace-producing State, I have previously made on the floor of the House that the Franco-American trade agreement is ruining the American lace industry and is putting American laceworkers on the street.

Because of the utter inability of our manufacturers, paying high wages, to compete with the low wage, 48-hour-week competition of France, the estimated loss annually in wages to the American laceworkers last year was $3,500,000. A recent survey of 26 American lace mills showed employment

at 34 percent of that in 1935, before the days of the French agreement.

We may well ask, What will the losses to the American lace factories and laceworkers be by the end of this year, when imports are increasing at such a tremendous rate? It would be interesting for Secretary of State Hull, by way of contrast to the statement of the Commerce Department showing how the trade agreements have helped France, to indicate how our American exports to France have increased and have thus served to offset the devastating damage to our lace industry.

The press release of the Department of Commerce follows:

DEPARTMENT OF COMMERCE,
Washington, July 5, 1939.

NO ABATEMENT IN UNITED STATES DEMAND FOR CALAIS LACES

No slackening has been evident in the strong American demand for French laces which in the past year has brought prosperity to Calais' lace industry, according to a report from Consul J. G. Carter, made public by the Department of Commerce.

Local manufacturers are booked up with orders from the United States for many months to come.

May exports of lace from the Calais district to the American market established a new high record not reached even during the prosperous years prior to 1932. The trade with Canada, Australia, and South American countries, which has improved in recent months, was well maintained during May, although there are indications that June will show a falling off in the demand from these markets.

The extent of the increased American demand for Calais lace is indicated in a comparison of May shipments this year to the United States with those of the preceding month of April and with May 1938. The May 1939 exports were higher by 52 percent in value and 39 percent in volume than for April, and by 171 percent in value and 120 percent in volume compared with May 1938. Cumulative shipments covering the first 5 months of 1939 increased 155 percent in value and 137 percent in weight compared with the corresponding period of 1938.

Typical American Counties

REMARKS
OF
HON. ROBERT A. GRANT
OF INDIANA
IN THE HOUSE OF REPRESENTATIVES
Wednesday, July 19, 1939

Mr. GRANT of Indiana. Mr. Speaker, Associated Press dispatches today carry a statement that St. Joseph and Marshall Counties, Ind., have been designated by the Census Bureau as the two most typical American counties in the United States.

Because they are typical, a force of some 160 Government canvassers will go into those two counties August 15 to conduct a test census and to ask the residents of these two counties the list of questions which will be presented to the rest of the citizens of the country in the decennial population census next spring.

The Secretary of Commerce, Harry L. Hopkins, has said that these two counties were chosen because they comprise a representative urban and rural area of the country and because, together, they present a good cross section of industry, agriculture, trade, and professions.

Mr. Speaker, I feel a geat deal of natural, and, I think, justifiable, pride in the fact that I was born in Marshall County, which is in the district of my distinguished colleague and friend, the Honorable CHARLES A. HALLECK, of the Second Indiana District. I also feel a great deal of pride because St. Joseph County is in the district which I have the honor to represent, the Third Indiana, and is also my home county.

I feel great pleasure, of course, that these two counties have been chosen as typical American counties, not only because one is the county of my birth and the other is the county of my residence but because I am a member of the House Committee on the Census.

But, Mr. Speaker, it was not to voice my pride that these two counties have been chosen as the typical American counties that I rise on the floor today. My purpose in calling attention to this distinction which has been given St. Joseph and Marshall Counties is to remind this House and the citizens of this country that these two counties are typical representative American counties, because their population is made up of people in whose veins flow the blood of the best pioneers who ever helped to carve this great Nation out of the primeval forests and the unwatered plains of a new continent.

Here in these two Indiana counties these census takers will find still alive, vibrant, and throbbing that spirit of independence, that spirit of individual self-reliance which not only has made America the greatest Nation in the world but which will keep representative government and the American spirit alive on this continent no matter what shadows may seem to fall athwart the future of free government in other parts of the world.

Let me say to you, Mr. Speaker, that the farmers of these two counties want nothing so much as a free market for their products, protection against cheap, foreign competitive products, and the opportunity to work out their own economic salvation by their own efforts and with their own undaunted courage.

These census takers, Mr. Speaker, will find that the business people in these two counties do not want loans from the Government. They want fair, free, open, honest competition. They want surcease from governmental interference and a chance in their own undaunted spirit of independence and courage to work out their own salvation.

The wage earners of these two counties, if you please, are the descendants of fathers and mothers who were not afraid of hard work; fathers and mothers who were thrifty in the finest sense of the word. The wage earners of these two counties represent the finest of those Hoosier people celebrated in the poems of the immortal James Whitcomb Riley.

The people of these two counties are alarmed, just as the rest of the people of Indiana are alarmed, over the trends toward foreign entanglements. If these census takers were instructed to ask the people whether or not they want to engage in another foreign war, there would be no question about the utterly overwhelming sentiment in these typically American counties against departing from the advice of George Washington and engaging in foreign entanglements which will lead us into bloody conflict again.

If these census takers who are to interrogate the people of these two typical American counties were instructed to ask those good Indiana people whether or not they believe that the Government owes them a living, that the Government can provide that living for them, you will find that their answer will be "no." Where in the broad sweep of this continent can be found a finer people, who represent the finest blood from foreign shores that came here to mix in that great melting pot and to be fused into that magnificent specimen of citizenship we call American? You will find, Mr. Speaker, that the Hoosiers of St. Joseph and Marshall Counties still believe that the people should support the Government and not the Government the people. They still believe, those descendants of the Indiana pioneers and those foreign-born citizens, that true government is only by consent of the governed and is not by rule of any political bureaucracy at Washington regardless of the party label it may bear.

If the salvation of America is to be found, Mr. Speaker, it will be found not in politicians nor in political formulas; it will be found not in trying to integrate our future with that of the war-torn countries of Europe or Asia, but it will be found in those sterling qualities of self-reliance, integrity, courage, industry, and thrift which make the people of St. Joseph and Marshall Counties typical Americans.

Another point that I would like to impress upon you, Mr. Speaker, is that although St. Joseph and Marshall Counties have been chosen as typical American counties, they are, in fact, little different than Elkhart County, which flanks St. Joseph on the east, or La Porte County, which flanks it on the west. In fact, taking into consideration the location of one of America's greatest educational institutions, the University of Notre Dame, at South Bend, in St. Joseph County,

we might well say that this section of Indiana is a typical American section.

Now, mark you, Mr. Speaker, when we say "a typical American county" or "a typical American section," we do not arrogate to ourselves any qualities or any virtues not possessed by all other Americans. That is why we are typical. And yet I want to say to the Members of this House that you can travel this wide world over, you can go to the war-torn countries of Europe, you may weave your way through the teeming masses of the Orient, you may seek out any spot you will in Scandinavia, but nowhere on the globe will you find a finer people, a higher degree of integrity, higher standards of morality, higher ideals of courage and independence and industry than will be found in this section of Indiana, because they do truly represent in the typical American fashion the tremendous progress the American people have made under the God-given blessings of a free republican government, a rich continent, and a God-fearing people.

Importation of Cotton

REMARKS
OF
HON. STEPHEN PACE
OF GEORGIA
IN THE HOUSE OF REPRESENTATIVES
Wednesday, July 19, 1939

Mr. PACE. Mr. Speaker, from time to time the minority members have made some rather critical remarks with reference to the import of cotton into the United States, indicating that imports under the Democratic administration have greatly increased. I have secured from the Department of Agriculture a very comprehensive statement with reference to the imports of cotton, why that cotton is imported, and for what purpose it is used, which by unanimous consent, I shall insert in the RECORD. I call attention to the fact that in 1929, under a Republican administration, there was imported into the United States 358,000 bales of cotton, and at no time during the present Democratic administration have the imports of cotton been half that amount.

Mr. Speaker, I ask unanimous consent to extend my remarks and to include a letter from the Secretary of Agriculture, a statement of why the United States imports cotton, a list of some of the importers of cotton, and a statement showing the imports from the various countries.

The SPEAKER. Is there objection?

There was no objection.

The matter referred to is as follows:

DEPARTMENT OF AGRICULTURE,
Washington, July 18, 1939.

Hon. STEPHEN PACE,
House of Representatives.

DEAR MR. PACE: Reference is made to your letter of June 27, requesting detailed information as to the origin and nature of United States cotton imports during recent years and as to the users of that cotton.

There is enclosed a two-page table showing United States imports of cotton, other than linters, by country of origin from 1929 to 1938. You will note that these imports are of almost insignificant proportions when compared with United States cotton exports. In 1929, the year of largest cotton imports since the period of the World War, imports were 6 percent as large as cotton exports. In subsequent years, cotton imports have been from 2 to 5 percent as large as cotton exports.

It is also of interest that cotton imports were regularly more than twice as large during the period prior to 1930 as they have been since. This is due partially to the imposition in 1930 of a tariff of 7 cents per pound on cotton imports of a staple length of 1⅛ inches or over. An analysis of our foreign trade in cotton indicates, however, that the restriction of our imports of long-staple cotton resulted in a roughly proportional decline of our exports of cotton of similar staple lengths. There is reason to believe that further restriction of our cotton imports would have a somewhat similar effect on our cotton exports. A copy of a study of the effects of the tariff on long-staple cotton, published by the Bureau of Agricultural Economics in 1938, is enclosed.

Practically all of the cotton imported into the United States except that imported from Mexico, either differs in quality from American-grown cotton or is needed to supplement qualities of American-grown cotton of which the domestic supply is not great enough to meet domestic needs. Small trial shipments of varieties of cotton of which this may not prove to be true are sometimes brought in by large cotton dealers. Freak market situations may also lead to small shipments of this sort upon occasion. Such shipments, however, are probably a very small part of the cotton import picture.

Cotton-import data are divided into three groups: Short-staple cotton measuring less than 1⅛ inches in staple length, ordinary long-staple cotton measuring 1⅛ inches or longer but less than 1⅜ inches, and extra long-staple cotton with a staple measuring 1⅜ inches or more. United States imports of both extra-long-staple cotton and ordinary-long-staple cotton come largely from Egypt. In addition to their advantage of staple length, these varieties of cotton possess certain other elements of quality not possessed by most American-grown cotton. They are used principally by the thread, tire-fabric, and fine-goods industries. The small amount of ordinary long-staple cotton imported from Peru has a peculiar rough character which makes it desirable to American manufacturers of part-woolen goods and asbestos.

Most of the short-staple cotton imported into the United States comes from India and China. This cotton appears to range from one-half to three-fourths of an inch in staple length (shorter than most United States cotton) and has a harsh quality which makes it desirable for use in the manufacture of cotton and part-woolen blankets. Imports of short-staple cotton from Mexico appear to be similar in quality to substantial proportions of the American crop. Because produced in areas close to the United States border, much of this cotton moves into the channels of United States trade, where it loses its identity. It is probable that a large part of it is reexported as American cotton. The question of why the United States imports cotton was dealt with in an article by Maurice R. Cooper, of the Bureau of Agricultural Economics in the September 1937 issue of the Agricultural Situation. That issue is exhausted, but a typewritten copy of the article in question is enclosed. There has been a good deal of discussion of imports of cotton lint from Brazil during the current year. During the first 5 months, however, there have been no such imports. The amounts of cotton which have been imported from Brazil during other years are shown in the above-mentioned table.

Many United States cotton manufacturers publicly report that they use foreign cotton. A partial list of such firms and a list of cotton importers are enclosed.

Sincerely yours,

H. A. WALLACE, *Secretary.*

WHY THE UNITED STATES IMPORTS COTTON

The United States imported 253,000 bales of cotton in the 12 months ended July 31, 1937. This was the largest quantity imported in 7 years, but it was about one-third smaller than in the years immediately before the depression. Since this country usually produces more than twice as much cotton as it consumes and in recent years has been restricting production, it is not surprising that there should be a great deal of confusion in the minds of many people as to why raw cotton is imported into the United States.

Most of the cotton imported into the United States either differs in quality from American cotton or is needed to supplement certain qualities not produced in sufficient volume to meet domestic needs. Under normal marketing conditions the United States will never import cotton similar in quality to that produced in this country in large enough quantities to satisfy the demands of American manufacturers (except possibly from Mexico because of its nearness). Imports of 250,000 bales are very small in relation to a total domestic consumption of seven or eight million bales.

The price of a particular quality of a given commodity in any two important markets cannot, except possibly for short periods, differ by much more than the cost of delivering the commodity from one market to another. The existence of such a condition would make it profitable to transfer the commodity from one market to the other. As a result of this transfer, the supply in the lower-priced market would decrease and the supply in the other market increase. Consequently, the price would be strengthened in one market and depressed in the other.

As long as American cotton is exported to foreign countries the price in those countries for a given quality must be higher than in domestic markets by at least the amount of the freight, insurance, interest, and other transfer costs. If at any time the spread between the domestic and foreign price were to differ by less than the transfer costs, there would be no incentive for exporting American cotton. Because of this, exporters of foreign cotton will never, except under very unusual circumstances, find it to their advantage to ship to the United States cotton of the same quality as that being exported from the United States in significant amounts. As long as the price of a given quality of cotton in Liverpool, Havre, or Kobe is higher than the price of this quality of cotton in the United States by an amount equal to or in excess of the cost of delivering cotton from the United States to these markets, exporters of similar cotton from Russia, Brazil, and most other countries would lose money by shipping such cotton to the United States.

More than one-fourth of the cotton imported in recent years was 1⅜ inches and longer in staple. This is longer than any of the cotton produced in the United States with the exception of a few thousand bales of American-Egyptian (Pima) produced in Arizona.

Although staple length is generally considered one of the most important factors determining spinning utility of cotton, other factors are also important. It is said that this extra-long-staple foreign cotton possesses some other elements of quality not possessed by American-grown cotton having approximately the same staple length. This and the fact that insufficient quantities of this extra-long-staple cotton are produced in the United States to meet domestic requirements account for the fact that this cotton is imported in significant quantities despite an import duty of 7 cents per pound. Most of the imported extra-long-staple cotton comes from Egypt and is consumed by the thread, tire-fabric, and fine-goods industries. It is said to be needed in order to give additional strength to the yarns, particularly those produced for thread and for tire fabrics.

Imports of Egyptian cotton shorter than 1⅜ inches in staple (a very large part of which is 1⅛ to 1 7/32 inches) also account for a substantial portion of the total domestic imports of cotton. This cotton has about the same length of staple as the longer lengths of American upland cotton, most of which is produced in the Mississippi Delta. While total domestic production of cotton 1⅛ to 1 7/32 inches represents only about 5 percent of the total American crop, it is considerably larger than the quantity of such cotton consumed by American mills. The fact that cotton with these staple lengths is imported from Egypt and also from Peru, despite the 7-cent import duty—at the same time substantial quantities are exported—can only be accounted for by differences in quality factors other than staple length. At least domestic manufacturers or consumers of the products for which the import cotton is used apparently believe that the imported cotton is more desirable for their purposes than the domestically produced cotton. Most of this imported ordinary long staple is also used by the thread, tire-fabric, and fine-goods industries. However, a large part of that imported from Peru is noted for its rough character, which makes it desirable to American manufacturers for use in asbestos and part-woolen goods.

Most of the remainder of the cotton imported into the United States during recent years came from India and China. Reports on the staple length of this cotton on hand at the end of the season show all cotton shorter than ⅞ inch combined. However, a report released in 1932 on the quality of foreign cotton consumed in the United States[1] indicated that most of the cotton being imported from these countries was shorter than 13/16 inch and ranged from ½ to ¾ of an inch in staple. Although the United States produces comparatively large quantities of cotton shorter than ⅞ inch, a further break-down would probably show that little American cotton is shorter than 13/16 inch. The fact that most of this imported extra-short staple is of a very rough or harsh character, however, is possibly of more importance in accounting for its importation than its shortness of fiber. This cotton is said to be used largely in the manufacture of cotton and part-woolen blankets and other part-woolen goods, because its harsh short fiber gives a desirable feel and appearance to the finished fabric.

There are a few thousand bales of Mexican cotton imported annually, a substantial part of which is believed to be about the same in quality as American cotton. Most of this cotton loses its identity and is apparently sold to domestic manufacturers or is reexported as American.

Information is not available with respect to the quality of the few thousand bales of cotton imported during recent months from Brazil and Russia, but it is safe to say that this cotton differs in quality from the bulk of the American crop or that domestic importers encountered a temporary and very unusual market situation which made it possible to import this cotton at a lower price than domestically produced cotton of similar quality could be obtained.

It appears, therefore, that a substantial part of the cotton imported into the United States is accounted for by differences in the quality of this cotton and that produced in the United States. Even in the case of extra long staple cotton, which is not produced in sufficient quantities to meet the requirements of domestic mills, there appear to be significant differences in other quality characteristics between that produced in the United States and that imported.

MAURICE R. COOPER.

(Published in the Agricultural Situation, September 1, 1937, pp. 10–12.)

[1] Staple length of Foreign-Grown Cottons Consumed in the United States, 1928–31, Bureau of Agricultural Economics, 1932, mimeographed.

PARTIAL LIST OF UNITED STATES MANUFACTURERS WHO REPORT USING FOREIGN COTTON

(NOTE.—It is generally impracticable to give a complete list of dealers. In furnishing this partial list upon request, it should be understood that no discrimination is intended and no guaranty of any kind is implied.)

Users of Egyptian Cotton

American Thread Co., 260 West Broadway, New York City.
Clark Thread Co., 260 Ogden St., Newark, N. J.
J. & P. Coats, 366 Pine St., Pawtucket, R. I.
Crown Manufacturing Co., Pawtucket, R. I.
Groves Thread Co., Gastonia, N. C.
Lonsdale Co., 50 S. Main, Providence, R. I.
Ponemah Mills, Inc., Taftville, Conn.
Quissett Mill, 56 Prospect, New Bedford, Mass.
Stowe Thread Co., Inc., Belmont, N. C.
U. S. Rubber Products, Winnsboro Mills, Winnsboro, S. C.

Users of Indian and Chinese Cotton

Nashua Mfg. Co., Nashua, N. H.
Beacon Mfg. Co., Swannanoa, N. C.
Marshall Field & Co., Spray, N. C.

PARTIAL LIST OF U. S. COTTON IMPORTERS

(NOTE.—It is generally impracticable to give a complete list of dealers. In furnishing this partial list upon request, it should be understood that no discrimination is intended and no guaranty of any kind is implied.)

Importers of Egyptian Cotton

E. A. Shaw & Co., Boston, Mass.
Post & Conners, 141 Milk St., Boston, Mass.
Geo. McFadden & Bro., New York City.
Jones, Gardner & Beals, 148 State St., Boston, Mass.
E. W. Montgomery Co., Greenville, S. C.

Importers of Indian and Chinese Cotton

Volkart & Bros., New York City.
Geo. McFadden & Bro., New York City.

United States: Imports of raw cotton, by countries, 1929–38[1]

[Bales of 478 pounds net]

Type of cotton and countries from which imported	Year ended Dec. 31—									
	1929	1930	1931	1932	1933	1934	1935	1936	1937	1938[2]
Cotton, staple 1⅜ inches or over:	*Bales*	*Bales*	*Bales*	*Bales*	*Bales*	*Bales*	*Bales*	*Bales*	*Bales*	*Bales*
Egypt	92,072	35,825	6,992	13,179	32,894	42,974	35,657	44,118	53,304	27,341
United Kingdom	16,142	44,682	517	7,000	7,573	0	0	0	0	0
Peru	0	0	0	0	24	0	15	131	105	85
British West Indies	0	218	131	97	57	9	23	25	30	17
Other countries	0	455	6	0	0	2	0	0	0	0
Total	108,214	81,180	7,646	20,276	40,548	42,985	35,695	44,274	53,439	27,443
Cotton, staple 1⅛ to 1⅜ inches:[3]										
Egypt		[4] 445	14,662	31,188	46,936	55,419	27,880	26,607	21,730	12,489
Peru		[4] 14	317	197	669	855	602	364	1,278	268
Other countries		[4] 2	1,321	6,481	2,580	1	2	0	0	1,245
Total		[4] 461	16,300	37,866	50,185	56,275	28,484	26,971	23,008	14,002
Cotton, staple under 1⅛ inches:[5]										
British India	58,474	51,340	31,512	12,339	14,498	28,091	29,039	63,148	76,841	50,933
Mexico	57,253	14,262	24,812	10,224	1,108	2,740	4,308	11,869	22,340	54,676
China	32,480	46,170	28,878	17,452	45,108	16,594	5,423	28,216	51,900	39,276
Egypt	178,440	58,300	6,798	5,262	0	8	0	0	0	0
Peru	20,794	4,789	1,392	473	584	510	588	942	365	187
Union of Soviet Socialist Republics (Russia)	0	0	0	0	0	0	0	0	5,234	4,706
Netherland India	1,949	1,049	1,432	1,325	627	733	1,650	484	3,984	1,334
Brazil	0	0	0	0	2	216	769	10,014	113	
Other countries	9,499	11,012	1,540	3,652	134	225	50	49	174	0
Total	358,889	186,922	96,364	50,727	62,059	48,903	41,274	105,477	170,852	151,225

[1] General imports 1929 and 1930; subsequently imports for consumption.
[2] Preliminary.
[3] Prior to June 18, 1930, included in "Cotton, staple under 1⅛ inches."
[4] June 18–Dec. 31.
[5] Includes "Cotton, staple 1⅛ to 1⅜ inches" prior to June 18, 1930.

Office of Foreign Agricultural Relations. Compiled from Foreign Commerce and Navigation of the United States, official records of the U. S. Tariff Commission, and of the Bureau of Foreign and Domestic Commerce.

The Civil Aeronautics Authority

EXTENSION OF REMARKS

OF

HON. W. R. POAGE

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 19, 1939

ADDRESS BY COL. EDGAR S. GORRELL

Mr. POAGE. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following address delivered by Col. Edgar S. Gorrell, president of the Air Transport Association of America, before the Southwest Chamber of Commerce Secretaries' School, Dallas, Tex., July 19, 1939:

THE CIVIL AERONAUTICS AUTHORITY—A SUCCESSFUL AGENCY OF GOVERNMENT—MISINFORMATION IS THE BANE OF AERONAUTICS

For some inexplicable reason, misstatements of fact concerning aeronautics and those connected with it can be more easily spread and are given more persistent currency than is true in the case of any other industry. It is idle to speculate upon the causes of this tendency on the part of those who discuss our industry. We can only try to clear up each misstatement as we run across it, and hope that our audience will regard with suspicion the next person who voices wild and fantastic charges.

The latest bit of misinformation from which the aeronautical industry has suffered is one that has been given wide circulation by the Saturday Evening Post. In its issue of June 24, 1939, that splendid magazine quotes a statement recently made about the Civil Aeronautics Authority to the effect that this recently created Authority has more employees than the total employees of the air lines which it regulates. Such a statement is, of course, damaging to the Civil Aeronautics Authority, for it implies that the Authority is guilty of gross waste and inefficiency. And it does harm to the industry which the Authority regulates, for it implies that the industry is subject to an unsound governmental regime.

At the risk of disregarding the adage "Truth provokes those it does not convert," it seems that it would be pertinent briefly to reply to this assault upon the Civil Aeronautics Authority and to do so in unmistakable terms and in phraseology so simple that all may comprehend.

The air lines of this country have over 13,500 employees. One air line alone has over 4,250 employees. But this spring the total number of employees of the Civil Aeronautics Authority was only 3,282.

Nor is it fair to imply that the Authority's duties bear relation only to the regulation of the air lines. The Authority has many duties besides that—duties of greater diversity, perhaps, than those imposed upon any other single governmental agency. At the possible risk of becoming tedious, I am going to give you the actual figures that translate into precise quantitative terms the extraordinary diversity of the Authority's tasks and the immense size of the undertaking with which it has been charged by the Congress.

It is not by chance that the Authority is called the Civil Aeronautics Authority, rather than the Air Transport Authority. For there is nothing in the entire realm of civil aeronautics, here and abroad, which does not directly concern the Authority. Indeed, it is charged with some duties relating even to military aeronautics.

The Authority regulates some 20 or 25 air lines, and when it explores the application of its statute to our Territory of Alaska it may find that it has anywhere from 5 to 15 additional air lines on its hands. These air lines, of course, do an enormous business, and are spread throughout our country and across the oceans which lap our shores to Asia, to Central and South America, and now to Europe.

In addition to these air lines, the Authority must regulate the operations of 1,527 charter and fixed-base airplane operators, whose total annual business, in passengers and property carried, equals the total business of the scheduled air lines.

Furthermore the Authority is charged with overseeing 153 certificated repair stations, 33 certificated aviation schools, about 100 aircraft manufacturers, and often the activities of some 1,700 firms engaged in one or more phases of the aeronautical industry.

But the Authority not only regulates these companies and institutions. It must also regulate the activities and operations of individual pilots, ground personnel, and aircraft. There are 10,724 certificated civil aircraft over which the Authority must keep careful watch, and an additional 1,047 uncertificated aircraft which the Authority cannot ignore. Likewise 36 certificated gliders and 169 uncertificated gliders take up odd moments of the Authority's time. As for pilots, there are 62,326 at the present time, with current plans calling for training of 15,000 additional student pilots. And of this huge figure only about 1,420 are air line pilots. The gliders, too, have their pilots, 221 of them. Finally there are 10,005 certificated mechanics, and an additional 1,021 certificated parachute riggers, ground instructors, traffic control-tower operators, and dispatchers. All these aircraft and all these persons must under the law have individual certificates, individually tested and inspected, individually regulated.

If we were to stop at this point we would have found cause to wonder how it is that the Authority does its work with only the three-thousand-or-so employees who are on its rolls. The fact of the matter is, however, that a large part—perhaps the largest part—of the story is yet to come. For the Authority, through its Administrator, must construct and maintain throughout each second of each 24 hours the civil airways and the air navigation facilities used by those who operate planes for business or pleasure, and used, as well, by our military and naval air forces. This responsibility extends to 95 radio broadcasting stations, 233 radio range stations, 82 radio marker beacons, and 34,334 miles of teletypewriter service with 333 stations. It extends also to 1,803 revolving beacon lights, 213 flashing beacon lights, 273 lighted intermediate landing fields, and 24,249 miles of lighted airways. In the up-to-the-minute maintenance of these facilities, and in the construction of the many new facilities which the Authority's Administrator will have to undertake, the safety of our commerce, the speed of our mail service, and the security of our Nation are all at stake.

The job of the Authority, then, extends far beyond the regulation of air lines. Indeed, this spring 2,662 of its employees, or somewhat more than 80 percent of the total, were engaged altogether in the maintenance and construction of air-navigation facilities and not in the work of regulation at all. Hence there were actually only 620 employees who were discharging the huge regulatory task with which the Authority is faced, and that regulation, as we have seen, is much more than the regulation of air lines. Indeed, of these 620, there were at least 60 who were not, strictly speaking, engaged in regulatory work at all, but were engaged solely in investigation and study of aircraft accidents. Thus, when we get at the real fact of the matter, there were only 560 employees engaged in regulatory work. To suggest that with this relative handful the Authority is overstaffed is unthinkable.

The Interstate Commerce Commission, which regulates rail and motor carriers, has, according to our latest information, 2,599 employees, and it is generally agreed that that Commission is understaffed. The rail and motor carriers, of course, greatly exceed the air carriers in number and size. However, the duties of the Interstate Commerce Commission are confined to carrier operations. They do not, like the duties of the Civil Aeronautics Authority, embrace the regulation of thousands of miscellaneous and pleasure operators, or the regulation of schools and factories. Nor does the work of the Interstate Commerce Commission extend to operations beyond our borders, whereas the Civil Aeronautics Authority must look not only to the waters and the plains of our broad land but far beyond our borders to the north, the east, the south, and the west. Hence, when the 560 employees of the Authority who were engaged in regulatory work are compared with the 2,599 employees of the Interstate Commerce Commission, the comparison is by no means unfavorable to this youngest of governmental agencies.

Nor can there be criticism of the number of the Authority's employees engaged in the construction and maintenance of airways and air navigation facilities. These employees—really the employees of the Authority's Administrator—are engaged in work which is comparable not to the work of the Interstate Commerce Commission but rather to that of the Bureau of Lighthouses—save that it is more technical and varied. Yet while the Bureau of Lighthouses had, in 1938, 5,017 employees, the Administrator this spring had only 2,662 employees.

These dry figures do not fully disclose the magnitude of the Authority's task or the efficient manner in which that task has been met. The Authority succeeded the old Bureau of Air Mail of the Interstate Commerce Commission and the old Bureau of Air Commerce of the Department of Commerce. As you know, it was given, in addition to the functions imposed upon those old agencies, many new functions relating to greater safety, to economic regulation (including the regulation of passenger and express rates) which did not exist previously, to more complete recordation, to a more extensive system of airways, and to numerous other matters. These additional functions have been undertaken by the Authority with a net increase of only 254 employees more than the number which Congress had authorized for the old Bureau of Air Mail and Bureau of Air Commerce before the Authority was created. That the increase has been so small, in the face of a task so great, is one of the most notable administrative achievements in the recent history of our Government. The achievement is costing many hours overtime week after week, is demanding an unstinted devotion to duty of every employee from top to botton in the Authority's organization, is requiring sacrifice and self-denial; but the achievement is there, one of which the entire Nation can be and is proud.

We in the air-transport industry, who know these facts, may, then, be pardoned if we express some impatience with those who blindly print the unfounded charge that the Authority has more employees than the air lines, thus implying that the Authority has failed to keep a vigil for the economies possible through intelligent action and is guilty of neglect and inefficiency and waste. One of the most sacred of our liberties is that of freedom to speak and write and criticize at will without regard to person or position. Our Government would wither and die were that freedom to be infringed. But it is as essential to the health of our Government that it be defended against erroneous charges as it is that criticism be free,

and no agency of our Government merits defense more fully than does the Civil Aeronautics Authority.

When the President selected the members of the Authority, together with its Administrator and its Air Safety Board, he performed a great service to the Nation. The offices, in very truth, sought the men. These men are exceptionally qualified for the undertaking set before them. Collectively they represent a fine balance of experience in aeronautics, of technical training, of legal background, and of accomplishments in business and in Government service which it would be difficult to match. They are men of single purpose—a purpose to give to the Nation the best that their abilities can fashion. They have gone far toward achieving their aim; and they will go much farther still.

A year or two ago we might well have asked ourselves how long our flag would hold its position of leadership in the world of aeronautics. Could the denouement at Munich have been foreseen a few months before it happened, when sheer power in the air brought mighty nations to their knees, we might well have wondered whether our own proud position would long survive. Doubts might have assailed us, because our Nation had floundered in its aeronautical policy for 20 years along an uncertain and vacillating course which, had it continued much longer, would have reduced our strength in the air to miserable proportions. But by the time Munich had come and gone, by the time the dictator cartographers had drawn new lines across the old map of Europe, our President, his executive departments, and patriotic men in the Congress had united on the proposition that our national security is based upon the sound growth and development of civil aeronautics. The tireless efforts of Senator McCarran and Congressman Lea, and of our beloved Senator Copeland were rewarded with nearly unanimous support in the formulation and adoption of the Civil Aeronautics Act. Indeed, by the time the shadow of Munich fell across a fearful world, the Civil Aeronautics Authority had already begun its work of constructing a firm foundation for America's aeronautics. So our own land has been able to contemplate with returning confidence the lessons of which other nations were made painfully aware in those dire days of last fall. And with each passing month the Civil Aeronautics Authority gives us reason to be more secure in our confidence that America's leadership in the air shall not be lost.

It is true that much remains to be done. It is true that there have been threats to the continued life of the Authority and to the fruition of its program. Only recently there was proposed a measure which would have transferred certain vital functions from the Authority to the Interstate Commerce Commission, leaving a divided and confused system of regulation for aeronautics, and so crushing the very cornerstone of our new unified program for the air. But threats such as these, we may hope, will pass, and aeronautics will go forward, at last uninterrupted, under an independent and permanent Authority with power unmitigated to build and maintain a sound edifice for our Nation.

Therefore, unmerited and unfounded criticism of the Authority deserves not only the impatience of every citizen who would protect his government against unjust indictment; it merits likewise the particular condemnation of those who would assure that the Nation's strength, in its most vital quarter, shall not be undermined. In January of this year the President said, "Civil Aviation is clearly recognized as the backlog of national defense in the Civil Aeronautics Act * * *." And so it is, a fact demonstrated again and again with each year's progress in exploiting the possibilities of the air. The Civil Aeronautics Authority is faced with no common or simple task, and upon the continued success of its efforts literally depends our country's welfare.

Why Not a Building Program for Third-Class Post Offices?

EXTENSION OF REMARKS

OF

HON. W. BEN GIBBS

OF GEORGIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 19, 1939

ARTICLE FROM THE POSTMASTERS' ADVOCATE

Mr. GIBBS. Mr. Speaker, under leave to extend my remarks in the Record, I include the following article which was published in the Postmasters' Advocate of July 1939:

[From the Postmasters' Advocate for July 1939]

WHY NOT A BUILDING PROGRAM FOR THIRD-CLASS POST OFFICES?

Representative Butler B. Hare, of South Carolina, in a measure introduced by him, known as H. R. 3799, advocates a program under W. P. A. work in the construction of public buildings. The proposal, he states, would have a twofold purpose: First, to provide employment for the unemployed; second, to provide suitable buildings to accommodate second- and third-class post offices and other local agencies of the Government.

It is claimed by Mr. Hare that by the erection of the post-office buildings the wealth of the Nation would be increased by the value of such buildings. At the same time it would save the cost of annual rentals now paid for such accommodations.

He stated further, "Another argument favoring this measure is that the type of buildings contemplated, when erected in our small towns and villages, will be an incentive to civic pride on the part of the patrons of the office and vicinity.

"In adopting the proposed policy or building program, it would mean the Government is undertaking to provide definite and worthwhile programs in the way of work relief. That is, it would mean the elimination or abandonment of a hit-and-miss kind of policy to aid and assist those who are absolutely in need of work. To repeat, it is a policy with two definite and distinct ideas in mind—one to furnish employment to those who are in need, and at the same time will be a type of employment from which the Government and the country will obtain a return from the money spent in the way of added national wealth."

The league officers maintain it should not be overlooked that in advocating an extensive building program in these times the Government would not only be able to provide permanent post-office quarters, which has long been and is urgently needed, but in so doing would be making a substantial contribution to industry and employment in hundreds of communities.

While there is and has been for several years a Federal building program, this has been confined to the larger towns and cities of the country. Such a movement as proposed by Representative Hare would prove economical to the Government and would result in permanent and better post-office quarters. It would not be necessary to erect expensive buildings in these smaller towns, but a standardized post-office building, which would easily be enlarged, if necessary, could be erected at a very small cost.

There are approximately 6,200 third-class post offices between the salary grades of $1,600 and $2,300. It is believed that adequate post-office buildings and equipment could be erected in these towns at a cost of $4,000 to $10,000, or an average cost of $7,000. The total cost of such a project would be approximately $40,000,000.

It is estimated that the cost of leasing and renting post-office quarters for these offices average the Government $700 annually, or a total of approximately $4,000,000. If this amount was applied to the cost of erection of these buildings, the entire cost would be amortized within 10 years, from the saving of rentals paid.

Under the present plan of leasing quarters and equipment, the Government is getting no nearer the ownership at the end of 10 years than at the beginning.

The construction of a great number of small post-office buildings would necessarily increase the manufacture of building materials, the manufacture of post-office equipment, and would result in the employment of hundreds or thousands of laborers throughout the country, decreasing to a very great extent the unemployment situation.

In the smaller cities and towns the cost of real estate would be a very small item, as in many cases civic organizations and patriotic groups would furnish to the Government, without cost, or for very little cost, such real estate as was necessary for this commendable purpose.

Why the Spending Orgy Must Stop

EXTENSION OF REMARKS

OF

HON. GEORGE H. BENDER

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 19, 1939

Mr. BENDER. Mr. Speaker, after 7 years of New Deal "recovery" activity, the National Treasury has just reported the largest spending year in the past decade. The public debt, which establishes a new record each day, is $3,500,000,000 greater today than it was just 1 year ago. Despite the claims of rabid partisans of the Roosevelt administration, expenditures totaling $9,200,000,000 were considered necessary in the past fiscal year. This is even more money than was spent in 1936 when the soldiers' bonus was distributed.

It is no wonder that the Democratic Party has decided to adopt a new system of bookkeeping, a system in which the funds expended by the new lending, works, and security agencies will not appear as part of the "recovery and relief" items of the last 12 months. Hereafter "recovery and relief" expenses will be included in the mass heading known as "General expenditures."

There are those who see no harm in continued public spending on the vast scale instituted by the New Deal. Leading members of the President's inner circle have frequently counseled him in favor of permanent public projects financed by tax-raised funds as a normal practice of government. Marriner Eccles, Chairman of the Federal Reserve Banking Board, is the outstanding exponent of this theory. To him every dime expended by the Federal Government is not even "spending." It is "investment." Perhaps you may have difficulty in appreciating the subtle distinction, particularly if you are aware of the fact that every man, woman, and child in our Nation is a taxpayer.

Not many years ago President Roosevelt himself was of the opinion that a mounting debt was a most undesirable thing indeed. That was far back in 1932, however, when he was campaigning for the Presidency. Then he was frank enough to concede that "taxes are paid in the sweat of every man's labor." He told the Nation that whatever the Federal Government spent must some day be paid for in taxes earned, produced, and contributed by everyone who works for his daily living.

Candidates are notoriously forgetful. They frequently say one thing and practice quite another. In the stress of getting elected their glib condemnations of their rivals and their facile promises of better things make good newspaper copy, but they deceive no one. We are prepared to grant that at one time President Roosevelt was right—dead right. He was right in 1932 when he told our people that they, and they alone, must pay for the costs of our Government.

That truth is no less accurate now than it was in 1932. Some day, sooner or later, no matter how assiduously he may seek to postpone the day of reckoning, Mr. Roosevelt and his successors must tell the people of America, "The time has come when you must pay." Yes; we shall have to pay, and not a single penny spent in these last few years, the millions which went for beneficial purposes, and the millions which were squandered in the effort of the New Deal to retain its hold upon the public purse and pay roll, will be manufactured out of the thin air. Every dime will be raised from the sweat of human labor.

It will come from the factory worker, the shopkeeper, the day laborer, the W. P. A. worker, the man on direct relief, the victims as well as the beneficiaries of the spending orgy of the past 7 years.

There are none among the leaders of our Nation who seek to impose hardship and want upon the deserving poor of America. Every one recognizes the existence in our community of thousands of men and women who have been shattered economically by the depression in our Nation. No one seeks to injure them or restrict them in their efforts to regain their self-support. But it is no less true today that we must realize the tremendous wastefulness which has characterized New Deal expenditures. From every direction comes evidence of inefficiency and leakage. Poor business methods, corrupt W. P. A. political maneuvering, overexpensive administration contribute to the tale.

For all of this you and I shall pay. Our national per capita debt is higher today than it has ever been in our history. It must go no higher if our generation and our children are to be able to wipe it from the books. The spending orgy must stop—now.

Federal Old-Age Pensions

EXTENSION OF REMARKS

OF

HON. ANTON J. JOHNSON

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 19, 1939

Mr. JOHNSON of Illinois. Mr. Speaker, my interest in proper old-age pensions impels me to ask leave to place in the RECORD by incorporation in these remarks a letter received from one of my prominent constituents, Mr. Frank Haws, of Monmouth, Ill. The letter shows a keen grasp of what is going on here at Washington and should be read and studied by those who are asking us to do the impossible in the pension field. The letter follows:

DEAR MR. JOHNSON: Permit me to thank you for affixing your signature to discharge petition No. 15, to bring the General Welfare Act, H. R. 5620, onto the floor of Congress for debate.

It is high time that Congress did something for the old people of America instead of trying to mislead them into thinking that the so-called Social Security Act gives them any real security in their declining years.

We who have to struggle with the problem of making America safe for the aged, feel that we have evolved a sane and reasonable piece of legislation in H. R. 5620, and are pleased to learn that the legislators having a sincere desire to do something for the old people are taking it seriously and fighting to get it out on the floor for open discussion.

When I look about me and see the money wasted trying to get crackpot and visionary pension measures through Congress and enacted into law in some States I realize how desperate the old folks are to grasp at such straws. Can they not see that their only hope lies in a sane, reasonable Federal pension that treats all States alike and all individuals alike?

I know that you are genuinely interested in the old people and are doing what you can to help them. If you can get your colleagues to also sign the discharge petition, we on the waiting end of the line will greatly appreciate it. If all who think like you do and want a reasonable proposition put through would only sign the discharge petition, there would be no question about the measure being considered this session. They have the power to force the issue. Why don't they do it?

FRANK R. HAWS,
Monmouth, Ill.

This industrious citizen who wants to retire some day on an honorable pension that he has earned by a lifetime of productive endeavor, gives much to think about in his short communication.

This idea, now being extended to the Social Security Act, of spending ourselves into prosperity on borrowed money is just going to get us deeper into the mire. You can't spend yourself into prosperity any more than you can drink yourself sober, and when you try it on someone else's money you are bound to wake up with a headache and a heartache as well. Let us raise the finances first before we consider paying even pensions to the aged. I plead for a pay-as-you-go policy in the pension field just as I have done in the relief field which has been so broadened because of the very failure to solve the pension problem.

What Goes on in Congress

EXTENSION OF REMARKS

OF

HON. WILLIAM J. MILLER

OF CONNECTICUT

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 19, 1939

RADIO ADDRESS BY HON. WILLIAM J. MILLER, OF CONNECTICUT

Mr. MILLER. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following address which I delivered recently over the radio:

Since my last broadcast from this station, the House of Representatives has considered the most important and most far-reaching legislation we will be called upon to consider. I refer, of course, to House Joint Resolution 306 (the so-called Bloom bill), better known as the Neutrality Act of 1939.

May I say at the outset that I approached consideration and discussion of this legislation with feelings of sincere humility. I took my stand and cast my vote on the act itself, as well as on various amendments offered to the act, only after serious and prayerful consideration. After studying the testimony presented to the Foreign Affairs Committee of the House and after considering the various communications received from my constituents, I cast my vote with only one thought in mind—to keep the United States out of future wars—and I trust that those of you who disagree with the position I have taken will at least concede my efforts were directed toward peace.

Before discussing the provisions of the Bloom bill it might be well to consider some of the background of neutrality legislation. For more than 125 years America's foreign affairs were conducted on a basis of friendly relations with all nations and entangling alliances with none. Following the precepts of Washington and Jefferson, America rose to great heights in world esteem and was respected by all nations. Without the burden of excessive armaments programs, without the great cost of supporting a large standing army, and without the fear of foreign complications, our country was able to prosper through the utilization of all of its energies for progress and expansion. This peaceful progress, this true flourishing of our country was accomplished in the spirit of George Washington, who admonished a young nation in his Farewell Address in 1796:

"Europe has a set of primary interests which to us have none, or a very remote, relation. Hence she must be engaged in frequent controversies, the causes of which are essentially foreign to our concerns. Hence, therefore, it must be unwise in us to implicate ourselves, by artificial ties, in the ordinary vicissitudes of her politics, or the ordinary combinations and collisions of her friendships or enmities. Our detached and distant situation invites and enables us to pursue a different course. If we remain one people under an efficient government, the period is not far off when we may defy material injury from external annoyance; when we may take such an attitude as will cause the neutrality we may at any time resolve upon to be scrupulously respected; when belligerent nations, under the impossibility of making acquisitions upon us, will not lightly hazard the giving us provocation; when we may choose peace or war as our interest, guided by justice, shall counsel.

"Why forego the advantages of so peculiar a situation? Why quit our own to stand upon foreign ground? Why, by interweaving our destiny with that of any part of Europe, entangle our peace and prosperity in the toils of European ambition, rivalship, interest, humor, or caprice?"

This is the statement on which American foreign policy has been based for the greater part of our history and the very soundness of its argument proclaims the merit of its preachment. As so many of our early statesmen wished, America should stand aloof and calm in the midst of turmoil; firmly rooted to the doctrine of no entangling alliances and determined to perform the role of good neighbor to all of the world.

Thomas Jefferson stated the principle almost as clearly as did Washington when he said, "I have ever deemed it fundamental for the United States never to take active part in the quarrels of Europe. Their political interests are entirely distinct from ours. Their mutual jealousies, their balance of power, their complicated alliances, their forms and principles of government are all foreign to us. They are nations of eternal war. All their energies are expended in the destruction of the labor, property, and lives of their people. On our part, never had a people so favorable a chance of trying the opposite system, of peace and fraternity with mankind, and the direction of all our means and faculties to the purposes of improvement, instead of destruction. With Europe we have few occasions of collision and these, with a little prudence and forbearance may be generally accommodated."

For more than a hundred years Presidents of the United States, in their annual messages to Congress, have proudly stressed the fact that America was at peace with all the world. For more than a hundred years "America for Americans" was the watchword of our statesmen.

Soon after the turn of the present century a new idea began to take hold. Some of our statesmen adopted the theory that we had a mission to reform and police the world; to protect the weaker nations from the strong. The theory that we should ally ourselves with certain European nations had developed to the point that today many openly urge us to enter into an alliance that might some day require us to send our young men to fight and die on a foreign battlefield. I am convinced that the people of the United States will not approve of such a development.

Before we consider the provisions of the Bloom bill it might be well to recall some of the utterances of President Roosevelt in connection with our foreign policy. First came his so-called quarantine speech at Chicago in October 1937, in which he said that there was no escape for the United States through mere isolation or neutrality. Then he went on to say that the peace-loving nations must make a concerted effort to quarantine and stop aggressors.

The Bloom bill, while it was known as the Neutrality Act of 1939, was in fact far from a neutrality act, as its adoption would make us anything but neutral in case of another war. There can be no question in the minds of anyone who followed the House debate on the Bloom bill that its real purpose was to give the President power to aid Great Britain and France. That being so, it seems to me that the fair and honest thing for the President to do is to request the people of the United States, speaking through Congress, to give him authority to openly aid these so-called democracies to the extent of providing them with munitions and other needed materials. He should also remind the country that by so doing they may become involved in a future war.

It is interesting to note that the Bloom bill was debated in the House for 4 long days, two of the sessions continuing from 11 a. m. until after 1:30 a. m. the next morning, without a recess. Not once in all that debate did anyone deny that the sale of munitions to the Allies between 1914 and 1917 was an important factor in our becoming involved in the World War.

At the outset, may I state that I do not pose as an authority on international law. I am not even a common garden variety of lawyer, but I am in Congress as a Representative of 421,000 men, women, and children now residing in Hartford County. As the Representative of those people, I consider it my solemn duty to aid in the enactment of any law that will lessen the likelihood of our becoming involved in any future war, and the opposition to the enactment of any law that increases the likelihood of our becoming involved in a foreign war. I am convinced that the enactment of the Bloom bill would definitely increase our chances of participating in another war, and for that reason alone I voted against the resolution. In the first place, it is my sincere belief that if we enacted that resolution we would have placed our country right back where it was in 1914. We would have made of the United States a huge ammunitions dump. What have we left from that great crusade of 1917? We entered the World War to fight a war to end all wars, but lost the peace; we failed to carry our objective. Hence, all we have left to our advantage is the lesson we should have learned from our past experiences, especially our experience during 1914 to 1919.

Who is there today who will say that the shipping of munitions and other supplies to Europe was not a factor in our becoming involved in the World War? Within this district are many manufacturers of munitions and war materials; that industry is a perfectly legal one, employing hundreds of men and women, but I feel confident that if they felt that selling munitions to a foreign country which was engaged in a war would increase the danger of our becoming involved in a war, they would not want to sell such munitions. The owners and employees of those factories are loyal, peace-loving Americans, but they are not war mongers.

In any discussion of the question of neutrality it is essential that one bear in mind the strict definition of the word itself. A standard dictionary defines neutrality as "that state of being a neutral nation during a war. Neutrals may not lend money to either side, guarantee a loan, or allow the passage of belligerent troops through their borders. A neutral refrains from interference in a contest; is friendly to each of two or more belligerents, or, at least, does not take the part of either or any belligerent." Such is real neutrality, and we must keep this definition ever before us. It is my opinion that our neutrality law should act automatically to prohibit the sale of war materials to both belligerents in the event of either a declared or undeclared war and should even extend, in essential cases, to the complete cessation of all trade with belligerents. Our neutrality law should not empower any one person to determine the existence of a state of war, as the Bloom bill would have done, for immediately thereby the idea of neutrality may be nullified by an unneutral personality.

I earnestly feel that an effective neutrality law can be drafted only if that law strictly prohibits commerce with belligerents and financial aid, either directly or indirectly. In this regard I would make only the exception of permitting traffic in medical supplies with belligerents. For purposes of regulation the authority to determine the application of a neutrality law should be automatic and should not be left to the discretion of any individual. The act should be so drafted, and all terms should be so defined that an embargo would immediately become effective on war materials, general commerce and travel would be prohibited, and all financial dealings with each belligerent would be prohibited.

As a signatory of the Kellogg Pact to outlaw war, the United States pledged itself to deny aggression as a means to the settlement of international disputes. In this regard, then, is it not compatible with the American spirit that we draft a neutrality law providing for the severance of trade relations with belligerent nations? Only by a complete withdrawal of American interests from foreign disputes can we preserve an American neutrality. It is purely a question of gambling the loss of dollars in trade against the loss of life, morale, and property as a sacrifice for neutrality.

It would appear that the entire crux of the question is centered in the idea of control—whether or not it is wise to place the power to regulate the application of neutrality in the hands of one person. There may have been a time when it was wise and necessary for Congress to give broad discretionary powers to the President, but the need of granting such powers certainly does not exist today. In case of emergency Congress, with our rapid transportation, can be assembled within 36 hours. If we are to have a neutrality act which is to function for the avowed purpose of keeping America out of war, would it not be better to frame an act which would be automatic, which would function of itself, and would thereby eliminate the element of personal control? Human nature is fallible, and to leave within the power of any one person complete control over the lives of the citizens of a nation is an idea which has been alien to the American system of democracy and government throughout its history. Would it not be better to frame an act which definitely limits and defines the idea which the American people wish to see put forth as a basis for the establishment of this country as a neutral nation? It is not a question of politics or personalities but it is a question of vital importance to the future of our country and the well-being of our people. If we can legislate in a manner to preserve peace for our Nation, let us so legislate as to be certain of the accomplishment of our aim. If the day ever comes when the democracies of the world are threatened, let the President come before Congress and say just what nations he wants to aid and to what extent.

Certainly our country has gained little from its participation in the World War. We have profited not at all either materially or spiritually, and it is a sad commentary if we should prove by our actions here at this time that we have not even profited by the experience. Victimized by rampant propaganda and carried forward by enthusiasm of expanding trade and commerce, we found ourselves involved in 1917 in a war which was not of our making. If, 22 years later, we have not learned to recognize those elements which embroiled us at that time, and if we cannot so regulate our actions as to prevent a repetition of the tragedy of 1917, then our participation in the World War can be written off only as a complete loss.

Neutrality is, by very nature, a spiritual quality—intangible but real. By this very fact it might seem fallacious to attempt legislation to control neutrality. However, by the very passage of a sound and reasonable neutrality act, one which contains within itself adequate provisions and limitations of a strictly defined nature, we would crystallize and give expression to the preponderant spirit of the American people. It would seem only logical, therefore that the power to interpret and regulate the application of any neutrality legislation should be preserved to Congress itself, to those persons who by their very position are in close touch with the spirit of the average American citizen.

I should like to see a neutrality act which would carry of itself specific authority and regulation of our commerce, our financial relations, and the general attitude and actions of our citizens with respect to belligerent countries. Such an act should definitely limit, to the extent of complete curtailment, all trade with, and financial assistance to, any and all belligerents in the event of either a declared or undeclared war. I would even go so far as to provide that all passports issued for travel in countries in a state of war or endangered by war should carry the proviso that such travel is completely at the risk of the individual and his protection will not be guaranteed by this Government. The provisions might be criticized as being too stringent, but we must bear in mind that most wars, strangely enough, arise from the so-called international incident, and that it is often the curiosity of John Doe traveling in foreign countries with the bland assurance that as a citizen of the United States he is secure in all circumstances that bring about these incidents.

There is no question in my mind but what neutrality was the most important and far-reaching legislation we will be called on to consider this session. I have had hundreds of letters from constituents and, almost without exception, they urged me to vote against the so-called Bloom bill. These letters did not come from an organized minority, they came from average citizens—men and women who vividly recalled the heartaches they endured during the World War; fathers and mothers who now have sons of military age, and who have no desire to see those sons called upon to participate in a foreign war.

During the debate in the House on the Bloom bill I listened to my colleague from New York [Mr. BRUCE BARTON] describe what would happen in the case of another war. He stressed the fact that the war would be brought into the homes of every American who owned a radio. He described the screams of the women and children who will be the many victims of this war and stated that the vivid portrayal of such horrors as will occur will cause the American people to demand the lifting of any embargo. That is, of course, possible, but I believe they should decide that when the occasion arises. The thing which is my principal concern, and should be the concern of every one of us, is that as the American people listen to the screams of the women and children who are being bombed from the air, the radio may not announce that these bombs were made in America.

It has been claimed, and undoubtedly rightly so, that we manufacture in the United States the most poisonous gas manufactured in the world. It would surely be considered a munition of war, and without an arms embargo would be shipped from the United States. I had occasion to be in a hospital not far from the front during the first battle of the Argonne, and I saw American men, some of them brothers, some of them now possibly listening to me, coming in, their eyelids burned, their bodies burned from what was then the most torturous gas known, but that gas was as nothing compared to what we manufacture now. I wish I had time to touch on the highlights of the findings of the Nye committee. When its findings were first made public I never dreamed that Congress would ever seriously consider doing away with the embargo on arms and munitions of war during time of war. Apparently, however, we have forgotton some of the findings of the Nye committee. I may say in passing that while the Nye committee exposed a rotten business, in many cases they went too far, as such things always do, and indicted many loyal manufacturers who were simply doing their best to provide for the national defense of this country.

I can briefly state my position on neutrality as follows: (1) A strict embargo on arms, ammunitions, and implements of war to all belligerents; (2) cessation of all trade with warring nations, allowing only one exception—the shipping of medical supplies under the direction of the Red Cross; (3) if such drastic restrictions are not considered feasible, then the adoption of a cash-and-carry provision on other than war materials; (4) continuation of the National Munitions Control Board; (5) notification to American citizens that they enter the war zone or travel on ships of belligerent nations at their own risk; (6) prohibit the extending of credit to belligerent nations; and (7) prohibit the collection of funds within the United States for the benefit of warring nations.

It was stated several times on the floor of the House during the debate on the Bloom bill that neutrality legislation has been proven a failure and therefore should be changed or repealed. The Neutrality Act could not have been proven a failure, because it has never been invoked. The President has flatly disregarded the specific terms of an act which he signed himself and has flagrantly disregarded the provisions of the law which required him to put the Neutrality Act into effect in the case of existing war between Japan and China.

The excuse is made that there is doubt as to the application of the Neutrality Act to undeclared war, but there is nothing in the act itself which makes possible any such construction nor is there anything in the act which leaves any discretion to the President after he has made a simple finding of fact based upon ordinary evidence. The existing neutrality law says "Whenever the President shall find that there exists a state of war between or among two or more foreign states, the President shall proclaim such fact and it shall thereafter be unlawful to export, or attempt to export, or cause to be exported, arms, ammunitions, or implements of war from any place in the United States to any belligerent states named in such proclamation."

Certainly everyone knows that a state of war exists between Japan and China. Then the obligation of the solemn public statute of the United States is upon the President to impose an embargo on munitions. Despite this, however, the United States has gone ahead supplying Japan with all the instruments of death and destruction she wants. This is not a failure for neutrality legislation, it is the failure of the President to carry into effect the plain provision of a neutrality law passed by Congress, and which he signed.

The President has said in the past few days that most anything can happen if Congress doesn't pass a neutrality law just as he wants it passed. We prospered for many years without any neutrality law and we now have a neutrality law on our statute books which, if lived up to, would help to keep us at peace. Before we change the present law we want to be sure that the changes will help the United States before we consider the effect on certain other nations.

During the recent debate it was said more than once that we could not revise our neutrality law after a war had started in Europe as that would be changing the rules of the game. I'll admit I was puzzled by that expression as I did not think we were involved in any international game and I certainly consider it the right and the duty of Congress to legislate for the interest of the United States at any time.

There is no way of knowing what action the Senate will take on the Bloom bill nor when that action will be taken. It may be that this bill will come back to the House, either this session or next. In the meantime I would like to hear from my listeners on this subject. I would like to know how many of you want to take sides in some future European quarrel, and, if you want to take sides, how much support do you want to give to certain countries? Will it be just munitions? Will it be money or credit, or will it once again be manpower? I would also like to hear from those who want to see the United States adopt a mind-our-own-business policy and promote future prosperity on this side of the ocean.

I had intended to devote all of my time today to a discussion of neutrality legislation, but there is one other subject recently presented to Congress which I consider of such importance that I wish to discuss it briefly in the few remaining minutes.

First, the resolution introduced by Congressman SABATH, of Illinois, which would repeal that part of the 1939 Relief Act requiring all employees to work 130 hours per month. I say frankly that I regret the strike action taken by employees of the W. P. A. I cannot help but think their action was taken hastily without thought of its seriousness. The W. P. A. strike cannot be considered as a strike for more pay or better working conditions.

It is a strike against the Government itself; against the Government that has spent billions of dollars to provide work relief rather than direct relief in an effort to preserve the morale and self-respect of those who cannot, at this time, find work in private industry. Cities and towns have spent millions for the cost of material so that skilled workers could continue at the kind of work for which they are trained so that they would not lose their skill by idleness. I say right here that I think the money spent in providing work relief rather than a dole has been money well spent, but I cannot concede that the requirement of working 130 hours per month is unreasonable or that it will cause a reduction in wages and private industry. W. P. A. employment was never considered a career. When W. P. A. was set up it was rightfully contended that a dole would wreck the morale of the unemployed; that most Americans would rather work than accept charity. I believe that the average American wants to put in a fair day's work for a fair wage and I think most people will agree that the so-called security wage on W. P. A., particularly for the skilled workers, is a fair relief standard and that it is unreasonable to expect as high as $2 per hour on relief projects. I have tried to keep uppermost in my mind the needs of the unemployed people of this district but it is also my duty to consider the taxpayers. Colonel Harrington testified during the hearings on the relief bill that the provision requiring all W. P. A. employees to work 130 hours per month would greatly increase the efficiency of the W. P. A. For the reason stated, I will be compelled to vote against any resolution reducing the W. P. A. hours below 130 per month. On numerous occasions I have stated to constituents that I feel

this requirement of 130 hours per month is fair and reasonable and I can see no way in which the reduced hourly wages on W. P. A. can affect the wages paid in private employment. In fact, I feel very strongly that there should be a differential between relief wages and wages paid in private industry. We have a duty to provide an adequate subsistence wage and we have met that duty in the provisions of the Emergency Relief Appropriations Act of 1939.

However, I am convinced that subsection B of section 16 of the act was enacted by Congress as a result of apparent misinformation. We were told that there were over 900,000 citizens certified and eligible for W. P. A. employment. We were also told that there are approximately 10,000,000 unemployed in this country. It seemed only reasonable to believe that while W. P. A. could provide for approximately 2,000,000, there would be other millions among the unemployed who could be certified for W. P. A. employment. The average American workingman is just, and I am confident that those who have been on W. P. A. for 18 months would willingly step aside to give some other citizen who might be merely existing on direct relief an opportunity to secure employment on W. P. A. It appears now, however, at least in my district, that while we have no large waiting list in the city of Hartford, Conn., 1,200 W. P. A. workers will be discharged because of the 18-month continuous employment provision and that there are only about 350 eligible to take their places. In West Hartford there are approximately 50 to be discharged and only 5 eligible for replacement; in my own home town of Wethersfield there are about 20 to be laid off and, as far as I could ascertain, there are none eligible to fill the vacancies. Perhaps in some of the largest cities there are heavy waiting lists, but I don't believe it was the intent of Congress to lay workers off W. P. A. in communities where there are no waiting lists. Such a move would do two things—both undesirable—(1) it would place on the local welfare rolls numerous citizens who had been employed on W. P. A., and (2) particularly in the smaller communities, it would cripple W. P. A. projects which are under way.

This is not a question of yielding to pressure, but simply a case of admitting that possibly we made a mistake or were misinformed but are now willing to rectify any mistake. I stand firmly on the position I have taken that no one has a right to strike against the Government, and, while I realize the present session is drawing to a close, I sincerely hope that a resolution which I will introduce can be adopted before adjournment so that unnecessary hardship will not be worked on those who might be discharged from W. P. A. employment and that added burdens will not be placed on the local relief agencies.

With the prospects of adjournment not far in the offing, I would say at this time that I will not make my usual monthly broadcast in August, but I do wish to take this opportunity of thanking Station WTIC for allowing me this half hour of time each third Sunday of the month, and to also thank my listeners who have been kind enough to have written me as to the reaction to my broadcast. I hope that during the next session I will have the privilege of continuing my broadcasts through the kindness of this station.

What Is a Nazi? What Is a Bund?

EXTENSION OF REMARKS

OF

HON. J. THORKELSON

OF MONTANA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 19, 1939

Mr. THORKELSON. Mr. Speaker, I am introducing in the RECORD a synopsis of an investigation made by the F. B. I., Department of Justice, of the so-called bund organizations in the United States.

This investigation filled 14 volumes and must, therefore, be quite thorough. It discloses that there are 6,617 members of the so-called bunds. Mr. Fritz Kuhn claims that there are 8,299 members. You may therefore take your choice of the two figures.

This report was concluded on December 31, 1937, and released on April 3, 1939. It can be seen from this that there is no threat from bund organizations, for they are small in numbers, and their principles of organization are not destructive to the Government of the United States. Please understand this is not my opinion but it is an opinion expressed by the Department of Justice of the United States, and it is clearly evident that bund activities are not looked upon as of any importance by the F. B. I. or the Department of Justice.

The question which now arises in my mind is in relation to the so-called Nazi-Fascist investigation which is to be made by the Dies committee, beginning August 1, 1939, throughout the United States. The chairman, Mr. DIES, expressed himself on July 12, in the Herald, in the following manner:

> We plan to spend the first month taking on Nazi and Fascist groups.

If the Dies committee will read the Department of Justice report on bund activities, the committee will find the addresses of all bund organizations. The report further states the purposes of these organizations, and the principles upon which they are organized. I mention this so that the Dies committee may confine itself to the investigation of all activities which are directly or indirectly destructive to the Government of the United States. I refer particularly to such organizations as advocate changes in our Government, and destruction of the Government, and carry on destructive activities in the social and economic life of the Nation. This philosophy of destruction is to be found only in organizations that advocate socialism, communism, and anarchy. It is those organizations that the Dies committee should investigate, and their headquarters are in New York City and Washington. It is a waste of time to chase over the country to locate the so-called Nazi and Fascist, when the Federal Bureau of Investigation already has them all spotted. It is better to investigate the Communist and the Anarchist, for if the committee is not careful, it will stumble over them most anywhere in the city. As a matter of fact, a former Communist is now employed in the office force of the Dies committee, and I am sure that the committee is very well aware of the fact that others are connected with the Commonwealth Federation of New York City, and have been speakers before the Commonwealth Congress, both of which are communistic.

It might be interesting for the Dies committee to know that there is no precedent for congressional committees to investigate law-abiding American citizens, and that congressional committee have confined themselves to investigation of employees in the Government or activities involving such employees, such as fraud, bribing, and false reports.

This should be clearly evident to Congress, because it is the citizens who are paying for this investigation, and they are not setting aside this $100,000 to have their fellow-citizens investigated because they condemn communism and the Communist. The money is appropriated to locate the Communist, to prefer charges so that he can be taken care of in the proper legal manner. It is not the duty of the Dies committee to discover patriots, and those who call a Communist by his proper name, regardless of whether he be Jew or gentile. The people are concerned with failure of the Government to bring this pernicious gentry to bay in the manner provided for by law.

We must bear in mind the fact that anyone who advocates destruction of our Government is an enemy of the United States, and those who aid in such destruction are considered in the same category, that is, as enemies of the United States. The Constitution clearly defines this as treason, and it is the duty of the President to see that the laws are faithfully obeyed. Orders should therefore be given by the Executive to the various intelligence and policing units to bring the Communists, or anyone else who is directly or indirectly engaged in the same activity, before the bar of justice. They should also bring those who are advocating destruction of constitutional government and conversion of the fundamental principles derived from the Constitution of the United States. It is not within the ability of the Dies committee to bring such criminals to bay, but it is definitely within the ability and scope of the Federal Bureau of Investgation, in conjunction with other intelligence departments. I am reasonably sure that these departments have complete information on all communistic activities and all that is required is for the Executive to give his orders to the Department of Justice to enforce the Nation's laws.

The people are interested in this because it concerns the general welfare and security of the United States. We

already have the machinery for investigation of all communistic and radical activities at large. The only function of the Dies committee is to investigate the so-called un-American activities among officials in the Government. According to Hinds' Precedents of the House of Representatives, a congressional committee has never been appointed for any other kind of investigation except in relation to officers or business connected with such officials in the Government.

My reason for inserting this in the RECORD is to inform the Dies committee that the Fascist and the Nazi have already been investigated and tabulated by the F. B. I., and it is therefore unnecessary to spend any more money on such investigation. The money is wasted when expended for traveling, for it could be used to better purpose here in Washington in investigation of communism and anarchism, which are the real destructive enemies of our Government. I have also inserted this in the RECORD so that the people may be better informed about the limitations of the Dies committee in its investigations and to prevent annoyance of law-abiding citizens who have committed no crime except that of denouncing the criminal. I shall ask the Members to read this report, as, in my opinion, it is an interesting contrast to the lurid press releases concerning this subject. This synopsis of the Federal Bureau of Investgation will forever set aside and explode the words "Nazi" and "Fascist," for there simply are no such terms except in the minds of those who use them to camouflage their own communistic activities.

RE GERMAN-AMERICAN BUND

On December 31, 1937, the Federal Bureau of Investigation of the Department of Justice transmitted to the Criminal Division a report of its investigation up to that time of the activities of the German-American Bund in the United States, and accompanied the same with approximately 175 exhibits.

On October 12, 1924, one Fritz Gissibl founded the "Teutonia" at Chicago, Ill. Out of this grew the League of the Friends of New Germany, which was established in Chicago on June 30, 1933. On March 29, 1936, the name of the League of the Friends of New Germany was changed to the German-American Volksbund, now commonly referred to as the bund. On June 3, 1936, the German-American Bund was formally established. The constitution of the bund was adopted at the National Convention at Deutschhorst, Croydon, Pa., in 1936, and was amended in Buffalo, N. Y., in 1936. The preamble of the constitution is as follows:

"We associate ourselves together to unite all honorable, seriously minded, courageous, and unselfish men and women of the Germanic race, loyal and prospective citizens of the United States, proud of their German blood, and treasuring German traditions, language, and ideals of national and individual liberty, justice, truth, duty, and absolute honesty, into one great, free, proud, and respect-commanding German-American Bund for the mutual benefit of the United States of America and Germany."

The alleged aims and purposes of the organization as set out in the constitution are substantially as follows: Above all, to uphold and defend the Constitution and the laws of the United States, to respect and honor the flag and institutions thereof, to promote good will and friendship between the United States and Germany, to defend with all lawful means the honor of the mother country (Germany) against defamation, propaganda, etc., to bring a better understanding to American citizens of the German achievements in the sciences and arts, to act as honorable descendants of the Germanic race for the purpose of creating good will toward the German people and their government, advocate the right of every civilized nation to attend to its own business without any interference from outsiders, to promote friendship among nations and peace among mankind, to remain worthy of the Germanic blood, the German motherland, and to cultivate the German language, customs, and ideals, and to be proud of the same, to remember that only in unity there is strength, and, if firmly united, the German-Americans shall be of real value and a desirable and respected class of law-abiding citizens of the United States.

A pamphlet entitled "Purpose and Aims" published by the German-American Bund sets out the alleged purpose and aims of the organization. The principles enunciated in this pamphlet are substantially the same as found in the Constitution and heretofore set out, except that in the pamphlet there is set out a pledge that the bund will use its best efforts to expose and depose communism, Marxism, internationalism, and un-American boycott rackets within the United States. The boycott racket referred to in this pledge is the Jewish boycott of German goods. As will later be pointed out, the bund places the responsibility of socialism and communism upon the Jews and directs considerable propaganda against the Jew.

The constitution of the bund provides for a national organization. Provision is made for a national leader, a national executive committee, which is the administrative body, and the national convention, which is the legislative body. Geographically the bund is divided into three departments, being department East, department Middle West, and department West. The leader of each department is ex officio a member of the national headquarters staff. In some cases a department is broken up into districts which comprise a group of local units. Usually, however, the department is comprised of the various locals throughout the territory of that department.

At the present time there appears to be approximately 50 local units of the German-American Bund. Information obtained from various local leaders indicates a total membership of 6,617. On the other hand information obtained from Fritz Kuhn, national leader, discloses a total membership of 8,299. The membership is distributed geographically as follows:

Eastern department—4,529 (estimate of local leader); (estimate by Kuhn—5,324).

Middle West department—1,546 (estimate by local leader); (estimate by Kuhn—1,970).

Western department—542 (estimate by local leader); (estimate by Kuhn—1,005).

The eastern department consists of approximately 26 locals; the Middle West department, 14 locals; and the Western department, 10 locals. The local units of the bund are generally comprised of membership of men and women.

There are four newspapers sponsored by the bund, Der Deutsche Weckruf und Beobachter, 178 East Eighty-fifth Street, New York City, the Philadelphia Deutsche Weckruf und Beobachter, 3718 North Fifth Street, Philadelphia, Pa., both in the eastern district; the Chicago Deutsche Weckruf und Beobachter, 3243 North Western Avenue, Chicago, Ill., in the Middle West, and the California Deutsche Weckruf und Beobachter, 634 West Fifteenth Street, Los Angeles, Calif., in the West. These are controlled by three corporations and in turn being owned by the A. V. Publishing Corporation. The A. V. Publishing Corporation is the official organ of the German-American Bund and the German-American Business League (D. K. V.), and was incorporated in New York on March 27, 1937. The certificate of incorporation is signed by Fritz J. Kuhn and others.

There are several organizations or movements which are associated or affiliated with the bund in some way. The German-American Settlement League, Inc., a corporation incorporated in the State of New York, and the particular objects, according to the certificate of incorporation, for which the corporation was organized are substantially as follows: To cultivate and propagate German culture, customs, language, and ideals; to enlighten the members of their civic obligations and principles of American citizenship; to inculcate in its youth a spirit of loyalty, love for country, respect for the flag of the United States, and good citizenship. This organization is the owner of the property occupied by Camp Siegfried at Yaphank, Long Island, and which is used by the bund.

The German-American Bund Auxiliary is a corporation organized under the laws of the State of New Jersey. To be a member of this organization it is also necessary to be a member of the bund.

Deutscher Konsum Verband, Inc.: This organization is commonly referred to as the D. K. V., meaning German-American Business League. Kuhn stated that the membership of this organization is separate from that of the bund. He also stated that he is president, and that the purpose of this organization is to fight the anti-Nazi boycott. It appears that in fact the D. K. V. is an organization to promote an anti-Jewish boycott. Through a distribution of trading stamps the organization seeks to induce the German people to purchase from stores owned by members of the D. K. V.

Ordnungs-Dienst: This organization is the uniformed group of the bund and is commonly referred to as the O. D. Kuhn is also the national commander of the O. D. It is claimed that the purpose of this organization is to fight Bolshevist and Marxist movements, to take part in the parades, to make arrangements for the various meetings, prepare decorations, serve as ushers, carry flags, and protect meetings of the bund from assaults by Communists. Members of the O. D. wear uniforms which consist of black trousers, gray shirts, black necktie, Sam Brown belt, black overseas cap trimmed with white piping, gray coat with black collar, black shoulder straps with white piping, and black cuffs with white piping. On the left arm is worn an arm band with an emblem which consists of the rays of the sun terminating in a swastika, the semicircle of the sun containing the letters A. V., these being the initials of the German-American Volksbund. On the other side of the emblem are located the letters O. D. Members of the O. D. drill, but the report of the Bureau discloses no evidence that firearms of any type are used.

Youth Movement or German-American Youth League (Deutsche-Jagenschaft): The youth movement was originated in 1934 and it cooperated with Friends of the New Germany, which is now defunct. The German-American Youth League, Inc., is not incorporated. The executive headquarters is in New York and the youth movement is divided into the same districts as the bund.

The report of the Bureau indicates that the youth movement is being carried on and fostered by the bund. The alleged purpose of this movement is to bring about the development of camps throughout the United States where the youth can be schooled in the customs, ideals, and traditions of the German race; taught the German language and given various exercises and recreation to encourage physical vigor and discipline. A uniform is used by the youth and considerable drilling without firearms is required of the youth. Everything is done in connection with the youth movement which will stimulate pride and love of Germany and their ancestral background. Anti-Semitic literature is placed in the

camps for the children to read and also on numerous occasions inflammatory speeches are made against the Jews blaming them for communism and its activities.

German-American Bund camp sites: There are at the present time seven camp sites in use by the bund which are as follows:

Camp Hindenburg at Grafton, Wis.; Camp Deutschhorst, St. Louis, Mo.; Camp Siegfried, Yaphank, Long Island, N. Y.; Camp General Von Steuben, Southbury, Conn.; Camp Nordland, Andover, N. J.; Camp Deutschhorst, Croydon, Pa.; and Tanglewood Park, Buffalo, N. Y. The bund has a future camp site at Bridgman, Mich., and also uses a camp named Deutsche Zentrale or another German organization at Cleveland, Ohio. A camp site near South Bend, Ind., has been purchased and this camp is to be known as Camp Von Wolfskeel.

Generally speaking, a local is comprised of several activities and has several affiliated or associated movements. In most instances the local units have only a skeleton organization and have not developed the associated activities which are contemplated by the bund. In those instances where the local units have developed all the features contemplated by the bund the following activities are carried on—(1) circulation of the official newspaper Deutsche Weckruf und Beobachter; (2) camp activities; (3) youth movement; (4) Ordnungs-Dienst; (5) women's unit; (6) Deutsche Konsum Verband; (7) Front Kampfer Bund; (8) Prospective Citizens League.

Camp activities: The camp activities are carried on mainly in connection with the youth movement. It appears that it is used primarily for occasions of celebration by adults and for summer camps for the youth.

In the summer camps only the German language is permitted so that the boys and girls are forced to learn German. The curriculum also includes discipline, singing of German songs, sports, history of Germany and America and some instruction with reference to the menace of Communism. The camps are conducted on a 24-hour schedule with strict discipline and considerable drilling, "heiling," and calisthenics. However, there is no evidence to indicate any use of firearms.

During the months of camp activities various days are set aside for celebrations such as "Day of the German Woman", "German Day Celebration", etc. On these occasions the celebration is commenced by the singing of The Star-Spangled Banner and the German national anthem. The flag of the United States and Swastika flags are on display. Thereafter there is a great deal of marching and parading by the various groups of the bund, such as the youth, the Ordnungs-Dienst. There is flag raising, speeches, military and calisthenics drills.

Each local of the bund attempts to foster a youth movement, however, thus far a great number of the locals have not set up activities for a youth movement. It is claimed by the various officers of the bund that one of the main purposes of the youth movement is to provide opportunity for recreation outside of the large cities.

Two pledges used in connection with the youth movement and contained in the Bureau report are as follows:

GERMAN YOUTH PLEDGE

"I promise the German youth to be faithful to the German way. To live and to act always in accordance with its rules. To follow the instructions of the leader with absolute obedience and to help the society and all comrades also in time of need and distress with all my powers. To this I pledge my word as a boy of German stock."

BOY'S PLEDGE

"I pledge to be loyal to the German Boy Scouts, always to live and act according to their laws, to follow their leaders in strict obedience, and to come to the assistance of the bund and all my comrades with all my strength and power in time of danger and distress. This I promise with my word of honor as a youth of German race and blood."

The investigation indicates that in most instances members of the O. D. are naturalized American citizens. In fact, it is claimed by members of the bund that it is necessary to be an American citizen before becoming a member of the O. D. The Bureau report sets out what purports to be an O. D. pledge required by the Buffalo unit, which is as follows:

O. D. PLEDGE

"Comrade ———, I herewith pronounce you a full-fledged member of our O. D. You promise to be a loyal comrade, faithfully to follow the orders of your leaders, always to fulfill your obligations as a citizen of this country, and never to bring shame and dishonor upon your German race in this or in the old country. With this handshake you pledge your honor as a man always to stand up for the bund, and your loyalty we shall return with ours.

"Heil America. Heil Germany."

In many of the locals there is no unit known as the D. K. V. (German-American Business League). Where such an organization does exist, it appears that its main purpose is to foster a boycott of Jewish goods by encouraging patronage of gentile stores and especially members of the D. K. V.

Each local endeavors to maintain a woman's unit. This unit engages in the usual work of women's auxiliaries, and, in addition, to charity work among the bund members, arranges and attends to cooking, entertainment, etc., at the various meetings of the bund and its affiliates.

The Front Kampfer Bund is an organization of World War veterans. In some instances the members of this group do not appear to be members of the bund. In most of the locals there is no unit of this organization and the Bureau report indicates practically no activity.

The Prospective Citizens League is an auxiliary of the bund, and its purpose appears to be that of encouraging and assisting alien Germans in becoming naturalized citizens. Members of this league attend social functions of the local and are given instructions in citizenship, American history, etc., for the purpose of assisting them in obtaining citizenship papers.

Fritz Kuhn is the bundsfuehrer, or national chairman of the German-American Volksbund. He is landes fuehrer of the Ordnungs Dienst. He is president of both the A. V. Publishing Corporation and the Deutsche Konsom Verband. Kuhn was born in Munich, Germany, in 1896. He served in the Bavarian Life Guard Regiment and was in the front lines during the World War from 1914 to 1918, being lieutenant in the machine-gun detachment of the Alp Corps and saw service on the French, Italian, Serbian, and Rumanian fronts, being wounded three times. In 1919 he served in the Epp Free Corps, fighting against the Soviet Republic. He joined the NSDAP, commonly known as the Nazi Party, in 1921, and on November 9, 1923, participated in the famous Hitler putsch at Munich. In 1924 he migrated to Mexico and then into the United States. His last foreign residence before coming to the United States in 1928 was Mexico City.

Elsa Kuhn, wife of Fritz Kuhn, was born in Germany and she and Fritz Kuhn were married at Munich in March 1923. She migrated to the United States in December 1928. The Kuhns have two children, both of whom were born in Mexico. Kuhn filed his declaration of intention in the United States court at Detroit on December 6, 1928, and petitioned for citizenship in the same court on June 28, 1934. He was granted citizenship on December 3, 1934. Kuhn was leader of the Detroit local and then became leader of the department Middle West, and subsequently was made national head of the bund. Kuhn maintained his residence in Detroit from 1928 until 1934, and during part of that period was employed by the Ford laboratory.

On one occasion when Fritz Kuhn was interviewed by a Government agent Kuhn stated that it was incorrect to refer to the German-American Bund as Nazi, since the Nazis were members of the National Socialist Party of Germany, and that his organization was not a part of that group. Kuhn did state that members of the bund were proud to be called Nazis and that nazi-ism and national socialism, such as exist in Germany today, hold the only hope for the future of the world.

It is claimed by the various leaders of the bund throughout the United States that before a person can be a member of the bund he must be a citizen of the United States. While it does appear from the Bureau's report that the leaders of the bund throughout the country are naturalized citizens, it also appears that there are members of the bund who are not naturalized citizens of the United States. In the majority of cases the leaders of the bund have come to the United States from Germany since the World War and have obtained their citizenship during the last few years.

A considerable number of these leaders lived in Germany after the World War and were exposed to the various social and political movements which took place in Germany up to the advent of Hitler.

Various leaders of the bund claim that no oath is required of members of the bund. The application for membership which the applicant must sign provides as follows:

"I hereby apply for admission to membership in the German-American Bund, the purposes and aims of which are known to me, and I obligate myself to support them to the best of my ability. I recognize the leading principle in accordance to which the bund is being directed. I am of Aryan origin, free from Jewish or colored blood."

On all occasions both the flag of the United States and the swastika are displayed, and the Nazi salute with arms raised in Hitler style is used. It is claimed by the leaders that the Nazi salute is nothing more than a friendly greeting which was in use in Germany many years ago. At some of the camps and meeting places of the bund, pictures of Hitler are displayed.

Most of the activities of the bund to date have been in the eastern part of the United States. It is in this part of the country where most of the camps have been established and the celebrations have taken place. There has been some activity in the Middle West and on the Pacific coast, but at the present time these particular sections show a relatively low membership and little activity as compared to the East. The various locals of the bund which are active generally meet from two to four times a month.

At these meetings there is speaking, social activities, drilling, flag waving, and organization work. It is claimed that ordinarily these meetings are open to the public. In vicinities where there are no camps, schools have been established for the youth movement which are held generally on a Saturday, and at which time the German language, German history, and German traditions are taught. There is also dancing, calisthenics, and military drills. It is claimed that American history is also taught. In the vicinities where camps are located most of the activity of the bund centers in and about the camp during the summer months. A summer camp or school is maintained for boys and girls. A summer camp is run on a regular schedule with strict discipline, and includes flag raising in the morning and flag lowering at night, calisthenics, military drills, dancing, and all forms of athletics. The Nazi salute is used and the youth have a regulation uniform. German is spoken and songs are sung in German for the purpose of teaching the language. Periods are set aside for instruction in German

history and considerable effort is devoted to developing a spirit of pride in German traditions, customs, and background. Instruction is also given in some of the camps as to the evils of communism and Marxism. There is also considerable anti-Semitic propaganda. A flag of the United States and a swastika are displayed at the summer camps and both are used in the flag raising and lowering exercises.

The adults of the bund use the camp for recreation during week ends and on special occasions set aside for celebrations. At these celebrations all groups of the bund, including the youth and O. D.'s, take part in the activities. There is considerable marching, Nazi saluting, "heiling," flag waving, drilling of the uniformed organizations, speeches, and athletics. There is usually a drum-and-fife corps or a band at these celebrations. Generally there are speeches by the leaders which are interrupted by Nazi salutes and heils by the various uniformed organizations and by the spectators. The speeches generally have to do with communism, the Jewish boycott of German goods, Germany and her place in world affairs, and many other topics having to do with fostering Germanism and German ideals. It appears that on all occasions a definite effort is made by the speakers and the leaders to instill pride into Germans living in America and especially the youth of their German background and love for Germany.

From the material presented by the report of the Bureau of Investigation, it appears that one of the purposes of the bund and its leaders is to perpetuate Germanism abroad. In connection with the opening of Camp Nordland in July 1937, a booklet was used by the German-American Bund Auxiliary. Excerpts from this booklet revealed the purpose of the dedication of Camp Nordland.

"With the festive act of today we are acting to give over officially this magnificent little piece of God's earth to its real destination, service to the German racial ideal.

"The mission which our camp has to fulfill is a holy one just as every service in the interest of our German racial ideal is a holy and noble one. We, the living generation, who have called into life this enterprise, concentrate this work to the service of the German racial ideal in America."

"Our camp is designed principally to be a place which breathes of the spirit of the New Germany."

"Conscious of this fact, the 'camp' is consecrated to our youth. It is there that our boys and girls shall be educated; it is there where the spirit of comraderie and the feeling of belonging to one community is to be inoculated into them; it is there where they shall learn 'you for me, I for you'; it is there where they shall be strengthened and confirmed in national socialism so that they will be conscious of the role which has been assigned to them as the future carriers of German racial ideals in America."

"Hereby we give you over 'Camp Nordland' to your holy mission. We consecrate you as a little piece of German soil in America, as a symbol of our motto: 'Obligated to America, tied to Germany.' "

Another excerpt found in the booklet under the heading Der Ordnungs-Dienst (the Order Service) is as follows:

"We want to be a community for service in honor for our German racial comrades—sworn to honor and faith, obedience, and comradeship. * * *

"We also want to be helpers and advisers who are ready at all times to do any work, to provide for order, and to make propaganda for the ideals of our great German racial community."

Investigation of the National Labor Relations Act

EXTENSION OF REMARKS

OF

HON. JERRY VOORHIS

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Monday, July 17, 1939

Mr. VOORHIS of California. Mr. Speaker, the proposal to appoint a select committee to investigate the National Labor Relations Board should be defeated. The main reason is that the resolution proposing this investigation amounts not only to taking from the Labor Committee the work of continuing the investigation of the work of the Board and the working of the act which it has been carrying on for several weeks, but also to placing in the hands of this special committee the very legislative work of the Labor Committee of the House. The Labor Committee is composed of conscientious, hard-working Representatives and if its work is not effective and worth while the work of every other committee of the House stands alike, condemned. I certainly welcome an honest and very thorough investigation of the National Labor Relations Board and act by the committee that already knows most about the matter. Indeed, I believe already the hearings before the committee have borne fruit in certain improvements in method and changes in rules of procedure on the part of the Board. I do not claim the Board is perfect, but, especially with the addition of Dr. William M. Leiserson as a member, I do believe it is getting on top of its problems at a very rapid rate. And at best the Board has had a most difficult pioneering task to do.

I believe in essence this proposed investigation is an attempt by a small group to secure legislation harmful to labor by subterfuge which it cannot obtain in the regular course of orderly House procedure. Unless this effort is stopped there is little need for any of the standing committees of the House to exist at all. All we will need is the Rules Committee and probably the Appropriations Committee so there will be money for the investigations.

As evidence of the judgment of the conservative press on the present situation, I submit the following editorial from the Washington Post for July 17:

EMPLOYEE ELECTIONS

A precedent of considerable significance was established by the National Labor Relations Board last week when it ordered an election among employees of the Cudahy Packing Co., of Denver. Two unions represented in the plant, one an affiliate of the C. I. O. and the other an independent, will compete for votes. In a later order the Board called for an election in an Armour & Co. plant at Oklahoma City, where only one union is seeking to be designated as the collective bargaining agency for the employees.

It has been customary in cases of this sort for the Board to certify employee representatives without an election. When a union has been able to show, through membership cards or other valid evidence, that it represents a majority of the employees in a collective-bargaining unit, the Board has considered elections to be unnecessary. It is now "persuaded by experience," however, that collective-bargaining negotiations will be more satisfactorily conducted "if all disagreement between the parties regarding the wishes of the employees has been as far as possible eliminated."

Presumably this will mean more frequent resort to elections, even in cases where only one union seeks certification. That policy has much to commend it. In addition to eliminating doubt as to the employees' wishes, an election by secret ballot should discourage coercive tactics on the part of newly organized unions. There may be substantial differences between the wishes of employees as expressed in secret ballots and as reflected by union petitions or even membership cards.

These rulings may be set down, therefore, as an indication of the N. L. R. B.'s struggle to be fair, despite the inadequacies of the law and the dilemma resulting from the divided ranks of labor.

No one has ever questioned the solid soundness of the railway labor organizations nor of their newspaper Labor, so ably edited by former Congressman Edward Keating. In Labor's issue for July 18 the following article, including a statement by our colleague, Hon. ARTHUR D. HEALEY, of Massachusetts, was published. It pretty well calls a spade a spade about this matter:

BIPARTISAN CONSPIRACY TO WRECK LABOR LAWS CHARGED BY HEALEY

The hamstringing of relief legislation and various attacks being made in Congress on labor legislation are the result of a concerted conspiracy between reactionary southern Democrats and the Republican leadership, it was charged this week by Congressman ARTHUR D. HEALEY (Democrat, Massachusetts), a stanch friend of labor and author of important laws safeguarding workers' wage-and-hour standards.

"I am convinced," HEALEY told Labor, "that the effort to 'smear' the Wagner Act, the under-cover attack on the Wage-Hour Act, and the persistent sniping at relief are part of the same picture.

"No Member of the House who keeps his eyes and ears open can doubt that the campaign to deprive labor of all benefits won through legislation has been deliberately conceived and carefully integrated.

"Southern Members, seeking to perpetuate sweatshop conditions in their section, have joined hands with Republicans who are anxious to discredit the New Deal and at the same time strike a blow at labor. Roll calls on labor legislation are conclusive evidence that this unholy tie-up exists, and that the combination is determined to do everything in its power to sabotage every piece of legislation designed to give the workers of the country a square deal.

"The hatred of the group is so bitter that the rules of the House are flouted and the common courtesy that is presumed to exist among the Members is disregarded. It is one of the most shameless spectacles that I have witnessed since I came to Washington."

HEALEY voiced indignation at the "shabby treatment" accorded the House Labor Committee by the "conspirators," contending that its functions had been usurped by other committees composed mainly of Members who are sympathetic to the sabotaging program.

"The House Appropriations Committee," HEALEY asserted, "is presumed to pass on legislation dealing with the expenditure of public

money. Under the guise of safeguarding the Treasury this committee launched an investigation of the W. P. A. which was clearly designed to discredit the relief administration through one-sided and largely unsupported testimony.

"Then the committee, going far beyond its proper field, assumed the right to set up labor standards, or, rather, to break down those already existing. I protest that the committee, in pursuing this course, proceeded in accordance with a clearly defined program between southern Democrats and the G. O. P.

"The latest indignity has been inflicted by the House Rules Committee, which was created to steer legislation through the House in an orderly manner, and not to originate legislation. Nevertheless, this committee, which is bitterly hostile to labor, has sponsored legislation whose only purpose is to discredit the Wagner Act through the same tactics pursued by the Appropriations Committee with the W. P. A.

"The Rules Committee is not interested in improving either the Wagner Act or the Wage-Hour Act. It wants to destroy both, and any claim to the contrary is pure cant.

"The reactionary majority of the Rules Committee, it will be recalled, did everything in its power to prevent consideration of the wage-hour bill. For more than a year it kept the legislation bottled up, and it was necessary to resort to the discharge petition to get the bill before the House.

"Notwithstanding that the measure was adopted by an overwhelming majority of both Houses, the southern reactionaries have not been reconciled, but are again attempting to accomplish by foul what they were unable to do by fair means.

"I speak only what I know to be the truth when I say the Rules Committee is the last refuge of the sweatshop boss.

"If the House sanctions its present proposal to throw the Wagner Act open to a 'smearing' expedition, I predict that when legislation is recommended it will seek the destruction of every decent labor law now on the statute books.

"In return for wrecking the Wage-Hour Act, the southern contingent is perfectly content that the Republicans of the North shall have their way with the Wagner Act and other New Deal reforms."

HEALEY urged workers to forget whatever differences they may have and to line up solidly to resist this attack.

"The situation, as I view it," he emphasized, "is too serious to be overstated. Unless this combination is broken up, it may be strong enough to do damage to the country, since any injury to workers will be an injury to the Nation.

"Argument, reason, a fair balancing of the facts, have no place in the program of the conspirators. They are moved entirely by hatred and a desire to make political capital at the expense of those who toil."

Spark of Optimism

EXTENSION OF REMARKS

OF

HON. VITO MARCANTONIO

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 19, 1939

ARTICLE BY RAYMOND CLAPPER

Mr. MARCANTONIO. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following article by Raymond Clapper, which was published in the Washington Daily News on July 17, 1939:

[From the Washington Daily News of July 17, 1939]

SPARK OF OPTIMISM

(By Raymond Clapper)

Possibly things are not as bad as they seem. This feeble spark of optimism was struck, not by anything encountered in this bewildered and demoralized political Capital, but by accidentally reading a department-store advertisement the other day.

It was an advertisement of John Wanamaker, commemorating the birthday anniversary of the store's founder, which suggested that possibly we do progress. This advertisement turned back the clock to 1861, when old John Wanamaker stood everyone's hair on end by opening up a two-floor department store.

Those were the days, so the advertisement said, when mother made father's shirts by hand, paid an "11-penny bit" for ready-made bosoms. Grandpa bought his "specs" from a peddler. Father stuck bits of newspaper over his shaving cuts. Soda water was just coming in.

When a man worked in a store, he arrived on the job at 6:30 a. m., stayed until 7 or 7:30 at night, and until 10:30 on Saturday nights. Many retail clerks were paid in groceries and coal. Vacations were taken without pay.

The customer haggled over price with the merchant, and the best horse trader won.

John Wanamaker shortened hours, paid cash wages, sold his goods at fixed prices plainly marked on tags. Other merchants saw him making money by the fistful. Gradually over the years working conditions improved, treatment of customers improved, and through technology and sales ingenuity the variety and character of goods improved, new ones were devised, and mass production brought down prices. So that now mother doesn't wear herself out over a sewing machine but over the bridge table. She can spend all of her husband's money in so many more interesting ways than her grandmother did.

There we have a splendid picture of private enterprise.

I wish this piece could go on indefinitely, but I see here on my desk something about the Wage-Hour Act amendments. Private employer lobbyists are trying to shoot this legislation full of holes so that thousands of the most poorly paid workers will be deprived of the modest protection of this law.

Apparently the machinery in the House has been oiled by the lobbyists to put through these amendments, which would, according to figures of experts, remove wage and hour protection from these employees:

Two hundred and fifty thousand in milk, cheese, and ice-cream industries; 160,000 in fruit and vegetable canneries; 125,000 in cotton ginning and storing; 120,000 in fruit and vegetable packing; 100,000 in logging and small lumber milling; 90,000 in handling and warehousing poultry and livestock; 75,000 in handling lumber, cotton, and foods; 86,000 in tobacco stemmers and handlers; 70,000 in sugar and molasses industries.

Furthermore, the amendments would provide partial exemptions from certain hour and overtime provisions from the following employees:

One hundred and twenty-eight thousand in large meat packing; 125,000 in dried-fruit packing and canning; 100,000 in logging and lumber; 55,000 in large grain elevators and exchanges; 42,000 in wholesale distribution of fresh fruits and vegetables.

Most of the employees who would be thus affected are extremely low paid and constitute the very groups which the law was intended to help. These are neat amendments, and they are being neatly log-rolled through the House. If they get by, they will save employers some money. And they also will make some more prospects for Communist organizers. If the Communists were smart, they would get behind these amendments and help the employers put them through.

Wanted—A Return to the American Ideals of Our Pioneers

EXTENSION OF REMARKS

OF

HON. CHAUNCEY W. REED

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 19, 1939

ADDRESS BY HON. CHAUNCEY W. REED, OF ILLINOIS, ON JULY 15, 1939

Mr. REED of Illinois. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following address delivered by me at the Du Page County Centennial Celebration at Roselle, Ill., July 15, 1939:

A hundred years ago Du Page came into being as one of the integral counties of Illinois. Our State was then still very young. She had been admitted to the Union 21 years before, only 9 years after she had been organized as a Territory. Her people were pioneers, young in hope and strong in courage. Theirs was the faith in themselves and in their fellow citizens to go forward together as free men. Theirs was the vision of a new and a better world. Theirs was the industry and the ambition to hew homes out of the primeval forests, to bring forth abundance from the earth, and to prosper through their own toil and talents.

The people of Illinois, like those of her sister States, had come from many different lands. They were English, Irish, Scotch, French, German, Dutch, Scandinavian, and Italian—all of whom contributed to the American character and culture. Many had fled from the oppression and militarism of warlike Europe to build a new nation in which men would have the peace and the freedom to achieve the destiny which they believed to be rightfully theirs. But although the blood of many different peoples coursed through their veins, they were one in a spirit of progress, of pushing ever forward together. They were one in their spirit of tolerance toward their fellow men.

They demanded much for themselves, these hardy pioneers—freedom from coercion or dictation from any man or group of men and the opportunity to rise as high, by their own energies and initiative, as they were able. But because they believed these to be their own inalienable rights they demanded no less for others.

They insisted upon freedom to live life at its richest and fullest, to follow the light of the ideals which spurred them ever onward; and they were willing to let others do likewise. They never attempted to impose their ideas or manner of living upon their neighbors, much less upon the peoples of other nations.

They demanded much for themselves, these hardy pioneers, but they demanded no less of themselves. Because they believed that men were capable of self-government, they were willing to accept the responsibilities as well as the blessings of freedom. They insisted that every man have the initiative, the industry, and the energy to stand on his own feet. They did not ask that plenty be bestowed upon them by government, but, rather, the opportunity to succeed for themselves. They sought not to have security assured, but merely a fair chance to secure for themselves their own future. Given liberty and the opportunity which it affords, they had confidence in themselves and in their fellow men to succeed in their own right. Their courage and their faith in the future remained undaunted through hardships, privation, and depression.

One hundred years ago the American people were still suffering from the crash of 1837 and the depression which followed. The War of 1812 had left the young country with the largest public debt in its history. In 1816 it was a little over $127,000,000, or approximately $13.25 per person. The war was followed by a boom, and the public debt had dropped by 1835 to approximately $37,513, or about two-tenths of 1 cent per capita. Following the crash of 1837 the public debt rose to nearly ten and a half million dollars, or 51 cents per person. Small as the sum may seem to us of today, who have become accustomed to talk glibly of billions, the panic was indeed serious. In the words of one historian:

"Banks failed, businessmen failed, manufacturers failed; farmers saw their lands sold under foreclosure; voters saw the State governments refuse to pay their debts, some of which were repudiated entirely. The Federal Government saw its revenue shrink from an embarrassing surplus to a very troublesome deficit. * * * Cotton, which had been selling as high as 20 cents, dropped to 10 cents. Flour went to $12 a barrel, a price almost unheard of previously, while wages declined or stopped entirely. Before the autumn of 1837 every bank in the country stopped paying specie. By the following spring there were signs of recovery, but confidence and good business were not fully restored until 1840."

By 1840 the public debt had again been reduced to approximately five and a quarter million dollars, or about one-half the debt of 1838.

Despite the vast changes of a century which make the present depression different in many respects from that of 100 years ago, does not this description have a familiar ring? The pattern is the same—a war, followed by a boom and wild speculation, then a crash and a depression. Yet our ancestors had recovered within 3 years. We, their descendants, have floundered upon the sea of depression for nearly 10 years, and the end is not yet discernible. It is true that, just as every war is more horrible than the previous one, so the depression which follows is always deeper and longer. While it is always easy to blame forces beyond our control for our plight, we must go further than this if we would know the full answer.

We have failed to recover from this depression largely because we abandoned the traditional American way of solving our problems and of achieving progress. We have failed because we have for the time being lost the courage, the faith in ourselves and in our fellow men, and the vision of America's destiny which inspired those early pioneers and led them ever onward. We have failed because, bewildered and disheartened, we have turned to panaceas which could but lead us deeper into the mire of debt, stagnation, and bureaucracy.

The cry has been sounded, not so much for the freedom and opportunity which our ancestors so dearly bought and so jealously safeguarded as the highway of progress, but for security—security regardless of the price. We have forgotten the warning of Benjamin Franklin: "They that give up essential liberty to obtain a little temporary safety deserve neither liberty nor safety." And it might be added, they generally lose both. An ever-increasing number of pressure groups constantly clamor for more and more from the Government.

Our ancestors, in times of depression, never contemplated turning to the Government for the solution of their every problem. No, indeed. On the contrary, they tightened their belts, toiled harder and longer, and saved through stricter economy and by going without. Their courage, their hard work, their self-sacrifice, upon which they relied to pull themselves out of bad times, never failed them. Eventually they were always rewarded by a period of prosperity greater than they had ever known before and, more importantly, with that sense of achievement and that sense of power to achieve that gave life its zest and the future its dauntless hope.

But we of today seem to have lost the secret of their progress. Indeed, it has become popular to scoff at the hardy virtues by which our ancestors succeeded as outworn, outdated, and worse than useless. Instead of expanding our energies we have sought abundance through a policy of scarcity and less toil.

Instead of relying upon ourselves, we have tried to solve each problem by creating another new governmental agency. Instead of practicing economy, we have been persuaded that we can borrow our way to prosperity.

As a result the public debt has doubled within the last 6 years and is now rapidly approaching $45,000,000,000. The Federal Government is collecting $8,000 in taxes every minute of every day and night 365 days a year, taken from the pockets of every man, woman, and child in the country. Nevertheless, it is going into debt at the rate of $7,000 every minute of every day and night 365 days a year. And still we race at breakneck speed down the road to bankruptcy, glibly terming our profligate extravagance "investments."

As a result our people are burdened with oppressive taxation; business is stagnant. The best that we can offer our some 10,000,000 unemployed is continued dependence upon the Government for the bare necessities of life. We are feeding them to keep them alive that we may feed them to keep them alive to be fed. Such a policy is as pointless and witless as the frantic gyrations of a squirrel in a cage.

There is a higher form of relief which is, of course, to help the unemployed to help themselves by giving them an opportunity to return to private employment at decent wages. And yet today the unemployed, like the rest of the people, are shouldering their share of the burden of relief in the added cost of all they buy. We seem to have no solution to the problems of sick industry or sick agriculture save more spending, more debt, and more taxes. There is a solution, but it requires courage to apply.

With all of these vital problems unsolved, with the defeatist attitude that seems to have swept the country concerning them, we are told that we cannot hope to solve them, that we cannot expect a return of prosperity until we have solved the problems, righted the wrongs, and punished the wrongdoers of the rest of the world. We are told that our only hope of staying out of war is to prevent war from breaking out in any corner of the earth; that it is up to us to enforce peace throughout the world.

Such an interventionist course of conduct means the abandonment of the traditional American foreign policy. It was the Father of his Country himself who, in his Farewell Address to his people, declared:

"Why quit our own to stand upon foreign ground? Why, by interweaving our destiny with that of any part of Europe, entangle our peace and prosperity in the toils of European ambition, rivalship, interest, humor, or caprice? It is our true policy to steer clear of permanent alliances with any portion of the foreign world. * * *

"Harmonious, liberal intercourse with all nations are recommended by policy, humanity, and interest. But even our commercial policy should hold an equal and impartial hand; * * * diffusing and diversifying by gentle means the streams of commerce, but forcing nothing. * * *

"The duty of holding a neutral conduct may be inferred, without anything more, from the obligation which justice and humanity impose on every nation."

These words of George Washington and this annunciated policy was to be echoed a few years later in the Monroe Doctrine as the warp and woof of American foreign relations.

Our early statesmen knew how dearly our independence had been bought. They had resisted attempts to enlist our aid in the French Revolution. They, too, had witnessed the menacing shadow of a dictator over all of Europe. His name was Napoleon, and they saw him rise and they saw him recede. Their policy was based first upon the knowledge that the preservation of friendship with all nations and strict neutrality in their quarrels was the first fortress of domestic progress and prosperity. It was based secondly upon the belief that every people had the right to choose the government under which they were to live, even as they themselves had done.

For nearly 100 years Americans clung to this basic policy. It was not abandoned until 1917, when, yielding to organized propaganda, we allowed ourselves to be drawn into the most disastrous war, followed by the deepest depression, in history.

The international policy proposed today would draw us once more into this fatal folly. It presumes that we can control the globe; that it lies within our power to preserve peace on earth. It would mean setting ourselves up as judge of right and wrong among all peoples and nations. It would mean attempting to police the world, punishing those whom we consider wrong, and preserving peace by force.

Are you willing to have America attempt such a Herculean task? Do you honestly believe that such an undertaking would be humanly possible unless we are to dominate the world by military might that no nation dare resist?

Aside from the physical impossibility of such a task, it is at best a rule-or-ruin theory. To gamble on economic sanctions against some nations in favor of others is to gamble on being able to prevent war by force. Otherwise, failing in this, it is to be drawn into the maelstrom of suicidal struggle from which civilization itself may not survive.

What man can say that the victims of our punishment would accept it peaceably? Men will not consent to be shot to death without a struggle. Is it any more likely that they will sit idly by while they and their loved ones slowly starve to death? What course could be surer to bring reprisals which would drag us inevitably into the bloody conflict? And where, in the name of Heaven, is the humanity in such a spirit? Is it not to commit a crime equal to that of which we accuse those whom we would crush?

Nor shall we escape war any more by aiding one side than by punishing the other. Once we yield to propaganda to enlist our aid in the name of a holy cause, once we start supplying munitions to one side, money will follow arms and men will follow money.

Strict neutrality is the only way of preserving peace. To be neutral is, by definition, to lend no active assistance to either or

any belligerent. To maintain neutrality is, according to international law, to refrain from taking part, directly or indirectly, in a war between other powers.

The United States House of Representatives, in its recent vote on the Bloom bill, demonstrated its desire for true neutrality. It has voiced its determination that America shall not be drawn into the conflagration of a European conflict. Letters which have deluged Congress in recent weeks are the fervent prayers of American mothers and fathers, sons and daughters, sweethearts and wives, that their loved ones, the flower of American manhood, shall not again be sent to die on foreign fields.

Our action in that vote had a greater and nobler significance. It spoke not merely to those who reside in the American continents; it addressed itself to the whole world. It assured the mothers, the wives, and the sweethearts in far-away lands across the seas that, in conflicts wherein the United States is not concerned, guns, bullets, shells, and instruments of destruction made in America shall not be used to kill, cripple, maim, and destroy those whom they cherish and love.

Because new developments in the science of destruction will make the next war vastly more devastating than the last, because its toll in loss of lives and in human suffering will be vastly greater, because it will mean destruction economically, financially, and morally, America must not be drawn into another foreign war.

Because the last war demonstrated that the world cannot through armed conflict be made safe for democracy, because we have learned to our sorrow that other nations have no such ideal, because we know now that no war can end war but only sows the seeds of the next conflict America must not be drawn into another foreign war.

Because war settles nothing, because no constitutional government will survive the chaos resulting from a world conflict, because America can best serve the cause of world peace, democracy, and freedom by keeping them alive in this country, America must not be drawn into another foreign war.

We cannot preserve our ideals by allowing ourselves to be persuaded that we must enter a European conflict with the false hope of safeguarding them, but we can protect them by remaining at peace when other nations have gone war mad. We cannot make the world safe for democracy, but we can make representative government safe at home by solving our problems in the American way. Indeed, we must if our Republic is to survive. We cannot dictate the governments of other peoples, but we can inspire other nations to follow our example by demonstrating to the world the blessings and the success of representative government.

To each succeeding generation of Americans it has been given to demonstrate to the world that the problems of each new era could be met by a free people under constitutional government. The highest duty with which we are faced is of proving that the problems of an expanding machine age can be solved without the sacrifice of the liberties which are the American heritage and tradition and to point the way to the peaceful settlement of the problems of men through cooperation rather than by combat. Only thus can America continue to light the way for the peoples of the world. Only thus can humanity advance. God helping us, we will not fail in this mission.

Neutrality Policy

EXTENSION OF REMARKS

OF

HON. LUTHER A. JOHNSON

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 19, 1939

EDITORIAL FROM THE BRYAN (TEX.) DAILY EAGLE OF JULY 15, 1939

Mr. LUTHER A. JOHNSON. Mr. Speaker, the press throughout the United States is practically unanimous in support of President Roosevelt and Secretary Hull's recommendation with reference to neutrality legislation and the repeal of the arms embargo.

In Texas this is also true, many able editorials having appeared in the leading newspapers of that State during recent weeks. Under leave granted I submit herewith an able editorial upon this subject from the Bryan (Tex.) Daily Eagle of July 15, 1939:

[From the Bryan (Tex.) Daily Eagle of July 15, 1939]

NEUTRALITY POLICY

One of the features of the fight between Congress, especially a Senate bloc, and the White House over the proposed revision of the Nation's neutrality policy is that while the Constitution gives the President the job of determining foreign policies, the Senate seems to think it should have this job and apparently will balk unless the neutrality laws are to its liking.

We saw something of this in the Wilson administration when a small bloc in the Senate defeated the League of Nations movement. Whether or not this country would have benefited by this affiliation or not always will remain a question, but there is much reason to believe that if all the influence of this country could have been thrown into the breach at that time, post-war conditions would have been better, in some important respects, than they were. If this would have been the case, then the conditions in Europe which have kept the world on edge for many months might not have developed.

There is much argument for giving the President wide authority in the matter of embargoes, and certainly he should be empowered to say whether arms or munitions or supplies needed in time of war should be sold and shipped to this nation or that.

There is no reason why this Nation should continue to supply Japan with war materials, in view of Japan's attitude toward this and other western nations. But under the law as it has stood, we were bound to sell Japan if we sold China; and there was as much reason for selling the latter nation as there was for not selling the former.

If Germany and Great Britain became involved in war it would not follow that the attitude of this Nation should be the same toward both. It is inconceivable that war would come between the two unless the Nazis had been the aggressors, and there is no reason why this party should be favored, or given an even break, when it came to supplying arms and war supplies. Moreover, America might have reason to believe that if, in such a conflict, Britain were defeated, her difficulties with the victor would be even greater than they are today. Why should a course be followed that would be inclined to build up difficulties for the future.

The President, under the Constitution, is permitted to fix foreign policies and he should be given a comparatively free hand in such matters as the declaration of embargoes. If Congress, or either House or Senate, has the idea that the President is not to be trusted, in the matter of setting up foreign policy, then steps should be taken to get rid of him by impeachment. Certainly no proper settlement of the issue is to be had through usurpation of authority.

Congress should vote the neutrality law that the President and Secretary of State Cordell Hull desire. It is not any more liable to draw us into war than the present law, and it would put this Nation in a position of discriminating, when occasion demanded, between international hijackers and nations which sought peace and order.

Philippine Propaganda

EXTENSION OF REMARKS

OF

HON. KARL STEFAN

OF NEBRASKA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 19, 1939

COMMENT BY MAJ. GEN. WILLIAM C. RIVERS, UNITED STATES ARMY, RETIRED

Mr. STEFAN. Mr. Speaker, with the return to the United States of the former Governor General of the Philippines, there seems to have been released a new flood of propaganda designed to persuade the people of the United States—perhaps I should say the more gullible people of the country—that in carrying out our pledges of freedom to the people of the Philippines we are sacrificing great and essential national resources and giving up opportunities of unlimited wealth for our citizens.

I refer particularly to a recent example of this propaganda which has recently come to the attention of Members of the House through the insertion in the RECORD of an article from a great national weekly publication. This was printed in the RECORD in the issue of July 12. It appeared originally in Colliers Weekly, and purports to be a statement of the great resources of the Philippine Islands, and the wonderful opportunities which exist there for get-rich-quick adventures for any enterprising American who wishes to go to the islands and exploit these resources and the people of the islands. The article itself reads like the dime novel of our boyhood days. The word painting used rivals the efforts of the great fictionists of the past, and in

places can be classified with that of Baron Munchausen himself.

Let me point out soberly and sincerely that I have some personal knowledge of the Philippine Islands, their people, and their resources. It is true that there are certain resources there, and that certain developments have taken place which have given to a few Americans and a few others who have gone to the Philippines for the purpose of exploiting those resources, a modest amount of profit and prosperity. However, those resources will continue to exist, and opportunities there for making profit from those resources will not be cut off by carrying out our program of giving to those islands and their people full and complete independence.

But the record is so outstandingly plain that while a few Americans and a few others from outside the Philippine Islands have reaped some financial profit from our occupancy, the whole sorry history of our occupation and control of these islands has been such a costly experiment that the balance sheet is one of continuous and depressing losses. Millions of dollars of American capital have been poured into the islands, and larger millions of taxpayers' money have been spent, almost like water, to bring about development and express our good will. Year after year the balance of trade, not counting a dollar of taxpayers' money, nor of investors' money, has shown a loss of millions against the trade of the United States. We can claim that we have been good neighbors to the Filipinos; beyond that we must confess—the most brilliant propagandist cannot deny the hard financial facts—that the experiment has been costly in the extreme. The Filipinos and the rest of the world point to us in derision for our losses and our ineptness in this kind of colonial imperialism.

In this connection I wish to bring to the attention of my colleagues and of the country some comments on the Collier's article referred to and on the Philippine situation in general, which have just been sent to me by Maj. William S. Rivers, United States Army, retired. General Rivers had long and active service in the Philippine Islands and was for a period of years Chief of the Philippine Constabulary. His opportunity was unequaled for personal knowledge of the resources of the islands as well as of the whole story of our sorry efforts to mix high ideals and crass profits.

COLLIER'S ARTICLE—GLARING MISREPRESENTATION

With reference to the Collier's article, General Rivers writes:

> I have walked many days and weeks in the Philippine jungles and mountains; have been rowed for days slowly up the great streams, such as the Rio Grande in northeast Luzon, the Agusan in northeast Mindanao, and the Cotabato in Mindanao. Reared on a farm I was a capable observer of the forest, crops, and such matters. The article in Collier's of July 1—reprinted in the CONGRESSIONAL RECORD of July 12—seems to me to be a glaring misrepresentation.
>
> The Philippines lack oil, rubber, usable coal, and genuine hardwoods.
>
> The great forests of the Philippines are of softwoods. There is no real ebony or mahogany, and the export of local hardwoods is nominal.
>
> The coal in the islands is so soft that this article comes from Japan and Australia.
>
> The present high price of gold makes gold mining again profitable; yet we are never told the cost at which the gold is produced.
>
> The American Commission controlling the islands had the greatest ideas as to the production of the Philippines. Railways were built which did not return the amount of money borrowed in New York. The Filipinos have paid from their taxes large sums to make up the difference between earnings of the railways and this guaranty.

Discussing the latest proposals for dominion status under the United States sovereignty, General Rivers expresses his strong disapproval, and calls for full and complete independence. In all of his writings General Rivers takes as the fundamental principle of his recommendations the impossibility of defending the Philippines in case of international war. Quoting from The Ramparts We Watch, by Eliot, he says:

> The Philippines are our one indefensible possession.

It is not difficult to identify the few domestic interests which hope, through propaganda like that in the Collier's article, to influence sentiment in the United States for continued possession of the Philippines, so that sugar, coconut oil, cordage, and so forth, can continue to flow into our markets free from tariff charges. These interests are minor compared with the tremendous drain on American taxpayers to maintain the present status, or any other status which will continue this particular form of self-interest. General Rivers is to be commended for his efforts in presenting the sober and certain facts as to both the lack of glamour and easy riches, and the hard facts of military and naval indefensibility and the certainty of international difficulty which attaches to any form of colonial alliance between the United States and the Philippine Commonwealth.

His quotation from the testimony of Admiral Leahy and comment thereon is worth remembering as a last word of warning to the American people as to what impends should we continue to tie the Philippines to the United States:

> "Does any person dispute," writes General Rivers, "the general common sense and accuracy of the official judgments of Admiral Leahy, our chief naval authority, on January 31, 1938, that the Navy when increased by the authority of the one and one-fifth billions of dollars in the bill then pending would be 'seriously inadequate to the task of sending a naval force to the Philippines' "? The admiral's conclusion was: "I doubt if we could undertake such an expedition with three times the increase."
>
> The cost of preparing to try to hold the Philippines would be, therefore, four times the increase made by Congress in 1938, or at least $5,000,000,000.

Liberals Come to the Defense of the United States Supreme Court

EXTENSION OF REMARKS

OF

HON. JOHN M. COFFEE

OF WASHINGTON

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 19, 1939

STATEMENT BY OSMOND K. FRAENKEL

Mr. COFFEE of Washington. Mr. Speaker, under leave to extend my own remarks in the RECORD, I include herein a statement in defense of the Supreme Court of the United States, issued by Osmond K. Fraenkel, vice president of the National Lawyers Guild.

Mr. Fraenkel is a noted New York lawyer and legal scholar. In his statement he has pointed out that Frank J. Hogan, president of the American Bar Association, in complaining that the Supreme Court was no longer the guardian of our liberties, was concerned only with the liberties of business.

Mr. Fraenkel asserts that the present Court has not impaired the liberty of the common man but au contraire had, through reversals of past Court decisions, struck down limitations upon civil rights and liberties, protected the Negro against discrimination, and restored to the elected representatives of the people the right to make laws in accordance with their economic ideas and not with those of the transitory majority of the Supreme Court.

It is amusing to note that Frank Hogan in attacking the present Supreme Court has reversed his former ipse dixit of defense of the Supreme Court 2 years ago. In the spring of 1937 the American Bar Association defended the Supreme Court as the final arbiter of all of our democratic liberties

against the attacks of the executive and legislative branches of our Government. But much water has gone under the bridge in the past 2 years. Our Supreme Court has been brought up to date. It is a properly balanced tribunal today. It represents a shield and buckler for civil rights. Suddenly our highest judicial tribunal has lost the aura of sanctity accorded it by our conservatives for the entire United States history, until recently. The reactionaries have sadly decided that the members of the Supreme Court now have feet of clay, that the wearing of the judicial ermine does not clothe the judges with a sacrosanct immunity from human foibles; that the traditional atmosphere of purity and unsullied impeccability has been violated by the infiltration—it is to be inferred—of men of inferior stamp and antecedents. O tempora! O mores! Sic transit gloria mundi!

The National Lawyers Guild today, through Osmond K. Fraenkel, noted New York lawyer and legal scholar, issued the attached statement attacking the address of Mr. Frank J. Hogan, the president of the American Bar Association, with regard to the United States Supreme Court.

Mr. Fraenkel pointed out that Mr. Hogan, in complaining that the Supreme Court was no longer the guardian of our liberties, was concerned only with the liberties of business. Mr. Fraenkel stated that the present Court had not impaired the liberty of the common man, but on the contrary had, through reversals of past Court decisions, struck down limitations upon civil rights and liberties, protected the Negro against discrimination, and returned to the elected representatives of the people the right to make laws in accordance with their economic ideas and not those of a majority of the Supreme Court.

Mr. Fraenkel also pointed out the reversal in position taken by Mr. Hogan in attacking the present Supreme Court in comparison to the stand taken by the American Bar Association in the spring of 1937 when the Supreme Court was defended as the final arbiter of all of our democratic liberties against the attacks of the executive and legislative branches of our Government.

STATEMENT CONCERNING THE ADDRESS TO THE AMERICAN BAR ASSOCIATION OF MR. FRANK J. HOGAN, BY OSMOND K. FRAENKEL, VICE PRESIDENT OF THE NATIONAL LAWYERS GUILD

The remarks of Mr. Frank J. Hogan with regard to the United States Supreme Court challenge all liberal lawyers. Not that such lawyers object to criticism of the Court—no American institution can be free from scrutiny. But attacks upon any of our institutions, especially attacks by lawyers upon the courts should inform and not mislead. And I am particularly concerned with Mr. Hogan's attack because it seems to me to proceed from a false premise. While he complains that the Supreme Court is no longer the guardian of our liberties he has in mind the liberties of business only. This appears in his praise of Justices McReynolds and Butler the only two members of the present Court who refused to concur in the decision holding unconstitutional Jersey City's proscription of street meetings. In that case the Court struck a notable blow for the liberties of all the people. Yet Mr. Hogan has praise for the Justices who dissented and no one else.

The reason behind this attitude of mind is that conservative lawyers have come to accept as eternal constitutional principles, doctrines first accepted by the Court in the last decade of the nineteenth century, which protected large business interests from regulation and taxation. These lawyers are, of course, startled by the change which has taken place in the last few years. They seem to have forgotten that the history of the Court is one of repeated reversals of its own doctrines. And this must be so in the nature of things, since, in its constitutional decisions, the Supreme Court has always acted more as a political than a judicial body. So long as the shifts in its views protected large business interests no complaint was heard from the lawyers for these interests. Now, however, that the Court abandons doctrines which some of its ablest members, men such as Holmes, Brandeis, and Cardozo, long condemned, it is not unexpected that the leaders of the conservative bar complain. But is it fitting that their complaint should be couched in terms of liberty?

For the "liberty" which, according to Mr. Hogan, the Court has now "abandoned" is the "liberty" of large corporations to keep labor from organizing, the "liberty" of employers to avoid paying a living wage, the "liberty" to escape nondiscriminatory taxation. In no case has the present Court impaired the freedom of the man in the street. On the contrary, it has reversed convictions of the humble based on vague laws, or on confessions extracted by torture; it has struck down discrimination against the Negro, both in schools and in voting privileges; it has safeguarded the right of all to distribute leaflets and to hold street meetings. Whatever the past shortcomings of the Supreme Court in the field of civil liberties, its recent record does not justify Mr. Hogan's cry that no longer may the Supreme Court be looked to as protector of our liberties.

And even in that field with which Mr. Hogan is really concerned, the field of business interests, actually the Court has taken no liberties away. What it has done is to leave to Congress and the various State legislatures those powers which belong essentially to them. Solicitor General Jackson was right when he said the Court has merely returned to the Constitution—after a flirtation, shall we say, with Herbert Spencer's economics, a flirtation which Holmes decried many years ago.

Here, moreover, is Mr. Hogan discovering a new principle of government that the people must look to Congress to protect their liberties! What a confession is this of conservative myopia, which sees the Supreme Court as censor chiefly! And what a reversal of position when one compares Mr. Hogan's position to the stand of the American Bar Association in attaching President Roosevelt's Supreme Court plan in the spring of 1937. In any democracy ultimate power must reside, not in judges, but in the elected representatives of the people. Such has been the view of the great popular leaders of the country from Thomas Jefferson to Franklin Roosevelt.

I agree, therefore, with Mr. Hogan that we must not look to the courts as the sole, nor even the chief guardians of our liberties. Occasionally the courts do strike useful blows against the bigotry and hysteria that sometimes sweep temporarily over the representatives of the people. Too often have they failed to strike such blows in the past. But those who suffered from such failures have been not the powerful business interests but the humble dissenters. My agreement that Congress should be the guardian of our liberties does not, however, extend to Mr. Hogan's reasons for this belief.

For the liberties of today and tomorrow remain those which led our forefathers to create a new nation and not those accidental, indeed, fictitious ones through time engrafted on our Constitution, because judges set up their own economic views as barriers to change. The present Court recognizes that to the elected representatives of the people belongs the right to make laws in accordance with their economic ideas, not with those of a majority of the Supreme Court. For this judicial "self-restraint" that Court should be praised by all lovers of freedom. Its courage in admitting the errors of the past has earned the respect of all believers in intellectual honesty.

Application for White House Secretaryship

EXTENSION OF REMARKS

OF

HON. HERMAN P. EBERHARTER

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 19, 1939

LETTER FROM A CONSTITUENT

Mr. EBERHARTER. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following letter from a constituent of mine making application for appointment to the position of White House secretary:

PITTSBURGH, PA., *July 12, 1939.*

The PRESIDENT,
The White House.

SIR: Feeling that I am one of the most capable secretaries in our city, I take this great privilege in asking you to consider me as an applicant for one of the six positions of additional White House secretaries.

To such a post, I can bring resourcefulness, ability to meet people intelligently and diplomatically, sound judgment in the discharge of my responsibilities, and undying loyalty. I assure you that within a short time I shall be a credit to your executive staff.

I am pleased to submit the following personal data, and it shall be a very great privilege for me to receive an invitation to Washington, at my expense, for a personal interview regarding my education, experience, accomplishments, qualifications, and aims.

Age, 41 years.
Height, 5 feet 8 inches.
Weight, 175 pounds.
Health, vigorous—no physical defects.
Personality—vibrant and cultured.
Appearance—neat, refined, athletic.
Voice—clear and trained.
Vocabulary—fairly extensive.
Status—married; three children, excellent health.
Religious affiliation—Roman Catholic.
Hobbies—reading, writing short stories, speaking.

From my study of our country's many problems, and the masterful way in which you are solving them as they arise, I am certain that posterity will read of you as the greatest humanitarian in the history of the United States.

Respectfully yours,

——— ———.

Elizabeth Cady Stanton

EXTENSION OF REMARKS

OF

HON. CAROLINE O'DAY

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 19, 1939

ARTICLE FROM THE NEW YORK HERALD TRIBUNE

Mrs. O'DAY. Mr. Speaker, I include a letter from the noted educator, Katherine Devereux Blake, who, in the New York Herald Tribune, paid the following tribute to the memory of Elizabeth Cady Stanton:

[From the New York Herald Tribune]

ELIZABETH CADY STANTON

To the New York Herald Tribune:

On the 19th of July I think always of the leaders of the women in those early days, and of that first convention called together by five brave women stirred by the indignant eloquence of Elizabeth Cady Stanton, our greatest and noblest leader. So moved were those four women—Jane Hunt, Mary Ann McClintock, Lucretia Mott, and Martha C. Wright—by the ardent words of the fifth, Elizabeth Cady Stanton, that together they wrote the call for that famous convention in Seneca Falls in 1848 and drew up the women's declaration of independence resolutions voicing their demands.

More than a hundred women and men responded to the call and most of them signed the declaration. The account of that meeting in the press, to the astonishment of those five leaders, was followed by the most bitter abuse in the newspapers and periodicals in America, from Maine to Florida. So sarcastic and malevolent was the press that the pulpit joined, and many of those who had signed the declaration at the convention one after another withdrew their names, while some, to prove their innocence, joined the persecutors of those who stood firm.

Elizabeth Cady Stanton was the first woman to dare to ask for the vote. When she did, Lucretia Mott exclaimed, "Why, Lizzie, thee will make us ridiculous." However, "Lizzie" persisted and that demand was adopted by the convention of 1848, and persisted in by the women in general, until it was won. But better than the demand for the vote, that same "Lizzie" demanded equality of rights, and was the leader in the early efforts in that direction, while Miss Anthony, who did not join the daring ones until 3 years later, when the angry abuse had somewhat softened, devoted herself to the vote alone and opposed any request for rights, with the result that today we women have the vote, but without the rights that we so greatly need.

Trade Agreement With the Philippine Islands

EXTENSION OF REMARKS

OF

HON. ERNEST W. GIBSON

OF VERMONT

IN THE SENATE OF THE UNITED STATES

Thursday, July 20 (legislative day of Tuesday, July 18), 1939

LETTERS DISCUSSING CERTAIN LEGISLATION

Mr. GIBSON. Mr. President, the Honorable Sergio Osmeña, Vice President of the Philippine Commonwealth, at the present time heads a Commission of Filipinos to negotiate a trade agreement with the Washington Government. Vice President Osmeña is one of the ablest men in that troubled section of the world, the Orient.

Dr. Jacob Gould Schurman, former president of Cornell University, and a member of the first Philippine Commission, has taken an active interest in the settlement of Philippine problems. On May 13, 1938, Dr. Schurman wrote a letter to Hon. MILLARD TYDINGS, chairman of the Senate Committee on Territories and Insular Affairs, endorsing S. 2390. Vice President Osmeña also wrote a letter on the same subject, but, owing to the substitution of S. 2390 for S. 1028, upon which extensive hearings were held, the letters did not go into the record of the hearings.

Vice President Osmeña has written a letter to me calling attention to the situation, enclosing copies of the two letters referred to and other letters relating to the same subject matter, and made the suggestion that they be inserted in the CONGRESSIONAL RECORD. I, therefore, ask unanimous consent to have printed in the RECORD the letter of Dr. Schurman to Chairman TYDINGS under date of May 13, 1939; the letter of Vice President Osmeña, to Chairman TYDINGS under date of May 16, 1939; a letter from Vice President Osmeña to Assistant Secretary of State and Chairman of the Interdepartmental Committee on Philippine Affairs, Francis B. Sayre, under date of May 15, 1939; Assistant Secretary of State Sayre's reply on May 16, 1939; the letter of Assistant Secretary of State Sayre to Chairman TYDINGS under date of May 16, 1939; the letter of Assistant Secretary of State Sayre to Congressman KOCIALKOWSKI, chairman of the House Committee on the Territories, under date of May 16, 1939, and the letter of Vice President Osmeña to the junior Senator from Vermont dated July 14, 1939.

There being no objection, the letters referred to were ordered to be printed in the RECORD, as follows:

OFFICE OF THE VICE PRESIDENT OF THE PHILIPPINES,
Washington, D. C., July 14, 1939.

Hon. ERNEST W. GIBSON,
Member, Committee on Territories and Insular Affairs,
United States Senate, Washington, D. C.

MY DEAR SENATOR GIBSON: On May 13, 1939, Dr. Jacob Gould Schurman, former president of Cornell University and also of the first Philippine Commission sent to the Philippines by President McKinley in 1899, wrote a letter to Senator TYDINGS endorsing S. 2390. I also had the privilege of writing to Senator TYDINGS on the same subject on May 16, 1939. Since S. 2390 was substituted for S. 1028, on which extensive public hearings were held, the Senate Committee on Territories and Insular Affairs did not find it necessary to hold hearings on S. 2390. Therefore, the letters mentioned above were not incorporated in the printed report of the hearings. For purposes of record, I am taking the liberty of sending you copies of these two letters with the suggestion that, if possible, they be inserted in the CONGRESSIONAL RECORD.

I am especially interested in endeavoring to assure for Dr. Schurman's letter a permanent place in the official records, because his letter places the noble mission of the United States in the Philippines on a very high plane. Dr. Schurman was the guiding spirit of the Commission over which he presided in the Philippines, and the Commission's report is a comprehensive and well-thought-out study and is one of the most outstanding public documents of the American regime in the Philippines. The Schurman Commission pronouncements, as you will remember, were sent to Congress by President McKinley and have served as the basis of the whole Philippine policy of the United States. No issue of importance has arisen within the 40 years subsequent to the presentation of the report for which a solution was not anticipated by the Schurman Commission. Dr. Schurman's public utterances in the United States, immediately after completing the work of his Commission, were a vivid exposition of the unselfish policies of the United States toward the Philippines.

Thanking you for your continued interest in our problems, I am,

Cordially yours,

S. OSMEÑA.

WASHINGTON, D. C., *May 13, 1939.*

Hon. MILLARD E. TYDINGS,
Chairman, Committee on Territories and Insular Affairs,
United States Senate, Washington, D. C.

Mr. CHAIRMAN: As an American citizen who has followed the development of our relations with the Philippines from the time when as an accident of war that country came under the American flag, I am taking the liberty of expressing the most complete sympathy and wholehearted support for the bill, S. 2390, which has been presented to the Senate by you. May I add that my sentiments are not in the least tinged by any self-regarding considerations but have their source in a deep and sincere interest in the welfare and progress of the Filipinos, which I have felt ever since President McKinley sent me to their archipelago in January 1899 as president of the first Philippine Commission.

President McKinley's leading motive in taking over the Philippines was one of altruism and benevolence. While he felt that the acquisition might also be advantageous to the United States, he recognized that the Philippines were for the Filipinos, and that it was the primary duty of the American Government to help them along the path of educational, social, political, and economic development. This wise and generous policy found acceptance among the Filipinos and inspired confidence and collaboration between them and the Americans in what both peoples thenceforth considered as a common enterprise. As a result the Philippines witnessed, in the lifetime of a single generation, a progress without parallel in the history of colonies.

In the political sphere our Commission recommended an ever-increasing participation by the Filipinos in the government of their

country. Independence, either immediate or ultimate, was their aspiration and goal, as I wrote in the political section of the report of our Commission. This policy was formally announced in the preamble of the Jones law of 1916. It culminated in its logical and inevitable result in 1934 with the passage by Congress of the Tydings-McDuffie Act, authorizing the establishment of the Commonwealth of the Philippines and providing for the recognition of the Philippine Republic on July 4, 1946.

Thus the Philippine problem has been finally and definitely settled. Any attempt to reopen it would, in my opinion, be overwhelmingly vetoed by the American people. All that has happened since the grant of independence serves only to demonstrate the wisdom of that policy and the folly of seeking deliberately to increase our national responsibilities—and possibilities of embroilment—in the Orient.

We have fulfilled our mission in the Philippines—a mission animated by high and generous aims and purposes and crowned with great and beneficent achievements. In this fine record nothing is more remarkable or more conspicuous than the good will and friendship which have grown up between the two peoples on opposite sides of the globe.

In scarcely more than half a dozen years the trusteeship which we assumed in behalf of the Filipino people will have terminated and the completed record submitted to the scrutiny of the world. One more service, one more act of helpfulness to the Philippines, is still possible for the United States in the brief transition period that remains. I refer to the problem of the adjustment of the trade relations between our two countries.

It would be a lamentable misfortune if the splendid record of the United States were marred by any lack of sympathy and understanding, by any exhibition of selfishness or harshness, in this brief and final chapter of our trusteeship in behalf of the Filipino people. If we should ever feel tempted to drive a hard bargain by the fact that times are bad in the United States, let us remember that this burden of misfortune falls also on the Philippines, which, in addition to carrying such a heavy load, is compelled at the same time to reorganize its entire system of trade relations and to set up and maintain an independent and sovereign republic.

The Filipinos, it is well known, never wanted free-trade relations with the United States. They were apprehensive that such a complete entanglement of the economic life and activities of the two countries would render it extremely difficult to dissolve the political ties between them when the time for Philippine independence arrived. Free trade came to them as a result of action on our part.

It is, therefore, especially incumbent upon the United States to see to it that, along with the grant of independence, the Philippines are given the fullest opportunity to adjust their economic system in such a way as will enable them to disentangle their trade relations with the United States by an orderly and mutually advantageous procedure.

The bill, S. 2390, now before Congress, is designed to ease the economic shock that would be caused to the economic system of the Philippines by the levying, in accordance with the Tydings-McDuffie Act, of export taxes on the coconut-oil, cigar, embroidery, and pearl-button industries, substituting therefor a scheme of diminishing quotas during the transition period.

I am strongly in favor of the passage of this bill. I believe the American people will desire to give the Filipinos not only fair, but generous, treatment during the difficult period they must face as they approach the date when the guiding hand of the United States is withdrawn from them. The independence that is to be given them, to be of value, must be lasting. And no independence can be lasting unless it is based on a sound economic foundation.

I remain, Mr. Chairman,

Very sincerely yours,

JACOB GOULD SCHURMAN.

OFFICE OF THE VICE PRESIDENT OF THE PHILIPPINES,
Washington, D. C., May 16, 1939.

Hon. MILLARD E. TYDINGS,
Chairman, Committee on Territories and Insular Affairs,
United States Senate, Washington, D. C.

MY DEAR SENATOR TYDINGS: I beg leave to express hereby the deep appreciation of the people and Government of the Philippines to you for the solicitude that you have shown for their welfare by introducing S. 2390, and to the membership of the committee for evincing a continued friendly and sympathetic interest in the Philippines. The introduction of this bill and its prompt consideration by your committee have awakened the hopes of the Filipino people that a remedial measure, which would take care of the serious plight to which some of their most important industries would fall if no new legislation is enacted, may yet be passed during this session.

As you well stated when you introduced this bill, "it does not apply after the year 1946," the year set for Philippine independence; "it does, in respect to some commodities, * * * substitute a 5-percent reduction in the quota each year for a 5-percent tariff * * *" and "outside of that, it practically deals with no other feature of the Filipino question." This is thus, in reality, a simple legislation of an emergency character, nonpolitical, noncontroversial, its basic idea being merely to modify certain economic provisions of existing law.

Impartial and comprehensive studies made during the last 4 years have all led to the conclusion that the rigid and general application of the export taxes on November 15, 1940, provided by the Tydings-McDuffie Act to Philippine industries would result in the destruction of a number of those industries within a short period. These are the coconut-oil, the cigar, the embroidery, and the pearl-button industries. The passage of this remedial legislation would give these industries an opportunity to survive, will prevent their being forced to take steps toward liquidation even before the export taxes will take effect on November 15 of next year, and will forestall widespread unemployment, social unrest, and human suffering.

S. 2390 proposes to give the industries above mentioned an opportunity to live longer by subjecting them to a diminishing duty-free quota, in lieu of the graduated export taxes originally incorporated in the Independence Act. The application of the diminishing quota is designed to achieve one of the purposes of the graduated export taxes which is to compel industries to adjust themselves to the new situation that is arising as the date of complete independence approaches. The requirement in the existing law to apply the proceeds from the export taxes to the payment of Philippine bonded indebtedness incurred prior to May 1, 1934, would not be materially affected by this new arrangement because, according to the computation made by American and Filipino experts, the proceeds from the export taxes on sugar and other Philippine products would be more than sufficient to insure fully the payment of such bonded indebtedness.

Moreover, the approval of this bill would not result in injury to any American interests. This proposal, in fact, may even prove beneficial to the American people, because by maintaining our purchasing power we will be able to continue to consume American goods. In this connection it is worthy of note that, according to the trade statistics just released by the United States Department of Commerce for the 3-month period January to March 1939, the Philippines, which in 1938 was the eighth best customer of America, has now risen to the fifth in rank, her purchases of American goods being only exceeded by the United Kingdom, Canada, Japan, and France. These trade statistics also show that the merchandise balance in American-Philippine trade is already in favor of the United States. The approval of S. 2390 will undoubtedly help preserve American-Philippine trade, which has grown to substantial proportions these last 30 years and has been mutually beneficial to both peoples.

The other provisions of the bill are likewise noncontroversial. Among such provisions are those relating to allocation of quotas, the procedure for the payment of Philippine bonded indebtedness, the use of the proceeds of the excise and import taxes for the adjustment of Philippine economy, the retention or exchange by the United States of properties in the Philippines which would be suitable for diplomatic and consular establishments, and the recognition of the rights and privileges of citizens and corporations of the Philippines similar to that already granted to American citizens and corporations, pending the final and complete withdrawal of the United States from the Philippines.

The basic theory of the Tydings-McDuffie Act is to grant all individuals and entities interested in American-Philippine trade a period of 10 years for readjustment. It was clearly the intention of Congress to accord equal treatment to all concerned. This new bill is simply a recognition that the circumstances surrounding some of the industries are different from those of others and, therefore, require somewhat different treatment. But the basic policy will in no way be altered. It would still be that of granting to those affected by the change in the political relations between the United States and the Philippines a chance for orderly adjustment.

The fundamental justification for this bill and for the basic theory upon which it rests lies in the fact that the principle of free trade has been the basis of American-Philippine economic relations during the last 30 years. On the Philippine side this policy enmeshed the Philippine national economy in the American economic system. It was because the Filipinos foresaw that the outcome would make the severance of American-Philippine ties difficult that they voiced their objection in 1909 to the establishment of free trade between the United States and the Philippines. Congress in its wisdom established the transition period in the Tydings-McDuffie Act as a period designed to disentangle the commercial and industrial threads which have become interwoven. Obviously, the process of disentanglement is a difficult one and requires time.

The aim of this bill is to accomplish this process in a manner that would not injure American interests and would cause the minimum disruption or dislocation in Philippine national economy. Such aim is entirely in accord with the traditional American spirit of fairness and of justice.

The Philippine government gives its unqualified endorsement of this bill and earnestly hopes for its early enactment with the omission of the definition of "refined sugar" as proposed in my letter of May 15 to Secretary Sayre, chairman of the Interdepartmental Committee on Philippine Affairs, a copy of which is attached hereto, together with a copy of Secretary Sayre's reply of May 16, approving this minor change. The approval of this measure at this session of the Congress would be another evidence of the friendship, the good will, and the high altruism which have characterized America's Philippine policy.

Very sincerely yours,

S. OSMEÑA,
Vice President of the Philippines on Special Mission to the United States.

OFFICE OF THE VICE PRESIDENT OF THE PHILIPPINES,
The Willard Hotel, Washington, D. C., May 15, 1939.

The Honorable FRANCIS B. SAYRE,
Assistant Secretary and Chairman, Interdepartmental Committee on Philippine Affairs, Department of State, Washington, D. C.

MY DEAR SECRETARY SAYRE: I have studied the provisions of the new Philippine bill (S. 2390; H. R. 6262), and find that, as in the case of Senate bill 1028 (H. R. 3330), it defines "refined sugars" as "direct consumption" sugar. You will recall that the Philippine government has all along objected to this definition on the ground that it would change the status quo in regard to the Philippine quota of refined sugar as prescribed in the Tydings-McDuffie Act of March 24, 1934.

In view of the fact that the new bill contains no provisions applicable to the period after July 4, 1946, there is all the more reason for maintaining the existing Philippine quota for refined sugars. The determination of what Philippine sugars are to be charged against the refined quota has, for the past 5 years, been made by the United States Treasury Department. The Philippine government feels that there is no need to modify this procedure during the period covered by the new bill.

Accordingly, on behalf of the Philippine government, I should appreciate your joining with me in asking Senator MILLARD E. TYDINGS, Chairman of the Senate Committee on Territories and Insular Affairs, and the Honorable LEO KOCIALKOWSKI, Chairman of the House Committee on Insular Affairs, to delete from Senate bill 2390 and House bill 6262 definition (5) found on page 16 of these bills.

Sincerely yours,

S. OSMEÑA,
Vice President of the Philippines on Special Mission to the United States.

DEPARTMENT OF STATE,
Washington, May 16, 1939.

The Honorable SERGIO OSMEÑA,
Vice President of the Commonwealth of the Philippines, Willard Hotel, Washington, D. C.

MY DEAR MR. OSMEÑA: In reply to your letter of May 15, 1939, concerning the definition of "refined sugars" found in S. 2390 and H. R. 6262, I am enclosing copies of my letters of even date to Senator TYDINGS and Congressman KOCIALKOWSKI urging that this definition be deleted from these bills.

Sincerely yours,

FRANCIS B. SAYRE,
Assistant Secretary and Chairman of the Interdepartmental Committee on Philippine Affairs.

MAY 16, 1939.

MY DEAR SENATOR TYDINGS: I am enclosing a copy of a letter dated May 15, 1939, which I have received from Vice President Osmeña requesting that I join with him in asking you to have deleted from S. 2390 the definition of Philippine "refined sugars" found in paragraph (5) on page 16 of the bill.

You will recall that the Philippine government has objected all along to this definition because it might operate to curtail the quantity—50,000 long tons—of refined sugars which the Philippines are entitled to ship duty-free to the United States under the terms of the Tydings-McDuffie Act. In my letter to you dated March 17, 1939, I stated that I had no pronounced feeling one way or the other on this point. However, it will be remembered that at that time I had in mind the provisions of S. 1028, which contemplated arrangements extending beyond July 4, 1946.

Inasmuch as those provisions are not contained in S. 2390, I concur with the Philippine viewpoint that there should be no change before July 4, 1946, of the legislative provisions governing the quantity of refined sugars which the Philippines are entitled to ship into the United States under the Tydings-McDuffie Act.

Accordingly, I join with Mr. Osmeña in urging that the committee recommend the deletion from S. 2390 of the definition of refined sugars. Neither American nor Philippine interests will suffer by this deletion, which will leave existing law unchanged. The determination of what constitutes refined sugars will still remain in the hands of the Treasury Department, which has been administering this matter for the past 5 years under the terms of the Tydings-McDuffie Act.

The technical aspects of this matter were explained in section 12 of my letter to you, dated March 17, 1939, printed on pages 363–367 of the hearings on S. 1028, and in Vice President Osmeña's supplementary statement submitted to the Senate committee on March 14, 1939, printed on pages 310–312 of the hearings on S. 1028.

Sincerely yours,

FRANCIS B. SAYRE,
Assistant Secretary and Chairman of the Interdepartmental Committee on Philippine Affairs.

MAY 16, 1939.

MY DEAR MR. KOCIALKOWSKI: I am enclosing a copy of a letter dated May 15, 1939, which I have received from Vice President Sergio Osmeña requesting that I join with him in asking you to have deleted from H. R. 6262 the definition of Philippine "refined sugars" found in paragraph (5) on page 16 of the bill.

The Philippine government has objected all along to this definition because it might operate to curtail the quantity—50,000 long tons—of refined sugars which the Philippines are entitled to ship duty-free to the United States under the terms of the Tydings-McDuffie Act. In my letter to Senator TYDINGS, dated March 17, 1939, and printed on pages 363–367 of the Senate hearings on S. 1028, I stated that I had no pronounced feeling one way or the other on this point. However, it will be remembered that at that time I had in mind the provisions of H. R. 3330 and S. 1028, which contemplated arrangements extending beyond July 4, 1946.

Inasmuch as those provisions are not contained in H. R. 6262 and S. 2390, I concur with the Philippine viewpoint that there should be no change before July 4, 1946, of the legislative provisions governing the quantity of refined sugars which the Philippines are entitled to ship into the United States under the Tydings-McDuffie Act.

Accordingly, I join with Mr. Osmeña in urging that the committee recommend the deletion from H. R. 6262 of the definition of refined sugars. Neither American nor Philippine interests will suffer by this deletion, which will leave existing law unchanged. The determination of what constitutes refined sugars will still remain in the hands of the Treasury Department, which has been administering this matter for the past 5 years under the terms of the Tydings-McDuffie Act.

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Sincerely yours,

FRANCIS B. SAYRE,
Assistant Secretary and Chairman of the Interdepartmental Committee on Philippine Affairs.

Neutrality

EXTENSION OF REMARKS
OF
HON. CARL HINSHAW
OF CALIFORNIA
IN THE HOUSE OF REPRESENTATIVES
Thursday, July 20, 1939

EDITORIAL FROM TIME OF JULY 17, 1939

Mr. HINSHAW. Mr. Speaker, neutrality and the solution of our problems in international relations are the most pressing and also the most difficult and confused issues before this Congress. In the July 17, 1939, issue of the weekly news magazine Time is found an editorial which appears to be one of the most accurate, concise, and yet comprehensive statements of the situation that has appeared. I submit this editorial for the information of and the permanent record of the Congress.

[From Time of July 17, 1939]

BACKGROUND FOR WAR—THE UNITED STATES—HOW TO BE NEUTRAL

War or peace in Europe hangs on the calculations and miscalculations of a few men in power, and there is a major unknown in their calculations: In case of war can they or can their enemies rely on the economic resources of the United States? If one of the men in power is tempted to take a bad gamble on that question, the United States may be indirectly responsible for launching a world war.

That would be a tragedy of errors. For the United States wants peace. But the United States has spent nearly 8 years trying to make up its mind what it will do to stay at peace. And still the United States does not know. Its quandary arose nearly 8 years ago when the United States people discovered themselves babes in a pre-war world.

The first madness: In September 1931 the peace system which for 12 years had ruled the world—the system of Britain's ex-Socialist Prime Minister Ramsay MacDonald, of France's ex-Socialist Foreign Minister Aristide Briand, of the United States' Secretary of State Frank B. Kellogg and of their peace pacts—was at its prime.

In the late evening of September 18, the whole imposing edifice collapsed like a circus tent assailed by impatient roustabouts. Japan had detected some reputed Chinese sabotage on the Japanese-controlled South-Manchuria Railroad and Japanese troops marched into Mukden. By the standards of the era which had passed, the world has been haywire ever since.

On January 4, 1932, out of the gloomy General Grant rococo of the State Department emerged the figure of an intense, chivalrous man, Col. Henry L. Stimson, Secretary of State. He descended the long flight of steps, stalked across the street, entered the White House offices, where he was closeted with President Herbert Hoover. Three days later a United States note went out to call

Japan's attention to the Kellogg-Briand Peace Pact. A copy of the note went to the other signatories of the Nine Power Treaty in order to invite them to cooperate in putting pressure on Japan.

This move, whose object was not to preserve the peace (which was already shot full of holes) but to preserve the peace system, was received by Sir John Simon, Britain's cold, cautious, legalistic Foreign Secretary, with a yawn. Britain answered that she would be satisfied if Japan reaffirmed her pledge to maintain the open door, a polite way of saying that she did not care whose throat was cut.

Three weeks later Japanese bombs were falling on the flimsy wooden hovels of Chapei, a section of Shanghai, and 24,000 Chinese were killed or wounded in the ensuing holocaust. Once again Colonel Stimson tried to rally Britain by suggesting that the Nine Power Treaty, guaranteeing the territorial integrity of China, which Japan had signed at Washington in 1922, be invoked. Once again Sir John Simon turned his back. The Japanese, undisturbed, made mincemeat of the heroic Chinese Nineteenth Route Army.

PEACE PASSION

For a dozen years the United States had enjoyed peace with placid satisfaction. In this new pre-war world peace became an emotional issue. As the antiwar chorus swelled, Senator GERALD P. NYE, of North Dakota, emerging from 9 years of obscurity as a minor radical in Congress, led the shouting. The Senate gave him carte blanche and $50,000 to investigate the part which munitions makers and their bankers had played in implicating the United States in World War I.

Just then, Paraguay and Bolivia renewed their brawl over the tropical swamp known as the Chaco. In the spirit of the hour both Senate and House hastily authorized President Roosevelt to place an embargo on shipments of arms to both sides in the minor squabble. The League of Nations joined the United States in this first attempt to discourage a war by refusing to sell lethal weapons to both combatants. The arms embargo did not stop the fighting.

Meanwhile the Nye committee pumped J. P. Morgan, Thomas Lamont, and their partners, trying to prove that they had helped to grease the skids that plunged the United States into war. There was no evidence that they had tried to. It could not even be proved that they had done so unwittingly. Whatever the Nye committee did or did not prove, the new peace passion of the United States had to have an outlet. Its outlet was the Neutrality Act of August 31, 1935.

ACT I

This first general Neutrality Act was hastily patched up and put into effect for 6 months until a permanent act could be written. Its chief provision was to place a mandatory embargo on the shipment to warring countries of arms, ammunition, and implements of war (which were later defined by the President to include airplanes, various chemicals, armored vehicles, but not cotton, oil, scrap iron, trucks, etc.). It also forbade United States citizens to travel on vessels of warring nations except at their own risk.

Behind all this were two American ideas. One was the simple humanitarian idea that United States hands should not be bloodied by making guns and bullets by which men anywhere were killed and maimed. The other was that the United States could be kept out of war if it did not become financially interested in selling arms, and its ships and citizens were made to keep away from the shooting.

A month following this Neutrality Act, Italy invaded Ethiopia. There was no declaration of hostilities, but 3 days after fighting began, the President called it a war. He invoked the act and solemnly warned United States citizens not to travel on either Italian or Ethiopian liners. No arms were shipped to either side.

In February 1936 the temporary neutrality law was extended with two major changes. Belligerents were denied the privilege of floating loans in the United States and exceptions were made for wars in Latin America. The Italians, undisturbed, destroyed the Ethiopians, and the United States was never sucked into the holocaust.

Then Spaniards went to war with one another, egged on by Italy and Germany. In January 1937 a special resolution was rushed to Congress to take care of this unforeseen situation, for the Neutrality Act had no provision covering civil wars. It was passed at the behest of the State Department which was anxious to support British and French "nonintervention" policy. One lone Representative, Bernard, of Minnesota, voted against it.

Soon this addendum cut off most United States arms and ammunition, including airplane parts, from the Loyalists while Generalissimo Franco continued to get most of what he wanted from the axis. So the Spanish war went on to its bitter end and the United States was not involved.

CASH AND CARRY

But fear of war still stirred in Congress. So in May 1937 another Neutrality Act was passed. At the instigation of Bernard M. Baruch, wise old chairman of the onetime war industries board, it added to the provisions of the earlier acts, authority for the President to forbid the export of any goods to a warring nation except on a cash-and-carry basis. He never used this power and 2 months ago it expired.

Three months after this third Neutrality Act, Japanese bombs were again bursting in Shanghai. Far from declaring war, however, the Japanese insisted they were waging peace. So far as the Neutrality Act was concerned, there was no war in China unless President Roosevelt proclaimed it. To date he has not done so, and Congress in general has not been disposed to criticize him for his failure.

Since there is "peace," China has been able to obtain United States loans (notably $25,000,000 last December from the Export-Import Bank), and to buy United States munitions, motor trucks, airplanes. Some economists and humanitarians maintain that Japan has gained more than China by being able to buy at will in the United States, but Chiang Kai-shek presumably thinks otherwise for he could invoke the Neutrality Act by simply declaring war on Japan. Meanwhile, some 2,000,000 people have been killed in China, and the United States has not been involved.

THREE SCHOOLS

Thus, while the world warred, the United States grew wise in the ways of neutrality, but its wisdom is not yet ripe. The New York Herald Tribune dismissed the 1937 neutrality law as "an act to preserve the United States from intervention in the war of 1914–18." Congress still writes neutrality laws by hindsight, but it is still stirred to write them.

During the past 6 years of the neutrality seesaw, three schools have fought to control United States peace policy: (1) The "sanctionist" school, led by former Secretary of State Stimson, aims to keep the United States out of war by penalizing aggressor nations which start wars—depriving them, but not their victims, of access to United States resources and credits; (2) the "isolationist" school, headed by some 40 Senators, argues that it is not the business of the United States to act as judge of international morals—let the United States keep out of war by having nothing to do with any nation that gets involved in war; (3) the school of the "historic" neutrals believes in standing pat on the pre-1914 international law, which gives a neutral nation certain "rights" in the matter of trading with belligerents.

SANCTIONISTS

All through the Italian-Ethiopian fight Colonel Stimson and his fellow sanctionists—among them President Nicholas Murray Butler, of Columbia University; Prof. James T. Shotwell, of the Carnegie Peace Foundation; Bishop William T. Manning—lived in hope that the League of Nations would invoke effective economic penalties against Italy. In November 1935 the League imposed sanctions (on arms, credit, raw materials), but omitted oil, asserting that no oil embargo would prove effective that did not include the United States. Any latent United States desire to do something drastic about joining in oil sanctions evaporated when Britain's Sir Samuel Hoare and France's Premier Laval made a tentative agreement in 1935 to let Missolini get away with part of his Ethiopian swag. League sanctions did Italy no serious harm; were just strong enough to unite hitherto lukewarm Italians behind their dictator.

ISOLATIONISTS

All the major neutrality-law battles since 1933 have been won by the isolationists. They include BENNETT CHAMP CLARK, Senator, son of the eminent "Little American" who lost out to internationalist Woodrow Wilson at Baltimore in 1912; young BOB LA FOLLETTE, Senator, son of the leader of that "little group of willful men" which fought ineffectively to keep the United States out of war in 1917; Michigan's Senator VANDENBERG; Minnesota's SHIPSTEAD; Kansas' CAPPER; North Carolina's "Our Bob" REYNOLDS. Leader of this group is NYE, of North Dakota, father of United States neutrality laws.

In general sentiment BORAH, the old lion of Idaho, and HIRAM JOHNSON, of California, belong to the isolationist group. But BORAH and JOHNSON differ with NYE in their feeling that mandatory neutrality legislation is likely to prove too inflexible when confronted with unique circumstances.

CLASSICISTS

The school of classical neutrals has few famed adherents in Congress, but when the present neutrality bill was before the House 68 Representatives were in favor of outright repeal and a return to historical neutrality. Chief public advocate of this school is the venerable John Bassett Moore, famed authority on international law. He is seconded by Prof. Edwin Borchard, of the Yale Law School, coauthor with William Lage of Neutrality for the United States.

The Moore-Borchard school do not believe in fighting other folks' wars and do not believe in trade embargoes. They point to Thomas Jefferson's Embargo Act of 1807, which drove the merchants and shipowners of New England to threaten secession.

FENCE JUMPERS

Americans have frequently made sarcastic cracks at Sir John Simon's refusal to act in the Manchurian crisis of 1931; at Neville Chamberlain's "appeasement" policy. But Britain's foreign policy, which is never to fight a war now that can by some devious maneuver be postponed to the morrow, is, in many respects, very similar to the United States feeling. (Said Neville Chamberlain, of Czechoslovakia: "How horrible * * * it is that we should be digging trenches here * * * because of a quarrel in a far-away country between people of whom we know nothing.") United States schools—sanctionist, isolationist, and historic neutral—all

share this feeling (each is sure it has the one method to keep the United States out of war). So individuals easily jump from one to the other, depending on tactical circumstances.

Biggest jumper of them all is Franklin D. Roosevelt, who was apparently on the isolationist side during his first administration, when many of his advisers were planning to lick the depression with nationalist economic measures. Roosevelt had been a strong Wilsonian during the war years, but in some of his 1932 campaign speeches he ruminated on the folly of trying to finance wars and post-war reconstruction for European nations. After the Nye munitions investigation he denounced the armament makers as wartime "traffickers" in "blood money." His Chautauqua speech of August 14, 1936 ("I hate war") was a ringing statement of a position more or less acceptable both to isolationists of the Nye school and the historic neutrals of the Moore-Borchard school.

A year later, however, the President abruptly reversed himself; at Chicago, on October 5, 1937, he spoke of "quarantining" aggressors. Cynics commented that he was creating a diversion to get the public's mind off the fact that Mr. Justice Hugo Black had once been a Ku Kluxer. More important probably was administration sympathy for China in the new Sino-Japanese war, which had broken out in July.

THE STATE DEPARTMENT

Never at any time was Franklin Roosevelt's State Department interested in mandatory arms embargoes. When London wiseacres were singing "Moley, Moley, Moley, Lord God Almighty" at the abortive World Economic Conference of 1933, the patient, sad-eyed Mr. Hull was biding his internationalist time. Hull of Tennessee has an old-time cotton-Stater's interest in a low-tariff world. He is therefore for a world organization that will respect treaties and contracts, refrain from economic nationalism; against Hitler and Mussolini. So he would not willingly refuse to sell arms to Britain and France should war come.

Curiously, Cordell Hull has very close relations with his predecessor, Herbert Hoover's Stimson. Colonel Stimson testified for Mr. Hull's own proposed neutrality bill when the Senate committee began its hearings. Cordell Hull has privately said to Congressmen: "Hitler will march in September—unless we pass this legislation."

Hull's assistant and Lima Conference companion, fox-faced Adolf Berle, now occupies the Stimson Washington mansion of Woodley, where Mr. Hull plays croquet weekly. The mild-mannered Secretary, one of the world's most fluent monotone cussers, addresses his opponent's croquet balls (if people have heard him right), saying: "Hitler you — — — —," and "Mussolini, — you," before whanging them into coventry.

FOURTH TRY

Congress is now fretting over a fourth neutrality bill, a fourth attempt to make sense of the United States desire for peace. The bill sponsored in the House of Representatives by the administration called for repeal of the mandatory embargo on arms exports. But isolationist Congressmen amended it to read very much like the 1935–36 Nye legislation. This palpable defeat for Roosevelt and Hull was hailed by verbal fireworks in Rome and Berlin. Fascist glee provoked a tart "I told you so" from the President, who promptly called upon the Senate to reverse the House.

The administration wants to amend the embargo provision out of the bill—possibly by a cash-and-carry clause (not to be confused with the last law's cash-and-carry provision which applied to nonlethal weapons—cotton, oil, steel, etc.; this would apply to actual arms). If this should happen, Britain and France would be able to count in the event of war on the armament and powder factories of the United States as long as they had money with which to buy. They would have enough money for a time. Together the British and French have about $2,000,000,000 invested in United States securities or deposited in United States banks.

An embargo limited merely to lethal weapons would not close United States ports to shipments of cotton, copper, steel, wheat to Britain and France. In the last war most of pre-1917 United States trade with the Allies was in raw materials. They did most of their own fabrication of guns and powder. There is always Canada, where a vast system of United States-owned branch factories would most likely spring up to manufacture armament and airplanes for an anti-Hitler coalition. But an embargo on raw materials would mean the obsolescence of the American merchant marine, or at least its diversion to trade between neutrals in the Western Hemisphere.

In the event of European war the effect of a mandatory embargo is not difficult to predict. It would improve Hitler's chances for victory in a Blitzkrieg, or lightning war. It might not appreciably hurt the long-term chances of England and France, both of which have rich empires of their own.

Neutrality legislation of the 1936–37 type might have curious effects in the event of a war involving, say, Brazil and the Argentine. If the United States were to embargo the shipments of lethal weapons to these countries in the event of war, any interested European nation—say, Germany—could step in and subsidize the sort of victory that seemed best calculated to damage the Monroe Doctrine. The United States would thus find its neutrality policy contravening an even older policy and threatening the safety of the Panama Canal, which is vital to the two-ocean effectiveness of the United States Fleet. For this reason the present bill provides exceptions virtually excusing the United States from mandatory neutrality in any Latin-American war.

The weakness of even-handed embargoes is that in practice they are quite capable of working to the long-term disadvantage and danger of the United States. The weakness of embargoes against aggressor nations only is that they may lead to near-term difficulties and dangers. If the United States were to apply economic sanctions against Japan as an "aggressor" without first enlisting the cooperation of the British fleet and fortified Singaport base, it would probably find itself hard put to it to keep its trade lanes open to the Malayan Archipelago, whence comes most United States rubber and tin. The Japanese might be provoked to raids on American shipping in the Celebes and Java Seas and would probably attack the Philippines. In the event of a war along 1914–18 lines in Europe, there would be little sense in applying sanctions against Germany, which is effectively cut off from United States markets by British control of the sea.

POWER POLITICS

Should Congress shut up shop and go home without passing any new neutrality legislation this summer, the previous legislation—minus "cash and carry"—will still stand. If the fight over neutrality laws is too long and too futile, a growing disgust may lead Congress and the people to wash their hands of the whole business and fall back on old-fashioned international law.

The historic neutrals might thus win a victory by default. If so, they would have to reckon with the possibility of the victory being hollow—for, as 1917 proved, no nation can be neutral if its administration chooses to take sides or if its people take sides. In the present pre-war world there are few conflicts in which the United States people are neutral at heart. Their special neutrality is a basic disinclination to commit mass murder and be its victim. But there can be no guaranty of neutrality in any words, whether of mandatory legislation or of traditional international law. Real neutrality exists in the hearts of men—and if men take sides they may fight.

In any case, the United States cannot make a decision of any sort that will not profoundly alter the balance of world power. With half the steel capacity of the world, with immense reserves of cotton, oil, and wheat, any United States decision that materially limits wartime shipments would in effect alter world geography as much as if Hitler seized the Ukraine. Lesser embargoes would amount to lesser geographical rearrangement. So, regardless of intention, the United States plays a part in a power politics—with the responsibilities and the risks of a world power.

National Labor Relations Board

EXTENSION OF REMARKS

OF

HON. LEE E. GEYER

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 19, 1939

Mr. GEYER of California. Mr. Speaker, much has been said in the press and on the floor of this House as to the alleged unfairness to the employer of the National Labor Relations Board. There has been much heat generated but little light. Let us look at the facts:

The charge that the Labor Board has failed to give employers fair play is disproved by the record.

Here is what has happened in 22,000 cases, involving 5,000,000 workers, which the Board has handled in 4 years:

Nearly 18,000 cases have been finally closed and written off the books. It is from these closed cases that we can judge how employers have fared under the act.

Fifty-two percent of them, involving 1,600,000 workers, were closed informally with the full agreement of the employer. In these settlements by agreement—and notice that more than half of all Board cases get settled this way—the employer either squared himself with the law by being persuaded by Board agents to obey it, or else, in representation cases, he agreed to permit the Board to hold an election to see whether or not his employees wanted a union.

Sixteen percent of these 18,000 cases were dismissed because agents of the Board discovered on investigation that the charges of unfair labor practices were not true or that

workers did not have sufficient strength to demand the holding of the Board election.

Another 26 percent were withdrawn by workers upon advice by Board agents that their charges were not valid or their show of strength too slim to justify the holding of an election.

Notice that these 16 percent of cases dismissed and 26 percent of cases withdrawn together represent 42 percent of all Board closed cases; and that that means 42 percent of the cases decided in favor of the employer. Every case dismissed or withdrawn relieved an employer of a labor dispute which, except for Board intervention, might have gone on to the strike stage. Here is a safety valve where steam can be blown off without "blowing up the works." The Board is giving this safety valve free play. Employers should be grateful.

With 52 percent of the cases closed, and 42 percent dismissed or withdrawn—a total of 94 percent—that leaves only 6 percent of all Board cases which have to have public hearings and be considered by the Board for final decision. Does it surprise you that a few hundred employers—out of the tens of thousands in this country—have resisted this law to the point where an enforcement agency has to tell them to cease and desist from unfair practices? Do you know, also, that a Board cease and desist order has no effect until the whole case has been reviewed by a circuit court of appeals? Do you know that those high courts have on their dockets scores of cases in which, by consent decree or under review, offending employers are now bound to defer to their workers under the terms which this Congress, itself, imposed?

I cite several other ways, aside from enforcement, by which the Board has established respect for worker rights and relieved industrial unrest.

In 4 years it has settled 1,676 strikes and averted 714 strikes. More than 400,000 workers and their employers benefited by this Board intervention.

Sixteen thousand five hundred and fifty-eight workers were given back their jobs after the Board had individually considered their cases and either persuaded or forced employers to take them back under proof that their discharges were unfair.

The Board has held 2,052 elections in which more than 600,000 valid votes were cast. The remarkable thing is that more than 90 percent of workers eligible to vote actually took the trouble to cast their ballots. Here is the beginning of an industrial democracy which this country has never before experienced.

I have only one question to ask in relation to these facts. It is, "Do you want to destroy the agency which has demonstrably carried out the will of Congress to stop unfair labor practices and to give workers the same rights of industrial sufferage as the employers have always enjoyed?"

Fair-minded people will be interested in a press release issued by the National Labor Relations Board under date of July 5, 1939, as follows:

NATIONAL LABOR RELATIONS BOARD,
Washington, D. C., July 5, 1939.

N. L. R. B. HANDLED 21,933 CASES TO JUNE 1, 1939, INVOLVING 5,045,561 WORKERS

A total of 21,933 cases has been handled by the Board since the fall of 1935. This figure includes action on charges of unfair labor practices and petitions for elections received by the Board and its 22 regional offices. The 21,933 cases involved 5,045,561 workers.

The data show Board activities up to June 1, 1939. During May 589 new cases arose, involving 68,533 workers, as against 601 new cases during the previous month, involving 114,937 workers.

The Board announced that 17,727 of the cases handled, or over four-fifths, have been closed, leaving 4,206 cases pending on June 1.

Of these 17,727 cases, 9,175, or 52 percent, were closed by agreement of both parties, involving 1,643,774 workers; 2,760, or 16 percent, involving 386,193 workers, were dismissed by the Board and regional directors; 4,655 cases, or 26 percent, involving 991,397 workers, were withdrawn; 1,137, or 6 percent, involving 411,861 workers, were closed in some other way, including compliance with the Board's decisions and trial examiners' intermediate reports, certifications after elections, refusal by Board to certify, intermediate reports finding no violations, transfer to other agencies, such as the Conciliation Service of the Department of Labor, and State labor-relations boards, and by the issuance of cease and desist orders.

Of the total cases closed, 2,223 were strike cases, involving 373,684 workers, and of these 1,676, or over 75 percent, were settled, and 239,905 workers were reinstated after strikes and lock-outs.

An additional 16,558 workers were reinstated after discriminatory discharges; 714 threatened strikes, involving 180,323 workers, were averted through the Board's action; 2,052 elections held, with 640,689 valid votes.

A Good Choice

EXTENSION OF REMARKS
OF
HON. HAROLD KNUTSON
OF MINNESOTA
IN THE HOUSE OF REPRESENTATIVES
Thursday, July 20, 1939

Mr. KNUTSON. Mr. Speaker, the Republican Party is most fortunate in having available for standard bearer in 1940 a number of Americans of outstanding ability. To name but a few—Vandenberg, Taft, Bridges, Lodge, Bricker, James Wadsworth, Fish, and Dewey. The gentleman from New York, Mr. FISH, has a long record of outstanding service in this body, where he commands the respect of his colleagues. The gentleman from New York, Mr. FISH, has a number of qualifications that make him unusually available. He has a fine war record, upon which he has never capitalized; he comes from New York and from the President's congressional district. Probably no man in this body has a broader understanding and better grasp of foreign affairs—and that is a most valuable asset at this particular time. Mr. FISH's Americanism is of the rugged type. He believes in neutrality for Americans, and under his able guidance the United States would maintain friendly relations with all nations. The gentleman from New York, Mr. FISH, is also a strong exponent of the principle that the American market belongs to the American farmer and laboring man, and under his administration confidence would be restored, the unemployed put back to work at good wages, and farm prices restored to profitable levels.

At this point, Mr. Speaker, I insert a short editorial from the Worcester (Mass.) Telegram, which reflects in part an appraisal of Mr. FISH's record and availability for 1940 that we share in:

HAM FISH FOR PRESIDENT?

It is definitely and seriously proposed that the Republicans nominate Congressman HAMILTON FISH, of New York, for President in 1940. Questioned as to his attitude, the Congressman replied that he is determined "to hold the matter in abeyance until after adjournment" of this session of Congress. Moreover, he prefers to keep the matter in abeyance until after the meeting of the Interparliamentary Union, which this year is held in Oslo, Norway, from August 15 to 19. Mr. FISH is president of the American delegation, which is composed of Senators and Representatives in Congress.

The Republicans could do worse, and have done worse, than nominate HAM FISH for President. And we have had worse Presidents than, in all probability, HAM FISH would make. In all America there is no more sincere, no more active patriot than HAM FISH. If in this equalitarian land we had noble houses, that of which HAM FISH is a scion would be one of the noblest. His ancestry, as ancestries go, is superb.

And, if perchance, the Democrats should give first place on their ticket to Paul McNutt, what more promising champion could the Republicans pick than HAM FISH? Mr. FISH might not be acclaimed Mr. America in a beauty contest with Mr. McNutt, but in all other respects he seems to have the edge. Certainly there is more shine to his war record than to the war record of Paul McNutt, albeit Mr. FISH doesn't seem to have capitalized his record so effectively as the Hoosier has capitalized his.

Mr. FISH is the Congressman from President Roosevelt's district, so we have a Republican counting a Democratic President as one of his constituents. And that's something. Mr. FISH has served long in Congress and, on the whole, he has served well. At Harvard he was a whale of a footballer, "playing captain" on the eleven, as he insists his wife described his gridiron prowess on one notable occasion.

We Have Chased Fantastic Schemes on Borrowed Money

EXTENSION OF REMARKS

OF

HON. FRED L. CRAWFORD

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 20, 1939

ARTICLE BY DR. A. B. COX, COTTON ECONOMIST, UNIVERSITY OF TEXAS

Mr. CRAWFORD. Mr. Speaker, under leave to extend my remarks, I desire to submit for the consideration of my colleagues an article on the cotton subsidy written by Dr. A. B. Cox, cotton economist, University of Texas, which appeared in the Texas Business Review and reprinted in the Cotton Digest. The statement follows:

[From the Texas Business Review of June 28, 1939]

COTTON ECONOMY SUBSIDY PLAN IS UNFAIR—BASIC FUNDAMENTALS LEAD TO RECOVERY

(By Dr. A. B. Cox)

Is the great raw-cotton industry of the United States, with all it means to the South and the Nation, on the way out? Events and trends of the last 10 years justify this question being put most seriously.

Cotton growers, ginners, merchants, cottonseed crushers, and others directly interested in one or more phases of the business would like to know. They have observed the failure of one admin'stered remedy after another until they have become deeply concerned over the future of the industry upon which they have so long relied. The following facts deserve careful consideration in this connection.

The cotton situation in the United States cannot be fully understood apart from the world cotton situation and the trend of world events because the United States has developed its facilities for growing, processing, and handling a crop of such size that normally it must export about 57 percent of its production. Anything far short of this will certainly mean very important change in the economy of the South, which may in turn affect vitally the economies of other regions.

In spite of Government interference of normal processes of cotton marketing since 1929 and enforced reduction of cotton production in large amounts since 1933, world production is still increasing at a greater rate than consumption. From 1915–16 through 1928–29, the trend of world cotton production was up at the rate of about 684,000 bales per year, whereas, the trend of world consumption of all cotton was up at the rate of only about 526,000 bales a year.

From 1929–30 through 1937–38 the world trend of production has been up at the rate of over 942,000 bales a year and consumption at 892,000 bales. The fact is our drastic restrictions in the United States had only a temporary influence on production trends, for foreign producers promptly increased production to more than offset our decrease. The result is that world supplies are now at record heights, and prices would be at record lows were it not for the fact that the United States Government is holding 11,400,000 bales of its reduced production off the market with above-market-price loans.

LARGE CONSUMPTION OF FOREIGN COTTON VIEWED

Changes which have been wrought in the cotton situation in the United States since 1929 are clearly set forth by the following figures: United States cotton production this year was 11,621,000 gin bales, or about 11,800,000 bales of 478 pounds net. According to Garside, of the New York Cotton Exchange, foreign countries have produced 16,075,464 bales of 478 pounds net. The world will consume this year approximately 28,000,000 bales of all cotton—the second largest consumption in history.

It now appears that the United States will furnish only about 11,000,000 bales of this, or less than 40 percent, and foreign countries 17,000,000 bales. During the 5 years prior to 1929–30, the world consumed an annual average of 24,702,000 bales of cotton. During that same time the United States furnished an annual average of 14,774,000 bales, or 59 percent of the total, and foreign countries 9,926,000 bales. If the United States had furnished its predepression proportions of world consumption this year, it would have meant 16,500,000 bales from this country, compared with 11,500,000 bales of foreign production.

There has been no offset to the loss of markets by higher prices to compensate American cotton growers; indeed, the very opposite has occurred. During this year the Federal Government has been forced to take about 4,500,000 bales of this year's short crop off the market by means of an above-market-price loan to maintain prices at but 52 percent of the 1909–14 level.

The foregoing facts relative to the world cotton situation and the position of the United States in the situation make it perfectly clear that our cotton policy has failed, not only to maintain the American cotton industry on anything like its predepression levels as a source of employment and income, but it has been unable even to stay disintegration and loss, so that our exports this year are the lowest in 50 years, in spite of the fact that world consumption of all cotton is the second largest in history.

Has not anything been done to stem the tide of tremendous loss in income and employment in the cotton industry as indicated by the above figures? Yes; many experiments have been made, some of them very expensive. The mere mention of a few of these, like the Agricultural Marketing Act, with the Farm Board and its vain effort at market stabilization; A. A. A., with its dramatic effort to reduce and control production; the Bankhead Act, with market quotas; bonuses to sell cotton; loans above market price to hold cotton; and subsidy payments to not plant this or that or to plant or do this or that, have all been tried with great hope at one time or another during the past 10 years, or are being tried.

In addition to all this, the States, local-government units, and especially the Federal Government, have spent large sums to relieve immediate distress, partly caused by these programs, presuming apparently that given time the cotton situation could somehow be healed without disturbing the status quo. There has been also much money spent on W. P. A., C. C. C., and other more or less "make work" projects, but in the main these expenditures and these projects in the South have been selected neither with the view of improving the competitive position of the United States cotton industry, nor with the idea of definitely training the people to develop other industries or lines of endeavor to take its place.

It is, or should be, evident by now that we as a nation have spent most of our time, energy, and funds since 1928 dealing with symptoms rather than with the fundamentals of the cotton situation. The fact is, we have chased one fantastic scheme after another, paid for by borrowed money, to find after we have chased them that we are worse off than we were at the beginning.

It is now proposed that an export subsidy is the key that will really turn the trick. On the basis of what fundamental economic facts and principles, or what sound policy of international relations can we expect an export subsidy to aid rather than actually handicap recovery of the cotton industry? Another scheme in the offing is an international cotton conference among the leading producers to prorate world markets. What are the grounds on which to expect any aid toward a solution to come out of such a conference? Can we imagine that these countries, which have profited by our mistakes, have any marked desire, or are in any position at home, to make and carry out a program of restriction of production and division of markets?

How can such a conference be anything other than another demonstration of our weak position in the competitive cotton world with present national policies? It has been suggested that Congress pass the export subsidy to give the Secretary of Agriculture a "big stick" to use at the conference. Would not that be a species of international highwaymanism which would do more harm than good? Is that the major reason for the insistent demand for the export subsidy, or is it to concentrate more power in the hands of the Federal Government to control our national economy?

The questions raised above are merely to suggest that cotton problems are far too fundamental to be solved by any other method than a vigorous attack on the basic conditions which gave rise to them.

Among the more important matters to be considered are trends and potentialities of world markets in terms of capacity to consume cotton and cotton products, capacities of various countries to produce cotton, relative costs of production, potentialities of substitutes for cotton, alternative opportunities of making a living in major cotton producing and manufacturing countries, national and international trade policies, national and international financial relations, and the various factors which determine these matters and their relations to the cotton situation.

Until we are willing to go into these things and frame our policies in the light of the facts revealed, we need not expect to make substantial progress in solving the cotton problem.

Old-Age Assistance

EXTENSION OF REMARKS

OF

HON. BERNARD J. GEHRMANN

OF WISCONSIN

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 20, 1939

RESOLUTIONS OF THE TOWNSEND NATIONAL CONVENTION

Mr. GEHRMANN. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following resolutions

adopted by the Townsend group at their annual convention:

TOWNSEND CREED

We believe in a Nation-wide retirement security program based on American principles of equity and justice without the possibility of discrimination on grounds of race, color, or religion.

We believe that technological advances, declining birth rates, with the attendant decrease in the number of those acceptable to industry, constantly increasing demands for retirement of our senior citizens, require retirement should begin at the age of 60 at the latest.

We believe that the retirement of the elders is a matter of concern to the entire body of society and, therefore, should be financed by a universal tax based upon the total volume of business done within the Nation.

We believe that any social-security program should be made operative on a basis which will return to profitable employment all those not retired and thus open the doors of opportunity to the youth of our land.

We believe that stagnation of business, idle bank reserves, idle factories, idle men are caused because of the lack of purchasing power in the hands of the many.

We believe this condition can be remedied only by the release of the taxes collected from the people being returned into the channels of trade and commerce on a scale that will permit the living of the people to be on a typical American standard instead of a bare subsistence level.

We believe that the immediate spending of tax moneys and their returns through the channels of trade should be restricted wherever possible to the purchase of American goods made by American workmen; that they should be spent within the United States and should be used discreetly to avoid retaining employable persons in idleness, and this principle should be contained in any sound recovery program.

We believe that this and all other Government activities should be placed on a "pay as you go" basis, as neither this Nation nor any other nation can survive constantly increasing indebtedness. We must have a balanced national Budget to protect the American way of life: Therefore, be it

Resolved, That the delegates of the Townsend movement at Indianapolis in fourth national convention assembled, adopt the above as the Townsend creed, and the acceptance of this creed will qualify any political party or individual for our support: and be it further

Resolved, That the Townsend national organization does welcome the support of citizens and political parties in furthering this program; but unless one or the other of the great political parties shall adopt at their next national convention in 1940 a program and nominate candidates who promise early and most substantial progress toward the achievement of this program the Townsend national organization will give the American people an opportunity to support these principles in the next national campaign through their own organized party; be it further

Resolved by the aforesaid delegates that regardless of the acceptance by any political party or individual of this Townsend creed, we as delegates assure all of the 101 Members of the House of Representatives, who on June 1, 1939, voted in favor of the Townsend legislation, that as long as they continue to support our program we will exert all possible influence, not only with those sympathetic to our program, but all citizens, to aid and assist these men to be reelected to the United States Congress in 1940 if they so desire; be it further

Resolved, That the Townsend creed, together with a copy of Dr. Townsend's analysis and amplification of this program, shall be printed and shall be widely distributed among our followers and the people of this Nation; be it further

Resolved, That a copy of this shall be mailed to each Member of the Congress of the United States and to the national chairmen of all political parties, and, so far as possible, shall be placed in the hands of all national committeemen of all political parties.

RESOLUTION WITH RESPECT TO DRAFTING TOWNSEND LEGISLATION

Resolved, That the Fourth Townsend National Convention delegates assembled in Indianapolis authorizes Dr. Francis E. Townsend to appoint a committee composed of five members from our organization to work in conjunction with a similar committee to be selected by our friends and supporters in the United States Congress to properly draft, prepare, and present at the earliest opportune moment a bill embodying the principles of the Townsend plan as set forth in the Townsend creed in order to achieve a bill as near perfect as possible. (Adopted June 24, 1939.)

RESOLUTION WITH RESPECT TO CONSTITUTIONAL AMENDMENT

Resolved, That the delegates of the Townsend movement at Indianapolis in fourth national convention assembled, do ask the members of the Judiciary Committee to vote at the earliest practicable moment for the adoption of the following constitutional amendment: "That Congress shall have power to levy taxes for old-age assistance" (S. J. Res. 145); and be it further

Resolved, That if and when the Senate Finance Committee reports the amendments to the Social Security Act now before that body to the floor of the Senate, we ask the honorable Members of the Senate of the United States to vote to recommit these amendments for further hearings upon the merits of social-security legislation, with the expectation that the basic principles of the Townsend plan will receive due consideration, and with a firm belief that they will see sufficient merit in the Townsend plan to offer it as a substitute for the Social Security Act; and be it further

Resolved, That these resolutions be spread upon the minutes of this convention and a copy be sent to each Member of the Senate of the United States. (Adopted June 24, 1939.)

Progress in Puerto Rico

EXTENSION OF REMARKS

OF

HON. SANTIAGO IGLESIAS

RESIDENT COMMISSIONER FROM PUERTO RICO

IN THE HOUSE OF REPRESENTATIVES

Monday, July 10, 1939

Mr. IGLESIAS. Mr. Speaker, it is impossible to forget that since 1898 Puerto Rico has been under the flag of the United States and since 1917 its residents have become citizens of the United States. Freedom and liberty were enjoyed by its people. Political persecution ended, and labor had its way to organize and better its conditions. The United States Government assumed the obligation of helping the Puerto Ricans to develop the institutions and habits of democracy. Great progress in the island was accomplished.

Economically, Puerto Rico has been in many ways an advantage to many citizens of the United States and Puerto Rico. It is one of the United States' largest customers, ranking sixth among all the nations of the world.

It was only under the flag of the United States that the workers of Puerto Rico were free to organize a labor movement for the purpose of bettering their life and work. The A. F. of L. gave them support and counsel in formulating their policies and methods. The labor movement in Puerto Rico includes agricultural as well as industrial workers.

It was inevitable that the economic structure of Puerto Rico was organized at the beginning on the basis of absentee ownership and capital. As everywhere, the finances in sugar, fruit, tobacco all were controlled in a great part by absentee ownership, and naturally the result was that a very important percentage of the profits emigrated from the island to the mainland and European countries. But this condition was similar to that which exists in some sections of the mainland, which are purely social and economic in character, and should be solved by American principles of justice and humanity.

Puerto Rico has made real progress under the leadership of the United States and is anxious to continue with more closed political relationships. Puerto Rico is becoming aware of its duties and responsibilities and does not want to relinquish any obligation assumed with the inhabitants of the island. The majority of the citizens, including the entire labor movement of Puerto Rico, is willing to keep faith with our American institutions and want to continue its permanent union with the United States.

Overpopulation is the greatest problem confronting Puerto Rico, and is the consequence of unemployment in the island. This tremendous problem of overpopulation is steadily increasing and will inevitably become very serious unless a part of our inhabitants may be transferred to the nearest American States where there might be lack of laborers.

We think that another proper form of minimizing the deplorable effects of overpopulation and unemployment would be by inaugurating and pushing the creation of more diversified industries of fair competition in Puerto Rico under the basic wage and hour law by private and governmental initiative.

I have introduced a bill to enable the people of Puerto Rico to form a constitution and State government, and be admitted into the Union on an equal footing with the States, with the following declarations:

Whereas it has been the intention of the United States of America to prepare the people of Puerto Rico for statehood, as is

evidenced by the several acts of Congress applicable to Puerto Rico, and more specially by the act of Congress approved March 2, 1917, granting United States citizenship to the people of Puerto Rico, the first step toward that end; and

Whereas by concurrent resolution of the Legislature of Puerto Rico approved April 15, 1934, it declared that the final status of Puerto Rico should be statehood and that the people of Puerto Rico desire that Puerto Rico become a State, forming a part of and associated with the federation of the United States of America.

Also, I have introduced another bill, to amend an act entitled "An act to provide a civil government for Puerto Rico, approved March 2, 1917," with these declarations:

Whereas the people of the Territory of Puerto Rico have requested from Congress that Puerto Rico become a State, and be admitted to the Union of the United States of America, and that legislation be enacted authorizing the people of Puerto Rico to frame their own constitution; and

Whereas the Legislature of the Territory of Puerto Rico has requested from Congress, on April 15, 1934, that pending the admission of said Territory of Puerto Rico as a State of the Union, the act providing for a civil government for Puerto Rico, approved March 2, 1917, be amended to improve the general conditions of their internal life.

I desire that you bear in mind that Puerto Rico, having not the right to vote in Congress, cannot exercise as great influence as Senators and Representatives of the several States of the Union.

In the old monarchic regime Puerto Rico was represented in the Spanish Parliament by 16 representatives and 3 senators selected by a privileged class of people. These representatives and senators had voice and vote in the Cortes of Madrid.

All leaders of parties see by themselves that a new era of reconstruction has come to the island to perfect our democratic institutions dedicated to social, political, and economic rehabilitation. Free and guaranteed vote of the people makes the island more progressive and gives opportunity to acquire greater capacity and progress.

Our coalition parties have affirmed that the influence of the people of the United States in the destiny of Puerto Rico has been, is, and will be civilizing, and the extension of the Constitution to Puerto Rico represents a positive guaranty of the public and political liberties convenient and favorable to the enjoyment of the individual rights.

We have rejected all formulas of a colonial government. We consider this formula disgraceful and not compatible with the civil dignity of our Nation, and therefore we proclaim the permanent union of the people of Puerto Rico with the people of the United States to maintain and consecrate socially, politically, and industrially a democratic community with the same rights and duties as any community of our Nation. We want and are willing to be recognized as a definite integral part of the States of the Union and lead our future in that line.

The Jurisdictional Labor Strike

EXTENSION OF REMARKS

OF

HON. C. ARTHUR ANDERSON

OF MISSOURI

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 20, 1939

Mr. ANDERSON of Missouri. Mr. Speaker, in my political career as prosecuting attorney of St. Louis County and as a Member of Congress I have given my unqualified support to union labor in its efforts to obtain proper wages and satisfactory working hours and conditions.

Among the leaders of organized labor I have many warm personal friends. They have shown their friendship for me by supporting me in my political aspirations. Neither by word nor deed would I do anything to hinder them in their work for the uplift of their members.

In St. Louis, in my own congressional district, the true philosophy of trade agreements or collective bargaining was born. Here originated the first written contracts with labor unions. Here was provided three great steps for friendly relations with industry—mediation, conciliation, arbitration. It is a source of pride that these provisions are now written into nearly all labor contracts, and are universally recognized by both labor and industry.

If I point out a hardship that has been created in St. Louis, it is not because it originated in my district. It is general throughout the United States. I call attention to it because it militates against both labor and industry and does neither any good.

It is a perplexing and insoluble problem which very vitally concerns organized labor. It is the problem of the jurisdictional labor strike.

Never, since the American Federation of Labor was organized nearly 50 years ago, have the affiliated unions been able to exactly define their respective jurisdictions. This has resulted in numerous controversies and many strikes, some of which have been extremely costly to labor unions and to industry.

There is no exact record of the cost of jurisdictional labor strikes to both unions and employers. Some estimates indicate that the cost to the labor unions and their members in litigation, strikes, and loss of wages to striking union men has been approximately $10,000,000 in the last 6 years.

The cost to industry, which is in no way interested in the internal disputes between the unions, has also mounted in the millions of dollars.

CAUSE OF JURISDICTIONAL DISPUTES

Jurisdictional strikes between unions in the American Federation of Labor have their origin in the fact that the affiliated unions retained their autonomy when they associated themselves with this central organization. There is no supreme authority to adjudicate disputes.

The creation of the Congress of Industrial Organizations has also brought about jurisdictional conflicts between that organization and the American Federation of Labor.

A controversy of 26 years' standing between the International Association of Machinists and the United Brotherhood of Carpenters and Joiners, both affiliated with the American Federation of Labor, over the work of installing, erecting, maintaining, and dismantling of machinery provides a classical example of a jurisdictional labor war that long has defied solution.

During this more than a quarter of a century the two unions have both claimed this work. The controversy has been before nearly all conventions of the American Federation of Labor since 1913. Neither the two unions nor the American Federation of Labor have been able to settle the dispute. Hundreds of costly and bitter strikes have resulted.

MACHINERY-USING INDUSTRIES AFFECTED

These strikes have run through all machinery-using industries. They have been extremely damaging to the prestige of organized labor. Employers friendly to labor unionism have been converted into enemies because they suffered wholly unnecessary loss and delays as the result of strikes originating from the claims of the rival unions.

When unions cannot agree upon a division of work which both claim, and resort to strikes, they invite a hostile public opinion toward all organized labor.

There is now a strike in one of the great industrial institutions of my district on account of this 26 years' jurisdictional warfare between the machinists and the carpenters.

The victim of the strike is Anheuser-Busch, Inc., which has been 100 percent unionized in its manufacturing and maintenance departments for 50 years.

This company employs 3,500 union men. It pays the highest wages in the brewing industry, and for maintenance work the highest wages in the United States.

The employees who were called out on a strike had no complaint against the company in the matter of hours or wages or conditions of employment. The company had none against the men, some of whom had been in the employ of the company continuously for half a century.

FAIREST EMPLOYER DECLARED "UNFAIR"

Solely because the international officials of the machinists and carpenters unions, neither of whom lives in St. Louis, could not agree as to where the jurisdiction of the one union began and the other ended, the carpenters were ordered to strike and picket the plants as "unfair to organized labor."

Here is an example of a corporation, recognized for half a century by all labor leaders as being the fairest in the United States to organized labor, being branded as "unfair" by one union as the result of its own quarrel with another union over the performance of certain work.

Officials of the company spent 18 months trying to bring about an agreement between the two unions. They appealed to President William Green and the executive council of the American Federation of Labor to intervene and settle the dispute.

ALL CONCILIATION EFFORTS FAILED

President Green and the executive council brought all the pressure within their power to bear upon the officials of the two unions to influence them to adjust their differences and prevent a strike. The combined efforts of the officials of the brewing company and the highest officials of the American Federation of Labor all failed. One body of union men was ordered to quit work and set up pickets and do everything within their power to influence 3,500 other satisfied union employees—under contract with their employers—to violate their contracts and join them in a sympathy strike.

The Central Trades and Labor Union of St. Louis stepped into the breach at this juncture and unanimously passed a resolution declaring Anheuser-Busch to be the fairest employer to union labor in the United States.

EMPLOYER BOYCOTTED; STRIKERS FINED

This, however, did not deter the carpenters' union, which called the jurisdictional strike, from immediately threatening to boycott all products manufactured by the company, although they were union-made and bore official union labels. Not only were the former employees who were unwillingly called out on the strike entirely satisfied with their work, wages, and hours, compelled to quit the service of their employer, but they became subject to fines of $10 each and disbarment from their unions for purchasing or using any of the products of the friendly employer who had urged them not to strike. Any employee who refused to obey the strike order or the order to boycott the products of the company, was immediately deprived of his union card and his standing as a union man.

TWO INNOCENT STRIKE VICTIMS

Thus, there are two innocent victims of jurisdictional strikes—the employees on the one hand and the employer on the other. Both are completely powerless in the circumstances. The employees are needlessly deprived of their work and wages and the employer is handicapped by suspension of plant operations and costly delays—and often the violence resulting from such wholly unnecessary labor disputes.

There has existed within the brewing industry since its reestablishment 6 years ago a much more far reaching and destructive jurisdictional labor warfare.

LABOR LEADERS DEPLORE INTERNAL STRIFE

The American Federation of Labor—and I think all labor organizations and union men—greatly deplore these jurisdictional troubles. Yet they find themselves unable to prevent them.

That I am not misinterpreting the attitude of the American Federation of Labor or its sentiments on this subject, or of other forward-looking labor leaders, is attested by two written statements by President Green to the officials of Anheuser-Busch, Inc., of St. Louis.

When the combined efforts of the officials of the company and President Green and the executive council had failed to bring the machinists and carpenters into agreement, Mr. Green sent the following telegram from Washington, dated June 27, 1939:

AUGUST A. BUSCH, Jr.,

Anheuser-Busch, Inc., St. Louis, Mo.:

I have exhausted all efforts at my command to bring about a settlement of controversy between machinists and carpenters organizations employed at your plant. I have urged the settlement of the controversy by the representatives of the two organizations involved. I regret I lack authority to do more. I am willing, however, to render any service that lies within my power.

WILLIAM GREEN.

This telegram forcefully illustrates the fact that the American Federation of Labor, as now constituted, has no power to settle jurisdictional disputes or to prevent jurisdictional strikes.

EMPLOYERS INNOCENT VICTIMS

In an earlier letter dated February 7, 1939, Mr. Green wrote to Mr. Busch, as follows:

This has been a most vexing controversy. We have earnestly tried to compose the differences through conferences on the part of the organizations directly concerned or directly affected.

I can understand how the representatives of the Missouri Brewers Association feel, because when jurisdictional differences arise over the performance of millwright work the employer usually becomes the innocent victim. This distresses us very much.

Mr. Speaker, here are but two examples of the many jurisdictional labor disturbances that vitally affect industries friendly to organized labor throughout the United States. These two disputes are disturbing handicaps to industries within my own district.

WHY LEGISLATIVE REMEDY IS NEEDED

The examples I have cited illustrate the difficulty of the problem and the lack of authority within the unions to settle it. There are many other jurisdictional labor disputes.

It was recently brought to my attention by an international labor union official that four different unions claimed jurisdiction over the installation of a new wall covering.

Recently there was put upon the market a type of linoleum as a substitute for wallpaper. Because it takes the place of the moulding, the carpenters claim the work. Since it is a wall covering, the painters, paperhangers, and plasterers also claim jurisdiction. Here are four unions fighting over which shall have the right to do this simple piece of work.

Employers and contractors have no power to settle disputes of this character. The unions, as I have shown by this record, are either unable or unwilling to settle them. The National Labor Relations Act provides no authority for their adjudication.

If organized labor is to be spared the friction and hostile public opinion engendered by such internal strife, and if employers are to be saved the cost and inconveniences of strikes resulting therefrom, then Congress must provide a legal remedy for the settlement of jurisdictional labor disputes and the prevention of jurisdictional strikes.

ENDORSED BY UNION LABOR

As a friend of organized labor, bearing the endorsement of President Green, of the American Federation of Labor, in my campaign for reelection—and as a friend of industry, bearing the endorsement of practically all industries in my district—I earnestly recommend that appropriate legislation be enacted to deal with this most complex and complicated labor problem.

An intelligent and effective solution of this problem would be one of the greatest contributions that Congress could make to friendly relations between labor and industry. It would bring peace in the ranks of labor unions where there has been strife for many years. It would be a guaranty to friendly employers that their relations with organized labor would not be ruptured or strained by jurisdictional strikes.

CONSTRUCTIVE SOLUTION NEEDED

It would do for organized labor something it has found itself unable to do. It would remove perhaps the greatest obstacle to more friendly relations between industry and labor. Moreover, it would remove the most irritating cause of hostile public opinion to organized labor.

Here is an opportunity for the Congress of the United States to enact constructive legislation that will do more

than any other one thing to perpetuate friendship between employer and employee—industry and organized labor.

In the interest of greater harmony between industry and labor and for the common good of both, I urge the Congress to enact such legislation at the earliest possible moment. I do so as a consistent friend of both labor and industry.

I realize, Mr. Speaker, that it is too late to do anything with the problem at this session of Congress. By rare courage and intelligence the officials of Anheuser-Busch, Inc., laid the facts in this perplexing controversy before the House Labor Committee last week. They did not undertake to point out a remedy. They merely gave expression to their friendship for labor by giving the facts to Congress with the suggestion that Congress, being familiar with all labor and industrial problems, would be in a better position than anyone else to work out a legislative remedy that would be fair to all.

I might add that all members of the House Labor Committee were much impressed and were agreed that a constructive solution should be found. I greatly hope that by the time Congress reconvenes next January a thoughtful study will have produced a plan that will solve this problem to the mutual benefit of labor and industry and to the general benefit of the entire public. It is for this reason that I am calling attention to the problem today. I do so in a spirit of friendship for organized labor, and in a desire to cooperate with both labor and industry to promote lasting, friendly, and cooperative relations between them.

Immigration

EXTENSION OF REMARKS

OF

HON. SAMUEL DICKSTEIN

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 20, 1939

RADIO ADDRESS BY HON. SAMUEL DICKSTEIN, OF NEW YORK

Mr. DICKSTEIN. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following address which I delivered last night over the radio:

There has been so much misinformation broadcast about the real situation prevailing in the operation and enforcement of our immigration laws, that I deem it my duty as chairman of the Committee on Immigration and Naturalization of the House of Representatives to tell the radio audience of the real truth of the matter.

We hear all kinds of wild statements. People who should know better are trying to impress the American public with the idea that there is a large influx of immigration in this country. Statements are made that entering aliens are taking away our jobs, and that American citizens go begging while those aliens live on the fat of the land. Statements are also made that aliens are inclined to be Communists and seek to overthrow the American Government by force and violence.

The actual facts and statistics are in flat contradiction to these hysterical statements. Immigrants are not entering this country in any large numbers; they are not adding to our unemployment problem; they are, definitely of the type that will strengthen our democracy, and improve our country.

A few years ago a Member of the United States Senate who was and still is in the forefront of immigration baiting tried to tell the public that there were 12,000,000 aliens in the United States who were here illegally, and that since we had 12,000,000 unemployed, all that was necessary to solve the labor problem was to deport the 12,000,000 aliens who were here illegally and thus create jobs for the 12,000,000 Americans who were out of work. The figures sounded all right until a little checking up of the available statistics shows not only that there were not 12,000,000 aliens illegally in the United States but that even the total number of aliens who were here legally was not more than some 1,000,000, or one and one-half million, and that the total number of persons born in foreign countries who resided in the United States at the time of the census of 1930 was less than 15,000,000. Such wild figures, however, are very apt to be repeated in the public press, and a great clamor is then raised against anyone who wishes to be sensible in arriving at the true facts.

Let us remember, first of all, that a restricted-immigration law has been in effect for a good many years—a law purposely designed to control immigration into this country and to check any large influx. This law has succeeded in its purpose to such effect that during the last 10 years of its operation actually more aliens left the country than entered.

Under this law an annual quota of 150,000 has been established for all countries in the world. This quota has never been more than half filled. Last year the total number of aliens entering was 67,895, or less than half of those who could have entered under our rigidly restrictive quota laws. True, 184,802 nonimmigrant aliens (visitors, temporary residents, and returning residents of the United States) were admitted last year, and I have heard this figure quoted triumphantly by advocates of antialien legislation; but I have never heard these gentlemen make mention of the fact that during this same year 197,404 nonimmigrant aliens departed—12,602 more than entered.

Forgetting the fact that we have been living under a restricted immigration law for a good many years, and that there is no uncontrolled or unlimited immigration to the United States, one hears speeches in the terms of 1910 when immigration from Europe was unchecked, and not in the terms of the immigration law which is in force today, and which creates an annual quota from all countries in the world of a little over 150,000 which quota by the way is never filled. Forgetting the fact that for many years after the enactment of our immigration laws, the number of aliens who departed from the United States was in excess of the number of aliens who had been admitted to this country, they still speak of an influx of immigrants who take away jobs from our people and who are undesirable in every sense of the word.

Only on February 23 of this year, a prominent Member of the United States Senate made a statement on the floor of the Senate, that "one-third of the people in the United States of America today are without employment," and that therefore it would be absolutely senseless to admit immigrants from Europe when one-third of our people are unemployed. This "one-third of our people" was of course a gross exaggeration since there never was such a figure as 40,000,000 unemployed in the United States, and that the number of all unemployed was usually given as 12,000,000. But figures make no difference to the gentleman who made that statement, and I suppose he was impressed with the rhythm of the words "one-third of a nation," to charge that one-third of our people are unemployed. The same Senator, in his speech drew a picture of conditions which would move one to tears, stating that he could not understand why anyone in his right senses could advocate opening wide the gates of immigration to allow people to come into this country to compete with American citizens in search of employment. Evidently the Senator forgot that there have not been any wide open doors of immigration since 1921, and that immigration to the United States is strictly limited by law and on a quota basis, and that no one can enter this country unless he satisfies the American Consul that he is not likely to become a public charge, that he is not coming to the United States to seek work, and that he is not coming in to compete with American labor. The Senator should know by this time that particularly in the last 10 years, no one has been able to enter the United States in order to work or obtain a job in competition with American labor.

Much of the anti-alien agitation centers, too, around the refugee immigrants who are entering, it is claimed, in large numbers, and threatening the jobs of native Americans. It will be well to examine these allegations closely; the refugees are very much news, they are highly and somewhat cruelly spotlighted—and in consequence we know a good deal about them. Through them we will arrive at the truth about our present-day immigrants.

The annual quota from Germany, including Austria, the major country of refugee immigrants, is 27,370. This year the quota will be filled for the first time. During 7 years of the Nazi regime, less than 75,000 Germans have come to the United States—an average of a little over 10,000 a year—as permanent immigrants. Visiting aliens from Germany (who might conceivably remain here after the expiration of their allotted stay) must now show absolute proof that they can return to their country of origin or migrate to some country other than the United States—so that we can rule them out of practical consideration.

No special provision, then, has been made for the admission of refugees as such. The 75,000 who are here entered under our existing quota laws, relatives or friends brought them here, signed affidavits guaranteeing that they will not become public charges, and otherwise fulfilled the conditions under which they were permitted to enter. Are these 75,000 refugees nevertheless taking jobs away from Americans? A good two-thirds, to say the least, are not on the labor market—they are too young, or too old; they are housewives, etc. And all of them, without exception, are consumers—which is to say they create employment by the simple process of their need for food, shelter, clothing, and the like.

As to the 25,000 who are conceivably looking for jobs—let us investigate how they are employed, when they are employed at all. A considerable number, undeniably, come over here with special skills and talents which make them positive assets, and place them in noncompetitive employment. Some are of such high skill and rare talents as to overcome any prejudice that might exist in any quarters. We can always use Nobel prize winners, scientists like Franck and Einstein, writers like Thomas Mann.

Refugee enterprises have been established in this country which give employment to American workers. If you have been following

the newspapers, you will have read of the refugee who left the Reich with $4 and built here an industry which employs 150 persons, all Americans. You will have read of the Marum Mills, in Lawrence, Mass., which employs 50 Americans, and the shoe plant in Chicago which makes a type of shoe we used to import from Germany, and which employs 300 Americans. You must have read that the great Bata shoe industry is being transferred to this country, and that even now the plant is being constructed in Baltimore, Md. You will not have read of the hundreds of small enterprises, employing from 2 to 10 Americans, and the making here of numerous articles which we used to import; the fact that the refugees have brought over specially patented devices and inventions and opened up new avenues for investment and enterprise.

Nor, even if you follow the papers closely, will you have any conception of the patience of the newcomers, their willingness and anxiety to make themselves useful, the ingenuity and care that is exercised on their behalf to find them created and noncompetitive employment, their resettlement in areas that can use their particular talents. You will not have read perhaps of the well-defined plan to settle physicians in regions which are short of medical services, and there are such regions; of the topnotch musicians who are settling in small towns which heretofore lacked advanced musical education, there to train native talent which might otherwise go lost.

Misleading rumors are being spread about the refugees, often deliberately, and you are apt to get a distorted picture which has no relation to the actual truth. You are likely to hear the wildest exaggerations and the most irresponsible statements. Check all statements about the refugees carefully, and remember that these unfortunates are under a fierce spotlight which reveals even the smallest imperfection. It is marvelous that they show up as well as they do under this close and often unfair scrutiny. And remember above all that these refugees are the most ardent advocates of democracy and freedom that this country has ever received. They must be, because without exception they are the victims of tyranny and dictatorship, and they want no more of it, either from the right or from the left.

Do not permit yourself to get hysterical over them. We must not lose sight of the fact that the situation with reference to the refugee is a temporary one, and that it does not affect our permanent immigration policy. Matters have gone so far that opposition has developed to a purely humanitarian measure, the Wagner-Dingell-Rogers bill, which would admit into this country 20,000 little refugees, tiny victims of oppression and terror, of all faiths, Catholic, Protestant, and Jewish—no threat surely to our institutions or to our unemployed. Such opposition is surely hysteria.

Bear in mind that it is a sacred tradition with us to offer asylum to such victims. We should not violate this tradition without good cause. Our country was founded by refugees.

I submit that the entry into this country during the past 7 years of 75,000 self-reliant, law-abiding, liberty-loving immigrant refugees, with the strongest claims upon our sympathies, and with the earnest desire and the ability to repay our hospitality, is not good cause to violate this tradition.

General American Life Insurance Co. and the Sabath Committee to Investigate Bondholders' Organizations

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EXTENSION OF REMARKS

OF

HON. JOHN J. COCHRAN

OF MISSOURI

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 20, 1939

Mr. COCHRAN. Mr. Speaker, solely in the interest of fair play, I desire to make a statement in reference to the so-called Final Report of the Sabath Select Committee to Investigate Bondholders' Organizations, created several years ago and whose authority expired January 3 of this year.

Wednesday the gentleman from Illinois [Mr. SABATH] gave to the press a report of his committee, which he stated was its final report, and I am advised by members of the press that he stated it was an official report filed in the House.

On the cover there is no report number, nor is it indicated when the report was filed, but there is a notation that it was compiled by one of his investigators.

On page 1 of the report we find the following:

Reprint from speech of Hon. A. J. SABATH delivered in the House of Representatives on June 15, 1938.

The first paragraph reads as follows; I quote:

Mr. Speaker, in presenting this report I regret many more specific examples of fraudulent practices and misuse of courts for impoverishment of holders of defaulted securities could not be included. The burden of extensive investigation by your select committee, and of its public hearings in many cities, has taxed me almost to complete exhaustion.

Several newspapers, I understand, immediately carried stories concerning the contents of the report, based upon Mr. SABATH's release. Others including press associations made an investigation and refused to use the information, holding they could not find where it had ever been officially filed with the House.

Late yesterday afternoon—see the CONGRESSIONAL RECORD, page 9531—the gentleman from Illinois [Mr. SABATH] addressing the Speaker, said, I quote:

Mr. Speaker, I ask unanimous consent to revise and extend my remarks and to file certain reports.

The gentleman from Illinois [Mr. CHURCH] said, I quote:

Mr. Speaker, reserving the right to object, the gentleman from Illinois asks unanimous consent to revise and extend his remarks and to file certain reports. I ask, What reports?

The gentleman from Illinois [Mr. SABATH] replied, I quote:

Question has arisen as to whether the Report of the Select Committee to Investigate Bondholders authorized by House Resolution 412 of the Seventy-third Congress has been properly filed. It was filed on May 16, 1938, but to eliminate any possible question I have submitted this request.

The gentleman from Illinois [Mr. CHURCH] objected to the request.

Later the Speaker said, I quote:

The Chair is of the opinion that the gentleman would not have the legal authority to file this as a report of the committee because, as the Chair understands, the functions of the committee expired on January 1, 1939.

Prior to that the Speaker said, I quote:

The Chair thinks it proper to state that perhaps the gentleman from Illinois should temporarily withhold his attempt to file the report. A rather serious question has been raised as to whether or not this report was filed under authority granted in the resolution and in the time granted by the original resolution. The Chair would like to have an opportunity to look into the RECORD with reference to the facts in the matter.

The gentleman from Illinois [Mr. SABATH] said, I quote:

I withhold for the present my request to file the report.

Now, Mr. Speaker, while the gentleman from Illinois [Mr. SABATH] did secure permission to revise and extend his remarks, he was denied the right to include certain reports. Still, on pages 9508–9509 of the RECORD, we find a quotation from that report, taking nearly a column, relative to the General American Life Insurance Co.

In the extension of his remarks, the gentleman from Illinois [Mr. SABATH] says the report was filed on May 16, 1938. I had previously called to the attention of the gentleman from Illinois that I had examined the Journal of that date and there was no reference to the report being filed, nor have I been able to find any record of any report filed by this committee other than one "preliminary report" filed in the Seventy-fourth Congress.

Mr. Speaker, I have also read the speech of the gentleman from Illinois [Mr. SABATH] in the CONGRESSIONAL RECORD of June 15, 1938, and I challenge anyone to find the language in that speech attributed to Mr. SABATH on page 1 of the report, which I quote again:

Mr. Speaker, in presenting this report I regret many more specific examples of fraudulent practices and misuse of courts for impoverishment of holders of defaulted securities could not be included.

It cannot be found, because it is not there.

Now, Mr. Speaker, what did the gentleman from Illinois say in his speech June 15, 1938. The gentleman asked permission to address the House for 3 minutes. Mr. Snell, the then minority leader, called attention to the fact the majority leader was objecting to Members speaking for more than 1 minute, and the gentleman from Illinois [Mr. SABATH] replied:

I may get through in 1 minute.

The speech contains nearly five columns. After congratulating the Judiciary Committee for filing a conference

report on the Chandler Bankruptcy Act, the gentleman from Illinois, Mr. SABATH, said, I quote:

I regret exceedingly this bill did not contain all the provisions that were included in my bill passed by the House last session and which, for some reason, still is being held up in the Senate. It is needed legislation. Due to the fact that the appropriation of the select committee of which I was chairman was limited, I have been deprived of aid or assistance in the last year finally to complete my final report. I am still working on it and will file it shortly.

Instead of saying he was filing his final report, as he is credited with having said on page 1 of the report, the gentleman from Illinois said he was still working on the report on June 15, 1938. How then could the report have been filed on May 16, 1938, when the gentleman from Illinois stated to the House it had not been completed a month later.

I regret the necessity of calling this to the attention of the House, but I feel in justice to myself I should do so for on several occasions I have been asked if this final report was ever filed, and after investigation I replied it had not been, and in my opinion, as it was not filed prior to the convening of the present Congress, it could not now be filed, as the committee no longer existed.

The headquarters of the General American Life Insurance Co. are in my city, St. Louis.

One of the gentlemen mentioned in the report, Mr. Powell B. McHaney, an attorney of St. Louis, has been a personal friend of mine for many years. I have a very high regard for him, for his honesty and integrity. I just received a telegram from Mr. McHaney which I quote in part:

There is not to be found in the official transcript of the evidence adduced before the committee pertaining to the General American Life Insurance Co. or its officers a scintilla of evidence justifying the statements in the CONGRESSIONAL RECORD.

He refers to Mr. SABATH's extension of remarks.

So far as I personally am concerned I have never at any time or at any place made any statement indicating that the contract of purchase by the General American Life Insurance Co. of the assets of the defunct Missouri State Life Insurance Co. was either invalid or improper. As a matter of fact the courts have held that such contract was both valid and proper. The printed record of the proceedings of the committee are available to the Congress and a careful scrutiny of that testimony will so prove.

Mr. Speaker, I confess I have a personal interest in the General American Life Insurance Co. Over 25 years ago I took out insurance in the Missouri State Life Insurance Co., taken over by the General American Co. All the insurance I have is in this company. I have one paid-up policy that I can cash in at any time, but I have on numerous occasions made an investigation, and I feel that my money is perfectly safe, just as safe as it would be in any insurance company in this country.

No one suffers by attacks on this company but the policyholders. The more business this company has the more interest the policyholders receive. I admit I am not fully advised of all the transactions that occurred that resulted in the General American Life Insurance Co. taking over the Missouri State Life Insurance Co. I do not defend, nor do I criticize, the methods that might have been used to bring about the transaction, because I am not sufficiently informed. The same story has been printed time and again. Full publicity was given to the hearings held at Chicago by this select committee. Full publicity was given to the investigation by the Security and Exchange Commission. The public knows, or should know, the entire story. Still the business of this company has increased year by year.

An investigator of this committee by the name of Crume voluntarily submitted a memorandum to the Governor of our State. The information he gave the Governor was alleged to have come from the confidential report of this select committtee of the House of Representatives. The chamber of commerce of the City of St. Louis employed Hon. Charles Williams and Hon. Charles Polk, two of our leading lawyers, one a Democrat, the other a Republican. After a very lengthy investigation they made a voluminous report and cleared the officials of the charges in the Crume memorandum. That report is open to inspection and was given wide publicity. What right did anyone have to sell or make public information contained in a confidential report of a committee of this House?

It is charged a former employee of this committee sold to a reporter in Chicago, who in turn sold a series of articles to a Chicago newspaper, and attempted to sell them to other newspapers, the contents of the report in question.

I do not charge the gentleman from Illinois [Mr. SABATH] with knowing anything about this at the time—in fact, I know he would never have approved it, but on the contrary I am sure he would have denounced such practices.

I recall at one time calling to the attention of the gentleman from Illinois [Mr. SABATH] certain letters which clearly indicated an employee of the committee attempted to perpetrate a blackmailing scheme against certain insurance companies. When I showed him photostatic copies of letters written by this employee he immediately discharged him by telegraph. That man later was indicted by a Federal grand jury in Springfield, Ill. He died while under indictment. I therefore will not mention his name.

Mr. Walter W. Head is now president of this company. He has the respect of the business people of my city. Mr. Head is president of the Boy Scouts of America and arranged the jamboree held in the city of Washington several years ago. He is a former president of the American Bankers Association and at one time was vice president and director of the New York Life Insurance Co. Mr. Head is criticized in the report not only for his alleged activities in this insurance transaction but because he was active as treasurer of the Republican State committee of Nebraska in financing a campaign against Senator GEORGE W. NORRIS.

Mr. Sidney W. Souers, an official of the company, who was connected with the Missouri State Life Insurance Co. as financial vice president, is also criticized. Mr. Souers likewise enjoys the confidence of the businessmen of St. Louis. He is a commander in the United States Naval Reserve.

The entire transaction has been aired time and again. As I said, manipulations which resulted in the General American Life Insurance Co. taking over the Missouri State Life Insurance Co. have been subject to criticism. As I said before, I am not going to comment on that, because I am not sufficiently informed to do so, but I do say it is time that this company be left alone. If there was a violation of law, is it not reasonable to assume the courts would have acted? Naturally, the business of the company suffers when it is attacked, and in this case the policyholders are affected.

Mr. Speaker, as I said at the outset, my only purpose in making this statement is in the interest of fair play.

Mr. Speaker, there are three other members of this select committee, Members of the present Congress, the gentleman from New York, Mr. MARTIN J. KENNEDY; the gentleman from Illinois, Mr. DIRKSEN; and the gentleman from New York, Mr. CULKIN. They have all told me personally they did not, and will not, sign this so-called final report, released by the gentleman from Illinois, Mr. SABATH.

Laggard Recovery in America

EXTENSION OF REMARKS

OF

HON. GEORGE HOLDEN TINKHAM

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 20, 1939

ARTICLE FROM THE ECONOMIST OF JULY 1, 1939

Mr. TINKHAM. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following article from the Economist of July 1, 1939:

[From the Economist of July 1, 1939]

LAGGARD RECOVERY IN AMERICA

The course of American business activity never did run smooth; nor has it ever run on orthodox lines. Erratic unpredictability is not a quality that the American conjuncture has assumed only since it came under the ministrations of the New Deal. But its fluctuations have certainly been more abrupt and less rational during the last few years. No completely satisfying explanation has ever been given, for instance, of the very sudden reversal of recovery in the autumn of 1937, long before it appeared to have reached its maturity. Until the last few months the most reasonable explanation of this 1937–38 "recession" was that it was a temporary interruption in the upward march of recovery; such interruptions are familiar (there was one in 1924 and another in 1927 in the great "new era" boom) and it was only the severity of this recession that was remarkable. This theory appeared to be confirmed by the resumption of recovery 12 months ago. But since the beginning of 1939 this new recovery—the "re-recovery" as the Americans call it—has faltered and given ground, long before it had attained the peak levels of 1937, let alone those of 1929. It is true that in the last few weeks there have been signs of a new improvement—a re-rerecovery, as it were—but it is too early to say whether they are prophetic or deceptive, and in any case there is no assurance that 1939's improvement will go much further than 1938's. There is prima facie evidence for the belief that each new peak is lower than the last.

In these circumstances it is hardly surprising that there should be a mood of discouragement in the United States. The mood will be familiar to those Englishmen who remember the years of the 1920's when Great Britain, alone of the nations of the world, seemed to be incapable of making progress; and the subsequent course of economic history in this country might serve as a cure for American pessimism. That pessimism is, for the moment, taking the shape of asserting that the United States, being a "mature economy," is incapable of finding sufficient outlet for its savings. The theory is familiar enough on this side of the water; indeed, it is of English origin. It is perfectly true that in a community whose standard of living (and, therefore, standard of saving) is high, but which is failing to expand in numbers as rapidly as before, there is a tendency for the volume of capital that is invested to fall short of the savings that the public would wish to make, with the result that the savings run to waste, purchasing power is limited, and unemployment is created. It is also perfectly true that the pace of expansion of the United States is now very much smaller than it used to be. Out of these materials the theorists of the New Deal have constructed the doctrine that it is the duty of the Government to repair the deficiency in the private investment of capital by sponsoring the public investment of capital. The advocacy of public works is, of course, nothing new. But the latest development, as exemplified in the President's proposals made public on Thursday of last week, has two novel features. In the first place, an attempt is made to silence the objections of those who are alarmed by the series of enormous Treasury deficits. It is intended that the new long-term program of "investing" $3,680,000,000 over a period of years shall be carried out by autonomous corporations on the analogy of the Reconstruction Finance Corporation and the Export-Import Bank; the Treasury will be liable only for a contingent guaranty of these corporations' obligations. And, secondly, in contradistinction to all the "emergency" programs of the last 6 years, this one is designed for permanency.

The merits and demerits of public works as a temporary expedient have been argued many times, and this is not the place to add to the controversy. But the difficulties attending any large-scale program of public works are such that they should not be regarded as anything but a substitute for private investment. The justification for a permanent program of public works (over and above what would normally be required, or could normally pay for themselves) can only be established if there is a permanent deficiency of private investment. And though the reasoning of the "mature economy" doctrine is sound, the conclusions that America, in her present mood of economic defeatism, is drawing from it are woefully exaggerated. If America is a "mature" economy because the growth of population is slowing down, how much more "mature" is Great Britain, where the growth of population has almost stopped? And yet Great Britain has just emerged from a period of 5 years during which the rate of material progress was as high as, or higher than, at any previous period.

The truth is that the volume of private investment of capital that will be undertaken is not an absolute figure. It depends, for one thing, on the rate of interest at which money can be borrowed. It also depends, more importantly, on the apparent profitability of investment. There is no difficulty on the first score in America—money is very cheap and very plentiful. But there is serious discouragement to investment under the head of profitability. There is an inadequate volume of investment, and therefore an excessive volume of unemployment, because it is not made worth while to sink money in fixed capital—in a word, because profits are too low.

It would be much easier to accept the defeatist doctrine of a permanent insufficiency of private investment in America if any convincing attempt had been made to investigate and remove the causes of its present unprofitability. It is true that the complaints of the businessmen themselves are of little assistance. Their chief grievance relates to taxation, and though the present system of taxation in America has many features that are injurious to business enterprise, it is very unlikely that they have had a major effect on the volume of new investment. Similarly, it is difficult to take very seriously the allegation that the "antibusiness" attitude of the administration has prevented much new enterprise, though it is possible that business is choking of its own bitterness. There was an impressive volume of "confidence" in the early months of 1937, even though Mr. Roosevelt had then just been returned to office with an enormous majority. And lastly (to cite the third main item in the current commination of the New Deal) though there are obvious dangers in a chronic deficit, the level of interest rates in the market would not seem to indicate that the size of the Treasury's borrowings has either cast doubts on the Government's credit or monopolized the supply of credit.

To the outside observer, in fact, it seems that the unprofitability of investment in America today is not mainly due to any of these causes (and still less, of course, to any politically inspired "strike of capital"), but to a simple factor which, as our New York correspondent pointed out last week, receives amazingly little attention—namely, the extreme costliness of new investment. In American industry generally, and more especially in the construction industries, the cost of labor has been forced up to a very high level. This has been done in pursuance of what used to be called the doctrine of high wages and is now better known as the purchasing-power theory. It is a wholly admirable endeavor to raise the purchasing power of the people, and though the wage earners are only half the people they are the economically dominant element. But it is questionable whether the best way of increasing the purchasing power of the workers is always to raise their rates of wages. Between 1929 and 1938 the average hourly earnings of American workers (according to the figures of the National Industrial Conference Board) increased by 23 percent. Relatively to the movement of average wholesale prices, the increase was no less than 49 percent. But pay rolls—the total amount of money paid out in wages—fell, according to the official index, by 18½ percent in the same period. To place two figures in juxtaposition is not to prove that the one is the cause of the other. But it is at least suggestive that, while wage rates in Great Britain rose over the same period by less than a third of the American increase, British pay rolls (so far as they can be calculated) increased by 20 percent instead of the American fall of almost the same proportion, and this in the country which is the more "mature" of the two.

These figures present, at the very least, a case for investigation. They suggest the possibility that, as a result of shorter hours and correspondingly increased hourly wage rates (and it is the hourly rate of wages, not the daily or weekly earnings, that determines labor costs) the cost of capital goods has been pushed up so high that the pay rolls of the working class as a whole are not sufficient to support them. It does not pay to provide houses, machines, and other capital equipment for the workingman because he has made them too expensive for his own means.

In the past 6 years most of the recipes in the economic cookbook have been tried at least once. We have had the depreciation of the dollar and the deliberate enhancement of the price of silver, the fostering of monopolies through the N. R. A. and their prosecution by the Department of Justice, fiscal economy and deficit financing, pump priming, and yardstick building, public works, and work relief. The only remedy that has not been tried is a sustained attempt to lower the costs and encourage the expansion of the capital goods industries whose coma is, by common consent, the root cause of the laggardliness of recovery. It might be worth trying.

An Ache in the Nation's Sweet Tooth

EXTENSION OF REMARKS

OF

HON. JOHN C. SCHAFER

OF WISCONSIN

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 20, 1939

ARTICLE BY HON. JAMES F. O'CONNOR, OF MONTANA

Mr. SCHAFER of Wisconsin. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following article by Representative JAMES F. O'CONNOR, of Montana, which was published in the Sugar Journal for June 1939:

[From The Sugar Journal for June 1939]

AN ACHE IN THE NATION'S SWEET TOOTH

(By Congressman JAMES F. O'CONNOR, of Montana)

Congressmen from sugar-producing States are surveying a broad horizon these days, what with one eye focused on an amendment to the present Sugar Act during the current session and the other

eye on the new Sugar Act to be drafted at the session which opens in January next year.

At this writing, signatures of approximately 35 Members of the House have been placed on the discharge petition which I introduced May 19 to take the Ellender sugar-acreage bill (S. 69) from the House Committee on Agriculture and bring it to the floor of the House for consideration and a vote. In order to be entirely effective, the petition must contain 218 signatures.

Although we are exerting our full powers to bring the Ellender bill to an approving vote on the floor, at the same time we are devoting many hours of thought and research to the new Sugar Act which will be drafted in the light of the defects in the present bill.

At the very outset of our consideration of the draft of the new bill, we are faced with the fact that today United States sugar producers are contributing less than 30 percent toward the amount necessary for domestic consumption. This contribution in view of our stringent acreage restrictions is an obvious shortcoming which must be entirely erased through the new law.

Platforms of both the Democratic and Republican parties of many years past have carried the perfectly sound plank that the American market should and must be reserved for the American producer. The matter of framing a new sugar law is not a matter of partisan concern, but a simple expedient to meet the needs and protection of American farmers engaged in the production of beet or cane sugar.

As a sidelight in connection with the ramifications of the present Sugar Act, it is interesting to note the situation facing our farmers on the Sun River reclamation project in Montana. The Farm Security Administration requires each unit to plant at least 12 acres of sugar beets annually, but limitations on acreage prevent compliance with requirement. In 1938, 35 Farm Security Administration units on the project produced an average of 10½ acres of beets; in 1939, the 35 units were reduced to an average production of 9½ acres. Purchasers of 75 additional units making requests were unable to secure acreage to grow beets and comply with the requirements.

Farm operators in Teton, Cascade, and Pondera Counties in Montana signed up to plant a total of 10,237 acres of beet in 1939, but the total acreage alloted for their immediate area was reduced from 4,600 to 3,500 acres. Increase in the acreage requested would have resulted in the construction of a sugar factory in the Teton-Cascade-Pondera area with an investment of more than a million dollars. It has been estimated that 15,000 additional acres in sugar beets would give the farmers of this area an added income of from $750,000 to $1,000,000 annually.

There is little doubt but that the production of beet or cane sugar is one of the best cash crops we have today. It stands to reason that any curtailment of the sugar crop will result in a decrease in the agricultural income and work a dire hardship upon farmers of our Nation.

Our major premise in drafting the new Sugar Act should be that we will guarantee the American market to the American farmer. I can see no reason why American producers of beet or cane sugar should be prevented in any way from producing as much sugar as possible. We can increase our production 200 percent and still fall short of meeting the demand for domestic consumption.

Under the new law, there should be no acreage restriction whatsoever. We need have little worry at this time of glutting our market by sugar domestically produced. It appears, then, that the only sound practice would be to permit American farmers to produce as much sugar as possible as their contribution to the domestic-consumption figure.

It will be an easy matter for the Department of Agriculture to estimate the total domestic production of any year after the acreage has been seeded. It will then be possible to estimate the amount of sugar which must be imported to meet domestic consumption. In no event should foreign-produced sugar be placed on our market in competition with sugar produced in this country.

The American farmer must have more protection than the right to contribute as much sugar as possible toward domestic consumption. He must be protected by a high tariff on imports to freeze out the possibility of forcing him to compete with foreign interests which offer sugar produced by low-priced labor. In addition to the high tariff imports must be restricted so as to safeguard against the glutting of our market by foreign-produced sugar. All in all, the bill must be drafted so as to provide a cloak of protection for the American farmer.

As long as domestic production does not exceed domestic consumption, there is no apparent need for quotas or acreage restrictions. The curtailment practice may become necessary when we reach the point where we produce as much sugar as we consume, but never until that time.

We shall not go into the subject of sugar prices in this article. However, a fair price for sugar will insure a margin of profit to the producer and the processor, and at the same time work no hardship on the consumer.

It is my thought in the consideration of the new sugar law, that if we must have people on relief through restriction of sugar acreage, it is much better to have those people on relief in Cuba rather than the United States.

I fully recognize the value of the sugar imports as an important link in our good-neighbor chain.

Guglielmo Marconi

EXTENSION OF REMARKS

OF

HON. THOMAS D'ALESANDRO, JR.

OF MARYLAND

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 20, 1939

RADIO ADDRESS BY HON. THOMAS D'ALESANDRO, JR., OF MARYLAND

Mr. D'ALESANDRO. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following address which I made last night over the radio and a short schedule of the program:

Tonight we are commemorating the anniversary of the death of a great scientist, Guglielmo Marconi. A man who was destined to be one of the greatest minds that has ever seen the light of day; who, through his keen intellect and hard work, contributed to the world of today a new way of circumnavigating the world. To him we are indebted for discoveries which have saved many lives and brought happiness and entertainment into the home.

Marconi's life was marked by four great climaxes: First, the flash of the wireless spark across the garden of his home; second, the first trans-Atlantic signal; third, the S O S and the heroic role it played in the disaster of the *Titanic;* fourth, the development of the short waves, the vacuum tube, and the radiophone during the World War.

The two personalities of Marconi the man and Marconi the inventor, though vastly different, were linked into one by the outstanding characteristic of simplicity. Simplicity was the keynote of his everyday life and of his scientific triumphs; it was the secret of his wizardry. The simplicity of the mind protected him from complex technical ideas which would have disturbed him by the contamination of clear thinking. Marconi's simplicity of thought enabled him to accomplish what skilled mathematicians and theorists had failed to do, because they became entangled in deep technical approaches.

As a child he became intensely interested in electricity. He read and reread everything he could find on the subject. It was while on a vacation in the Alps that wireless was born in his mind. He had read in an electrical journal how Hertz had radiated electromagnetic waves with an electric oscillator and how sparks appeared on a metal loop across the room. He asked himself why these Hertzian waves could not be developed to leap across larger spaces. Years later, in a lecture, he explained: "It seemed to me that if the radiation could be increased, developed, and controlled, it would be possible to signal across space for considerable distances. This first idea was so real to me that I did not realize that to others it might appear fantastic."

Like all great inventors, Marconi had to suffer much from the envy of other scientists, inventors, and engineers who had tried their best to minimize his accomplishments. In spite of this, however, he went on doing what others thought impossible and left the world better for his efforts. He set upon the task to prove to the world the practicability of his ideas and discovery. It was not until years after he had successfully completed his experimentation that his labors and efforts reached the stage of commerciability. So successful were these labors that today every nation of the world joins in honoring the memory of the man who made the world wireless conscious.

Though his labors filled the regular commercial needs, he continued an active role in the development of the service. During the World War he directed a large staff of Italian experts in adapting wireless to warfare. Returning once again to his boyhood experiments that he had abandoned in the perfection of the wireless, he developed the short-wave transmission as a secret means of communication. By means of parabolic mirrors, to converge waves into beams, he worked out a system of narrowcasting, in order to save power and to prevent the message from being diffused to the enemy camp. He evolved new direction finders to spot the enemy sending stations and to enable Italian ships to get radio bearings from shore stations. Out of the war and accompanying research by thousands of other scientists and inventors, radio grew tremendously in power and scope, with great forward strides in wireless telephony, the vacuum tube, and short waves.

The last years of his life were spent in experiments in short waves and tiny micro-waves which he regarded as holding the secrets of radio in the future and television.

Marconi's understanding of science, plus the ability of making practical application of his knowledge, resulted in the invention and perfection of the radio. Today broadcasting bespeaks his genius and television illustrates it.

I wish to commend the Lido Civic Club for its excellent work in inaugurating commemorative services on the anniversary of

the death of Guglielmo Marconi, and I feel that they are to be congratulated for arranging such a splendid program in his honor.

I also wish to take this opportunity to thank them for granting me the privilege of addressing the radio audience on this memorable occasion.

MARCONI ANNIVERSARY PROGRAM, JULY 19, 1939

ANNOUNCER. The National Broadcasting Co., on the occasion of the second anniversary of the death of Guglielmo Marconi, presents a memorial tribute to the inventor of wireless telegraphy in this program arranged under the auspices of the Lido Civic Club of Washington. During this memorial to the father of radio you will hear the mixed chorus of the Washington Schola Cantorum, under the direction of Maestro Arturo Papalardo. You will also hear a brief address by the Honorable THOMAS D'ALESANDRO, United States Congressman from Maryland—and later in the program a recording of Marconi's voice as he spoke to radio listeners in this country shortly before his death.

The program opens with the women's chorus of the Washington Schola Cantorum singing Verdi's Ave Maria.

(Women's chorus sings Ave Maria.)

ANNOUNCER. We now present the Honorable THOMAS D'ALESANDRO.

(D'ALESANDRO speaks.)

ANNOUNCER. The entire mixed ensemble of the Schola Cantorum sings Tschaikowsky's How Blest Are They.

(Mixed ensemble in How Blest Are They.)

ANNOUNCER. Now, by means of a recording, we bring you part of a special memorial broadcast which was presented over the NBC networks on July 20, 1937, the night following Marconi's death. It is fitting that tonight, 2 years later, the program should include this portion of that memorial program to Marconi as narrated by the famous Italian woman announcer, Liza Sergio.

(Transcription.)

(Men's section (unannounced) sings There Is No Death.)

ANNOUNCER. This memorial is concluded by the Washington Schola Cantorum in the singing of Beethoven's Hallejulah Chorus.

(Cantorum sings Hallejulah Chorus.)

ANNOUNCER. You have heard a program in commemoration of the second anniversary of the death of Marconi, the great Italian inventor, and father of radio. The program was arranged under the auspices of the Lido Civic Club of Washington. You have heard Congressman THOMAS D'ALESANDRO, of Maryland, and music by the Washington Schola Cantorum, under the direction of Maestro Arturo Papalardo.

This is the National Broadcasting Co.

The Hatch Bill

EXTENSION OF REMARKS

OF

HON. JOSEPH A. McARDLE

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 20, 1939

Mr. McARDLE. Mr. Speaker, there are three chief reasons why I oppose Senate bill 1871, the so-called Hatch bill, and why I shall vote against it or any similar substitute.

First. I do not believe in punishing a man because through no fault of his own he is forced to accept employment on the W. P. A. or because he is competent enough to hold a job in some Federal agency.

Second. I believe the bill unconstitutional.

Third. I believe measures such as this encourage that lunatic fringe of industralists, bankers, and other selected members of the self-styled upper classes who believe that a man should join a country club and pass an examination on his education, ancestors, and pocketbook before he can vote.

Regardless of those Tory stalwarts of the cocktail lounges who rush for an antiseptic at sight of a poor man, I maintain that the poor man is and always has been, since long before the days of the Revolution, the backbone of this country.

That the poor man is deprived of his income by the ailing corporation for which he works is no fault of his. That our capitalistic system is limping along on two cylinders is no fault of his. That he is forced to take recourse in W. P. A. employment or on relief to eat is no fault of his.

Why, then, should we deprive him of his right to participate in election campaigns, to express his opinions, and to work for the side he thinks best fitted to preserve democracy in this country?

No man in this House genuinely believes any political boss can wring contributions from the needy.

Any person with one iota of practical knowledge of politics knows that you cannot exact financial tribute from the poor and live.

Some will try but none will succeed. Any politician who attempts to extract campaign contributions from reliefers or W. P. A.ers will be voted out of office and ruined for the rest of his days.

So I return to my first objection, that this bill penalizes a man for being unfortunate enough to need the W. P. A. or hold a job with the Government.

I question if that is constitutional.

Surely the newspapers of this country which are howling for these restrictions on the poor man would howl far louder if we approved the amendment which will be offered later today to prevent them from voicing their views on politics.

Surely the heavens would be rent by their screams of anguish if we forbade the acceptance of political advertisements which so often have been used by the illustrious and well-heeled Republican Party virtually to purchase editorial support.

Why not disfranchise E. T. Weir because that antilabor reactionary gentleman receives business from the Government?

Why should Tom Girdler and Joe Pew be allowed to snort their disgust at our efforts to legislate in favor of the majority of the people when they receive money from Government business?

Why not deprive them, too, of the right to make contributions to political parties or speeches and statements for candidates?

The bill would be unconstitutional if applied to them; surely it is unconstitutional now.

You are flirting with infringement of free speech and free assembly.

You come dangerously close to denying the franchise to a huge mass of our American people.

You call this protection of the man on W. P. A., on relief, on public pay rolls? Bosh. You are saying to democracy: "Come closer, dear, so I can kill you."

I do not seek to justify coercion of the American voter. I do not believe he can be coerced. The ballot is secret and the voter is courageous.

His voting power is greater than any act you can pass here. He cannot be coerced long by any political machine or any politician.

He can be and has been coerced by private employers who answer only to their boards of directors.

For many years, the steel companies and factory workers of Pennsylvania, as well as of many other States, practiced the gentle art of controlling the ballot by fear of starvation.

The practice is not new, the method is not new, the danger is not new.

I remember the days, and they are not far in the past, when a Pennsylvania steel worker was afraid to vote in a Democratic primary; when a railroader trembled at voting a liberal ticket; when attendance at a Democratic political rally was sufficient cause for dismissal of a factory hand.

Even today the practice continues in lesser degree, just as there is no doubt that there have been occasions of political coercion of relief workers which are shameful to relate, and which can never be excused.

I have no more sympathy for coercion of the reliefer than I have for coercion of the shopgirl.

Yet no newspaper propaganda, no hypocritical mouthings of Republicans whose predecessors and sponsors invented and developed the art of coercing employee voters, no pressure from so-called reformers, no seductive whisperings from conservatives who look for political gain in the passage of this bill have yet served to allay my fear that its passage might create a greater evil than the one it purports to destroy.

I fear passage of the Hatch bill might result in a dangerous restriction of the rights of American citizens.

We all are aware of the many vicious proposals which have been put forth in the past few years suggesting that persons on relief be deprived of their votes and that property qualifications be reestablished as a prerequisite to registration.

One of the most important industrial supporters of the Republican Party in Pennsylvania, Mr. A. W. Robertson, chairman of the board of Westinghouse Electric & Manufacturing Co., recently suggested such disfranchisement for persons on relief.

His suggestion was merely indicative of a trend. His suggestion was merely indicative of the inability of a large segment of the conservative element of our population today to understand or sympathize with the workings of a democratic system of society.

That inability should be a greater cause for our concern than the spotty instances of abuse by relief or political officials which are bound to crop up in any such vast program as that forced upon this Government in recent years.

And it is the encouragement of unenlightened social theories such as Mr. Robertson's, and the damaging results of those theories, which I fear in the enactment of any bill such as the Hatch bill.

Any democracy is founded upon a healthy interest in its government's business on the part of all its citizens, rich and poor, old and young.

The success of that democracy can be measured in direct proportion as its citizens in every stratum of life are interested in its government.

Therefore we cannot wisely or justly bar any person from voluntary participation and interest in politics. To do so would be just as bad as to pass a law requiring every relief recipient to vote for the administration in power or to disfranchise every relief recipient.

Not only must we not discourage participation in politics by anyone, we must encourage that participation.

When a bill has been worked out which will preserve and encourage all persons, on or off the public pay roll, in the exercise of their duties as citizens, as well as protecting them from coercion, I shall be glad to vote for that bill.

But I cannot vote for any bill designed to protect Americans from coercion when there is a shadow of a chance that the bill may be turned against their right and duty to participate in politics.

This country need never fear the citizen in politics; it is the citizen who with a "holier than thou" attitude divorces himself from politics and from his duties of citizenship that is to be feared.

New Problems of Government

EXTENSION OF REMARKS

OF

HON. CHARLES L. McNARY

OF OREGON

IN THE SENATE OF THE UNITED STATES

Friday, July 21 (legislative day of Tuesday, July 18), 1939

ADDRESS BY HON. ROBERT A. TAFT, OF OHIO, JULY 14, 1939

Mr. McNARY. Mr. President, I ask unanimous consent to have printed in the Appendix of the RECORD an address on the subject New Problems of Government, delivered by the junior Senator from Ohio [Mr. TAFT] before the Institute of Public Affairs of the University of Virginia at Charlottesville, Va., Friday, July 14, 1939.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

I consider it a real honor to be one of the closing speakers at this great Institute of Public Affairs. As usual, you have come to the close of a most stimulating and successful program, and Professor Dillard is to be congratulated on the tremendous interest of the discussions which he has directed.

It is a pleasure, as well as an honor, to speak from the same platform with Congressman T. V. SMITH. He and I conducted 13 weeks of radio debate, and throughout it all, besides being a hard man to answer, he was always the most pleasant companion and the fairest of adversaries.

I have been asked to present the Republican point of view on the political outlook for the United States. This sounds like a title on which Dr. Gallup might speak more authoritatively. The only possible Republican point of view on the political outlook is that a Republican President will be overwhelmingly elected in 1940.

I have chosen rather the general subject of your present session, namely, "New Problems of Government." In view of the fact that I may have to hear international problems discussed at length in the Senate through the hot summer months, I am going to confine my discussion this evening to the internal problems of the United States and give some idea of what I think the Republican point of view should be in dealing with those problems.

EXPANSION OF GOVERNMENT

There can be no doubt that the problems we face today are new problems. Whether they can be solved by the application of old principles is the main question before the people today. Certainly the picture of government has completely changed in the last 10 years. The problems of those days have faded into insignificance, and the problems of today were never even conceived during the prosperous twenties. Our problems of today arise out of the tremendously increased activity of government in every field, some of it forced by economic conditions, some by a determined and definite policy of expansion. The total cost of government today has reached $18,000,000,000, or almost 30 percent of the national income, more than twice the percentage it was 10 years ago, and three times the percentage existing before the World War. Our total tax bill for local, State, and National Government is $14,000,000,000 a year, and yet falls four billion short of meeting our expenses. Twenty-two percent of the national income is used to pay taxes, and the average workman probably pays over one-sixth of his income in taxes, direct or indirect. Three million people work for government, 5,000,000 more families are dependent on it for support; in all, nearly a fourth of the population.

CONSTITUTIONAL LANDMARKS GONE

Some extension has taken place in local government activity, principally in the additional relief load forced by the depression, but the great expansion of course has taken place in Federal action. Old landmarks have been wiped away. The conception of interstate commerce has been extended until it is hard to see what commerce or what productive activity on the farm or in the factory is free from Federal control. The spending power has been found to be without limitation. The entrance of Government into business apparently cannot be successfully challenged in the courts. In short, whether we agree or disagree, whether we like it or not, all constitutional restraints have been removed, and the National Government sits at every fireside.

FISCAL RESTRAINT REMOVED

The extension of Government activity has not only been freed from constitutional restraint, but has also been relieved of all financial check. When most activities were assumed by local governments, they knew the necessity of balancing their budgets, and spending only the money which their people were willing to pay in taxes. The New Deal administration has been guided by the principle that it is wholly unnecessary to balance any budget, and that virtue attaches to the free spending of more money than can be raised by taxes. This curious fallacy removes all restraint and makes it peculiarly difficult to resist those expenditures in the nature of subsidy or gratuity demanded by various groups of organized voters.

The danger and indeed the immorality of this new fiscal policy is apparent. Take, for instance, the question of old-age pensions, and the proper amount to be paid. This week the Senate raised the basic amount of the noncontributory system from $30 to $40 a month, and added $600,000,000 to be paid out under the contributory system. Under the new dispensation, the people have been taught to consider only the question whether a man would like to have $30 a month to live on, or $40. The people and the Congress pass on that question in complete disregard of the fact that taxes must be raised to pay the pensions. They have come to feel that they are getting something for nothing, and under this belief they are naturally inclined to approve an unlimited liberality. Under the old simple arithmetic of our forefathers, they had to consider where the money was coming from to pay the pensions. A majority of the people might approve $40-pensions, but if a majority of the people refused to pay taxes in a greater sum than was required to pay $30 a month, there was no way in which the pensions could be increased. The rapid increase in Government activity is perhaps more due to this immoral policy of spending what we haven't got than it is to any constitutional change.

HUMANITARIAN ACTIVITIES

The new activities of the Federal Government may be divided into several groups, justified on entirely different theories of politics and economics. For many years in this country we went on the theory that any man who wanted a job could get it, and if he worked hard he could support himself without Government assistance. We thought we had created an economic system under which a reasonable prosperity might be universal. Perhaps we were mistaken at the time. In any event, the depression which began in 1929 brought home to everyone the fact that America was no

utopia; that many people could not secure work; that many hard workers were unable to provide for their old age; that many were unable to secure decent homes. In short, we found that many families received such inadequate incomes that they could not decently support a family and give their children the equal opportunity which every American child should have. Of course, this condition has been made much worse by the depression, and the failure to cure the unemployment problem. But even if that problem is cured, it is likely that a large number of people will have to work at jobs the product of which is not worth enough money to give them adequate support no matter how hard they may work.

So we have adopted the principle that these unfortunate people must be assisted by Government, and since the resources of local governments are limited, that financial help, at least, must be supplied by the Federal Government. Thus we recognize the absolute necessity of relief to prevent starvation. We recognize the necessity for a system of old-age pensions and unemployment insurance. We recognize the necessity of providing housing, subsidized directly or through loans at low rates of interest, to eliminate the slums and provide decent living quarters. We have recognized the necessity for increased medical service in some fields, and Congress next year will probably enact some kind of health measure to increase that assistance. The Wagner bill presents a very complicated and expensive plan, looking strongly in the direction of socialized medicine, but I believe that with the assistance of the doctors a much simpler and sounder plan can be adopted.

Measures of the kind I have described are humanitarian in character, and meet with the full approval of both parties. There can be no question that relief and old-age pensions and the other assistance I have described must be continued. The methods pursued, however, under the present administration seem extraordinarily wasteful and in many cases unsound.

PLANNED ECONOMY

The New Deal, however, was not long satisfied with activity of this kind. Its first campaign for office was conducted on a program of orthodox fiscal policy and sound money, but from the moment that the President was inaugurated he joined the advocates of planned economy, and endorsed the theory that the Government could produce prosperity by regulating everything and everybody.

In the first phase we saw the N. R. A. and the A. A. A., devices intended to be worked out by the industrial leaders themselves. We saw the devaluation of the dollar, inspired by the fallacy that prosperity can result from currency panaceas. In this phase the New Deal received the cooperation of businessmen, and even the bizarre monetary policies were condoned because of the serious emergency.

It became apparent that these measures were failing in their purpose. Unemployment continued; business activity remained at a low point. The action of the Supreme Court ended the N. R. A. and the A. A. A.

And then we saw a third phase, a program which contemplated a complete planned economy, regulation of all commerce, agriculture, and manufacture, inspired, furthermore, by an apparent hostility to the American business system, by the belief that all businessmen were potential criminals and that the making of a profit was a cause for disgrace. This program has been pushed steadily forward and has scarcely met opposition until the present session of Congress.

Even now new controls are being proposed. We see a complete control of money and banking. The new Agricultural Adjustment Act gives the Secretary of Agriculture almost arbitrary power over every farm activity. Wages are fixed by law. Prices are fixed by law. The Securities and Exchange Commission, designed to prevent fraud on investors, yearns to control all capital markets. The National Labor Relations Board exercises a close control over all labor. The United States Housing Administration and the Federal Housing Administration dominate the field of housing.

Many of these regulations are justified; others are not; but whether justified or not, all of the laws seem to be administered on the general theory that the Goverment shall direct economic activity. Underlying them all is the fixed belief of the administration that it can run the affairs of this Nation, and particularly the businessmen and the farmers of this Nation, better than they can run their own affairs. The Government tells every farmer and businessman when he shall expand his business with new machinery and when he shall cut down production. It believes in the upside-down economic theory that it can produce prosperity by increasing purchasing power arbitrarily while discouraging increased production. Through a regulation of wages and prices the Government expects to restore economic prosperity, although no price control in the history of the world has ever been continuously successful.

Of course, this activity results in a tremendous increase in expense, and linked with it is a third type of Government action consisting in direct Government operation of business in competition with existing business. We see this in the T. V. A., the Rural Electrification Administration, the financing of municipal utility plants. There are numerous other competitive projects found under the W. P. A. and various Government-regulated corporations. Most of them involve loss and expense to the Government, because a government is far less likely to make a profit than an individual in the same field. Of course, the effect of direct competition is even more discouraging to private enterprise than regulation.

The planned-economy program, the third New Deal, proceeded quietly for a while, but in 1937 its failure as a prosperity measure became apparent. The effort through the Supreme Court bill and the reorganization bill to secure more power to carry it through resulted in a tremendous popular revulsion of feeling. The depression of 1937 showed the ineffectiveness of the entire plan.

SPENDING AND LENDING

With more than 11,000,000 unemployed, with a national income sinking to approximately $60,000,000,000, twenty billion less than it had been 10 years before, the Government turned to the spending of money as the ultimate cure-all for the depression. In spite of the fact that huge spending incidental to the other programs had increased the national debt by $20,000,000,000 without result, all thought of balancing the Budget was abandoned, and a new program of continuous deficits was inaugurated.

Today we seem to have entered upon the final phase. Unable to reconcile its followers or its conscience to still larger direct deficits, a Government lending program, financed through the sale of bonds of various agencies, guaranteed by the Government, is being rapidly expanded. There are already some 43 Government lending agencies, with capital funds in excess of almost $4,000,000,000. The bill just presented to Congress by Senator BARKLEY proposes additional lending powers of $2,700,000,000. There is a theory that this is investment in self-liquidating projects. A casual study of the Barkley bill shows that hardly any of it is really self-liquidating. It would be much franker if the Government borrowed the money itself, and added the money to be loaned to its expenditures. But this, of course, would increase the apparent deficit, which already alarms the people of the United States.

As a matter of fact, the lending program is even more dangerous than the spending program, for it removes the spending entirely from the control of the Appropriations Committees of House and Senate, which even in these generous days retain a certain hard-boiled attitude. If expenditures are part of the regular Budget, they are examined in detail by the committees. The Barkley bill gives apparently unlimited power to the President to use Federal money in forwarding any project, even the Florida ship canal or Passamaquoddy; to build vast Federal highways and speculate in real estate; to loan money to almost anyone at 2½ percent, even though the risk of repayment is such that any prudent banker would demand at least 5 percent. The Barkley bill is merely a smoke screen for billions of uncontrolled Federal spending. It is hard to understand how anyone with any respect for the United States Constitution, or for the welfare of the country, could have drafted such a bill.

The New Deal program and its various steps which I have described have undoubtedly created a vast number of new problems of government. Every activity creates a new problem, and usually an interesting one, and I would have to spend the next week to cover them even in a superficial way. Some are well administered; some are hopelessly inefficient; all are experimental and subject to a continual change of policy. Little public attention is paid to them, and few men even in Congress have a comprehensive idea of the countless activities of government. A good many more problems have been created than solved.

HOW SHALL WE CURE UNEMPLOYMENT?

But there are two great problems whose solution, in my opinion, is essential if the Nation is to survive. I wish to suggest what those problems are and how the Republicans propose to meet them.

The first and most important problem is that of unemployment. The question is how we can encourage again in the United States the tremendous volume of private enterprise which existed in the twenties. Our national income is still far below that of 1928, although there are 10,000,000 more people today among whom it must be divided. If we could get back to the business activity of those days, we should have a $90,000,000,000 income, 40 percent larger than we have today. Any such increase would take up the greater part of the present unemployment. Unless it can be cured we may have to admit that the whole American system of democratic government is a failure. The people may well have reason to turn to some other system under which men at least can secure work.

Whatever else has resulted from the great increase in Government activity I have described, it has certainly had the effect of completely checking private enterprise. This country was built up by the constant establishment of new business and the expansion of old businesses. In every city and every village throughout the country men were constantly starting out on their own initiative to improve on the enterprises of others or develop a new product. They put a few men to work. If successful, they expanded to employ ten or a hundred or thousands. If unsuccessful, they passed from the picture without need of Government subsidy. New methods of production were found and small industries expanded into large industries. Men were willing to spend their time and their money in order that they might provide more completely for themselves and their family in their old age, in order that they might rise above the average standard of living and enjoy a little more luxury or a little more power. In the last 6 years this process has come to an end, and it has come to an end because of Government regulation and the development of a tax system which penalizes hard work and success. We must and can resume the progress which returned us to prosperity after every depression, but it can only be done by a radical change in Government policy.

The policy of fixing the prices of basic commodities has been frequently attempted in history, and has always failed in the end, usually resulting in lower prices for those whom it attempted to

benefit. I believe that most of the laws attempting to regulate prices and wages should be repealed, although I believe in a minimum-wage law to protect unorganized employees against oppression where the right of collective bargaining cannot be made effective. Laws attempting to dictate the amount of production and the method of operating agriculture and business should be repealed, or, where resulting from some definite abuse, should be confined to the cure of that abuse.

The S. E. C. should confine itself to the prevention of fraud in the sale of securities and the regulation of interstate utility rates. The N. L. R. B. should confine itself to seeing that the employees of each employer obtain, through collective bargaining, what they themselves really desire.

The limitation of farm production and the making of unsound loans on crops for the sole purpose of maintaining prices should come to an end.

Government competition with private industry should be confined to its present limits and assurance given that it will not be expanded into other fields.

The Government should gradually withdraw from the business of lending money and leave that function to private capital under proper regulation.

The whole tax system should be reformed to put a premium on expansion of industry and the risking of private money in the development of new and old enterprises.

The capital-gains tax should be substantially modified, so that such risks as result in profit may not be subjected to high surtaxes.

Above all, the laws must be administered with the constant effort to encourage the development of private industry. There must be a real sympathy with its success, a real desire to relieve it from unnecessary harassment and discouragement. There must be a recognition of the fact that the making of profits is not a crime; that the average businessman, making a success in his own business, is an essential cog in the national machine and ought to be encouraged as long as it does not cost the taxpayer any money.

I am convinced that we can restore prosperity. We have come out of every past depression by the recovery of private industry. The American people are the same people they were in the twenties. They have the same ingenuity and courage and determination. Human nature is the same now as it was then. There are just as many wants unsatisfied, or more. There are just as many economic and scientific frontiers as there ever were. After all, it is 50 years since we had any physical frontiers, and most of that time we have been a prosperous Nation. It can be done, but it cannot be done by Government regulation of agriculture and commerce and industry.

HOW SHALL WE BALANCE THE BUDGET?

The other new problem which must be solved is that of adjusting our expenses to our income. How can we maintain the humanitarian measures I have described within a tax system that does not completely bog down the industrial machine? If anything is certain, it is that a continuation of the present policy of reckless expenditure, without regard to taxes, can only lead to bankruptcy, repudiation, and a break-down of our entire economic life. No government has ever continued a deficit policy without ultimate repudiation. Sooner or later the time comes when the burden of debt is so great that the people refuse to meet the expense of the interest. The temptation to pay in paper money becomes politically irresistible. Leading as it must to inflated prices, it wipes out the savings of the people, and bears down most heavily on the groups with fixed income, to the benefit only of successful speculators. If we ever reach the point which Germany reached after the World War, it is doubtful if we could ever reestablish a system based on thrift and saving and investment of funds in private enterprise. The American system as we know it would not survive.

People say that the Budget cannot be balanced, but of course it can be if a courageous Government determines that it will be. Expenses can be reduced; taxes can be increased. Probably a combination of both will be necessary. The people must face the fact that if we are going to give Government help to the more unfortunate families, through relief, pensions, insurance, housing, and medical assistance, that help will have to be supplied by those who do not require it themselves. It cannot come from the rich, because if we confiscate all the incomes over $10,000 a year, we would only get $7,000,000,000, and the total tax bill today is already $18,000,000,000. It can only come from the two-thirds who are not underprivileged, from the average prudent and successful workman. The only people who can support men and women who do not work are those who are working at about the same time. Obviously the humanitarian measures must be administered as economically as possible. Pensions cannot be carelessly increased, as the Congress has just increased the old-age pension from 30 to 40 dollars, unless a majority of the people are willing to pay the taxes necessary to pay the increase. I was shocked by the fact that Wednesday a dozen Senators voted a pension which would cost the people $5,000,000,000 without the slightest suggestion of any way in which the money could possibly be raised. There must be an utter repudiation of that point of view.

Furthermore, these laws should be administered so that the recipients of Government assistance are not placed in a better position through that assistance than the other workman with private jobs, who have saved their own money and have to provide the taxes. There has been too much tendency on the part of each department to look only at its own job, and try to please its wards by a liberal administration of its particular tax. The man who lives in Government housing should not be better off than the man who has built his own home out of his own savings. The man who gets an old-age pension should not be better off than he who has spent his life in making provision for his own old age. In short, measures to assist the lower-income groups must be administered with just as much consideration for the middle-income groups, who have to do the paying, as for the lower-income groups.

The Budget can be balanced. Economy can be secured even in relief without decreasing its efficiency. If administration were returned to the localities, with full discretion to administer both work relief and direct relief in the manner best suited to local conditions, it would cost the Federal Government less, even though it supplied two-thirds of the entire cost, and there would be far more equal treatment of those on relief, more liberal treatment for direct-relief clients than today. Housing can be cheaper, and there does not need to be the large subsidy required by the present program of the United States Housing Authority.

It is no easy task to economize. It cannot be done effectively over the opposition of the Executive, for many Federal policies have to be completely changed by affirmative legislation, which the Executive can block. For instance, until the relief policy is completely changed, we must go on voting the appropriations required by the present W. P. A. system. Economy cannot be secured piecemeal, for each project has its appeal, and often a very attractive appeal. Some leadership must develop a plan for balancing the Budget within 2 years, and hold Congress to it. It is the proper function of the Executive, but if the Executive will not do it, Congress will have to create a Budget committee of its own. The findings of such a committee can only be carried through with a strong leadership for economy, backed by a majority of the Members in both Houses of Congress. I feel confident that expenses can be reduced by several billions of dollars; that a tax system can produce the necessary income in a way that won't destroy the very income which is to provide the taxes. It can be done, but it cannot be done by neglecting the fundamental principles of horse sense.

Neutrality

EXTENSION OF REMARKS

OF

HON. SHERMAN MINTON

OF INDIANA

IN THE SENATE OF THE UNITED STATES

Friday, July 21 (legislative day of Tuesday, July 18), 1939

ARTICLE BY DAVID LAWRENCE

Mr. MINTON. Mr. President, I ask unanimous consent to have printed in the RECORD an article which appeared in the Evening Star of Washington, written by David Lawrence, under the headline "Senate Spikes United States Guns of Trade."

There being no objection, the article was ordered to be printed in the RECORD, as follows:

[From the Washington Evening Star]

SENATE SPIKES UNITED STATES GUNS OF TRADE—EUROPE TO TURN TO OTHER SOURCES FOR STEADY SUPPLY

(By David Lawrence)

Many hundreds of millions of dollars may be lost to American business by the decision of the Senate Foreign Relations Committee to do nothing at this session of Congress with respect to the revision of the neutrality laws.

In many respects the Senate policy is the worst blow to economic recovery that yet has been administered. The effects of the action will be felt in the switching of peacetime trade which otherwise might have gone to the United States.

European governments have been waiting to see whether in the event of war they could depend on the United States, not for troops or naval aid but for war supplies. The fact that President Roosevelt and Secretary Hull wanted the laws revised has caused the European governments to await the outcome of the present session. Now, in self-protection, they must begin to make plans for the manufacture of articles which will be needed in wartime, as they cannot any longer depend on the United States.

The business affected is not merely that which might be shut off if the present neutrality law is not revised but other articles of commerce which are vital to European democracies. Thus, trade will naturally go to South American countries and other parts of the world where some guaranties will be forthcoming that in the event of war there will be no interruption.

CANADA TO BUILD FACTORIES

Perhaps the biggest single change in the commercial situation will be with respect to Canada, where preparations probably will be made soon to build certain factories for the assembling of the very war materials which the action of the Senate Foreign Relations Committee would not bar from shipment.

Thus American businessmen will see their opportunities for manufacturing certain products pass to Canada and other countries. This so-called war trade is supposed to have been the cause of American participation in the last war, so it will be contended by the isolationists that it is better to lose the money than to involve American boys in a foreign war.

But the other side of that argument is that not only will trade in wartime articles be lost, but also certain peacetime commerce. Likewise the belief of the allied governments abroad is that there will be no war if they can be fully prepared now and if they can make it known to the Germans and Italians that a steady stream of supplies will be available. Spokesmen for England and France insist that no troops will be needed from this hemisphere and that the airplane will decide the issue.

In order to demonstrate that the supplies will be forthcoming, it will be necessary for Great Britain and France to make arrangements with countries other than the United States. Argentina, for example, is said to be ready to develop some light manufacturing industries which can play a part in the making of wartime necessities. To be assured, however, that their capital will not be lost on plants built for war purposes, businessmen of other countries will demand a share of the normal trade. It is at this point that Europeans will begin to switch business.

FAVOR STEADY FLOW

Just what effect this may have on the delivery of airplane parts or on the setting up of new airplane factories across the Canadian border is difficult to say at this time, but that some change in the whole war-trade set-up, including peacetime trade, is coming seems apparent. World trade is a big factor in economic recovery, and nations like the United States which cannot be depended upon to keep the necessary supplies going in wartime will hardly expect to be favored as against countries which can assure a constant flow of goods both in wartime and in peacetime.

The Republican Party in Congress has been most active in blocking action on the neutrality law revision at this session, and it cannot be contended in this instance that the Republicans have been acting at the behest of the business interests of the country. The theory behind the Republican attack has been that they could convince the country Mr. Roosevelt and Mr. Hull want to drag America into a foreign war, and that to agree to sell arms during a war would mean American participation. The President and the Secretary of State, on the other hand, take the view that if war comes, the Senate's indifference may prove to have been an encouragement to Hitler and Mussolini, and that passage of the Hull program at this session of Congress might have prevented a European war.

The issue will be taken to the country by the President as predicted in these dispatches earlier this week. Again Mr. Roosevelt has been handed a campaign opportunity on a platter by the Republican minority and, incidentally, the New Deal has been given campaign material on how the isolationist Senators impaired good will between America and France and Britain and contributed to the loss of American commerce in peacetime products.

Veteran Relief Legislation

REMARKS
OF
HON. JOHN E. RANKIN
OF MISSISSIPPI
IN THE HOUSE OF REPRESENTATIVES

Thursday, July 20, 1939

Mr. RANKIN. Mr. Speaker, it is my pleasure to announce to the House that the President has signed the two veterans' bills passed by the House a few days ago, H. R. 2296, with reference to correction of misconduct restrictions, and H. R. 5452, with reference to additional care for disabled veterans and their dependents.

For the benefit of the membership of the House, I insert at this point analyses of the two bills prepared by the Veterans' Administration.

Of course, these measures do not go as far as I should like for them to go, but this is the best we could do under the circumstances. The Senate amended the House bills in several respects, thereby limiting the benefits which the House bills provided.

The matter referred to follows:

ANALYSIS PREPARED BY THE VETERANS' ADMINISTRATION

RANKIN BILL, H. R. 2296

(Act of July 19, 1939, Public, No. 196, 76th Cong.)

Public Law No. 196, Seventy-sixth Congress, "An act to restore certain benefits to World War veterans suffering with paralysis, paresis, or blindness, or who are helpless or bedridden, and for other purposes," was approved by the President July 19, 1939.

This act, with certain limitations, restored to the compensation rolls those World War veterans on the rolls March 19, 1933, under that part of section 200, World War Veterans' Act, 1924, as amended, which provides as follows:

"* * * no person suffering from paralysis, paresis, or blindness shall be denied compensation by reason of willful misconduct, nor shall any person who is helpless or bedridden as a result of any disability be denied compensation by reason of willful misconduct."

The act further provides death compensation for widows and children of such veterans who die or have died from disease or injury, service connection of which is or would have been established under the provisions of this act. These benefits are payable under Public Law No. 484, Seventy-third Congress, June 28, 1934, as amended, which act provides compensation at rates somewhat lower than war service-connected death rates where the veteran at time of death was suffering from World War service-connected disability.

The service-connected blind cases on the rolls March 19, 1933, were restored to the rolls by section 26 of Public Law No. 141, March 28, 1934.

The limitations heretofore referred to are: (1) The act restores only those veterans who were on the rolls March 19, 1933, and who entered the service prior to November 12, 1918; (2) the presumptively service-connected cases do not have the full amount of compensation restored but same must be reduced by 25 percent under the provisions of sections 27 and 28 of Public Law No. 141, Seventy-third Congress; (3) by making the restoration subject to sections 27 and 28 of Public Law No. 141, Seventy-third Congress, cases of fraud, misrepresentation of a material fact, or unmistakable error as to conclusions of fact or law are excluded and the act does not apply to persons as to whom clear and unmistakable evidence discloses that the disease, injury, or disability had inception before or after the period of active military or naval service, unless such injury, disease, or disability is shown to have been aggravated during such service; and in any review of the case of any veteran to whom compensation was being paid on March 19, 1933, for such service-connected disability reasonable doubts shall be resolved in favor of the veteran, the burden of proof being on the Government.

Payments to veterans restored to the rolls under the provisions of the act are effective the date of enactment of the act, and payments to widows and children are effective from the date of enactment or date of filing claim therefor, whichever is the later.

It is estimated that the act will restore approximately 1,100 veterans to the compensation rolls at an estimated cost of $1,198,000 for the fiscal year 1940. It has not been possible to estimate the cost of providing death compensation benefits to widows and children under Public Law No. 484, Seventy-third Congress, as amended.

RANKIN BILL—H. R. 5452

(Act of July 19, 1939; Public, No. 198, 76th Cong.)

Public Law No. 198, Seventy-sixth Congress, "An act to provide certain benefits for World War veterans and their dependents, and for others purposes", was approved by the President July 19, 1939.

Section 1 of this act amends section 1 of Public Law No. 484, Seventy-third Congress, June 28, 1934, and pertains to payment of compensation to dependents of deceased World War veterans where the veteran's death is not shown to have been due to service.

Section 1 liberalizes the existing laws in those cases where the veteran was honorably discharged after having served 90 days or more, or having served less than 90 days, was discharged for disability incurred in service in line of duty, so that compensation is payable if at the time of the veteran's death he had a disability directly or presumptively incurred in or aggravated by service in the World War for which compensation would be payable if the disability were 10 percent or more in degree. In other words, in those cases where the veteran had 90 days' honorable service or was discharged for disability incurred in service in line of duty, it will not be necessary that he have a service-connected disability 10 percent or more disabling, but he must have a disability for which compensation would be payable if 10 percent or more in degree.

This section establishes a new income limitation providing that payment of compensation shall not be made to any widow without child or a child whose annual income exceeds $1,000, or to a widow with a child or children whose annual income exceeds $2,500 and exempts payments of war-risk term insurance, United States Government life (converted) insurance, and adjusted compensation from consideration as income. This income limitation is similar to that employed under existing law for non-service-connected benefits under Veterans Regulation No. 1 (a), as amended, part III. This new income limitation is substituted for the pre-existing limitation of requirement for exemption from payment of a Federal income tax.

This section provides for payment of benefits of sections 1 to 3, inclusive, from the date of death where application is filed within

1 year thereafter and in other cases from the date of application, except that compensation authorized cannot be effective prior to the date of enactment.

Section 2 of the act provides for increased rates of death compensation to widows under Public Law No. 484, Seventy-third Congress, as amended. The prior rate to widow alone was $22 per month, and the rate to widow with one child was $30. Section 2 provides a rate of $30 per month for a widow but no child, and $38 per month for a widow with one child. No change was made in the rates for children. The total compensation limitation was changed from $56 to $64 in view of the increase for widows.

Section 3 of the act made formal changes in section 4 of Public Law No. 484, Seventy-third Congress, so as to conform with the amendments made by the act.

It is estimated that sections 1 to 3, inclusive, of the act will add 2,900 new cases to the rolls during the fiscal year 1940, at a cost of $1,268,000, and will provide increases for approximately 14,850 widows on the rolls at the date of enactment, at a cost of approximately $1,426,000 for the fiscal year 1940.

The total estimated cost for sections 1 to 3, inclusive, for the fiscal year 1940 is $2,694,000.

Section 4 of the act provides hospitalization and domiciliary care in Veterans' Administration facilities for retired officers and enlisted men of the Army, Navy, Marine Corps, and Coast Guard who served honorably during a war period as recognized by the Veterans' Administration on a parity with other war veterans.

Under Veterans Regulation No. 6 (c), paragraph 1 (f), in effect prior to date of enactment of this act, hospital treatment of retired officers and enlisted men was granted providing that part of the retired person's service was in wartime. That treatment was provided only in facilities under direct and exclusive jurisdiction of the Veterans' Administration and with due regard to available beds. A per diem rate was charged to such patients for treatment of tuberculosis—officers, $1.50; enlisted men, $1; general medical and surgical disorders or psychoses—officers, $1; enlisted men, $0.65.

Retired officers or enlisted men, except emergency officers of the World War, while being furnished hospital treatment were not formerly subject to reduction of retirement pay as provided by paragraph VI (A) of Veterans Regulation No. 6 series, which provides in effect that where any disabled veteran, who has neither wife, child, nor dependent parent, is being furnished hospital treatment, institutional, or domiciliary care by the United States or any political subdivision thereof, pension, compensation, or emergency officers' retirement pay shall not exceed $15 and the amount payable to such disabled veterans entitled to pensions for disability, non-service-connected, shall not exceed $6. Section 4 of the act makes the retired pay subject to the reductions heretofore explained under Veterans Regulation No. 6 (c), paragraph VI (A).

It is estimated that the cost to the Veterans' Administration will approximate $37,700 for the fiscal year 1940. It is expected that approximately 26 of the constant group of 140 officers and enlisted men will be subject to reduction.

Section 5 of the act provides increases of death compensation to the widows of veterans whose death was due to World War service. The prior rate of $30 per month for a widow under 50 years of age was increased to $38 per month. The prior rate of $37.50 for widows, age 50 to 65 years, was eliminated and those widows became entitled to $45 per month on a parity with widows, age 65 years or over. These increases are subject to the limitation contained in Public Law No. 304, Seventy-fifth Congress, that they cannot be paid in the event the monthly payment of compensation under Veterans Regulation No. 1 (g), and the monthly payment of yearly renewable term insurance or automatic insurance aggregates or exceeds the amount of compensation authorized by the act. United States Government life (converted) insurance has been eliminated from the limitation. It is to be noted that there is no change made in the rates for children or dependent parents, although by the removal of the United States Government life (converted) insurance limitation it is possible that some will become entitled to increased rates who were formerly barred.

It is estimated that this section will affect approximately 27,800 widows at a cost for the fiscal year 1940 of approximately $2,628,000.

Section 6 of the act contains an amendment to Veterans' Regulation No. 1 (a), as amended, part I, paragraph II (k), which formerly provided that if a disabled person as the result of service-incurred disability had suffered the anatomical loss or the loss of the use of only one foot, or one hand, or one eye, the rate of pension would be increased by $25 per month. This section of the act increases the additional compensation from $25 to $35 per month. This provision applies to World War and Spanish-American War, including the Boxer Rebellion and Philippine Insurrection, service-connected cases. It also includes those Regular Establishment cases where the disability resulted from an injury received in line of duty in actual combat in a military expedition or military occupation.

It has been estimated that section 6 will provide increases for 9,000 World War veterans and 240 veterans of the Spanish-American War, including the Boxer Rebellion and Philippine Insurrection, at a cost for the fiscal year 1940 of approximately $1,113,000.

Section 7 of the act provides that on and after the date of enactment the rate of interest charged on any loan secured by a lien on United States Government life (converted) insurance shall not exceed 5 percent per annum. Under section 301 of the World War Veterans' Act, 1924, as amended, loan privileges under United States Government life-insurance policies are provided for, but the law does not provide for any specific rate of interest to be charged on any loan secured by a lien on such insurance. The determination of this rate is, therefore, made by the Administrator of Veterans' Affairs. Up to the passage of section 7 of this act the rate of interest on such loans was always 6 percent per annum. It was stated in regard to this section that the provision would not impose any cost on the Government immediately; however, that there would be a decreased amount of income to the United States Government life-insurance fund of $1,500,000 per year on outstanding loans and thus there would have to be a corresponding reduction in dividends payable to policyholders.

The total estimated cost of the act for the fiscal year 1940 is estimated at $6,472,700.

While, as I said, these measures do not go as far as I should like to see them go, still they constitute long steps toward correcting many of the injustices in the present laws concerning our disabled veterans and their dependents.

Canadian Reciprocal Trade Agreement

REMARKS

OF

HON. GEORGE J. BATES

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Friday, July 21, 1939

Mr. BATES of Massachusetts. Mr. Speaker, I wish to call to the attention of the Members of the House a very important letter that I received yesterday from the mayor and city government of the city of Gloucester, Mass., in my district, calling my attention to the fact that on a week from Sunday—July 30—they are having a great remonstrance day and protest meeting against the continuation of the Canadian reciprocal trade agreements, particularly in relation to the effect the imports of fish under this agreement is having on the fishing industry of New England.

As you probably well understand, Gloucester is one of the foremost fishing communities in the United States, and in that city over 300 years ago was established the first fishing wharf ever to be constructed in this country. From that day to the present the fishing industry has been part and parcel of the economic life of that community. Today over 40 percent of all the people who work in industry in that city are engaged in the fishing industry.

Under the Canadian reciprocal trade agreement, Gloucester is one of the hardest-hit cities in the United States by the growing imports of fish, and as a result this community has organized a remonstrance-day program in protest against the reciprocal-trade treaties. This city-wide civic protest has been arranged for Sunday, July 30, 1939. A letter, addressed to me, announcing this remonstrance-day program by the mayor of Gloucester, reads as follows:

CITY OF GLOUCESTER REMONSTRANCE DAY COMMITTEE
TO PROTEST THE RECIPROCAL TRADE PACT,
July 17, 1939.

HON. GEORGE J. BATES,
House of Representatives, Washington, D. C.

DEAR SIR: On Sunday afternoon, July 30, the citizens of Gloucester are gathering together to register protest on the reciprocal-trade pact which has been signed by the State Department and foreign governments, due to the serious effect it has had on the local fisheries by depriving many of our citizens of their opportunity to earn a livelihood.

It is now possible for foreign governments to export fish into the United States and sell their products at far less than American fisheries can manufacture them for.

Due to the seriousness of this situation, the citizens of Gloucester have rallied behind this move for a remonstrance day on Sunday, July 30, 1939, and every civic, social, fraternal, patriotic, and labor organization in our city is voluntarily behind this move for a remonstrance meeting on the reciprocal-trade pact.

The citizens of Gloucester would deem it a favor if you would accept this invitation to be a guest speaker on our program that afternoon. Knowing of your interest in protecting New England

industry in the past, we know you will not fail us in Gloucester's hour of need.

We would appreciate an early answer, as we are making up a program and would like to know if you can accept this invitation.

Thanking you for favorable consideration of this invitation, I remain,

Respectfully yours,

SYLVESTER F. WHALEN, *Mayor.*

Mr. Speaker, the Gloucester remonstrance-day program is clear evidence that New England is now in a mood to demand protection. When an entire city sets apart a day for united civic protest against the destructive tariff policies of New Dealism, there is a gentuine popular demand for action.

It is an illuminating commentary upon the prevailing scheme of New Deal dictatorship that communities whose principal industries are being strangled to death by misguided policies in Washington must resort to such means of public remonstrance and protest. They have tried every other method of lawful and orderly petition, only to encounter the cold indifference of the highest administrative officials of the Federal Government.

These trade treaties are depriving thousands of Massachusetts people of their means of livelihood. Thus far every plea for assistance has been ignored by the low-tariff "brain trust" in the State Department. President Roosevelt has refused repeatedly to direct corrective action. Only Congress now can save this important New England industry.

I am presenting a resolution directing that a special study be made of this destruction of the New England fishing industry, with a complete report from the Tariff Commission as soon as possible. This report should show, in dollars and cents, the direct impact of these lower tariffs upon employment and shipments in the domestic industry. When such figures are available to Congress, I am confident there will be corrective action.

Imports of fish fillets from Canada have multiplied more than five times during the last 5 years under the Roosevelt-Hull program, and the latest figures from the Department of Commerce show another large increase in the first 6 months of 1939 as compared with the same period of 1938. Massachusetts fishermen estimate that 1939 fish imports from Canada will be nearly double the 1938 volume, this despite an increase of 525 percent between 1934 and 1938. Under the 1930 Tariff Act imports of fresh and frozen fish fillets were taxed 2½ cents a pound. Under the reciprocal-trade treaty with Canada and England, this rate was reduced to 1⅞ cents a pound. A tariff of at least 4 cents a pound would be required to equalize production costs, I am informed.

The welfare of the thousands of employees of New England's great fishing industry is seriously threatened by the Canadian Reciprocity Treaty, which lowered the duties on fishery products in direct contradiction of the President's statement of October 1932, when he said:

> It is unreasonable and unsound in principle to bring into the American market through reciprocal trade agreements that which we have or that which we are prepared and ready and anxious to supply.

New England takes its fish from the same waters in which Canada must fish, and the domestic industry has proved itself prepared and ready and anxious to supply the domestic demand for North Atlantic fish.

The fishing industry of Massachusetts depends almost totally on North Atlantic fish, and property rights in these fishing grounds are equal to all nations. The only reason that all nations do not fish these areas is that distance prevents, and there is increased cost to the Nation not close to the grounds.

The United States constitutes the real market for North Atlantic fish and products thereof, and every pound of North Atlantic fish or products therefrom must come from that area, whether caught by Canadian fishermen or by the domestic industry, and every pound of fish sent in by Canada must be a pound of fish that the domestic industry could have caught and marketed in its own market.

The fish swimming in the ocean are as much a natural resource as oil or coal under our land, the only difference being that Canadians cannot come into the United States and work our mines and oil fields, but Canadians can catch North Atlantic fish—which we might have caught—and offer them in our domestic markets in competition with the domestic industry.

We should remember that the total population of Canada is little more than that of Greater New York, and therefore, that this market is Canada's goal. Under such a condition, you can realize the importance of protecting the higher wage scales and plane of living that exists in the United States with a tariff that equals the differences in cost of production between the two countries.

We do not have equal opportunity at our markets. Canada will dispute this, claiming that the cost of shipping to the domestic market from Canada compensates for the differences in cost of wages, supplies, and so forth, but this condition is not true, as can readily be seen by securing shipping rates from Halifax and other Nova Scotia ports into our markets, which, incidentally, are not Boston and Gloucester, but are in the Middle West, these markets being fed through Detroit, Chicago, Cleveland, Buffalo, and so forth. As a matter of fact, subsidies granted to the fishermen of Canada in connection with shipping enable the producer of fish or fillets in Halifax to ship to many of our midwestern cities at lower freight rates than those that exist between New England fishing ports and the same cities in the Middle West, proving their argument as to freight rates to be in error.

The argument used by our own State Department and the Committee for Reciprocity Information, that lowered tariff duties were needed to give Canada an opportunity to participate in our market, was childish in view of the fact that in 5 years Canada had increased her participation in the domestic market for fillets by over 525 percent.

A second argument, that domestic industry could not supply the increased demand for fish and fisheries products, is equally absurd in view of the fact that in 1921 fillets were introduced and in the next 7 years that business increased by over 225,000 percent, the industry rebuilding its fleet, increasing its manufacturing space on shore, modifying its method of production and manufacture, and maintaining its ability at all times to keep up with this rapidly expanding market.

The domestic industry built the market for salt fish in the early days of this Nation. Canada then took it. With the spread of the frontier, with the development of the country westward, and the introduction of the railroads, a market for fresh fish developed, and the industry began turning from salt fish. As a matter of fact, the salt-fish industry did not decrease appreciably but the fresh-fish business increased, for consumers could secure good fresh fish at greater and greater distances from Gloucester, Boston, and other points of production.

The domestic industry developed finnan haddie and smoked fish. Canada has gradually taken more and more of this business, until today, under the lowered rates of the reciprocity treaty, our manufacturers find competition from Canadian products in even the small towns of New England, New York, and other States. Quotations of from 3 to 4 cents a pound less than actual cost of manufacture are common.

It is utterly impossible to meet Canada's prices on these, and ultimately, if this continues, we shall find the domestic business of utilizing our fish caught by the domestic fishermen in the manufacture of either salt or smoked products disappearing. Where the New England coast formerly was dotted with thousands of small industries salting and smoking fish, today the industry is centered in the hands of only four or five large companies; and except for earnest effort to maintain the market, there would be no domestic salt or smoked industry.

A major industry in my district is one of processing or further manufacturing imported green salt fish; that is, they

clean it, bone it, and put it in packages. This business in the United States employs approximately 1,000 people, and earnings have been cut in view of the fact that the differential between the rates of duty on raw material and that on the finished product has been decreased, leaving a smaller opportunity to pay the costs of this processing business in the United States.

For years the fishing industry had the salters as a backlog, and when the price of codfish dropped to $2.25 per hundredweight the fish would be withdrawn from sale on the fresh market and go to some splitter. As Canada and other countries took more and more of this trade, the price dropped; but it had remained around 1½ cents per pound until the Canadian Reciprocity Treaty reduced the duty, and in a very few weeks large cod dropped on the Boston Fish Exchange from 1½ cents per pound to 1¼ cents per pound. This decrease of one-fourth cent per pound might seem like a very small amount, but when we consider that the total production of fish in New England is approximately 400,000,000 pounds per year, we can realize that one-fourth cent per pound amounts to $1,000,000, which is far in excess of the total profits of the fishing industry in New England, and it naturally follows that a lowered price on one variety of fish which competes with another variety must lower the price of all varieties, hence the penalty accrues to the whole industry. Another way of expressing this is to say that the gross profits of production in New England do not equal one-eighth cent per pound of fish, and the reduction in price was one-fourth cent per pound. Actually we do not know what the ultimate effect will be, but we do know that the industry suffers seriously because of the lowered duty.

I mentioned above that Canada had increased her exports to the United States by over 525 percent in 5 years, and at the present rate of her exports to the United States since the recent Canadian treaty, it is my opinion that she will send in nearly twice as many fillets this year as last.

A continuation of this kind of competition has resulted in demoralizing the price structure and the market into which the products of our domestic industry must go, and if something is not done to put an end to this menace, it will mean ultimately that one of our greatest New England industries, namely, the fishing industry, will be destroyed.

The fishing industry of New England maintains at its own expense a naval armada that is instantly ready for service in time of war. It also maintains a training school for able seamen; at the same time it pays heavy taxes. It seems, therefore, that this Nation would wisely do nothing to interfere in any way with its prosperity and growth. If our fleet should be doubled, the protection incident thereto would double without any expense to the taxpayer in building a fleet.

When the fishing industry of New England is harmed in any way thousands of families working in allied industries are penalized.

The farmer sells New England's fishing industry more than $2,000,000 worth of farm products each year to feed the fishermen engaged in the operation of production. The petroleum industry is interested because more than 50,000,000 gallons of fuel oil are used each year to keep the boats in operation.

The coal mines are interested in this outlet, for more than 30,000 tons of coal are used; the shipyards, in an annual business of more than $2,000,000; the cotton producer and the manufacturer of nets, twine, and fishing gear, in a business amounting to well over $1,000,000 annually; and to this list may be added many others who are interested in supplying material used in the production of fish.

The penalty which this industry, which has played such an important part in the development of this Nation, is now forced to assume in return for its patriotic service is unequaled in the annals of American history, and leaders of the industry are forced to wonder if continued patriotic services to the Nation are to be rewarded by further penalty.

I firmly believe that the fishing industry, which develops this great source of national wealth, should be fully protected and the home market preserved for the products of the thousands who are engaged in it.

This industry is always "prepared and ready and anxious to supply" the fish requirements and needs of the American people.

The Neutrality Bill

EXTENSION OF REMARKS

OF

HON. CLIFTON A. WOODRUM

OF VIRGINIA

IN THE HOUSE OF REPRESENTATIVES

Friday, July 21, 1939

EDITORIAL FROM THE NEW YORK TIMES OF JULY 20, 1939

Mr. WOODRUM of Virginia. Mr. Speaker, I think the American people were greatly disappointed with the announcement that the President and Secretary Hull had become reconciled to abandon the fight for neutrality legislation at this session of Congress. Whatever may be the difference of opinion relative to some of the economic policies of the President, in my judgment the overwhelming majority of our citizens are in accord with the foreign policy of the administration as carried out by the President and the State Department. Personally, I feel that we are making a great mistake in not taking definite action on neutrality before Congress adjourns. The best thought in Washington is that another European crisis is most likely to occur, in which event Congress will be called back in special session. This is to be very much regretted.

Probably no great issue which has developed during the present administration has found such unanimity of opinion behind the President. The American people want peace. They abhor war. They do not want America to become involved in European difficulties; but I believe they realize that the best way to peace is to have a sane and sensible foreign policy and to avoid taking a position which would not be in accordance with our traditional policy.

It has been interesting to note that the newspapers of the country almost without exception editorially support the President's viewpoint. Many of the greatest papers in America, and some of which emphatically disagree with the administration on a number of issues, are now found squarely behind the administration in the present issue. The same is true of the leading commentators. From time to time the Washington Post, the Washington Star, and the Times-Herald, which are the three principal papers in the Nation's Capital and which have upon occasion bitterly assailed the administration's policies, have had editorial comment deploring the failure of Congress to take action on this important matter. In the New York Times of July 20 appears an editorial under the heading "Invitation to a War." This editorial sets out the issue so clearly and so convincingly that under leave granted me I herewith attach the statement:

[From The New York Times of July 20, 1939]

INVITATION TO A WAR

The decision to postpone until the next session of Congress the question of amending or repealing the Neutrality Act is a stunning defeat for the administration and a hard blow for all those who believe, as does this newspaper, that the best hope of keeping the United States at peace lies in a policy of concerted action to make the outbreak of a general war less likely. In blunt terms, this is an invitation to aggressor nations to use war or the threat of war to achieve their conquests, secure in the knowledge that at least until Congress meets again nothing will or can be done to make American arms and munitions available to the nations that might be alined against them in a war of self-defense.

In two sentences Secretary Hull has put his finger on the fundamental objection to the absolute and automatic embargo imposed by existing law on the export of arms and munitions in time of war. "It works directly against the interests of the peace-loving nations, especially those which do not possess their own munition plants. It means that if any country is disposed toward conquest

and devotes its energy and resources to establishing itself as a superior fighting power, that country may be tempted to try the fortunes of war if it knows that its less-well-prepared opponents would be shut off from those supplies which, under every rule of international law, they should be able to buy in all neutral countries, including the United States."

That is the fact of the present situation. At least until Congress meets again the potential war makers of Europe know that they do not need to reckon with the possibility of a change in our embargo legislation in figuring the chances of success of a sudden well-planned drive for power and for plunder. At least until Congress meets again the United States remains prisoner of a hard-and-fast law that defeats its own purpose by encouraging the very kind of aggression against which it is intended to serve as a defense.

At a highly critical period for the peace of the whole world the American Government is prevented from giving effect to the one policy which it reasonably and rightly believes to be the most effective contribution that could be made by this country toward averting a European conflict that might readily become a new World War, with catastrophic consequences for our own people.

II

There is no use in attempting to disguise the fact that the result in Congress will bring satisfaction to Berlin and Rome. It will be read there as evidence that American foreign policy is still uncertain and confused, still working at cross-purposes, to the great disadvantage of our real national interests, and this reading will be right. But Berlin and Rome will make a mistake if they draw too broad and too confident a conclusion. They have reason to be satisfied with the immediate outcome in Congress. They have less reason to be satisfied either with the causes of that outcome or with the prospect for the longer future.

For it is clear that, so far as causes are concerned, the defeat of the administration's plans was in part the result of purely domestic factors having nothing to do with the European situation. The bill to amend the Neutrality Act was caught in a jam of two kinds of politics—weather politics and party politics. The administration was lamentably slow in bringing the whole question to an issue, with the result that debate in the Senate had not even started when hot weather camped down in Washington. Meantime many Republicans in Congress saw an opportunity to use a question of foreign policy for the wholly incidental purpose of striking another blow at the prestige of the President. Only on that ground is it possible to explain the strongly partisan line-up in both Houses on a measure which had not previously been made a party issue.

III

Moreover, so far as the longer future is concerned, both Berlin and Rome have reason to note the important fact that two separate questions are involved in this whole discussion of foreign policy. There is the question whether the American people want to remain at peace. And there is the entirely separate question whether the American people believe that they can remain at peace if a general war breaks out. The answer to the first question, certainly, is that a majority of the American people want peace; the only point at issue here is how it can be preserved. The answer to the second question, it can be said with some assurance, is that a majority of the American people believe it will be impossible for us to stay out of any war involving the major European powers.

Evidence of this belief is to be found on many sides and in the testimony of many individuals. Mr. Hoover, for example, has been a vigorous critic of the President's foreign policies; but Mr. Hoover himself believes that if London and Paris should be bombed by German planes, with a great loss of life, "then the indignation of the American people could not be restrained from action."

Other experienced observers have arrived at the same conclusion. The evidence of field surveys points in the same direction. The American Institute of Public Opinion recently estimated that 56 percent of the American people believe that this country will inevitably be drawn into the next general war in Europe. It is significant that in every section of the country—New England, Middle Atlantic, East Central, West Central, South, and West—a majority of those questioned held this opinion.

For Berlin and Rome, therefore, the matter simmers down to this: They have profited from the result in Congress, but they must doubt whether this result represents a final consideration of the question on its merits, and they must note the strong belief on this side of the Atlantic that in any war which they may start, the United States will ultimately play a part.

IV

The reasons for this belief, so strongly held in the United States, are no doubt varied. For one thing, we know from earlier experience how difficult it is to isolate any important nation first from the economic and then from the political consequences of a general war. For another thing, we know that modern science is annihilating time and space; that under the influence of the airplane and the radio and the whole machinery of twentieth-century capitalism the world has become a smaller place; that Europe in 1939 is almost at our doorstep. We know, too, which party in Europe is the war party and we know that if war comes something more than prestige and wealth and power will be at stake.

The average American is by no means wholly or blindly partisan to France and Britain. He believes that those nations made an egregious blunder in their failure to maintain payments on their war debts. He dislikes the course which they pursued toward the Germany of pre-Hitler days. He suspects that self-interest is not absent from many of their present policies. Nevertheless, despite these suspicions and these reservations and these criticisms, the average American finds in the democracies of Europe—the great democracies of France and Britain, the little democracies in the danger zones—a way of life which he knows instinctively to be the way of life which he himself has chosen.

He knows that these democracies are the outposts of our own kind of civilization, of the democratic system, of the progress we have made through the methods of self-government and of the progress we still hope to make tomorrow. He knows that if these outposts are overrun by dictatorships of either Right or Left we shall find ourselves deprived of friends. He knows that, despite geographical remoteness and a traditional desire to avoid entanglement in other people's quarrels, we are inevitably the natural allies of the democracies of Europe.

It is important that the statesmen of aggressor countries should realize that today no less than in 1917 there are specific and vital American interests in all parts of the world which would almost certainly be affected by war on a large scale. It is important that they should realize the real depths of American loyalty to the whole set of principles and methods and traditions which goes by the name of democracy.

No remoteness from the scene of a potential European conflict can isolate the United States from the consequences of a major war. No neutrality act can prevent the American people from favoring their natural allies. In any ultimate test of strength between democracy and dictatorship, the good will and the moral support—and in the long run more likely than not the physical power of the United States—will be found on the side of those nations defending a way of life which is our own way of life, and the only way of life which Americans believe to be worth living.

Political Leadership in the Raising of Moral Issues

EXTENSION OF REMARKS

OF

HON. LEONARD W. HALL

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Friday, July 21, 1939

ADDRESS BY W. KINGSLAND MACY

Mr. HALL. Mr. Speaker, under the leave granted to me, I am including herewith an address by W. Kingsland Macy, Esq., of New York, on the protection of the public's rights from political corruption and the need for sustained leadership in the raising of moral issues in political conduct.

This address by Mr. Macy, now chairman of the Suffolk County (Long Island) Republican Committee and former chairman of the Republican State Committee of New York, was delivered over station WOR as part of the program of the Columbian Republican League at its annual State convention dinner at Nassau Hotel, Long Beach, N. Y., on Saturday, July 1, 1939.

The public reception given this address has been most favorable. It is as follows:

There are times in a democracy when corruption becomes an outstanding issue. This is particularly so when there has been a depression and when there has been great unemployment. The awakening of the moral sense is then not only a duty but an economic necessity because there shall not be wastefulness when every possible dollar of governmental expenditure should go to those who need and who must have the necessities of life. Under such stress money must not be diverted by those holding public office for their own selfish indulgence.

These times of corruption also come when men's minds are occupied with grave problems; sometimes also when men are earning money faster than is usual—the racketeer then is more prone to pursue his dubious career.

We have seen these delinquencies frequently in history. Conditions favorable to the racketeer existed after the Civil War, for the plain people were occupied with reconstruction and with the mending of broken fences.

Similar conditions existed after the World War. Incomes which did not run into millions were not considered quite satisfactory. Many were reconstructing garages to accommodate two or more prospective cars, out of proportion with safe earnings and judicious savings.

Strangely enough, when unemployment is general, when men are poor, and the Government is spending lavishly, conditions

are also conducive to those whose selfishness is a dominating passion.

When economic conditions and other political conditions dominate the public mind, it is particularly necessary that a clarion voice calls to the moral issue. Corruption has been the cause of too many national disasters for us to forget the lessons of the past. Grover Cleveland and Theodore Roosevelt were leaders in a moral reawakenment that had little to do with party lines. Leaders—moral, spiritual, and political—realized that partisanship must subside before moral purpose and that "purity in politics," which the cynical J. J. Ingalls once described as an "iridescent dream."

It is the spirit of Cleveland and Roosevelt that makes the work that Thomas E. Dewey has been doing in New York so significant. I am not speaking in a partisan sense, for when a man lifts his voice in a moral cause he elevates not only the tone of his own party but of all parties. The political leader who raises a moral issue benefits all the community in which he lives and of which he is a part. The example spreads throughout the country, and we have seen within the short space of a year people reawakened to the necessity of reform though they have no political affiliation or political identity with the one who becomes their main inspiration in public life. The most grateful fact about the appearance of a Dewey in a conspicuous position, is that other communities feel they must emulate his example. He has shown us that a Democratic country like ours, in spite of our perennial good nature and leniency, can be severe with the evils when the people get good and mad.

While we Republicans may be justly proud of what Dewey has done in leading a moral awakening we should be generous in giving credit to those who have followed his example, for the elimination of corruption is not a partisan matter—it is a patriotic service. The conviction of the Democratic boss in Kansas City, forced by the Democratic Attorney General Frank Murphy, was an achievement that should be generously acknowledged. Progress along these necessary lines of detection and prosecution call for the approbation of all citizens no matter of what party. The people as a whole will be more heartened and encouraged if they see that the competition between honest and high-minded officials is actuated by a profound interest to protect the public's rights rather than by purely selfish partisan achievement.

Especially pleasing is it to enunciate these doctrines, in which I firmly believe, to the members of the Columbian Republican League, of whose annual State convention dinner program at the Nassau Hotel, Long Beach, this broadcast is a part. The Columbian Republican League of New York State, since it was organized more than a decade ago, has always maintained the highest standards in its attitude toward the conduct of government. The league, as an integral and loyal part of the Republican organization in this State, has ever cast its influence on the side of honest government.

During the 4 eventful years when I was State chairman of the Republican Party in New York State, I am proud of the fact that I helped the league to participate more effectively in the work of the party. I feel more than repaid by the useful and exemplary service rendered the Republican Party by the Columbian Republican League, whose influence has grown steadily from year to year under wise and able leadership. The league has made a fine contribution to the party by providing candidates of high character and integrity for State office, as well as fine candidates for local administrative and judicial offices throughout the State. Would that I might mention each of them by name, as among them are numbered many party associates and friends for whom I hold the highest regard. Time will not permit, and rather than single out only one or two I take this opportunity of paying my respects to the league as a whole, its leaders assembled in convention on Long Island, and its members in all the 62 counties of the State. I thank them for the privilege of speaking under the auspices of a group so loyal and unselfish in its devotion to the Republican Party, and I wish them well.

O'Connor to Howard

EXTENSION OF REMARKS
OF
HON. MARTIN L. SWEENEY
OF OHIO
IN THE HOUSE OF REPRESENTATIVES
Friday, July 21, 1939

LETTER FROM HON. JOHN J. O'CONNOR

Mr. SWEENEY. Mr. Speaker, under leave to extend my remarks in the RECORD I include a copy of a letter recently forwarded to our former colleague, the Honorable Edgar Howard, of Nebraska, by our distinguished former colleague, Hon. John J. O'Connor, of New York. It's delightful to know that our former colleagues have not forgotten one another. I am certain the friends of John J. O'Connor in the present Congress would enjoy reading his refreshing reply to our old friend Edgar Howard.

The letter follows:

WASHINGTON, D. C., *July 14, 1939.*

Hon. EDGAR HOWARD,
The Columbus Daily Telegram, Columbus, Nebr.

DEAR EDGAR: God bless you!

I read with relish your recent signed editorial A New Political Party. You are indeed a "rara avis" in boldly signing your name to your literary contributions. Would that all editors followed your example.

You have me wrong, however, from several standpoints. Your references to me as a "Tammany" Congressman and "Tammany influence" on me shows you are "slipping," because on refreshing your recollection you will recall that Tammany tried to "dump" me at least three times and contributed to my defeat for the leadership of the House of Representatives as well as "knifed me" in the Democratic primary last year.

However, that's all "water over the dam."

Again you have me wrong in interpreting my letter as an invitation to join a new party. It is not just that—at this time. A new party may be necessary if the worse comes to the worst in the regular 1940 Democratic convention. We "sensible" Democrats may have to go across the street and hold a convention of our own in an effort to save our country from the continuance of the radicals in power.

The days of party labels and party fetishes are over—and you well know it. The fate of our form of Government is at stake. We just couldn't stand 4 more years of it.

I have four boys, aged from 15 to 20, and they must live here after you and I have gone to our rewards—I know what your reward will be—as for mine, I expect the worse.

Unless we get back to the "American way" my boys will be compelled to live under a Fascist form of government, which is about with us now, or still worse, communism.

Incidentally, I did not eat hot dogs with King George. For thousands of years the O'Connors have been fighting the Hapsburg line. We often served hot pokers.

As Tom Moore sang:

"On our side was virtue and Erin,
On their's was the Saxon and guilt."

I hope you live for many years to come—at least long enough to see the Government restored into the hands of the sensible kind of Democrats—the type you have always been.

With affectionate personal regards, I am,

Sincerely yours,

JOHN.

The Interparliamentary Union Conference at Oslo, Norway

EXTENSION OF REMARKS
OF
HON. HAMILTON FISH
OF NEW YORK
IN THE HOUSE OF REPRESENTATIVES
Friday, July 21, 1939

Mr. FISH. Mr. Speaker, as president of the American Group of the Interparliamentary Union I have appointed 29 delegates to the conference to be held at Oslo, Norway, beginning August 15, 1939, as follows:

Representative HAMILTON FISH, New York, president, American Group.

Representative FRITZ G. LANHAM, Texas, treasurer.

Senator ALBEN W. BARKLEY, Kentucky, member, executive committee.

Representative MILLARD F. CALDWELL, Florida, member, executive committee.

Representative HAROLD KNUTSON, Minnesota, member, executive committee.

Representative THOMAS S. MCMILLAN, South Carolina, member, executive committee.

Representative DEWEY SHORT, Missouri, member, executive committee.

Senator LYNN J. FRAZIER, North Dakota.

Senator THEODORE F. GREEN, Rhode Island.

Senator RUSH D. HOLT, West Virginia.

Senator ALEXANDER WILEY, Wisconsin.

Representative JAMES M. BARNES, Illinois.

Representative RALPH E. CHURCH, Illinois.
Representative HARRY B. COFFEE, Nebraska.
Representative EUGENE B. CROWE, Indiana.
Representative VINCENT F. HARRINGTON, Iowa.
Representative PEHR G. HOLMES, Massachusetts.
Representative NOBLE J. JOHNSON, Indiana.
Representative MARTIN J. KENNEDY, New York.
Representative LOUIS C. RABAUT, Michigan.
Representative DANIEL A. REED, New York.
Representative JOHN M. ROBSION, Kentucky.
Representative FOSTER STEARNS, New Hampshire.
Representative KARL STEFAN, Nebraska.
Representative HENRY O. TALLE, Iowa.
Representative LEWIS D. THILL, Wisconsin.
Representative ALLEN T. TREADWAY, Massachusetts.
Representative RICHARD B. WIGGLESWORTH, Massachusetts.
Representative ROY O. WOODRUFF, Michigan.

The delegates are equally divided between Republicans and Democrats, representing every section of the country, 5 of whom are United States Senators and 24 from the House of Representatives. I hope to add more delegates, provided additional appropriations are agreed on by the House Committee on Appropriations.

The American delegates will formulate their views on matters of vital interest in connection with world peace and neutrality to be discussed at the conference, such as promotion of peace by arbitration, judicial settlement, and international law; outlawing bombing of defenseless cities and safeguarding food ships and reduction and limitation of armament. Because of the world situation, the Oslo Conference is expected to be one of the most important ever held by the union in its 50 years of activity. The refugee problem will be one of the major subjects discussed at the conference.

The advisory committee to the American group consists of Col. William Hayward (chairman), Bernard M. Baruch, Miss Mabel T. Boardman, Lucius Boomer, Madame Julia Cantacuzene, Hon. Bainbridge Colby, Hon. John W. Davis, Hon. Charles G. Dawes, John Foster Dulles, Hon. Henry P. Fletcher, John M. Franklin, William Green, Hon. Herbert Hoover, Julius C. Holmes, Hon. Patrick J. Hurley, Hon. Fiorello H. LaGuardia, John L. Lewis, Allan Nevins, John J. O'Connor, Hon. Frank L. Polk, Capt. T. Rieber, Dr. Emmett J. Scott, Hon. Alfred E. Smith, Hon. Bertrand H. Snell, L. J. Taber, Hon. Grover Whalen, Rabbi Stephen S. Wise, Owen D. Young. George Djamgaroff (public relations counsel.)

One of the subjects brought up at the preliminary meeting in Washington of the American group was the advisability of inviting the Interparliamentary Union to hold its conference next year in the United States, possibly in connection with the World's Fair at New York. The last time the conference of the union was held in the United States was in 1925. The proposal was approved, and the State Department will cooperate.

The Interparliamentary Union was founded in 1889 with the purpose of bringing parliamentarians from different countries into touch with one another in order to promote understanding of problems of a nature requiring mutual agreement between these countries. The Union's fundamental aim has always been to work for the promotion of world peace, and, in so doing, to stand also for the existence of the representative system as the best protection of public liberties. In later years it has, with changing conditions, broadened its studies and scope to include all of those questions which bear upon the problem of peace between nations. It has permanent committees on economic and financial questions, on juridical questions, on ethnic and colonial questions, on the reduction of armaments, on social and humanitarian questions, on security, and on intellectual relations.

Membership in the Union is formed by groups and not individuals. There are 51 countries in which the parliament or an interparliamentary group is affiliated. Prior to the general conferences, each national group studies the problems of the agenda, without by any means limiting them to the frontiers of their own country. The conferences usually meet in the parliament of the country in which the conference is held, the national group of the country in which the conference is meeting being the host. The Oslo Conference, which starts August 15, is the thirty-fifth held by the Union.

Outlaw Strikes

EXTENSION OF REMARKS
OF
HON. CHARLES A. PLUMLEY
OF VERMONT
IN THE HOUSE OF REPRESENTATIVES
Friday, July 21, 1939

Mr. PLUMLEY. Mr. Speaker, when I was interrogated on the 11th with respect to the outlaw strikes of the W. P. A., I said that the several labor leaders who are supporting the W. P. A. strike should be given to understand that no strike, sit-down or lock-out, against an act of Congress is justified or will be tolerated.

It is a felony under the law, as written, for anyone, through force, intimidation, threat, or boycott, to deprive a person of benefits to which he may be entitled under the W. P. A.

Five working days' continuous and consecutive absence automatically separates the worker from the benefits of the relief roll.

Those under whose orders such separation is enforced are apt to find themselves facing a heavy fine and/or a possible jail sentence.

ISSUE IS CLEAR CUT

Congress is in no mood to see the law overridden or defied. The issue involved is clear cut and vital. Shall a strike against the Government be tolerated? Congress will not yield to such tactics, for to yield would jeopardize the very existence of orderly government.

The attitude of the leaders is fraught with peril to themselves, to organized labor, and the public, for the vital principles involved concern the processes and powers of this Government. Coercion is as futile as it is dangerous, and those who are back of this un-American program are standing on quicksand.

I desire at this time to commend the President for his forthright statement that these strikes are strikes against the Government. So indirectly were the sit-down strikes, for the people are the Government.

I cannot refrain from saying that it is my considered opinion that if the President and/or the Secretary of Labor had condemned the sit-down strikes and the unconstitutional and violent acts of the sit-down strikers as promptly and as vigorously as in the present instance there would be no W. P. A. strikes today. The American people were not in sympathy with the sit-down strikes any more than they are with the W. P. A. strikes.

True, the sit-down strikes were against private employers, but the Supreme Court has declared them to have been in plain violation of the constitutional rights of employers.

The American people manifested their resentment against the sit-down strikes and against C. I. O. and against the administration for winking at the activities and attitude of John Lewis and his organization, which was dominant in the sit-down strikes. Eventually the administration came over on to the side of law and order.

Now Mr. Green's organization has apparently taken the lead in inciting and upholding the W. P. A. strikes. He shows poor judgment and should have learned a lesson out of John Lewis' book.

Both Mr. Green of A. F. of L. and John Lewis of C. I. O. have lost prestige and done labor a most disastrous disservice.

The people look with disfavor on the W. P. A. workers and the American Federation of Labor now striking against the Government. Public opinion is against them, as it was and

is against C. I. O., which is aiding and abetting the strikes, strikers, and A. F. of L.

The significant thing, if you look closely, is found in the probable political effect of both the "sit-down strike" and "W. P. A. strike" situation. As to the first, there can be no question, as the issue was decided in the last election as evidenced by the opposition to such a program found in the votes.

As to the second, it needs no vision of a prophet to foresee a similar result. One was a strike against private employers, the other against the Government as an employer. The people will not stand for it.

It is to be wished that the President had been as outspoken when illegal activities were undertaken by striking workers against private employers, in violation of the constitutional rights of employers, as he is now, when the strike is directed against a public employer, the Government. "If wishes were horses, beggars might ride," and we are confronted by the fact which has been pointed out many times, and the existing situation merely serves to emphasize it, viz:

Certain new dealers are favorable to a continued extension of Government into fields that have in the past been occupied by private business and private industry. They would have the Government in control of—and in the conduct of—public utilities, including the railroads and the electric power companies; they would have the banking institutions of the country Government owned and operated; they would go even further in the matter of Government control of agriculture and of industry of all kinds.

Since this is so, organized labor has more on its hands than first appears to be the case. It seems to me that Mr. Green has by his ill-considered action precipitated a condition which is no theory. The people and organized labor are confronted with a problem which outweighs the question temporarily in the scales. As someone has said, Labor might do well to ponder, in the light of recent events, its position in the picture, should Government take control and management of industry, banking, and agriculture. Then almost any strike would become a "strike against the Government." Think that over.

Extension of the Federal Civil Service

EXTENSION OF REMARKS

OF

HON. EDITH NOURSE ROGERS

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Friday, July 21, 1939

LETTER FROM CLAUDE BABCOCK, NATIONAL PRESIDENT OF THE FEDERAL PERSONNEL ASSOCIATION

Mrs. ROGERS of Massachusetts. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following letter received by me from Claude Babcock, national president of the Federal Personnel Association:

FEDERAL PERSONNEL ASSOCIATION,
July 18, 1939.

The Honorable EDITH NOURSE ROGERS,
Member of Congress, Washington, D. C.

MY DEAR MRS. ROGERS: According to the last report of the United States Civil Service Commission, there were on the Federal pay rolls 902,827 civil employees in the executive branch of the United States Government at the end of May 1939. In Washington, D. C., there were in excess of 5,000 more employees in May 1939 than at the war peak.

With this vast army of public employees, it is inevitable that there will be an appreciable reduction in force at some time in the near future. When this reduction of force is approached under the present law, it is to be anticipated that your office and the office of every other Member of Congress will be besieged by employees endeavoring to protect themselves against reduction of force through a jockeying of efficiency rating.

Many thousands of these employees were appointed to their positions as the result of some type of influence.

Under the authority of H. R. 960, if it should be enacted into law in its present form, the President could authorize the extension to many thousands of employees who were appointed through influence, the protection of the Civil Service Act. In any subsequent reduction of force, present employees of the civil service, appointed through competitive examination procedure, would be at a decided disadvantage because of the absolute discretion now given to individual officers with respect to methods of choosing employees to be released in reduction of force. Under present law reductions take place in accordance with personal opinions exercised through the use of the so-called efficiency or service ratings.

With the best intention in the world, employees who have had enough influence of one kind or another to obtain noncivil-service appointments, will have enough influence so that they will not be the ones in most cases who will receive efficiency ratings low enough to be released in reductions of force.

Without exception, every large industry in the United States which employs several thousand workers has found it necessary, efficient, and expedient to employ a seniority rule when it reduces the force in order to eliminate personal prejudices. The United States Government itself uses the seniority method for its largest service—Post Office Service.

The employees and most of the officials in the executive branch recognize the fact that the so-called efficiency-rating method of reducing the force opens the door to the most grave personal abuses.

The Federal Personnel Association, composed exclusively of Federal employees who entered the service through open competitive examinations, respectfully requests that, concurrent with the vast extension of the civil-service protection to the thousands of civilian employees who were appointed through influence, the factor of influence be removed from future reductions in the force by the establishment of the principle that reductions should take place in accordance with length of service.

It will be noticed that the association does not request any abrogation of the present facility for the removal from the service of persons who are inefficient, untrustworthy, or otherwise undesirable. Under present law, administrative officers have no difficulty in removing from the service persons who should be removed for cause. The Federal Personnel Association believes that this power of removal should not be infringed upon in connection with changes in methods of reducing force. However, having in mind the freedom with which incompetents can now be removed from the service, it is not believed that as between persons competent to carry on, any method has been developed which is as fair and as equitable as the seniority method. In the civil service of the Government, comparative efficiency among employees is in practice impossible to judge. As a consequence, differing standards militate against the fairness of the so-called efficiency method, even when the rating officials conscientiously disregard the influence of the employees being rated. The history of private business personnel management shows that in the long run the seniority method is the only reliable method yet developed.

The seniority method for reducing the force has the additional important advantage of establishing in the minds of all employees certainty with respect to the future. Each employee knows where he stands and thus is able to give his full thought to his service without feeling the necessity of maneuvering for advantage in the minds of persons with influence.

There is presented herewith a draft which was submitted to the Civil Service Committee when it was considering this same question in the last Congress.

The insertion of this draft, or one producing a similar effect in the language of H. R. 960 would be highly desirable, both to the Government and to the employees.

It is true that certain professors and others with only a theoretical knowledge of personnel management, oppose the use of the seniority rule. They do so on theoretical grounds. Practical men, who have had actual wide-scale administrative experience over thousands of employees either in private life or in the Government, realize that, although the efficiency-rating system may sound good, it is not effective in practice.

The Federal Personnel Association would be deeply appreciative if you would support the insertion of the seniority rule into all reduction of force in civilian branches of the Government. If such an insertion of seniority rule is not feasible, then the Federal Personnel Association desires to register itself as being opposed to the extension of civil-service protection to the vast army of persons who are now serving the Government as the result of influenced appointments. In other words, the Federal Personnel Association opposes H. R. 960 unless it is so amended as to provide for reduction of force through the use of the seniority rule.

Very respectfully,

CLAUDE BABCOCK,
National President.

A bill to provide a uniform and equitable method of reducing the personnel of the Federal service

Be it enacted, etc.:

SECTION 1. That in any reduction in personnel in any civilian service of the United States, or of the government of the District of Columbia, or of any corporation owned or controlled by the

United States; employees shall be released in the inverse order of the length of their total Federal service: *Provided,* That any employee with not less than 30 years of annuitable service under the Retirement Act, on his voluntary, written request, shall be retired in the next reduction of force, at an annuity equal to the annuity he would receive were he then subject to compulsory retirement for age.

SEC. 2. Whenever an employee is to be released, because of reduction in force, he shall be given written notice thereof, which shall state the effective date of such release, which shall not be sooner than 30 days, plus time for all accrued annual leave, after the date of delivery of the notice to the employee.

SEC. 3. Nothing in this act shall affect existing law governing separations from the service for cause.

SEC. 4. All acts and parts of acts inconsistent herewith are hereby repealed.

SEC. 5. This act shall be effective immediately on enactment: *Provided,* That if actual, written notice of release because of reduction of force, has been delivered to an employee before the time when this act becomes effective, such release may be consummated.

Speeches by and Editorial Comments Concerning Senator Ashurst

EXTENSION OF REMARKS
OF
HON. HENRY F. ASHURST
OF ARIZONA
IN THE SENATE OF THE UNITED STATES

Friday, July 21 (legislative day of Tuesday, July 18), 1939

Mr. ASHURST. Mr. President, I ask unanimous consent to have printed in the Appendix certain letters written by me, as well as speeches made by me, and also a number of editorials.

There being no objection, the matters referred to were ordered to be printed in the RECORD, as follows:

In the Senate, June 26, 1939

OPPOSING FURTHER PURCHASE OF FOREIGN SILVER

Mr. ASHURST. Mr. President, it is with regret and unfeigned diffidence that I disagree with the conclusions of my worthy leader, my dear friend the Senator from Kentucky [Mr. BARKLEY]. Mr. Gladstone in the British Parliament did not more redoubtedly or more ably argue for trade with foreign governments than has the able Senator from Kentucky argued for trade for his own country. I commend him for his temper in the debate. He has conducted the debate with a high degree of ability, but I do not agree with his conclusions.

Mr. President, about the year A. D. 161 it was obvious to the responsible statesmen of the Roman Empire that the Empire would not endure unless carefully guarded, and so the greatest statesman-philosopher the Roman Empire ever produced, Marcus Aurelius, when he assumed his duties as Emperor, took as his watchword "Hold thine own." He knew that the barbarians or the outlanders in the hinterlands and in the far-flung reaches of the Empire were making inroads upon the solidarity of the Empire. Marcus Aurelius did not seek to extend the Empire. His motto was "Hold thine own"; and under that plan of action, with his clear perception of duty to his own government, he was able, through himself and his successors, to keep the Roman Empire as a going concern for another century or two, although the western division of the Empire eventually collapsed about A. D. 476.

I know it is trite for a public speaker to say that the Roman Empire fell, and so forth, and that we must therefore take warning, and so forth; but, trite as it may be, the time has come when all Americans, and particularly those of us who are charged with power and responsibility, must begin to say for and to the United States, "Hold thine own."

At the time of our entrance into the World War, not as a matter of securing trade, not as a matter of bargains or markets, but because of humanitarian impulses, we advanced many billions of dollars to aid foreign countries. These advances have not been repaid.

There are no evidences that they will be repaid at an early date. It is part of the statesmanship, it is a part of the policy of European governments never to pay a debt to another government, especially a cis-Atlantic government. We now say, "Build up markets." As to the billions of dollars that have gone we say, "That was spent because of humanitarian impulses." The billions of dollars failed to stabilize Europe then. Now it is said that in order to have markets we must buy foreign silver.

Mr. President, if this were an original instance, if this were a matter initially presented today, and we were without experience, I might vote for it, because I am willing to experiment with almost anything, and I have done so; but, Mr. President, we have experimented on this subject and the experiment has failed. This administration should cling fast to experiments which have proved to be successful and wholesome, and should discard and abandon those experiments and projects that have proved to be failures. Every dollar of foreign trade we secure from the purchase of foreign silver costs us $9; and, as poor trader as I am, I do not favor a 9-to-1 trade.

Mr. President, I do not speak out of dislike of any foreign government or foreign people. Mankind is afflicted, in this particular and tragic period in the stream of time, with grievous troubles. If mankind shall surmount these troubles, it will be a credit to the dignity of the human race. I think mankind will do so, but will do so only by being realistic and facing facts.

Mr. President, consider Mexico. She is the neighbor of the State I have so long, with my colleague, tried to represent. Mexico responds to our overtures of friendship by repeated seizures of the property of American nationals. When we extend the hand of friendship and purchase her silver, her reply is the seizure and confiscation of more American properties and the violation of more American rights. I do not say that we should go to war with any country because it seizes American property, because if an American national makes investments in foreign countries he does so somewhat at his own risk; but I do say that the time has arrived when we must be sufficiently realistic to know that the United States of America has but two friends on earth—Finland and Ireland.

Mr. MCCARRAN. Mr. President——

Mr. ASHURST. I will yield in a moment. My able friend here on my left, the studious Senator from Maryland [Mr. TYDINGS] sotto voce says our two friends are the Atlantic and the Pacific Oceans. I accept the amendment. I add them to my two. We have four friends.

I now yield to the Senator from Nevada.

Mr. MCCARRAN. Mr. President, I desire to express the gratitude of the great Irish race with respect to the expressions made on the floor of the Senate by the able Senator from Arizona, because the heart of Ireland always throbs in friendship with all nations that treat Ireland as a friend.

Mr. ASHURST. I am not of Irish descent. I wish I were. I am of English and French descent, and if there be any persons on earth I well know, it is an Englishman and a Frenchman.

If we are improvident enough to lend money to foreign governments without security, they in turn are astute enough to decline to repay us. I have no ill will toward foreign nationals. I appreciate the land that gave us our common law and that gave us the language of Shakespeare and Milton. If she had never given aught else to us than this language of such amplitude and grandeur and this great system of law, that would have been quite sufficient.

I am no enemy of the Italian people. They have given the world a heritage of music and poems in stone.

Little Belgium during the war walked the Via Dolorosa that led to duty, death, and glory, and gave to the world an exhibition of bravery beyond the range of eulogy.

All persons have from time to time loved France.

From Holland we received the decimal system of money. Many nations have made contributions toward progress.

But the fact that foreign countries have made contributions that have been accepted by the American people is no reason for believing that we can continue to support those countries. The further purchase of foreign silver is of no use. It has proved to have been a failure, and the sooner we rid ourselves of the idea that it will bring any markets to us, the better off we shall be.

We will say you, sir, are a manufacturer of automobiles. You sell automobiles at $1,000 each. You want to sell to me. You lend me the $1,000 to buy the automobile, but I never repay you. Have you profited by that transaction?

Mr. President, I have voted for many appropriations. I expect to vote for more. If it becomes necessary in order to sustain New England I shall vote to buy shoes made in New England rather than send the money to Mexico, China, and Japan, or India. We shall at least keep the money at home when we buy from New England.

It is said that we ought to take a large view of this situation; that we ought to take a large view of mankind. Very well. The United States has taken a large view. The United States stands with clean hands. She tried to save Europe. America poured forth the blood of her bravest and her best to try to save Europe. America gave her sons, the rarest and most precious gift she could make. She gave her money, not by the millions of dollars but by the billions of dollars, and Europe is no nearer saved than she was before our sacrifices. Europe's salvation, like the salvation of the individual, depends upon itself. The business of Europe is war, and has been for 2,000 years. More than 260 great battles have been fought near or on the very battlefield of Waterloo; mentioning only Malpaquet and Ramillies.

So, Senators, we but delude ourselves when we believe that money from our Treasury, given or loaned to foreign governments, will stimulate our foreign trade; that money from our Treasury can buy the friendship of Europe. This may be an unhappy reference, but no rich government is happy. No rich man is happy. The rich man seldom views with delight the rolling landscape; he almost never really hears Beethoven's Moonlight Sonata. When he looks out of the window, he does not see the symmetrical tree. The rich man sees at his door a wolf, with red lips stripped back from white fangs, about to consume him.

The only man in this country who is actually afraid that he will starve to death is the rich man. That is a part of the penalty;

that is a part of the eternal law which reaches all men who have great wealth.

This country, therefore, by reason of being rich, must endure the envy and the hatred of all other nations. When a nation grows magnificently opulent, as we are now, it cannot expect to have friends. Let us not delude ourselves. We shall, of course, continue to send our Ambassadors and Ministers to foreign countries; we shall continue the polite amenities which should exist between civilized countries; but it is a poor compliment to his intelligence to say to any American citizen that our country will ever secure any help, no matter how great our hour of need might be, from any foreign country.

I presume I voted for the Silver Purchase Act. I never examine to see how I voted in the past, because I do not want any past action to hamper my present action. [Laughter.] So, Mr. President, whether I voted for the Silver Purchase Act or voted against it is immaterial; the law has proved to be a failure. Why, then, continue that which we know to be a failure, and which costs $9 for every $1 we pay?

The time has come for the United States to hold her own. We are not seeking to extend our dominions. Soon enough some incident will take place in the Orient, soon enough some incident will take place somewhere which will excite the people, and tremendous propaganda will be put upon us in an effort to induce us to enter some conflict on the side of "humanity" or on the side of "liberty."

Mr. President, I do not know that anyone will deign to pay attention to my record, though I desire to be known as a man not lacking in friendship for the things that are right and which make for peace among the nations. But if the nations of Europe and of the Orient believed they could get no advantage from the United States, if they knew they would be required to pay their debts, they would become our friends. We respect the man who makes us pay our bills. If we make a man pay his bills, he respects us, and if we continue to permit the sort of treatment we have been receiving from our foreign debtors, we will no longer respect ourselves.

Therefore, Mr. President, I hope the amendment proposed by the Senator from Delaware [Mr. TOWNSEND] will be agreed to. The amendment is proposed by a Republican. Is it possible that I, a Democrat, am urging an amendment proposed by a Republican? [Laughter.] If an amendment is a good one, I am going to vote for it, no matter by whom it is proposed.

In the Senate, June 22, 1939

COPPER, THE EVERLASTING METAL

Mr. ASHURST. Mr. President, at some unrecorded place on an indefinite day during what we call the stone age "later," which began somewhere on the stream of time about 10,000 years ago—your guess as to when it began will be as nearly accurate as mine—women commenced the domestication of plants and animals and discovered the processes of baking, brewing, and weaving. On another indefinite day of the later stone age some man, exhausted from dragging with great friction his quarry or other burden along the ground with a sledge, made one of the most brilliant of all inventions—the wheel.

During the same remote and uncertain later stone age some shaggy man picked up a piece of red rock, and from it made a discovery and an invention that ultimately gave to the human race the key—a key of copper—to the kingdom of the arts, industries, communication, transportation, and the material sciences. This piece of red rock seemed to our shaggy man serviceable as a knife or a spear; and this primitive artisan, this embryo scientist, possessing an inquiring turn of mind, in trying to shape the edge of his red rock, found out that this particular rock was a metal that gave way beneath the blows of his stone hammer, and, without breaking, could be bent into any desired form.

If we allow our imagination to make a far-flung excursion, we may well picture with what pride this prehistoric man exhibited his crudely fashioned copper knife or spear among his fellow tribesmen; for the red rock was, indeed, copper. He was probably regarded as a crank "touched in the head" for attempting to use a metal knife or metal spearhead instead of stone, which had served for generations; but he tremendously influenced the tides of human destiny.

No patent laws of that period gave protection to the discoverers of baking, brewing, and weaving, the domestication of plants and animals, to the inventor of the wheel, or to the discoverer of copper. No chronicle recorded the names of the anonymous benefactors of the human race who made these early discoveries. They are, like our own Unknown Soldier, namelessly immortal, and will probably continue to be nameless.

Copper derived its earliest fame, according to pagan mythology, from the partiality of Venus for this metal—Venus in Greek was Aphrodite—for when Venus rose from the sea somewhere near the island of Cyprus, she asked for a mirror that she might see for herself the reason why all praised her beauty. Only two metals, gold and copper, were supposed to be known at that time out of which a mirror could be made. Venus refused the golden mirror, as it cast a yellow tinge upon the reflection of her countenance, but accepted the copper mirror, as it brightened her titian locks. Thus the word "cyprium," from this island, became the word "cuprum" to the Roman, and copper to the English tongue.

From the dawn of history until the end of the medieval period, copper was the world's most important metal; then iron and steel were the favorites until about the middle of the nineteenth century, when, owing to the application of electricity, copper entered a rejuvenation, and neither imagination nor science is able to foresee a suitable substitute for copper in the electrical field.

Copper is the metal in which the current is born in the generator. Through copper bars and the copper windings of transformers the electricity passes to high-tension transmission lines, which distribute the electrical energy for its ultimate use.

Copper has numerous assets, values, and attributes, and among them are its capacity for conducting heat, its electrical conductivity, its extreme ductility, its malleability, its high tenacity, its tensile strength, its ability to alloy with other metals, its artistic color and its luster, its quality of withstanding corrosion.

When long exposed to air and moisture, it has the wizardry—so far as I know, possessed by no other metal—to create for itself a beautiful protective skin highly esteemed by artists and architects, namely, a greenish or bluish tint called verdigris, Grecian green, "patina," which some municipal authorities unwisely remove, for after copper has given itself this beautiful covering of verdigris, which protects it from oxidation, it will endure for thousands of years in air or in damp soil, and long after iron implements have rotted and are but a heap of dust.

There are metallurgists who deny copper's commonly accepted priority of discovery among metals, and they argue, but with meager evidence, that iron was isolated equally as early as copper and probably anterior to copper. Be this as it may, copper is supreme among the common metals in its everlasting qualities. It is an element native and free. It is permanent and invincible and survives whether in water, earth, or air.

Copper is a good mixer and is the willing, handsome, efficient, ever-dependable servant of electricity. It is so versatile that the ancient alchemists called it the meretricious metal. It enlarges its field of usefulness by alliances with other metals. Tin gives it the hardness of bronze. Zinc gives it the glitter of brass. The precious metals, gold and silver, in their proudest service as coins and jewelry, gain strength and endurance by combination with copper.

As the servant of electricity in sending energy from place to place, copper is unsurpassed by any other metal, with the possible exception of silver, but even a silver wire has only 6 percent more efficiency than a copper wire.

Copious data on copper may be obtained by reading the volume The Story of Copper, by Watson Davis, C. E.

Throughout the world there are many famous structures with copper roofs that are centuries old. These copper roofs give eloquent testimony to the durability of copper. In this country the oldest copper roof is that which was applied to Christ Church in Philadelphia over 200 years ago.

Copper roofs, gutters, and downspouts provide a leak-proof and lasting protection against sun, sleet, snow, and rain.

Bronze vessels buried in the earth for a thousand years endure and become pure blue. Bronze vessels buried in the water for a thousand years endure and become pure green and glossy as jade. Bronze is a combination of copper and tin.

The Serpentine Column, one of the most famous of ancient monuments, may be seen in Constantinople, now called Istanbul. This column of bronze was part of the booty taken by Themistocles in his victory over the Persians somewhere between 497 B. C. and 479 B. C. It is worth while to note that the foundry work of this column is remarkable in view of the remote date in which it was made, but the ancients were familiar with the imperishable quality of copper.

On an island in the Aegean Sea once stood the Colossus of Rhodes, which towered 112 feet above the water. This statue was one of the seven wonders of the world. The Colossus was a nude bronze Apollo, who stood with a torch uplifted in his right hand. There was a curious medieval tradition that the statue straddled the harbor so that ships passed between its enormous legs; but this is not so. Not only would no Greek sculptor design Apollo in this ridiculous attitude, but the engineering problem of erecting so vast a mass of bronze on a rock in the sea was sufficiently difficult without added complications.

The Colossus stood only for the space of 56 years—from 280 B. C. to 224 B. C. In that year an earthquake brought Apollo crashing into the sea, where he lay for 900 years. Pliny saw this mass of bronze lying at the entrance to the harbor when he visited the island in the first century A. D.

"Even as it lies" wrote Pliny "it excites our wonder and imagination. Few men can clasp the thumb in their arms, and the fingers are larger than most statues."

When the Saracens took Rhodes in 672 A. D. they sold the statue as scrap metal, and this bronze Apollo, which had for 900 years resisted the tooth of time and the corroding canker of the sea, was taken away by a merchant, who salvaged 900 tons of the bronze, or 1,000 camel loads, and the bronze was probably made into weapons of war.

In the year 1911, at a luncheon tendered in New York City to Thomas Alva Edison, inventor of inventions, the world's most famous physicist, whose incandescent lamp bathed all civilization in a flood of light, Mr. Edison was asked the question as to what of all things he most desired to possess. Mr. Edison in reply asked that he be given a true, 1-foot cube of copper.

Forthwith casting of a true 1-foot cube of copper was undertaken, and was finally presented to Mr. Edison, who prized the cube above the many hundreds of medals and other tokens he had received in recognition of his work.

Mr. Edison's extraordinary satisfaction with this unique gift was because copper was symbolic of the generation and distribution of electrical energy, and the increased employment in so many industries which had sprung from his inventions.

At West Orange, in New Jersey, is the ivy-covered laboratory of the late Thomas A. Edison. Here may be found, in a place of honor, this cubic foot of copper.

Mr. President, in the copper mines of the United States for the year 1937 there were employed 24,900 persons; in the copper smelters, mills, plants, and auxiliary works there were employed 22,315 persons, making a total of 47,215. These 47,215 employed persons subsisted about half a million persons.

It may be interesting to the Senate and the country to know the copper yield of Arizona, the premier copper-producing State.

Arizona's copper yield, 1874–1939

Produced, in round numbers	$2,816,000,000
How expended (round numbers):	
Wages and salaries	938,000,000
Supplies and equipment	586,000,000
Taxes (State and Federal)	251,000,000
Freight on copper	157,000,000
Refining	173,000,000
Selling	34,000,000
Insurance, replacements, etc	130,000,000
Dividends	547,000,000
	2,816,000,000

UNITED STATES SENATE,
COMMITTEE ON THE JUDICIARY,
April 3, 1939.

Gen. FRANK T. HINES,
Administrator, Veterans' Affairs, Washington, D. C.

DEAR GENERAL HINES: When H. R. 12175 was pending in the Senate of the Sixty-ninth Congress I offered the following amendment, which amendment was adopted by the Senate and which became a part of Public, No. 448, and for the lack of a better description has come to be known as the Ashurst amendment, to wit:

"That any ex-service person shown to have had a tuberculosis disease of a compensable degree, who, in the judgment of the Director, has reached a condition of complete arrest of his disease, shall receive compensation of not less than $50 per month: *Provided, however,* That nothing in this provision shall deny a beneficiary the right to receive a temporary total rating for 6 months after discharge from a 1 year's period of hospitalization: *Provided further,* That no payments under this provision shall be retroactive and the payments hereunder shall commence from the date of the passage of this act or the date the disease reaches a condition of arrest, whichever be the later date."

Will you please inform me as to the number of ex-service men now receiving compensation under the provisions of my amendment; and also please further advise me as to the gross sum of money (compensation) which to date has been paid to ex-service men under and by virtue of this Ashurst amendment and its subsequent amendments?

With high esteem,
Sincerely yours,

HENRY F. ASHURST.

VETERANS' ADMINISTRATION,
Washington, April 17, 1939.

Hon. HENRY F. ASHURST,
United States Senate, Washington, D. C.

MY DEAR SENATOR ASHURST: Reference is made to your letter of April 3, 1939, requesting information as to the total cost of paying a statutory $50 award to World War veterans suffering from a tuberculous disease of a compensable degree which has reached a condition of complete arrest.

There are now on the rolls approximately 41,000 veterans who are receiving a statutory award of $50 for arrested tuberculosis, and the total cost of this provision of the law to date is approximately $192,690,000.

Very truly yours,

FRANK T. HINES,
Administrator.

REMARKS OF SENATOR ASHURST, OF ARIZONA, ON SEPTEMBER 14, 1938, IN PRESENTING HON. FIORELLO H. LAGUARDIA, MAYOR OF NEW YORK CITY, TO AUDIENCE IN PRESCOTT, ARIZ.

Mr. Mayor Timerhoff, of Prescott, ladies and gentlemen, our distinguished guest is Prescott's most constant, most famous, and most powerful friend and champion; and we are assembled here in this city where many of the radiant days of his boyhood were spent to welcome him and to pay tribute to his worth and work.

Doubtless many persons have wondered how and in what manner the far-shining fame and stupendous destiny of our great friend were achieved.

Where does he find that superabundant energy, that genius for success which seemingly triumphs easiest in what at times might appear to be unfavorable, if not hopeless, situations?

What is the secret of the wonderful progress of this aggressive, romantic, and intensely practical statesman who is so fascinating that he appears like some classic figure from the antique world?

The secret is his courage, his militant honesty, his deep enthusiasm for justice, and his unconquerable will power.

He knows that character speaks with ampler utterance than words can give; he has unfailing sympathy for the sufferings and sorrows of mankind; and he knows that while beautiful words are the choice sons of the earth, good deeds are the choice daughters of heaven.

I need not introduce but present to you Prescott's pride and joy, the home-town boy who has achieved world-wide renown, brave soldier, honest public servant, capable administrator, brilliant orator, mayor of New York (the world's largest city), Hon. Fiorello H. LaGuardia.

In the Senate, Thursday, January 4, 1934

TAX-EXEMPT SECURITIES

Mr. ASHURST. My proposed amendment strikes at an evil in our system of taxation which is already great, and if unchecked will grow—indeed has grown—to such magnitude as to threaten the existence of our institutions.

The existence of conditions that enable any municipality or political subdivision to issue tax-free securities directly permits a certain class of property owners to partake of the comforts and benefits of government without bearing any share of the expense burden of government.

All private property should pay its just proportion of the expense of maintaining the Government.

The issuance of tax-exempt securities permits:

(1) A large portion of property to escape taxation, thereby causing great loss of revenue.

(2) It violates the sound tax principle of "ability to pay," and it unfairly discriminates among taxpayers.

(3) It discourages investment in new enterprises.

(4) It encourages extravagances of governmental agencies.

(5) It grants private subsidies and special privileges, obnoxious to our system.

(6) By withdrawing money from private enterprises it increases the rate of interest required for all enterprises not carried on by the Government, and thereby adds to the cost of living.

(7) It creates, and quite naturally, social unrest.

Vigor and vision are the supreme need of the hour, and unless we act with promptness on this subject, the National Government and some of the States will bog down and sink into the grasp of the all-smothering, all-destroying quicksands of insolvency.

EXTRACT FROM AN ARTICLE BY GEORGE CREEL IN COLLIER'S NATIONAL WEEKLY, NOVEMBER 13, 1937

It is his saving grace of gay and elfin humor, his technique of self-deprecation and self-raillery, that makes HENRY ASHURST a unique figure in the Senate. Long ago his colleagues gave up attempts at attack and derision, for he is the first to laugh at himself and to turn a spear against his own breast. What can be done with a man who, winningly genial and disarmingly candid, admits charges before they are made?

As a matter of fact, he is a poor job hunter, open in his attack on the spoils system, and courageous in denouncing the "pork barrel," refusing to raid the Federal Treasury for the benefit of his State. When the Ku Klux Klan was at the height of its political power ASHURST tore it to pieces in speech after speech; one of his major fights is against tax-exempt securities; and when the flood of utopianism was at its crest he declared this statement of belief: "I have always opposed the suggestion that the world owes every man a living. The only persons who believe such stupid nonsense are those who desire to live on the fruit of other men's toil. All that a civilized government owes to the honest, industrious, and normal citizen is a fair chance to earn a respectable living."

When some "gimme" organization urged a crazy plan for the redistribution of wealth Henry wrote back that "our Nation may yet be obliged to resort to those prosaic, unpopular and age-old remedies that have never failed—economy, industry, ambition, and other simple virtues." So he goes, leaping from position to position with all the gay abandon of a chamois.

"Why do you do it? What's the explanation?" Your bewildered correspondent put the question pleadingly. "For Heaven's sake, Senator, throw some light on yourself."

"I never explain." A twinkle in the eyes belied the solemnity of the long face. "In the end I would have to explain my explanation. And you might mention also that I never make promises. As for my public addresses, I hold that a speech is entertaining only when serenely detached from all information. Unfortunately," he sighed, "it is not possible for me to maintain that high standard all the time. Now and then, in spite of heroic efforts, I wax sensible and informative."

EXTRACT FROM AN ARTICLE BY ALVA JOHNSTON IN THE SATURDAY EVENING POST, DECEMBER 25, 1937

Senator ASHURST has always had reverence for the elder Senator Lodge and for other scholars in politics, like President Theodore Roosevelt and the late Senator Bronson Cutting. He probably knows more quotations than the three of them together, but they knew Greek, and ASHURST doesn't. The Arizonian is not a Latin scholar, but he has memorized innumerable Latin quotations. All the Latin that he knows he knows by heart. It is almost as dangerous to misquote Latin as English in his presence. He is industrious and is vigilant about Arizona affairs. One of the

points in his favor is that he has refused to practice law on the side. ASHURST regards that sort of thing as beneath his dignity; he thinks, also, it would interfere with his scholarly pursuits and with his diligence in Arizona's and the Nation's business. He could roll in wealth if he were willing to sell his name, for his prestige as chairman of the Senate Judiciary Committee could be made an important commercial asset.

BILLS INTRODUCED BY SENATOR ASHURST THAT BECAME LAWS

IN THE SIXTY-THIRD CONGRESS

A bill authorizing the survey and sale of certain lands in Coconino County, Ariz., to the occupants thereof.
Public Law No. 154.

IN THE SIXTY-FOURTH CONGRESS

A bill for the relief of Warren E. Day.
Private Law No. 11.
A bill authorizing the adjustment of rights of settlers (on the Moqui and Navajo Indian Reservations) on a part of the Navajo Indian Reservation in the State of Arizona.
Public Law No. 192.
A bill to provide for the storing and cleansing of imported Mexican peas, commonly called ("gorbanzos") "garbanzo."
Public Law No. 116.
A bill to provide for an auxiliary reclamation project in connection with the Yuma project, Arizona.
Public Law No. 293.
A bill to authorize the Secretary of the Interior to lease, for production of oil and gas, ceded lands of the Shoshone or Wind River Indian Reservation in the State of Wyoming.
Public Law No. 218.
A bill providing that Indian schools may be maintained without restriction as to annual rate of expenditure per pupil.
Public Law No. 264.

IN THE SIXTY-FIFTH CONGRESS

A bill to extend the time for cutting timber on the Coconino and Tusayan National Forests, Ariz.
Private Law No. 6.
A bill to establish the Grand Canyon National Park in the State of Arizona.
Public Law No. 277.
A joint resolution authorizing the assistant to the Secretary of the Interior to sign official papers and documents.
Public Resolution No. 25.

IN THE SIXTY-SEVENTH CONGRESS

A bill for the relief of Walter Runke.
Private Law No. 177.
A bill to amend the act entitled "An act authorizing the survey and sale of certain lands in Coconino County, Ariz., to the occupants thereof," approved July 28, 1914 (38 Stat. L., p. 558).
Public Law No. 178.
A bill to provide for the completion of the bridge across the Little Colorado River, near Leupp, Ariz.
Public Law No. 443.

IN THE SIXTY-EIGHTH CONGRESS

A bill to authorize the Secretary of the Interior to issue patent in fee simple to the board of regents of the University of Arizona, State of Arizona, of Tucson, Ariz., for a certain described tract of land.
Private Law No. 101.
A bill authorizing the Secretary of War to grant a right-of-way over the Government levee at Yuma, Ariz.
Public Law No. 92.

IN THE SIXTY-NINTH CONGRESS

A bill for the relief of Eustacio B. Davison.
Private Law No. 403.
A bill (authorizing the withdrawal of certain public lands in Arizona for use as a municipal aviation field by the city of Tucson, Ariz.) to authorize the use by the city of Tucson, Ariz., of certain public land for a municipal aviation field, and for other purposes.
Public Law No. 99.
A bill for the relief of Edgar K. Miller.
Private Law No. 166.
A bill for completion of the road from Tucson to Ajo via Indian Oasis, Ariz.
Public Law No. 416.

IN THE SEVENTIETH CONGRESS

A bill to authorize (appropriations for the survey, construction, and maintenance of highways on or adjacent to untaxed Indian lands) an appropriation for roads on Indian reservations.
Public Law No. 520.
A bill to authorize the use by the county of Yuma, Ariz., of certain public lands for a municipal aviation field, and for other purposes.
Public Law No. 77.
A bill granting a pension to Lois I. Marshall, widow of Vice President Marshall.
Private Law No. 328.
A bill for the relief of William A. Light.
Private Law No. 237.
A bill authorizing the paving of the Federal strip known as International Street, adjacent to Nogales, Ariz.
Public Law No. 401.
A bill for the relief of William E. Thackrey.
Private Law No. 236.
A bill for the relief of C. R. Olberg.
Private Law No. 295.
A bill authorizing the Secretary of War to donate certain buildings in the city of Tucson, Ariz.
Public Law No. 396.
A bill authorizing the construction of a fence along the east boundary of the Papago Indian Reservation, Ariz.
Public Law No. 443.
A bill authorizing the Federal Power Commission to issue permits and licenses on Fort Apache and White Mountain Indian Reservations, Ariz.
Public Law No. 836.
A bill to authorize the construction of a telephone line from Flagstaff to Kayenta on the Western Navajo Indian Reservation, Ariz.
Public Law No. 662.
A bill authorizing the Secretary of the Interior to dispose of two bridges on the San Carlos Indian Reservation in Arizona, and for other purposes.
Public Law No. 590.

IN THE SEVENTY-SECOND CONGRESS

A bill for the relief of Hamilton Grounds.
Private Law No. 285.
A bill to amend the United States mining laws applicable to the city of Prescott municipal watershed in the Prescott National Forest within the State of Arizona.
Public Law No. 312.
A resolution authorizing an investigation of the subject of the utilization of the water resources of the San Pedro River in Arizona.
Agreed to.

IN THE SEVENTY-THIRD CONGRESS

S. 157. To amend the act of March 4, 1915, relative to desert-land entry.
Approved February 14, 1934. Public Law No. 89.
S. 2377. For the relief of A. E. Sholley.
Approved June 11, 1934. Private Law No. 227.
S. 2379. To provide for the selection of certain lands in the State of Arizona for the use of the University of Arizona.
Approved May 21, 1934. Public Law No. 239.
S. 1582. Providing that no indictment shall be insufficient because of formal defects or because of presence of clerks or stenographers.
Approved May 18, 1933. Public Law No. 16.
S. 2080. To provide punishment for killing or assaulting Federal officers.
Approved May 18, 1934. Public Law No. 230.
S. 2460. To limit the operation of the statutes of limitations in certain criminal cases.
Approved May 10, 1934. Public Law No. 217.
S. 2461. To amend the act giving the Supreme Court authority to prescribe rules with respect to proceedings in criminal cases after verdict.
Approved March 8, 1934. Public Law No. 117.
S. 2575. To punish smuggling contraband articles into penal institutions, inciting riots therein, etc.
Approved May 18, 1934. Public Law No. 234.
S. 2841. To punish certain offenses committed against banks organized or operating under laws of the United States or any member of the Federal Reserve System.
Approved May 18, 1934. Public Law No. 235.
S. 2845. To extend the provisions of the National Motor Vehicle Theft Act to other stolen property.
Approved May 22, 1934. Public Law No. 246.
S. 3040. Giving Supreme Court authority to make and publish rules in civil actions at law.
Approved June 19, 1934. Public Law No. 415.
S. 3209. Permitting employment of certain counsel in case of United States against Weirton Steel Co.
Approved April 14, 1934. Public Law No. 162.
S. 3436. Permitting employment of certain counsel in cases of United States against Electro Metallurgical Co., New-Kanawha Power Co., and Union Carbide & Carbon Co.
Approved May 25, 1934. Public Law No. 253.
S. 3646. Vesting courts with discretion relative to the forfeiture of vessels and aircraft seized for violations of law.
Approved June 19, 1934. Public Law No. 420.

IN THE SEVENTY-FOURTH CONGRESS

S. 1572. To amend an act entitled "An act to regulate the manner in which property shall be sold under orders and decrees of any United States courts," approved March 3, 1893, as amended.
Approved April 24, 1935. Public Law No. 41.
S. 2904. To prohibit the interstate transportation of prison-made products in certain cases.
Approved July 24, 1935. Public Law No. 215.
S. 3059. To authorize the acquisition of land on McNeil Island.
Approved August 2, 1935. Public Law No. 226.
S. J. Res. 59. Providing for the celebration on September 17, 1937, of the one hundred and fiftieth anniversary of the adoption of the Constitution of the United States of America by the Constitutional Convention; establishing a commission to be known as the Sesquicentennial Constitution Commission.
Approved August 23, 1935. Public Resolution No. 53.
S. 3058. To amend an act entitled "An act to establish a uniform system of bankruptcy throughout the United States", approved

July 1, 1898, and acts amendatory thereof and supplementary thereto, and for other purposes.

Approved August 20, 1935. Public Law No. 289.

S. 3336. To repeal titles I and II of the National Prohibition Act, to reenact certain provisions of title II thereof, to amend or repeal various liquor laws, and for other purposes.

Approved August 27, 1935. Public Law No. 347.

S. 3433. Limiting the operation of sections 109 and 113 of the Criminal Code and section 190 of the Revised Statutes of the United States with respect to counsel in certain cases.

Approved August 29, 1935. Public Law No. 394.

S. 2421. To amend the act entitled "An act forbidding the transportation of any person in interstate or foreign commerce kidnaped or otherwise unlawfully detained, and making such act a felony," as amended.

Approved January 24, 1936. Public Law No. 424.

S. 3120. To authorize and direct the Secretary of the Treasury to transfer certain moneys to "Funds of Federal prisoners."

Approved January 27, 1936. Public Law No. 379.

S. 3328. To provide an official seal for the United States Veterans' Administration, and for other purposes.

Approved January 27, 1936. Public Law No. 430.

S. 2603. To authorize the Attorney General to determine and pay certain claims against the Government for damage to person or property in sum not exceeding $500 in any one case.

Approved March 20, 1936. Public Law No. 481.

S. 1379. To amend section 103 of the Code of Criminal Procedure for the Canal Zone and section 542 of the Code of Civil Procedure for the Canal Zone.

Approved May 13, 1936. Public Law No. 578.

S. Con. Res. 28 and S. Con. Res. 35. To print additional copies of the revised annotated Constitution, and further to revise the same.

Approved May 14, 1936.

S. 4594. To supplement the act of June 25, 1929 (ch. 41, 46 Stat. L. 41), which authorized and directed the Attorney General to institute suit against the Northern Pacific Railway Co. and others.

Approved May 22, 1936. Public Law No. 610.

S. 3841. To amend an act entitled "An act to establish a uniform system of bankruptcy throughout the United States." approved July 1, 1898, and acts amendatory thereof and supplementary thereto.

Approved June 26, 1936. Public Law No. 818.

S. 2897. For the relief of Lt. Robert A. J. English, United States Navy.

Approved February 11, 1936. Private Law No. 381.

IN THE SEVENTY-FIFTH CONGRESS

S. 1242. A bill for the relief of Stanley A. Jerman, receiver for A. J. Peters Co., Inc.

Approved May 24, 1938. Private Law No. 530.

S. 1431. A bill limiting the operation of sections 109 and 113 of the Criminal Code and section 190 of the Revised Statutes of the United States with respect to counsel in certain cases.

Approved August 25, 1937. Public Law No. 366.

S. 1724. A bill to authorize the transfer to the Attorney General of a portion of the Fort Reno Quartermaster Depot Military Reservation, Okla., as a permanent site for the United States Southwestern Reformatory.

Approved May 24, 1937. Public Law No. 103.

S. 2381. A bill to amend the Criminal Code by providing punishment for impersonation of officers and employees of Government-owned and Government-controlled corporations.

Approved February 28, 1938. Public Law No. 437.

S. 2383. A bill to amend the act authorizing the Attorney General to compromise suits on certain contracts of insurance.

Approved February 24, 1938. Public Law No. 434.

S. 2387. A bill to authorize certain officers and employees of Federal penal and correctional institutions to administer oaths.

Approved February 11, 1938. Public Law No. 426.

S. 3691. A bill to provide for the appointment of additional judges in certain United States courts. (Introduced by Senator ASHURST and Senator HATCH.)

Approved May 31, 1938. Public Law No. 555.

S. 3820. A bill to authorize membership on behalf of the United States in the International Criminal Police Commission.

Approved June 8, 1938. Public Law No. 587.

S. 4090. A bill to provide for the care and treatment of juvenile delinquents.

Approved June 16, 1938.

In the Senate, Monday, March 13, 1939

"BUGBANE"

Mr. ASHURST. Mr. President, I do not rise to discuss in particular detail the item under consideration, because my knowledge of the grasshopper pest is limited. I arise to say that in this world we are not settlers but pilgrims, and mankind in this pilgrimage is confronted with a constant battle to overcome things which seem to seek to exterminate the human race. It is still an open question as to whether mankind or insects shall ultimately inherit the earth.

It is my opinion that mankind in his contest with the insect world has about a 50-50 chance to survive.

Those who make an intimate study of the insect world are amazed at that minute life. There are over 4,000,000 different kinds of insects in the world; most of them are open enemies to mankind and they all are our competitors for the world's food supply. Most classes of insects can breed, if, as, and when they choose, in such numbers as they choose, and they can breed either sex they wish at any time they choose, or can breed neuters.

The insect world is not only able to breed with selectivity, but to estimate in advance the numbers they seem to require. Insects are of inexhaustible fecundity. There are more ants in the world than any other living creature, and it is mathematically possible for a pair of houseflies to have 2,000,000,000,000 descendants in one season. Any movement taken in this Congress, or in any parliament anywhere, looking toward exterminating insect pests, should have zealous support, because, while it seems bizarre in this prosaic, commonplace world to say that mankind might be exterminated by insect pests, yet if we consult those who know this subject, they will show that mankind is in more danger from bugbane than from any other thing which may seem to threaten man's existence in the future.

THE AMERICAN COWBOY—TRIBUTE TO THE LATE SENATOR JOHN B. KENDRICK BY SENATOR ASHURST

Romance and emprise clustered around him, and although his lips have now partaken of the sacraments of the dust, the influence of his character survives and is treasured by his relatives, his friends, and his proud State.

Senator Kendrick possessed that heaven-born attribute which the English call a cool head and the Americans call judgment; hence, in sharp parliamentary contests and stormy convention, he held true to the main purpose, was master of himself and the business at hand.

He was a practical idealist. Nature in one of her prodigal moods stamped upon him her royal seal.

Even when he viewed the swelling dome and the fluted pilasters of the Nation's Capitol he wistfully yearned for the far-away rim of the prairie.

Amidst the din and sensation of politics in Washington he longed for his shining Tetons and his gorgeous Yellowstone. His nostrils were always eager for the pungent odor of the wild sage, and his kindly eyes ever sought to descry the scarlet glory of the blossoming cactus.

In public office he trod the paths of his feet with marvelous circumspection, and he was inspired by an ardent enthusiasm for the public good. He was a competent Governor, a successful and influential United States Senator. He was a real cowboy, and he became the most distinguished of all of those excellent and racy spirits who, 50 years ago, drove the thundering herds.

The cowboy's work, like a particolored robe, is so woven about Senator Kendrick that a word describing the cowboy he so truly typified may not be out of place here.

No belted knight in chivalry on heath or strand ever appealed with such allurement and glamour as did the American knights of the remuda.

Among the cowboys there were varying degrees of sophistication, for they were drawn from the different walks of life. The majority, however, were drawn from pioneer stock. The nature of the cowboy's occupation afforded him scant opportunity for extended reading, for he must needs constantly attend the cattle.

If his cow range was on the desert, he must grind its bitter dust between his teeth, endure its flail of heat, and ride on and on. If his range was on the mountain, he must, in winter, ride hard beneath the cold stars. The cowboy's life was one of severe isolation, but his work was not only made endurable but was even rendered pleasurable as well when he took refuge, as many, if not most of them, did, during their lonely rides, by entering into the realm of imagination, where ideal experiences are possible without objective restraint—a realm where images form and fall; where glittering towers upthrust themselves and globes of gold expand and float; a domain peopled with a viewless throng, invisible to all but the eye of the imaginer, and in this way a high percentage of the American cowboys became endowed with intellect and grace, fascination, and tremendous personal charm.

Senator Kendrick symbolized the American cowboy—calm, steady, generous, fair, adaptable, industrious, and firmly devoted to the rugged old virtues which made our Nation great and strong.

(By Will C. Barnes in Arizona Republic)

This is the story of a young Arizona cowboy who discarded a worn pair of chaps and his favorite $14 cowboy boots to become one of the Nation's best known and most eloquent lawmakers, Senator HENRY F. ASHURST, "a master of genteel sarcasm, of consummate courtesy in debate, and the exponent of humor which sparkles like a flawless white diamond."

But he never has forgotten Arizona, with its great deserts, mountains, farms, ranches, and range lands. Even such a gift as a mere sprig of desert sage is enough to bring a tribute.

It was back in the year 1892, on the general range round-up, when there were no "chuck wagons" and cranky cooks of later years, but everyone came with a pack outfit or "greasy sack."

"Generally we all threw in together and cooked over one fire, borrowed from one another the necessary salt, sugar, and other edibles, and had a general good time," says Mr. Barnes, widely known as an Arizona historian, who relates this incident.

"We were over on the Mogollon Plateau near Mormon Lake. The round-up was to start the next day. The sound of a cowbell, the clatter of shod hoofs on the rocky trail came to our ears through the pines. Into the camp surged a remuda of six of eight saddle horses led by an old gray mare, her neck decorated with a heavy 6-inch cowbell.

"Each horse had a home-made rawhide hobble tied around its neck. On the mare's back was bedding, held in place by the regular 'diamond hitch.' Behind her trailed a long-legged, slab-sided colt. The instant his dam stopped, the colt lost no time in gathering in an evening meal, for which he had been making heartbreaking nickerings for some time.

"The cowboy behind the horses swung 'round and bunched them up under a big pine near the camp.

"He was a youngster of about 18 years, perhaps 6 feet tall, and weighed probably 125 pounds. His long legs were encased in an old pair of leather chaps showing signs of long use on a rough, busy range. When he stood up they struck him just at the ankles.

"On his feet was a pair of $14 boots—pride of his young life—from the favorite cowboy boot builder of those days, back in Coffeyville, Kans. The boots had slender, 3-inch 'underslug' heels, a silver 'two bit' piece screwed to the bottom of each. We sure were proud of ourselves in those days.

"'Old Bill Ashurst's kid,' someone remarked. Quickly the youth loosened the ropes that held the pack in place and dumped it on the ground. Then he joined the crowd about the fire. It was my first meeting with the youngster who later, through his own determination and will, was to become the Honorable HENRY F. ASHURST, senior United States Senator from Arizona.

"Recently I received a letter from a friend, enclosing some desert sage. Its fragrance fairly filled the room. Recalling the early range days, I sent the bit of desert sage on its travels once again; this time to Senator ASHURST in Washington.

"It must have reminded him of the old days on the western range, of a sagebrush campfire, the smell of burning hair around a branding fire, a Dutch oven full of 'sour dough' biscuits done to a turn, a huge pot of black coffee filling the air with enticing fragrance. He wrote:

"'DEAR OLD FRIEND: Surely you had the heart of a poet when you divined how much the sage means to me, and took time in this feverish world to send me a sprig of the same. It revived memories of a fascinating long ago, when we drove the thundering herds.'"

Small wonder he is referred to today as "a word embroiderer of the highest type; a master of word painting."

In the Senate, Thursday, March 17, 1938

Mr. ASHURST. Mr. President, he would be a rash man who could claim that he approved and endorsed all the so-called New Deal policies, but it is my opinion that when we shall have left these seats forever, history's iron pen will be writing it down that when fear and doubt, twin spectral forms of evil, descended upon our people during the depression, it was Franklin Delano Roosevelt who was the infrangible diamond pivot on whom the progress of the American people safely revolved.

Dr. Charles A. Beard, an authentic historian, recently published an article entitled "Roosevelt's Place in History." Some of Dr. Beard's strictures are extremely unflattering regarding Franklin D. Roosevelt. It is obvious from the article that Dr. Beard mistrusts President Roosevelt's peace protestations. Yet Dr. Beard, erudite historian, in concluding his article pays the following tribute to Franklin D. Roosevelt: "In one respect he is unique"—this is Dr. Beard speaking of Franklin D. Roosevelt.

"In one respect he is unique among the Presidents of the United States. * * * Even when his most severe Republican critics have finished their indictments, it remains a fact that President Roosevelt has penetrated deeper into the aspirations and tragedy of American life than any of their heroes, even Lincoln himself. Whatever else may happen," says Dr. Beard, "it seems safe to say that President Roosevelt has made a more profound impression upon the political, social, and economic thought of America than any or all of his predecessors."

This is the deliberate conclusion of an authoritative historian contemporaneous with our times.

I now read from the London Economist, as follows:

"The people will forgive the gold experimentalist his occasional errors in gratitude for his strenuous good intentions. They will never tolerate the cautious pedant who awaits before moving to be sure that every last detail of his plan is approved by the orthodox, and consequently seems never to move at all. * * * Politics is the art of the possible, not the science of the ideal. It is the Roosevelts who, with all their faults and inconsistencies, become, and deserve to become, the great statesmen."

Mr. President, fame is jealous, frugal, and cautious of her words; and when the Muse of History shall fold up the next millennium, she will distribute not more than one word to each of certain American characters whose renown we now believe will centuries hence crowd the columns of history, but in each case that one word will be sufficient. For example: Washington, independence; Jefferson, equality; Hamilton, finance; Ben Franklin, philosophy; Patrick Henry, eloquence; Daniel Webster, Constitution; Andrew Jackson, courage; Lincoln, emancipation; Mark Twain, humor.

We are inclined to overlook the fact that humor is necessary if we are to live a graceful life. Mark Twain's contribution to America was tremendously great. His vivid genius on many occasions prevented his countrymen from slipping into a mordant, dull, and prosaic existence.

The English people are no greater than any other race; they are not as great as the Irish race. They are not as great as our own race, but the fact that John Bull has always been able to laugh at himself helps to explain why a nation of shopkeepers was able to produce Shakespeare, Milton, Alexander Pope, Byron, and Kipling, and why a people of ideals were yet practical enough to acquire one-quarter of the earth.

Until about 30 years ago Americans could laugh at themselves, but we seem lately unable to do so, and, in my opinion, if we should grow more cachinnatory, or at least more truly capable of laughing at ourselves, our burdens would be borne more easily.

To resume a roll call of names: Theodore Roosevelt, energy; Wilson, peace; Edison, light; Franklin D. Roosevelt, justice, one of the greatest of words, for what is peace, independence, eloquence, Constitution, finance; indeed, what are all these and other words without "justice," the word which fame will allot to Franklin D. Roosevelt.

I conclude by referring to Richelieu's vindication, when called to an accounting for what he had done in restoring France:

* * * I found France rent asunder,
The rich men despots and the poor banditti;
Sloth in the mart and schism within the temple;
Brawls festering to rebellion, and weak laws
Rotting away with rust in antique sheaths.
I have recreated France; and, from the ashes
Of the old feudal and decrepit carcass,
Civilization, on her luminous wings,
Soars, phoenix-like, to Jove! What was my art?
"Genius," some say; some, "Fortune"; "Witchcraft," some.
Not so; my art was Justice.

The art of Franklin Roosevelt was justice.

In the Senate, March 18, 1936

FOURTH AND FIFTH AMENDMENTS TO THE FEDERAL CONSTITUTION

Mr. ASHURST. Mr. President, in our Constitution there is probably no feature around which clusters more romance or the memorials of which give us more fascinating glimpses of bygone days than the fourth and fifth amendments. In all our jurisprudence there is no other principle that has been more definitely put into position or more joyously accepted by Americans than the principle of the fourth and fifth amendments. They are intimately related; each lends strength to the other, and, notwithstanding their apparent nonchalance, they sustain and protect the very essence of constitutional liberty and security. They guarantee repose and the privacies of life.

These noble amendments are as follows:

"ARTICLE IV

"The right of the people to be secure in their persons, houses, papers, and effects against unreasonable searches and seizures shall not be violated, and no warrants shall issue but upon probable cause, supported by oath or affirmation, and particularly describing the place to be searched and the persons or things to be seized.

"ARTICLE V

"No person shall be held to answer for a capital or otherwise infamous crime unless on a presentment or indictment of a grand jury, except in cases arising in the land or naval forces, or in the militia, when in actual service in time of war or public danger; nor shall any person be subject for the same offense to be twice put in jeopardy of life or limb; nor shall be compelled in any criminal case to be a witness against himself, nor be deprived of life, liberty, or property without due process of law; nor shall private property be taken for public use without just compensation."

A gentleman calling upon me once asked, "Did you ever read Lord Coke's famous maxim in Semayne's case?" to wit, "The house of everyone is to him as his castle and fortress, as well for his defense against injury and violence as for his repose." I said, "I am familiar with Coke, but that was law 1,000 years before my Lord Coke adorned the bench."

Before the English conquest of Britain the English people lived in a country now called Schleswig, a district in the heart of the peninsula that separates the Baltic from the northern seas.

The dwellers in this particular locality were an outlying fragment of what was called the Engle or English folk, the bulk of whom probably dwelt in what was later called Lower Hanover and Eastphalia and Westphalia. These Engles in the heart of this peninsula set up their forms of government; they met in the forests, and with their loud and gutteral yeas and nays, and sometimes by clashing their spears against their shields as a substitute for a viva voce vote, they adopted their laws.

One of the principles they set into positive law and adopted before Hengist and Horsa, two of their warrior leaders, landed in Britain in A. D. 449 was the provision that "a man's house was his castle" and that therein he was and ought to be secure and free from unreasonable searches and seizures. So we perceive that when the Engles migrated to Britain they took with them those English fundamentals of the liberty of the citizen or subject, and they planted them deep and strong in the island of Britain.

English history may, therefore, with some degree of accuracy be said to have begun with the landing of this war band, led by Hengist and Horsa; at least this event marks the close of Roman influence in the island of Britain and the commencement of that of the Saxons, and from the very inception of Saxon or Angle influence the domicile was secured against searches and seizures.

The years glided into the centuries, and this civil polity guaranteeing personal freedom from the encroachments of tyranny was observed by most English monarchs until King John so outraged and violated the laws of his country that there occurred his quarrel with his barons. This quarrel led to one of the

most famous of all conferences in the annals of English liberty, but it was really a diplomatic face saving for King John, a mere cloak to cover John's unconditional submission.

An island in the Thames River between Staines and Windsor was selected as the place of conference. The King camped on one bank whilst the barons occupied a marsh or meadow on the opposite bank called Running Mede or "Runnymede," which at various times theretofore had been a place for national assemblies. Their respective delegates met on this island, and on June 15, 1215, the Great Charter (Magna Carta) was written, adopted, engrossed, and signed.

The Great Charter in and of itself did not establish many new constitutional principles, but did distinctly mark the transition from the epoch of traditional rights, observed in the nation's memory, to the age of muniments of liberty, of written legislation, of parliaments, and statutes which were soon to come. The great reforms of past reigns were thus recognized; for example, the court of common pleas was no longer to follow the King in his meanderings over the realm, but was to sit in a fixed place.

But, say the pundits, Magna Carta says nothing about freedom from unreasonable searches and seizures. Let us examine this statement and see how much thereof is accurate.

The original and individual articles of Magna Carta, as they were prepared and offered seriatim, were written in Latin; but when the entire Carta was adopted and engrossed and was ready for the King's signature, it was written in Norman-French, and we must read it in the light of what its words meant 721 years ago.

I read paragraph 24 of Magna Carta:

"No sheriff, constable, coroner, or other our bailiffs shall hold 'pleas of the Crown'."

We must view that language in the light of what it then meant. At that time sheriffs, coroners, constables, bailiffs, and King's minions, in the guise of "holding court," had been in the habit of going to the thatched cottage of the peasant and to the castle of the baron as well, to invade that cottage or castle; and these officers and minions would command that the householder open the strong box, the larder, or the pantry; they would pry open the chest in which he kept his relics, his heirlooms, his private papers, and his title deeds and muniments showing his right to occupy the premises; the penalties which these officers, sheriffs, bailiffs, and King's minions inflicted were degrading and painful and were contrary to law.

By section 24 of Magna Carta sheriffs, constables, coroners, and other bailiffs were not allowed to "hold court."

Some years after the granting of the Great Charter a doubt arose as to the precise meaning of some of its sections although it was pointed out by the lawyers of that day that the guaranties in Magna Carta were sufficient to secure the liberty of freemen; nevertheless, in the reign of Edward I, in 1297, the Confirmatio Chartarum was promulgated.

The Great Charter signed in 1215 and the Confirmatio Chartarum which was signed in 1297 must be read together; the one dealt particularly with the citizen's personal liberty and the other dealt especially with his property rights. No man since that time has succeeded in the English-speaking world, or wherever it has been pretended there was a government of law instead of a government of men, in questioning the rights of freemen as set out in these two documents.

The leading English case on searches and seizures is that of Entick against Carrington and Three Other King's Messengers, reported at length in Howell's State Trials. In this case officers of the law had broken in and seized books and papers belonging to the plaintiff under color of a warrant issued by the Secretary of State. Action was brought for trespass against the officers making the seizure. The defendants attempted to justify under the warrant. It was conceded that such warrants had been issued for many years and executed without question. The case was argued before a full bench, and Lord Camden, at the Michaelmas term in 1765, delivered the decision, holding that such a seizure could not be justified except by a warrant issued by a court upon proper proof, and that even on a warrant issued by the secretary of state it was utterly in violation of the English common law.

This was, therefore, the law of England when our Federal Convention met in 1787 to form the Constitution of the United States.

It was understood by all the Colonies to be the law.

The makers of our Federal Constitution and the framers of the first 10 amendments were never tired of quoting the immortal words of the elder Pitt, used in his speech on The Excise:

"The poorest man may in his cottage bid defiance to all the force of the Crown. It may be frail; its roof may shake; the wind may blow through it; the storms may enter; the rain may enter—but the King of England cannot enter. All his forces dare not cross the threshold of the ruined tenement."

When the ratification of the Federal Constitution was pending before the Virginia Convention, called to pass upon that momentous question, Virginia was a pivotal State—a diamond pivot—on which mighty events turned. Patrick Henry, whom Lord Byron said was "the forest-born Demosthenes who shook the Phillip of the seas," was a delegate to the Virginia Convention; and although the proposed Federal Constitution had come forth with the sanction of the revered name of General Washington and therefore justly carried with it the vast prestige which the name of Washington could not fail to attach to any proposition, Patrick Henry did not approve the Constitution and, to use his own expression, he was "most awfully alarmed," as he considered the document to be threatening to the liberties of his country—amongst other reasons because it lacked a bill of rights—and Mr. Henry challenged the view of Mr. James Madison, he of the superb intellect; Mr. Henry challenged the Wythes, the Pendletons, and the Innesses, and that splendid galaxy of scholars and statesmen who enriched the annals not only of Virginia but all America; and he demanded to know why a bill of rights, guaranteeing the privileges and immunities of the citizen, had been omitted from the Federal Constitution. The Virginia State convention, after a prolonged debate, was able to ratify the Federal Constitution by a majority of only 10 votes, so ably did Patrick Henry argue against it because it did not contain the Bill of Rights which English liberty had affirmed for centuries.

James Madison pledged his word that at the earliest opportunity he would use his energy toward placing into the Federal Constitution the requisite amendments guaranteeing the citizens' rights, privileges, and immunities, and as soon as the Virginia convention had finished the work of ratification it adopted resolutions expressing its desire for the Bill of Rights, demanded by Patrick Henry. These resolutions were forwarded to the Governors of the various States, and as far as men could be bound in faith and honor, as far as men could be bound in statesmanship and in politics, the amendments guaranteeing the citizen's individual rights and his liberties were by common consent agreed to, and it was generally understood that these amendments would be proposed to the States by the First Congress.

The first bill to be considered by the First Congress under the Constitution was quite naturally a bill to raise revenue to pay the expenses of the Government; but on July 21, 1789, James Madison, who was a Member of the House, arose and asked the House "to indulge him in further consideration of amendments to the Constitution," and he pointed out that the faith and honor of Congress were pledged; that the faith and honor of public men everywhere were pledged to amendments securing to the citizens such guaranties as were comprehended within the first 10 amendments.

The Bill of Rights amendments were then proposed to the States, including, of course, the fourth and fifth, and were ratified within 2 years and 15 days. Thereafter, as far as Americans are concerned, as far as the Constitution itself is concerned, they were and are a part and parcel of the original Constitution, as much so as if they were signed on the 17th of September 1787, when the main instrument itself was signed.

In the case of *Boyd* v. *The United States* (116 U. S. 616), the opinion of Mr. Justice Bradley reviewed Lord Camden's opinion and gave a history of the fourth and fifth amendments.

I read from the syllabus:

"It does not require actual entry upon premises and search for and seizure of papers to constitute an unreasonable search and seizure within the meaning of the fourth amendment; a compulsory production of a party's private books and papers to be used later against himself or his property in a criminal or penal proceeding or for forfeiture is within the spirit and meaning of the amendment.

"It is equivalent to a compulsory production of papers to make nonproduction of them a confession of the allegations which it is pretended they will prove."

I call attention to the case of *Gould* v. *United States* (255 U. S. 298–307). In that case a man was suspected of acts which concerned his loyalty. In such circumstances the temptation to obtain evidence by any means was great. Likewise the temptation to a court to sustain the legality of the seizure was great. Officers of the United States Army succeeded in placing a man in the defendant's establishment who purloined certain of his papers.

The Court states:

"It was objected on the trial, and is here insisted upon, that it was error to admit these papers in evidence, because possession of them was obtained by violating the rights secured to the defendant by the fourth and fifth amendments to the Constitution of the United States. The fourth amendment reads:

" 'The right of the people to be secure in their persons, houses, papers, and effects against unreasonable searches and seizures shall not be violated, and no warrant shall issue but upon probable cause supported by oath or affirmation, and particularly describing the place to be searched and persons or things to be seized.'

"The part of the fifth amendment here involved reads:

" 'No person * * * shall be compelled in any criminal case to be a witness against himself.' "

The Court comments:

"It would not be possible to add to the emphasis with which the framers of our Constitution and this Court in *Boyd* v. *United States* (116 U. S.), *The Silver Thorn Lumber Co.* v. *United States* (251 U. S.), *Weeks* v. *United States* (and various other cases cited), have declared the importance to political liberty and to the welfare of our country of the due observance of the rights guaranteed under the Constitution by these two amendments.

"The effect of the decision cited is: That such rights are declared to be indispensable to the 'full enjoyment of personal security, personal liberty, and private property'; that they are to be regarded as of the very essence of constitutional liberty; and that the guaranty of them is as important and as imperative as are the guaranties of the other fundamental rights of the individual citizen—the right to trial by jury, to the writ of habeas corpus, and to due process of law. It has been repeatedly decided that these amendments should receive a liberal construction so as to prevent stealthy encroachments upon or 'gradual depreciation' of the rights secured by them, by imperceptible practice of courts, or by well-intentioned but mistakenly overzealous executive officers."

I conclude this address by remarking that one of the choicest fruits of our American civilization is its unlimited valuation of individual liberty and its respect for the natural immunities that accompany freemen.

The plan, purpose, and object of the fourth and fifth amendments (indeed, of the first 10 amendments comprising our Bill of Rights) is that they preserve the liberty of the citizen against the assaults of opportunism, and the expediencies to which men resort in an hour of impatience.

Sheltered and defended by the radiant standards of the fourth and fifth amendments, American liberty becomes visible and vocal, audible and actual.

[From the Washington Times]

THE HUMAN SIDE OF THE NEWS

(By Edwin C. Hill)

CONGRESSIONAL ORATORY

There are a lot of studious, well-behaved young newcomers this second session of the Seventy-fourth Congress. They work harder and talk less than many of the old-timers, and that is, of course, as it should be. But connoisseurs of old-style congressional oratory will find things pretty dull in the Senate and House compared to what they used to be.

The rip-roaring orators are passing. There is a whole lot less fireworks around Washington than in the old days. One of the best of this traditional American school is still on the job. He is Senator HENRY FOUNTAIN ASHURST, of Arizona, most melodious and courtly of Senators, and the most Chesterfieldian, too, as Victorian as Spencerian penmanship in these days of the decline of manners.

I wish he and Senator James Hamilton Lewis, of Illinois, would get out the CONGRESSIONAL RECORD, rehearse a day or two, and put on again that Shakespearian word tourney of theirs which came off in the opening session of this Congress. Senator Lewis, as the world knows, is also of that passing school of fastidious dress and ornate manners. Their eloquent encounter had to do with the construction of a certain line of Shakespeare.

Profoundly informed were the two Senators as they engaged in eloquent tierce and riposte in their two-octave range of throbbing oratory in which each was trying in his own way to square the Bard of Avon with the fate of the Republic.

Senator ASHURST was born in Nevada to the piping of the silver-tongued Winnemucca coyote in the days when his family was crossing the desert from California into Arizona. He was a cowboy in his youth. He still knows endless verses, such as Little Dan, the Wrangler, and the Chisholm Trail.

He was, of course, a deputy sheriff, later a member of the Territorial legislature, and prosecuting attorney. He has been in the Senate since 1912.

He learned his letters from branding irons, and the interesting thing is that he learned them better than many Congressmen with a score of years of fancy schooling behind them. His syntax is flawless, and he is ready and apt in drawing on his resources, built by years of wide reading in the law and the classics.

The Honorable W. P. Geary presented him to a campaign audience as follows:

"I am proud to introduce to you * * * the silver-tongued sunbeam of the painted desert."

As a Senator, Mr. ASHURST made good as advertised. He was all that and more. The CONGRESSIONAL RECORD is fairly gem-studded with his eloquent outgivings, such as this one about Arizona:

"The rich purple tones in the distant hills, the pearl-gray touches, the deep, translucent azures in the arching heavens make up myriad glints of lights and colors."

With his right forearm athwart his vest, Senator ASHURST drops easily into discourse about the "Barmecidal feast":

"An occult gem which glistens with 'ophidian eye,' or announces that 'I do not rise to chant any jeremiads.'"

His is the longest and most imposing frock coat and the most sensitive and adjustable vocal chords in Congress. It doesn't matter what he is talking about, he'll sink it to a deep diapason, flute it up to a poignant skylark pitch, and invest it with a panopoly of stately iambics.

The tall, impressive Senator wears a wide black ribbon on his eyeglasses with which he likes to gesture. He has a way of bowing deeply from the waist on the slightest provocation with that flowery but seemingly innate and instinctive courtesy which the old West used to nurture.

Don't get the mistaken idea that he's just a dulcet-toned word accordion. He is a chairman of the important and powerful Senate Judiciary Committee, and before this committee will come the various proposals by which Congressmen will seek to enlarge their authority against the recent devastating decisions of the Supreme Court.

He is deeply informed on the Constitution and constitutional law; and while he is known as a man of liberal tendencies, there are no indications that he will aid in furthering extremist measures.

In the Senate, May 29, 1928

BOULDER DAM BILL

Mr. ASHURST said in part as follows:

Mr. President, the region known as the Colorado River Basin, drained by the Colorado River and its tributaries, embraces over 242,000 square miles.

The following table shows an interesting comparison of areas:

COMPARABLE TABLE

Gross area in Colorado River Basin—square miles

Wyoming furnishes to basin	19,000
Colorado furnishes to basin	39,000
Utah furnishes to basin	40,000
New Mexico furnishes to basin	23,000
Nevada furnishes to basin	12,000
California furnishes to basin	6,000
Arizona furnishes to basin	103,000
Total area of Colorado River Basin	242,000

This area compares with the gross area of—

Maine	33,040
New Hampshire	9,341
Vermont	9,564
Massachusetts	8,266
Connecticut	4,965
Rhode Island	1,248
New York	49,204
New Jersey	8,224
Pennsylvania	45,126
Delaware	2,370
Maryland	12,327
South Carolina	30,989
West Virginia	24,170
Total	238,834

The Colorado River proper is formed by the junction of the Green and the Grand; the name of the Grand was by act of Congress approved the 25th day of July 1921, changed to the Colorado. Green River from its source to its junction with the Grand is 700 miles long. The Grand River from its source to its junction with the Green is about 450 miles long.

Green River heads near Fremont Park in the Wind River Mountains, Wyo., in a group of alpine lakes fed by perpetual snows. The source of the Grand is in Colorado. Like the Green, it is fed by small alpine lakes that receive their waters directly from snow banks. Including the Green, the Colorado River is about 1,700 miles long and empties into the Gulf of California in latitude 31°53′ and longitude 115°.

The Colorado River Basin—that is to say, the region traversed by the Colorado River and drained by its tributaries—is a land which embraces all the various diversities of topography and geology; it is a land of extreme variations in rainfall, in elevation, and in the character of the country. The northerly part of the basin is a land of cold winters, of deep snowfall, a region that stores up the snows of winter and pours them forth in the summer.

The middle section of the Colorado Basin is a territory of low rainfall, of high plateaus, and vast canyons. In no other place in the world are there such deep, marvelously colored, and beautiful gorges and canyons.

The southern portion of the basin is relatively low in elevation, with a scanty rainfall and of tremendous summer heat, 115° to 120° being not unusual temperatures over much of this southern area in the months of June, July, and August. The normal annual flow of the Colorado River is about 17,000,000 acre-feet, extreme years ranging from 9,000,000 to 25,000,000 acre-feet. Storage of water is therefore vitally essential, as irrigation is of tremendous importance to the proper development of the basin.

The Colorado River Basin contains mountains reaching to a height of 13,500 feet, belted at the base by forests of vivid green, and capped with gleaming snow; it contains playas and inland lakes below the level of the sea; it contains vast plateaus of rugged, black scoria; immense forests of pine, cedar, and pinion, and in these forests are hundreds of small parks, bowllike gems of exquisite scenery; it contains the largest area of recent volcanic action to be found on the continent, "recent" being employed in its geological sense.

In the southwestern portion of the basin there is a real desert where the raw and scorching sun comes down as a pitiless flail, where the sand reflects the heat and glare and distresses the eye of the traveler, and where little dew or moisture is deposited, but where a wind, hot as a furnace blast, sometimes blows from the south.

Before a railroad was built through it a journey over this desert was at times dangerous and always fraught with discomfort. Day after day nothing was to be seen but an expanse of hot sand, with now and then a cactus lifting its thorny arms into the brazen heat. The loneliness of the pioneer pilgrim there seemed to sever him from human things and to remove him an infinite distance from the world, with its interests and its occupations, but nature, in one of her capricious moods, also placed in this same basin the richest agricultural lands in the Western Hemisphere.

In some parts of this basin, which were populous before the pyramids were built, ancient peoples builded cities not wholly lacking in grandeur. These peoples of antiquity wove and spun cotton and flax into gaudy tapestries before Romulus and Remus were suckled. They melted gold and silver into chieftain's ornaments and queens' girdles before Caesar's legions brought tribute back to imperial Rome.

Centuries before the Knickerbocker set foot on Manhattan Island tribes of men now vanished irrigated the fertile sands of

the lower basin of the Colorado River from canals and reservoirs finished with hard linings of tamped or burnt clay which in some degree possessed the endurance of our modern concrete. The origin of this people is enwrapped in the mists of antiquity. Nothing has been found of sufficient distinctiveness to enable us to do more than speculate and form ingenious theories as to whence they came, how long they enjoyed their tolerable civilization, and whither and why they went.

Within this basin and in Arizona is the Petrified Forest, whose trees lived their green millenniums and put on immortality in Triassic time, 7,000,000 years ago. The trees were of several kinds, most of them being related to the Norfolk Island pines. A small amount of iron oxide is distributed through the logs, which gives them their beautiful yellow, brown, and red tints.

Within the region traversed by the Colorado River and drained by its tributaries is the Painted Desert, in which at a distance you perceive the "sea of jasper" and the face of cliffs that gleam like jewels; you seem to descry fortifications with flags flying on their ramparts, and walled towers on conical hills amidst an admixture of light and shade.

Within this basin and in Arizona is the Grand Canyon, of wondrous colors, of bold escarpments, pyramids, swelling domes, mosques, minarets, and isolated mesas through which rolls and tumbles the Colorado River.

On the 5th day of January 1886, in the Forty-ninth Congress, the first bill to make the Grand Canyon a national park was introduced in the Senate by Benjamin Harrison, then a Senator from Indiana, and subsequently President of the United States. This bill failed to become a law, and the project was presented to the Congress from time to time.

In the Sixty-fifth Congress I introduced a bill to make the Grand Canyon a national park.

The bill passed both houses of Congress and was approved by President Wilson on the 26th day of February 1919.

FUTURE OF THE COLORADO RIVER BASIN

What is to be the future of the Colorado River Basin, a country larger in area than the tract of land which Virginia, with princely liberality, ceded to the General Government in 1787, out of which five States were erected?

Of course, its forests will be utilized, its mineral wealth will be sought, its scenic beauties will be unfolded; but its greatest development, however, must come from its water resources, upon which the development of its other resources must largely depend. Without the water afforded by Colorado River and its tributaries, vast tracts of its land would remain unproductive and practically useless; but the hand that formed this land, cleft its mountains in twain, filled their caverns with precious metals, painted its landscapes in colors warranted never to fade, and that replenishes this river, left it feasible for man not only to construct large irrigation systems and to build towns, cities, and prosperous agricultural communities within this basin, but to generate hydroelectric power for lighting, heating, industrial uses, and the transportation of freight and passengers.

I know the generosity of Senators will pardon me if I now presume to solicit their attention while I make a reference personal to myself. My forbears were members of that bold advance guard of pioneers who 50 years or more ago explored the Colorado River Basin. From the time of my youth to the present day I have wielded ceaselessly what strength was mine, which was modest and small enough, to bring about the development of the potentialities of the Colorado River. If the voice of justice and truth and the accuracies of science instead of greed and partisanship were to control, there would ultimately be brought forth within the United States the inland empire of the Colorado River Basin, an empire wealthier than that which Pizarro added to the dominions of Charles V and more splendid and more durable than that of the Caesars.

In discussing the broader possibilities and problems of the Colorado River Basin there are hundreds, even thousands, of minor yet important possibilities of expansion that I necessarily must leave unmentioned, although these future minor auxiliary developments will have much local importance and in the aggregate true national significance. In general such minor or auxiliary projects do not preclude the large use of the river but must be undertaken as part of that larger use.

Irrigation has enriched the American people. Irrigation projects charm the imagination with their wizardry. Their power to transform barren deserts into grain and cotton fields, into orchards and vegetable and flower gardens, makes the lamp of Aladdin and the purse of Fortunatus seem tame and prosaic. The wildest hyperbole would not overestimate the strength, wealth, beauty, comfort, and public order that would be added to this Nation were all the potentialities of the Colorado River scientifically utilized with scrupulous regard for and observance of the legal rights of each State within the Colorado River Basin.

It is a thousand pities that this bill, so devastating to Arizona in its results, has failed to rise to the grand opportunity of the hour, but I do not despair; I realize that the active protagonists of this bill have fallen victims to that imponderable which inheres in those public men who surrender the good of the future to the expediency of the hour.

The alluring temptation to bring to existing constituents some temporary advantage; to placate those who can vote today; to achieve something immediate and tangible, which apparently is beneficial, although it be at the cost of sacrificing durable benefits and vital rights which could easily be preserved if justice instead of expediency were made the guide, has always been the Circean spell that has, down through the ages, distracted the mind, deflected the purpose, and weakened the fiber of statesmen.

REMARKS OF SENATOR ASHURST ON THE STEAMSHIP "PRESIDENT GRANT" ON SATURDAY, OCTOBER 26, 1935, PRESENTING TO VICE PRESIDENT GARNER A PAIR OF SOCKS TO BE WORN WHEN HE HAS AN AUDIENCE WITH THE EMPEROR OF JAPAN

This is an enjoyable occasion. It is always a delight to me to air my views upon a subject of which I know nothing—and, as I know nothing of the Orient or its habits and culture, you have the right to expect from me an extended speech upon the Orient.

The custom of removing one's footwear upon certain occasions is so old that its beginnings are lost in the twilight of antiquity. We do know, however, that no matter with what particular tribe or for what peculiar reason such habit may have originated, all tribes of men have at some time honored and followed the custom.

Moses, keeping the flocks of his father-in-law, heard a great voice saying, "Put off thy shoes from off thy feet." The cowboy on the Southwestern Plains, when mortally injured in an encounter with another, asked his comrades to see to it that he did not "die with his boots on."

Mr. Vice President, you will soon comply with a beautiful custom and observe an ancient symbol by removing your shoes out of respect to a powerful ruler.

To aid you in the performance of your important duty, proper footwear has been provided for you by the Senators and Representatives of the congressional party to the inauguration of the Philippine Commonwealth.

These socks—I shall not descend to billingsgate and slang by calling them hose but shall adopt the more patrician nomenclature and call them socks—are made, both woof and warp, from Texas cotton, which grew amidst the horned toads of the Big Bend country.

"These socks sell for $2 a pair;
They never rip and they never tear;
If you put them in water, they'll never get wet,
And the longer you wear them the stronger they'll get."

Mr. Vice President, logical and inquiring mind that you possess, I am sure that all on shipboard know that the significance of "socking" you will not be lost upon you. Indeed, I have heard the Vice President called "Old Sox."

These socks are particolored. The scarlet in them is the red badge of the courage of your career; the purple stripe denotes that thread of royal good fellowship and frankness so manifest in yourself.

The yellow stripe in them seems out of place—somewhat macabre—as there is no yellow streak in your make-up. Indeed, I have reason to know your courage—courage to the point of temerity, for your kindly face is never flushed—even when you are confronted with a full house. You play a straight oftener than almost any other man I know.

When you return to your august post in Washington, should political or parliamentary shoes begin to pinch your feet, do not hesitate to remove the shoes, even in the Senate, provided you are wearing these sox. The Senate is firm for precedent; Senator Wilkinson Call, of Florida, wore socks as gorgeous as a Persian sunset, and often removed his shoes in the Senate. Jerry Simpson's fame would have rivaled that of the scholarly William Allen White, of Kansas, if Jerry had worn eloquent socks.

Oh, what slender threads turn the currents of this world.

[From the New York American of Feb. 25, 1937]

HENRY FOUNTAIN ASHURST, of Arizona, chairman of the Senate Judiciary Committee, is a great orator, but some of his colleagues insist his championship of the President's judiciary program is inconsistent with his past views.

Senator BAILEY, in debate, fetched up a newspaper article pointing out the same and bearing the happy caption "Henry, Thou Art a Jewel."

CONFESSES ALL

To fellow Senators and galleries the Arizona statesman made humble confession:

"My faults are obvious. There can be no doubt I have my full share. I suffer from cacoethes loquendi—a mania or itch for talking—from vanity, and morbidity, and, as is obvious to everyone who knows me, an inborn, an inveterate flair for histrionics."

Having confessed, the one-time Arizona cowpuncher rallied to his own defense and said:

"But there never has been superadded to these vices of mine the withering, embalming vice of consistency. Whoever in his public service is handcuffed and shackled by the vice of consistency will be a man not free to act as various questions come before him from time to time; he will be a statesman locked in a prison house the keys to which are in the keeping of days and events that are dead. Let me quote Emerson: 'A foolish consistency is the hobgoblin of little minds, adored by little statesmen.' "

BLASTS "CARPENDI"

"I spoke of my vice, cacoethes loquendi. There is another vice called cacoethes carpendi—the mania to find fault, to carp against everything that somebody else proposes but never suggesting a

remedy yourself. Such is cacoethes carpendi, a vice not wholly unknown in the Senate Chamber."

From his hecklers Henry drew cheers.

BY CAL TINNEY IN NEW YORK EVENING POST

Folks, if any of you are going to Washington between now and July and want to know what shows to see, don't miss the "Ashurst Revue."

This Capitol Hill offering, having for its theme the enlargement of the Supreme Court, and featuring stars of the professorial, the official, and everything but the tonsorial field, is decidedly the spring hit.

Big names in a talent way—names like Homer Cummings, Burton Wheeler—have helped to pack in big crowds. HENRY FOUNTAIN ASHURST is the master of ceremonies; so, from top to bottom, the show is one stellar attraction.

I say "stellar," but the show could dispense with the guest artists and only retain the master of ceremonies and still have a dose of entertainment that would knock your eyes out.

This fellow ASHURST has talent and showmanship of a high order. Tall, sleek, and black-haired, attired in morning coat and pin-point-striped trousers, he looks like something left over in Washington by a visiting Shakespearean stock company.

Though from Arizona, a State more noted for turning out two-gun men than orators, thespian ASHURST can intone his lines like a finished actor (and not quite as finished as some last year's actors are).

ASHURST works under his own name, though frequently he gets billing under such titles as "The War Eagle of the San Francisco Crags," "The Silver-Tongued Sunbeam of the Painted Desert," and "Lord Asbestos."

LORD ASBESTOS

The last-named billing was thought up by Senator BARKLEY, of Kentucky. Asked why ASHURST should be called Lord Asbestos, BARKLEY replied: "Because he gets hot but never burns."

The 62-year-old Arizona Senator shies from serious roles and prefers comic parts. Years before he interrupted one of the late Huey Long's filibusters to ask if the Louisiana Senator's popularity wasn't "about as great as that of a cuckoo clock in a boys' dormitory at 3 o'clock in the morning." It was known among fellow mimesters that Lord Asbestos could dish it out and "take it" also.

In February they ribbed him for having switched overnight from being an opponent of the Supreme Court enlargement idea to being a proponent of same as soon as he knew the President was for it.

"Did you not," demanded Senator BAILEY, of North Carolina, of the senior Senator from Arizona, "say, after the Supreme Court's N. R. A. decision, that 'among the unjust criticisms leveled at the President was the charge that he intended to enlarge the Court'? Did you not say, 'A more ridiculous, absurd, and unjust criticism of a President was never made'?"

An old Shakespearean trouper is never embarrassed in the face of embarrassing evidence; and even if Mr. ASHURST only looks to have been a former Shakespearean ham, he played his part well.

Said he when Senator BAILEY had asked the question above stated: "It is obvious from the lilt of it that what you quote are my utterances. But"—and he fixed the gaze of his senatorial audience as John Drew hypnotized the customers on the nights he used to play Hamlet—"the man who attempts to be consistent in his public service may end up consistent, indeed, but never accomplish anything else."

THEN HE REALLY GOT GOING

Launching into his subject, he said: "There can be no doubt that I have my full share of faults. I suffer from cacoethes loquendi—a mania or itch for talking—and from vanity, if you please, and morbidity, and, as is obvious to everyone who knows me, an inborn, an inveterate flair for histrionics. But there has never been superadded to these vices of mine the withering and embalming vice of consistency.

"Whoever in the public service is handcuffed and shackled by the vice of consistency will be a statesman locked in a prison house, the keys of which are in the keeping of days and events that are dead."

Obviously, Orator ASHURST was in "fine feather," and he built up to one crashing conclusion. It came as follows:

"I spoke of my vice, a mania to talk. There is another vice of mankind called cacoethes carpendi—the mania to find fault, 'the mania of carping against everything that somebody else proposes, but never suggesting a remedy yourself.' Such is cacoethes carpendi, a vice not wholly unknown in this Chamber."

As you might have guessed from the foregoing, Mr. ASHURST never uses a monosyllable when a polysyllable will do.

His talents are not confined to speech making, however. An ex-cowboy, he still can chant the 89 stanzas of the Chisholm Trail.

Prescott is where he has his home in Arizona, and in Washington he and his wife live in a house on K Street. Mrs. Ashurst is the former Elizabeth McEvoy Renoe.

Outside of wanting to buy Lower California from Mexico for annexation to Arizona, he is a run-of-the-mill Democrat. And he hasn't got in bad in Arizona for wanting to own the Mexican peninsula aforenamed. Arizonians, as a class, think it would be rather nice to have some coast line.

HIS PET HATE

The Senator's pet hate is Who's Who in America, and every time they print his biography it is over his protest.

I wish I could go on about the Bard of Prescott. I haven't even told you where he was born, etc. Well, Winnemucca, Nev., is where that happened. His father was a cattleman.

At 18 young ASHURST got the job of turnkey at the Flagstaff County jail, later becoming a deputy sheriff.

He was admitted to the Arizona bar and the legislature, both on his twenty-first birthday; became district attorney of Coconino County in 1904; pursued the private practice of law from 1909 to 1912, at which time the Arizona State Legislature unanimously elected him the Sunset State's first United States Senator.

So the talented HENRY FOUNTAIN ASHURST has been playing the Senate Chamber in Washington for the last 25 years. It's the longest theatrical engagement on record.

As long as words come to him (and they will) he is going to be a much-seen, much-beloved figure in the shows on Capitol Hill.

In the Senate, Friday, December 23, 1932

Mr. ASHURST. Mr. President, I have received letters discussing prohibition, and I now read to the Senate a letter I have sent in reply to requests for information.

DECEMBER 21, 1932.

Yours received regarding prohibition.

At the election in 1914 the people of Arizona voted dry. I had promised them that as their Senator I would regard their vote at the polls to be an instruction as to how I should vote in the Senate on prohibition, because I was to be their servant, and their vote would constitute a mandate to me.

In 1928, when the prohibition question was again prominent, I state that I had always regarded the referendum votes of the people of Arizona as an instruction to me to vote dry and that I would continue to carry out the will of the people as expressed by their referendum votes and would vote dry until they changed their instructions at the polls.

In 1932 Arizona voted wet. I regard that vote as a mandate to me to vote to submit the eighteenth amendment for repeal. I have made it a rule of my public life to keep to my word with the people. If I refused to keep my pledge to carry out the will of the people of Arizona as expressed at the polls, I would be an unfaithful servant and unworthy of a seat in the Senate. This vote involves a great principle of the American Government, and I cannot and should not override or ignore that principle.

Until the people of Arizona shall change their instructions by another referendum, I am in honor compelled to vote to submit to the States the repeal of the eighteenth amendment and to vote for such liberalization of the Volstead Act as is permissible under the Constitution as it now stands.

Respectfully yours,

HENRY F. ASHURST.

On November 15, 1932, I gave to the press the following statement:

"Honesty and good faith require that platform pledges be kept. The Democrats would make themselves 'embezzlers of power' if they refused to live up to their own political-platform promises.

"The Democratic national platform specifically favors a repeal of the eighteenth amendment and also includes a demand that complete supervision and control of the manufacture and sale of intoxicating liquors be restored to the States. As a Democratic Senator it is, therefore, my duty to vote for a joint resolution proposing a constitutional amendment to be submitted to representative conventions in the States for the repeal of the eighteenth amendment.

"As a Senator from Arizona I have always considered and still consider the constitution of the State of Arizona to be the best indication of the will of the people respecting how I should vote on modification or retention of the national prohibition laws. The people of Arizona at the recent election having changed their organic law and having repealed State prohibition, my plain duty requires that I vote to carry out their mandate on this subject.

"HENRY F. ASHURST."

In the Senate, Thursday, March 16, 1939

THE PALESTINE MANDATE AND THE BALFOUR DECLARATION

Mr. ASHURST. Mr. President, in the nature of a petition, I ask unanimous consent that the Secretary read at the desk a telegram I sent to the Secretary of State in October of last year.

The VICE PRESIDENT. Is there objection to the reading of the telegram? The Chair hears none, and the clerk will read, as requested.

The legislative clerk read as follows:

PHOENIX, ARIZ., *October 13, 1938.*

Hon. CORDELL HULL,

Secretary of State, Washington, D. C.

DEAR MR. SECRETARY: The services to our country which the President and yourself rendered recently in the Central Europe crisis are of surpassing importance and are valuable beyond the range of eulogy. In the present crisis now approaching because of the rumor that Great Britain may consider withdrawing from her mandate over Palestine which mandate she assumed by the Balfour declaration, leads me to believe that the President and

yourself may perform an equally important service if you would suggest to Great Britain's chancelries that any recession from or abandonment of the Palestine mandate created by the Balfour declaration would bring catastrophic results that might shatter the orderly process of nations. No event could make a more important contribution to peace and tranquillity than the faithful observance of the Balfour declaration. You are probably more familiar than am I with the events that led to the promulgation of the Balfour declaration. The Jews down through the stream of human history have been faithful to their engagements and to their commitments. They have for centuries developed their culture. Their spiritual potentiality has always been manifest and most admirable. The Jewry of the world accepted the Balfour declaration in good faith and relying upon the good faith of Great Britain the world's Jewry have proceeded for more than 20 years to develop Palestine and to contribute to movements looking toward peace, progress, and serenity throughout our troubled world. Pardon me if I appear to be too insistent, but I am zealously of the opinion that it would be a distressingly cruel wrongdoing were this Balfour declaration abandoned. With gratitude for the polite attention you have always given my communications, and with esteem.

Senator ASHURST.

ARIZONA STATE MEMORIAL STONE

Extract from proceedings held in the Washington Monument, Washington, D. C., at the dedication of a memorial stone placed in the Monument by the State of Arizona, April 15, 1924

ADDRESS OF HON. HENRY F. ASHURST

(As Senator ASHURST was called away from the city on account of the death of his mother, his address was read by Mr. John C. Crockett, reading clerk of the United States Senate.)

This monument of dignity, beauty, and simplicity, erected as a symbol of the veneration in which America holds the immortal name of George Washington, is the embodiment of the struggles and aspirations of our race. No matter what robes of glory may be woven for our Nation in the days that are to come, the future cannot give a blessing richer or more ample than the liberty which Washington's valor and wisdom bequeathed to us.

Within the past decade science has given us steeds with lungs of steel and wings of silk, and with them we have made the highways of the eagle the highways of our commerce, but science can never give to us anything more valuable than our American system of government.

Neither iron quill, neither music's myriad voices, nor eloquent lips ardent with truth and opulent with images of splendor can give adequate utterance to the pageantry of the memories and the hopes that rise before us when we reflect upon what this monument signifies.

Liberty is like unto a coral island, built from the deeps; built by the dying of the builders, until finally its truths greet the surface and the sun. Millions of men have suffered and died in order that freedom, typified by this monument, might live.

The stone set by Arizona into this monument is chalcedony—petrified wood—that which St. John the Divine, in describing the foundations of the walls of the city, called a "precious stone," and this stone dedicated today is a section of tree which lived its green millennium millions of years ago. It is the section of a tree whose structure has resisted the gnawing tooth of time and whose beauty has not been corrupted by the moths of eternity—so may it be with the American Government.

ADDRESS DELIVERED BY SENATOR ASHURST, OF ARIZONA, AT THE TESTIMONIAL DINNER IN WASHINGTON, D. C., IN HONOR OF HON. HOMER CUMMINGS, ON JANUARY 11, 1939

Mr. ASHURST said:

Mr. Toastmaster, ladies and gentlemen, the famous English poet Alexander Pope, in his Odyssey of Homer, wrote a couplet:

"True friendship's laws are by this rule express'd,
Welcome the coming, speed the parting guest."

This same poet, in Book II of his Satires, wrote:

"For I, who hold sage Homer's rule the best,
Welcome the coming, speed the going guest."

Had our erudite and affable toastmaster [Mr. Hogan] been permitted to be present when the divine afflatus was inspiring the poet, doubtless our toastmaster would have suggested that it be written:

"Welcome the coming, feed the going guest."

Personally, I am much in favor of postprandial orations, that is, after-dinner speeches. They are islands of relaxation and comradeship anchored in life's wild and wasteful ocean and are pleasant interludes amidst the clashes of the hustings, the court, the forum, and the absorbing pursuits of commercial and industrial life.

Occasions such as this afford a serene atmosphere where delicate fancy, historical allusion, and beautiful words are permitted to form the staple of public utterance, and the speeches are intended neither to threaten, challenge, nor to rebuke.

Although postprandial oratory is generally supposed to be too glamorous to be of substance, the truth is that many of the brightest, wittiest, and wisest sayings of our times have been engendered amid the incense of fragrant cigars and the aroma of café noir. Poets, artists, philosophers, statesmen, scientists, novelists, and men noted for their brilliant wit and delightful humor have given to the world some of their best utterances at public dinners.

If a student of astronomy, whose vigils are devoted to a study of the magnitudes, motions, and distances of stars and planets in celestial space, were asked to describe in a single speech, the relation of the sun to our solar system, the student would stand amazed at the immensity of his task.

Not less immense would be the task of the speaker who in a single speech attempts to describe the relation of the Attorney General's Department to American justice.

Mr. Cummings was inducted into the office of Attorney General with but few days—less than half a dozen—within which to orient himself and adjust his affairs before assuming his duties, and he entered office at a time when doubt and fear, twin specters of evil, had seized millions of persons; but quietly, unobtrusively, capably, he selected a staff for his Department, gave the staff his confidence and support, and in my opinion one of the reasons for his success is that he has always been willing to submit himself to the crucible of self-correction which comes, and comes only, from associating with other men.

This occasion would seem to invite a speaker to discuss, in some detail, the vast and important labors and achievements of Mr. Cummings as Attorney General, but even to enumerate the various reforms and accomplishments of the Department of Justice under his leadership would be to stretch this address beyond the polite limits of a banquet speech.

For the fiscal year ending June 30, 1938, the total expenditures of the Federal Government, including relief, were $7,691,287,108. The expense of the judicial branch of the Government—that is to say, the energies and operations of our Federal courts—was only $9,500,000, which means that the cost of the judicial branch of our Government for that fiscal year was only one-eighth of 1 percent of the cost of our Federal establishment.

Not the least in importance of the arduous labors of Attorney General Cummings was his formulation and advocacy of the anti-gangster or anticrime laws passed during the Seventy-third, Seventy-fourth, and Seventy-fifth Congresses, and I would be wholly lacking in grace if I failed to note the able support given to these bills by Representative SUMNERS of Texas, chairman of the House Committee on the Judiciary.

Superlatives in speech are usually evidences of a weary man or sometimes an indolent man who does not seek a more nearly exact medium of expression. Nevertheless I choose to employ superlatives, because they are required truly to delineate and set forth the achievements of General Cummings and his staff, with particular reference to the energies of the Federal Bureau of Investigation, in coping with professional criminals.

When Mr. Cummings was inducted into the office of Attorney General he made a careful study of the character and attainments of Mr. J. Edgar Hoover, and I say advisedly that Mr. Cummings exhibited courage and foresight in retaining Mr. Hoover as Director of the Federal Bureau of Investigation, that is to say, chief of the G-men, and he gave Mr. Hoover encouragement and assistance. Arguments were made to General Cummings to try to induce him not to retain Mr. Hoover's services, but Mr. Cummings, with a judgment and a foresight almost telepathic, retained Mr. Hoover and the judgment and sagacity of Mr. Cummings have been vindicated.

Many persons have wondered whether Mr. Cummings was a right-winger or a left-winger—but being himself considerable of a philosopher, he probably came to the conclusion that a bird cannot fly with two right wings any more than a bird can fly with two left wings, therefore as a public official, he turned neither to the right nor to the left but went straight forward.

In bygone days there was a prominent pugilist named John L. Sullivan, one of the most successful pugilists America ever produced. Fifty years ago he was one of the most noted men in the world; today his name is nothing but a gorgeous reminiscence. In Mr. Sullivan's decline when the nymphs of his noonday had gone and the shadows of twilight gathered about him, he was asked the question as to what particular feature he ascribed his dazzling success in the prize ring, and he instantly replied, "I never took a backward step."

So Attorney General Cummings turned neither to the right nor to the left and never took a backward step.

Another reason for his success is that he understands the foundations and the framework of the Constitution; realizes that it was written neither on rubber nor on brass and that, while written on parchment, it was also written in the inborn, invincible, ineradicable sentiments and aspirations of men who love liberty under the aegis of the law.

He realized that it was intended to implement and aid the law in protecting and defending the rights and immunities of free men, an instrument to give the law the scope and opportunity to cope with the ruthless cunning of chicanery and, above all, that the Constitution was not written to debilitate or enfeeble the Nation, reject the fruits of the discoveries of science, or to stop or stay America's dramatic march onward and upward for good in the affairs of her citizens.

In an era when vituperation and calumny are largely the stock in trade of political warfare, Mr. Cummings, instead of permitting his temper to become caustically embrittled, carried himself with dignity of demeanor and constant propriety of speech.

No public official in our time ever held the standard of responsibility higher than he. Neither friend nor enemy nor ambition nor praise nor censure could swerve him from the path of duty. He made no bargains.

No Department of Justice existed in our Government prior to the year 1870, although, of course, there had been an Attorney Generalship since 1789, and this Department of Justice has grown from meager and slender facilities and equipment into a department of enormous importance and responsibility, until it stands today the strong citadel and tower of defense of the inviolable rights of a free people, a barrier alike against the frenzied onslaught of faction and the insidious encroachment of privilege.

In conclusion, this occasion affords me the opportunity to say to General Cummings what I believe is in the heart of every person here present, namely, that we have never wavered in our admiration and affection for you, and we all feel that the Fates treated us kindly in making us your contemporaries and your friends.

In the Senate, Monday, March 27, 1939

CONGRESS HAS NO JUDICIAL POWER EXCEPT AS TO IMPEACHMENTS

Mr. ASHURST. Mr. President, intermittently I receive letters chanting a jeremiad, or, with caustic verbiage, inveighing against the Senate Committee on the Judiciary because, forsooth, that committee does not "get busy and report out a constitutional amendment proposing to take from the courts the power to invalidate an act of Congress."

Some of the letters are intemperate in tone and some are written by persons who in good faith seek light upon this question.

No conceivable energy at my command could, by correspondence, furnish to every person making inquiry a dissertation upon the necessity, in a constitutional government, of reposing in the Federal courts the power to declare invalid and void such acts as Congress had no power to enact.

Some of the complainants take the view that since we derived our legal procedure from England and that inasmuch as the British courts did not exercise the power to declare an act of Parliament void, it was, therefore, unprecedented and unauthorized for courts of the United States to explore an act of Congress with a view of ascertaining if such act was within the power of the National Legislature.

It will be remembered that the colonial governments in America were grants from the King and were connected with Great Britain through the medium of the Crown and not through Parliament. The colonial charters were, in fact, constitutions, and the words "our Constitution" in the Declaration of Independence have particular reference to the colonial charters or grants. These charters differed somewhat as to the powers granted or denied, but they all appear to have contained the provision that legislation enacted by the Colonies should not be contrary to the laws of England; hence the colonial laws were frequently tested by the charter or by the law of England, and some acts of colonial assemblages were annulled because they were not in accord with the constitution; that is to say, with the colonial charter—the grant. Thus, the American Colonists became familiar with that system and practice.

The address delivered before the Bar Association of the City of Charleston, W. Va., on January 25, 1936, by the Honorable John H. Hatcher, president of the Supreme Court of Appeals, State of West Viriginia, is one of the clearest expositions of this subject that may be found. It would seem to me that if we are to maintain a constitutional government and protect the inviolable rights, privileges, and immunities that accompany free men, we should not strike down what is called judicial review.

In tyrannical governments the supreme magistracy, or the making, construing, and enforcing the law, is vested in one and the same man or one and the same body of men.

In a government where one and the same magistracy makes, construes, and enforces the laws, whether such magistracy be lodged in one man or in a body of men, there can be no public liberty.

The question of the power of the courts of the United States to declare "unconstitutional" such acts as Congress had no authority to enact was not an issue that divided the framers of the Constitution into opposing political parties.

Thomas Jefferson was not a member of the Constitutional Convention, but Jefferson and his supporters, on this particular question, differed in no essential respect from Alexander Hamilton.

Jefferson and Hamilton each took the view that the courts should have the power to declare void such legislation as Congress had no authority to pass, and Jefferson went further on this subject than did Hamilton. Jefferson's letters indicate he desired that the power be given to the courts to invalidate legislation not only because the legislation was in opposition to the Constitution, but he was content to grant to the courts the power to invalidate laws on questions of policy also. What both Jefferson and Hamilton seemed to fear was the despotism of unchecked majority rule.

Jefferson in his Notes on the State of Virginia, page 195, said, inter alia:

"One hundred and seventy-three despots would surely be as oppressive as one. Let those who doubt it, turn their eyes on the Republic of Venice. As little will it avail us, that they are chosen by ourselves. An elective despotism was not the government we fought for; but one which should not only be founded on free principles, but in which the powers of government should be so divided and balanced among several bodies of magistracy, as that no one could transcend their legal limits, without being effectually checked and restrained by the others."

It is true that in Great Britain the courts at the time of the formation of our Constitution recognized the supremacy of acts of Parliament. Such recognition, however, did not flow from any legislative immunity from review but flowed from the fact that Parliament acted in a double capacity—that is to say, as legislature and as court. Parliament possessed legislative and judicial power. Parliament was a court, the old curia regis or aula regis—a court established in England by William the Conqueror in his own hall—long before Parliament possessed the legislative power. In other words, when our American Government was formed there were reposing in Parliament both legislative and judicial power; hence, an act of Parliament was both supremely legislative and supremely judicial.

In this connection it must be remembered that when our Constitution was formed much care was taken to see to it that the three powers of Government—to wit, the legislative, the executive, and the judicial—should be lodged in different magistracies, different officials, and that these powers should not be permitted to repose in or be exercised by one and the same magistracy.

The Constitution of the United States (art. II, sec. 1) says:

"The executive power shall be vested in a President of the United States of America"—

And (art. III, sec. 1) that—

"the judicial power of the United States shall be vested in one Supreme Court, and in such inferior courts"—

Bear in mind that the executive power shall be vested in a President and the judicial power shall be vested in one Supreme Court, etc. The Constitution did not vest in the Congress all legislative power, but only such powers as were granted and enumerated. The Constitution says that:

"All legislative powers herein granted shall be vested in a Congress * * *" (art. I, sec. 1).

Observe the scrupulous phrasing wherein executive power is granted to the President, judicial power to the courts, but that only such legislative power as is granted is lodged with the Congress, and this was done because the makers of the Constitution desired it to be crystal clear that the Congress was to be of limited power and that certain rights and powers of the States were not granted to the National Government but were reserved to the States. The States possess all the rights and powers not denied to them by the Federal Constitution, whereas Congress possesses only such power as was granted to it by the Federal Constitution.

The British Parliament was not a body of men with delegated, limited authority. It was a body of men supremely legislative and supremely judicial. The Congress of the United States is a body of men with delegated, limited authority, with no judicial power except as to impeachments and the qualifications of its own Members, and it is not even supremely legislative, as the States possess the powers that were not granted to the Congress. The belief that Congress possesses absolute and unlimited power is a devastating error into which many well-meaning persons have fallen.

The Constitution makers would have recoiled from the suggestion of granting to Congress the judicial power, and they would have recoiled with repugnance and alarm from the suggestion of granting to the judiciary the legislative power.

It is not a weak joint in our constitutional armor but on the contrary is strong evidence of the wisdom and foresight of the Constitution makers in placing the responsibility upon Congress for taking care that the Supreme Court shall function. Many of the founding fathers were men of ripe scholarship and large experience. Some of them had served in the Continental Congress, officers in the Continental Army, in State legislatures, as State judges, in State constitutional conventions, as Governors, as signers of the Declaration of Independence, and as signers of the draft of the Articles of Confederation. More than 25 of them were from the various colleges; for example, some had studied at Princeton, William and Mary, Harvard, Yale, King's, and Pennsylvania. Eleven of them had been educated either entirely at British universities or had gone there from the American colleges.

One will observe that whilst the Constitution makers lodged the judicial power of the United States in the courts of the United States, these Constitution makers knew the history of the judicial abuses and tyrannies, not only the troublous days of the Tudors and the Stuarts, but the judicial abuses of their own century as well, and they used care to see to it that whilst granting the judicial power to the courts, there should be ample checks and balances in the Constitution to enable Congress to prevent judicial abuses and usurpations should the courts attempt the same.

Legislative power is the power to make laws. Judicial power is the power to declare laws. Executive power is the power to enforce laws.

The power to declare the law, of course, comprises the duty to determine what is the law and what is not the law. Article VI of the Constitution, among other things, says:

"This Constitution and the laws of the United States which shall be made in pursuance thereof * * * shall be the supreme law of the land * * *."

An act not made in pursuance of the Constitution is, of course, not a law. The judicial power may not make laws, but must declare, when its jurisdiction is invoked, whether an act of Congress is in pursuance of the Constitution; and if not made in pursuance of the Constitution, it is not a law.

A judicial review of acts of Congress is not an offshoot of English law, but is an American development arising from colonial practice out of a wholesome effort to keep separate the legislative power and the judicial power. It would be baleful to public liberty in our country for the legislative and the judicial powers to be centered in one and the same magistracy. Our genius of government is built upon the separation of the legislative, the

executive, and the judicial powers; and I doubt if, upon serious second thought, any enlightened friend to civil liberty will argue that these three powers should be centered in one and the same magistracy.

The legislative powers granted to Congress are enumerated and limited, and such limitation was not by chance, was not fortuitous, was not accidental, but was deliberate. Instead of seeking to acquire the judicial power, we in Congress would more truly serve our country by confining our operations to our legislative power.

It is true that our powers as Members of Congress are limited; but, nevertheless, if properly exercised, they are of sufficient amplitude and grandeur to give scope and opportunity to the most zealous champions of true progress and needful reforms, the most redoubtable defenders of liberty, the most eloquent tribunes of popular government, and to soothe and assuage the most fevered ambition.

In the Senate, Wednesday, April 25, 1934

ARTICLE BY CHARLES BROOKS SMITH IN WHEELING (W. VA.) INTELLIGENCER

Mr. NEELY. Mr. President, I ask unanimous consent to have printed in the RECORD an editorial appearing in the Wheeling (W. Va.) Intelligencer on the subject of Senator HENRY F. ASHURST, of Arizona.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

[From the Wheeling (W. Va.) Intelligencer]

"The press-gallery viewpoint is that veteran Senator HENRY F. ASHURST (D.), of Arizona, is colorful copy. There are two kinds of colorful copy. ASHURST's kind is good taste.

"Poor Sadie Thompson's affectionate salutation to her sailor rescuer and lover (and didn't it rain!) fits ASHURST—'tall and handsome.' He's consummate courtesy in debate; a graceful gesticulator. He is master of a gentle sarcasm, which never scratches skin, and the exponent of a decent humor which sparkles like a flawless white diamond.

"Which goes to prove that you can make a statesman out of an old-time cowboy; rather he can make himself that if he wants to give up cows for college, has the will and the stuff in him to rise.

"The refreshing thing in him is that he does and says things differently. He can be, and inherently is—original; he's no stereotype, no copycat—which is enough in itself to set him apart as 'not like they.' And he can be like this—be himself—within the scope of propriety.

"This strikes us as rare and unusual. We don't know why—we can't make ourselves clear about it—but somehow it does.

"An incident of the Senate proceedings yesterday, typical of the subject of our sketch, gives a key to an understanding of him. It illuminates our struggling picturization of the Arizonian like a klieg light. We quote him:

" 'Mr. President, I fondly believed for some years that I was sterilized and vaccinated against the vicious habit of reading letters into the RECORD, but it now appears that the habit has recurred.

" 'My most constant and most savage critic is a leading Democratic daily newspaper in Arizona, to wit, the Arizona Daily Star. I have received a letter from the editor of that journal; and his arguments in opposing my views on certain public questions are so well stated that I telegraphed to him, securing his permission to have the letter read into the RECORD.

" 'I now read my telegram to the editor:

" 'APRIL 15, 1934.

" 'Mr. W. R. MATHEWS,

" ' *Editor and Publisher, the Arizona Daily Star,*

" ' *Tucson, Ariz.:*

" 'Your letter of April 10 received. You are one of Arizona's leading journalists, and your letter ably argues for your views on seven subjects of legislation now before Congress. Inasmuch as I am at variance with you and do not agree with your conclusions therein expressed, except that I do concur with your opinion that the President should be granted the power to negotiate the reciprocal treaties, I hereby request permission to print your letter in the CONGRESSIONAL RECORD. Please do not be thin-skinned, but imitate me, as I am pachydermatous. If you grant me such permission, I shall, of course, print your letter without any deletion. Please write me. Kind regards.

" 'ASHURST.'

"Request granted, the editor's letter was sent up to the desk, read to the Senate by the Chief Clerk. And a strong constructive criticism of Senator ASHURST's position on seven legislative propositions it was. The Senator delivered no speech in reply.

"And wasn't that a decent, fair, just, and honorable thing to do? If it was ever done before during our two decades' observation here, we missed it.

"Nothing more need be said to explain ASHURST to you. He explains himself fully and clearly by doing unexpected, unconventional but admirable deeds like this one."

Every time Senator ASHURST comes home he has so many requests for a copy of that portion of the speech he delivered here 10 years ago, describing the old Palace Saloon, that he has handed the paragraph to the Courier.

EXTRACT FROM AFTER-DINNER SPEECH BY SENATOR ASHURST ON FRIDAY EVENING, OCTOBER 1, 1926, AT A BANQUET TENDERED TO HIM AT PRESCOTT, ARIZ., BY EX-SERVICE MEN

"I lunched today, here in Prescott, at the Palace Restaurant, which in bygone days, 20 years ago, was the Palace Saloon, then operated by three expert sports, Messrs. Bob Brow, Ben Belcher, and Barney Smith. At that time, at a long mahogany bar defended by a footrail of shining brass, bartenders clad in snowy linen, graceful as Sir Roger de Coverley, served ale, porter, gin, rum, brandy, lager beer, and old whiskies.

"In the cafe in the rear of the saloon were then served Lucullan viands. There Bacchus reigned, and champagnes of choicest flowers, which painted landscapes even in sterile brains, went roaring down thirsty throats. There Venus smiled, and fleet-footed Mercury was often dazzled by the bales of crisp currency and the clink of golden coin at the gambling tables. The whirr of the roulette ball, the thud of the dice at the crap games which were as clods falling upon the coffin lid of fortune, and the rattle of ivory poker chips were then to be heard above the dulcet notes of the wingless angels who warbled all night long in that house of joy and tears.

"The back bar then gleamed like a ledge of jewels as its cut glass and silver and ebony were reflected by huge mirrors. There lawyer, tourist, 'tenderfoot,' merchant prince, public official, wool grower, sportsman, savant, hard-rock miner, cowboy, and remittance man mingled on equal terms. In that house remorse sometimes fastened its fangs into men's souls or fed itself upon the husks of their blighted hopes; there earnings were squandered—diced away in a night—there some noble resolves were broken by those persons who entered into the domain of vice through the beautiful gate of temptation. Like enchanted fruit in the dwelling of a sorcerer, the objects of admiration lost their attraction and value as soon as grasped, and all that remained was regret for the time lost in their pursuit.

"The tear of sympathy welled quickly to the gambler's rayless eyes, and the hands of the proprietors of the palace were horns of plenty, for not only were their hearts warm and their impulses generous, but the fixed principle of their code was that 'jinx' and 'hoodoo' kept away from him who never turned deaf ear to needy persons.

"Now the great hall is tenantless save for the wraiths of frequenters of long ago. Spiders have festooned the back bar with cobwebs; dust now begrimes the tables where once the bets were laid.

"The gambler of that day has 'cashed in' all his chips and has entered that vast realm where aces, kings, and queens alike are counted as deuces. The battalions of Bacchus are shattered, the singers are silent—their songs perished 20 years ago, and the restaurant is now conducted by a Chinaman named Dong."

[From the Arizona Daily Star, Tucson, Ariz., Sept. 2, 1934]

SENATOR ASHURST SPEAKS

If politics could be conducted on the high plane with which Senator HENRY ASHURST conducts his campaigns, there would probably be more intelligent interest in governmental affairs and abler men aspiring to office. Those who heard the distinguished Senator speak Friday night at the armory heard a political campaign speech full of holes if one wanted to criticize, but filled with charm, good humor, and kindliness. And, strangely enough, those who went, expecting to listen for a few minutes soon found themselves staying on and staying on, consumed with interest.

Although Senator ASHURST spoke for over an hour, he said not one unkind or harsh word about any of his opponents, while his brilliant shafts of wit had the audience frequently convulsed with laughter. On the other hand, the serious parts of his address, while filled with kindly but serious political bombast, won him the respect of his audience.

After all, a man can still be radical, yet be a gentleman. A man can win votes and still be a gentleman. The highest tribute that can be paid to Senator ASHURST is that for 41 years he has been in politics, yet he is a gentleman, and as such sets an example that other candidates, and even newspaper editors, might emulate.

Meanwhile, the Senator's opposition is a healthy thing. The opposition has brought him home so that the home folks once more can hear his delightful speeches.

[From the Miami Silver Belt, Nov. 4, 1930]

ASHURST PAYS TRIBUTE TO GOVERNOR HUNT; PORTRAYS ROMANCE OF THE CAREER OF GOVERNOR IN CAMPAIGN SPEECH

There is much romance in the career of George W. P. Hunt, who came into Arizona 50 years ago, during the now vanished days of the burro pack train, the shave-tail mule, and the covered wagon. Most of the men and women who came here during those days have crossed another frontier into the Great Kingdom; whilst for those pioneers who yet remain, the lovely nymphs of noonday are gone and their temples are crowned with silver streaks of the eternal dawn.

The 50 years of Mr. Hunt's residence in Arizona are equal to one-third of the present age of our American Republic and constitute a glorious epoch in the life of the Nation and the State. The purse of Fortunatus and the lamp of Aladdin seem tame and commonplace, when compared to Arizona's progress since Mr. Hunt lighted his first campfire within her borders.

He saw the tepee and the hogan of the Indian give place to stately residences. He saw the railroad trains supplant the stagecoach and the buckboard, which once bounced and jolted over the rough and rudimentary roads. He now sees automobiles whiz over the very hills and valleys where once he saw the cowboy with jingling spurs, haystack hat, and leather chaps ride hard under the summer sun and winter stars for cattle and horses.

The same plains which once he knew as the habitat of wild beasts and upon which he later saw the quiet flocks of sheep feed upon the rich grasses beneath their feet are now covered by diversified agriculture, industrial enterprises, glittering cities and towns, or serve as airports and landing fields for winged cars that cleave the clouds and that skim the cream off the Milky Way.

Some of the landscapes where once he saw the Knights of the Lariat hold their round-ups and rodeos are now covered by churches, schools, colleges, resorts for tourists, dude ranches, and palatial hotels.

Some of the particular spots where once he saw the noon breeze swirl the smoke of the cowboy's branding iron are now midget or Tom Thumb golf courses.

The air spaces which, when he came here 50 years ago, were agitated by the coyote's doleful howl, by the barkings of the prairie dog, the measured thrum of the mustang's hoofs, the war whoop of the ferocious Apache encircling the settler, now by the mystic voice of the radio, pour into our ears the Tales of Hoffman, the dulcet notes of Narcissus, the wild melodies of the Hungarian Rhapsody, and all the joys and inspirations which no other art save music's ethereal rain can give. On some of the deserts where once he swallowed their bitter dust as he plodded forward, he now sees irrigation projects so practical and yet so ideal that they charm the imagination with their wizardry as they spread their living waters upon the thirsty soils. He saw Arizona accomplish that difficult feat in government of fusing reforms with stability. He has earned competence and popular affection, for he aided in building this empire.

[From the Cleveland Plain Dealer, July 6, 1929]

ASHURST, THE WORD WRANGLER

HENRY FOUNTAIN ASHURST, senior Senator for Arizona ever since she has been a sovereign State, was a cowpuncher in his youth.

His dexterity with a lariat gave him the same control over cattle as his present agility and facility as a word wrangler gives him over the English language.

Beginning with a blue-backed speller, in which he wrote in boyish chirography "HENRY FOUNTAIN ASHURST, United States Senator," when he was 10 years old, HANK has studied words. In his relentless pursuit of philology he has paid particular attention to etymology. He has worn the calfskin cover off of one of Webster's well-known dictionaries in tracing each and every word in the English language to its source and prying into its intimate family relations with the Greeks and Romans.

HANK has mercilessly ransacked Roget's Thesaurus from A to Z, until there is not a word between its covers that he has not roped, hog-tied, and branded for his own. If there are any mavericks straying around, it is just a matter of time before he corrals them and sears the nicety of their meaning into his brain.

With all the words in the English tongue mobilized under his command, HANK cracks his intellectual whip and the words trot out and jump through his oratorical hoop to the amazement and admiration of his colleagues and to the complete bewilderment of the gallery gods who have not compiled any dictionaries.

Out of his cyclopedia of words HANK has fashioned a style, which, while partaking somewhat of the courtly diction of the eighteenth century, has a flavor all its own. It is not only filled with polysyllabic words of Latin and Greek derivation but with curt, telling Anglo-Saxon and expressive Americanisms.

"I am a veritable peripatetic bifurcated volcano in behalf of Democratic principles," ASHURST once remarked with becoming modesty.

Beneath all the weight of those 6-foot words, HANK conceals one of the rarest and most delightful senses of humor harbored in the Senate. He is a keen observer, and there is little of the sham and humbuggery that goes on about him that he misses.

CAPITAL BYSTANDER

(By Kirke Simpson)

Whenever HENRY FOUNTAIN ASHURST gets to his feet in the Senate, gallery goers may expect pleasing entertainment.

But what marks ASHURST particularly is his ready wit, a seeming desire never to be personally offensive to his colleagues in the shafts he drives with unerring tongue. He appears to get huge joy out of verbal battling for the sake of the game itself, as well as that of the cause he espouses.

He even gets pleasure out of other Senators' forays. He will sit in his place and nod with sympathetic vigor over somebody else's gusty outbursts, even when he disagrees with what is actually being said. Or he will frown portentously when the speaker frowns; smile engagingly when the words to which he listens would seem to call for smiling delivery. It is the ASHURST actor complex always at work within him.

And now and then, usually most unexpectedly even to himself, the big Arizonian breaks out into a speech that proves him gifted with an eloquence and dramatic power unique among political orators these prosaic days.

Indeed, without intending in the least to disparage Mr. ASHURST'S talents and virtues as a statesman and historian, it is obvious that the stage lost a brilliant star when he took to politics.

Skillful in utterance, uniform in courtesy, rich in grace and fascination, constant in respect for the opinions of others, charged with intellect and fire, he is an actor who never discards his role, is never out of character, and is always attuned to the scene.

SPEECH OF SENATOR ASHURST, OF ARIZONA, AT THE ONE HUNDRED AND FORTY-THIRD ANNIVERSARY DINNER OF THE SOCIETY OF THE FRIENDLY SONS OF ST. PATRICK IN THE CITY OF NEW YORK, MARCH 17, 1927

Gentlemen, I esteem it a privilege to address you. Religious services and social functions in honor of St. Patrick are being held on this, his festival, not only in Dublin, the chief city of the country he evangelized, but also in the cities and towns of the United States, Great Britain, France, Australia, Canada, Spain, Germany, Italy, Austria, and in many outposts of Christianity in the Far East.

It is of singular significance that the name of Patrick has just been placed in the calendar of the Church of England at the very time when other names long on the calendar, such as St. Helen, St. Crispin, and St. Valentine, are being removed therefrom.

I would say nothing in this splendid presence that might savor of invidious distinction, yet how may one eulogize Pericles and not speak of the glories of Athens; how may one commemorate Caesar and be silent concerning the achievements of his legions; how, then, may I speak at a banquet of the Friendly Sons of St. Patrick and omit to say that the Irish race has nobly vindicated the right of mankind to liberty and has taken a conspicuous and important part in establishing and maintaining the independence of the United States?

Agricola, a Roman general, who was born A. D. 37 and lived until about A. D. 93, advised the empire builders of his day that Rome should war down and take possession of Ireland so that freedom might be put out of sight.

Thus in this early Roman reference to Ireland we pick up for the first time the golden thread of Irish militant resistance to imperial exploitation, and this thread of courage and patriotism runs through all Irish history.

On the one side is the "warring down" so that freedom might be put out of sight, and on the other it is the eternal struggle to uphold the rights of freemen.

Contemplating the Europe that existed before the Christian era, in the east we find Greece, in the west we find Ireland, and it is Ireland alone amongst the lands of western Europe that preserves the recorded traditions of its speech, culture, and song that connect the half of Europe with its ancestral past.

It was the Irish race that lit the lamp of genius in the brain of Europe.

Several centuries before the Christian era Phoenician and Carthaginian navigators visited the shores of Britain—then called the Island of Tin—to obtain a supply of that metal.

The inhabitants of Britain were then rude and unlettered, whilst the Irish race was fully acquainted with the use of precious metals, fabrication of fine linens, was fond of music and song, and was enjoying its literature.

When the Druids at Stonehenge, on Salisbury Plain, in England, made their last midnight sacrifice, the triannial council of the Irish people was held at the great hall or court of Tara, where Irish kings and nobles assembled.

King Alfred the Great ascended the English throne in the year 871 A. D., and he was indeed one of the world's wisest men. He ruled for 30 years, and he proved himself to be a valiant warrior and an earnest patron of whatever promised to promote the good of his people, but long before Alfred ascended the English throne the Irish race had scattered throughout Europe manuscripts of priceless masterpieces limned by Irish scribes, such as the Book of Kells in the library of Trinity College at Dublin, acknowledged to be the most beautiful book in the world. Indeed, into its pages is woven such a wealth of ornament and it has such an ecstasy of art that the colors are as lustrous, as fresh, and as soft as though it was the work of yesterday, but the book was made 1,200 years ago.

The polished civilization and military power of the Roman Empire began to decay during the fourth century, and by the year 476 A. D. the dry rot of internal corruption had weakened the national fiber so completely that the western division of the empire crumbled under the invasion of the external barbaric strength of the nations in the north and the Far East, which nations Rome had held at bay for several centuries.

When the western division was thus extinguished, all Europe was engulfed by the westward and southern movement of the barbaric nations.

Ireland was the one country not submerged by these invasions before whose terrific onslaughts the Italian Caesars vanished. Ireland retained her own glittering culture, maintained her commerce, and, with the exception of such learning of antiquity as was kept alive in the monasteries of the church, Ireland was the ark which, for the 590 years intervening between the collapse of the western division of the Roman Empire and the Norman Conquest of England, rode almost alone upon the dark and tempestuous sea and thus safely carried to the so-called early modern period the muniments, manuscripts, and treasures of past ages.

There is a river in the ocean, the Gulf Stream. It is the most important of all the ocean currents. It rises in the Gulf of Mexico,

flows northeasterly until it reaches a point opposite the banks of Newfoundland, when it turns and sweeps across the Atlantic; then, dividing into two portions, it sends one arm downward toward the Azores whilst the other arm passes near the shores of Ireland. As it emerges from the Gulf of Mexico its temperature, which is 84° in summer, is hotter than is the temperature of the ocean at the Equator.

The effect of this Gulf Stream upon the climate of Ireland and the northwestern coast of Europe is to raise the winter temperature in Ireland about 30° above what would be the normal temperature in those latitudes.

There is likewise a mighty river in the ocean of humanity—the Irish race—which for a century and a half has flowed from Ireland to America; and, just as the Gulf Stream is many degrees warmer than the common waters of the ocean, this river of life in the ocean of humanity—the Irish race—is warmer, more loyal, and more fervent than the other waters.

Thus, whilst the American Gulf Stream has ameliorated and softened the climate of Ireland, the Irish race has ameliorated and blessed America by its loyalty and its soft and graceful courtesies.

[From the Philadelphia Public Ledger of April 14, 1934]

THE DAILY MIRROR OF WASHINGTON

(By Robert B. Smith)

A REALIST FROM ARIZONA IN THE UNITED STATES SENATE

Visitors in the Senate galleries often marvel at the Chesterfieldian mannerisms of the Honorable HENRY FOUNTAIN ASHURST, of Arizona. They do not realize that they are viewing a man who is both an ex-cowboy and "a lawyer by profession"—the latter being a quotation from his autobiography in the Congressional Directory.

Also, it is doubtful if the visitors realize that they are gazing upon one of the most consummate realists in modern political life.

Mr. ASHURST himself illustrates the latter characteristic by an anecdote concerning his experience in Arizona on a recent election day when he visited that State for purposes which will be understood by any Federal officeholder.

He was inveigled into attending a meeting of a men's luncheon club. He did not know that members of the club had "conspired" against him before the luncheon. The first speaker after the food had been served was a proment citizen who—apparently unmindful of the Senator's presence—launched into a sonorous lament that Arizona had never produced a real statesman. The speaker rang the changes on this theme, while the Senator's face turned alternately scarlet and white. It did seem to be an ungracious speech to make in the presence of one who has represented Arizona in the Senate since that member of the Union was granted the privileges of statehood.

However, Mr. ASHURST was equal to the occasion. He arose when his turn came and orated as follows:

"My fellow citizens, it is true that Arizona has never produced a statesman. Moreover, I predict that you never will. Let me tell you why.

"You send me to Washington to represent you in the Senate. But you do not send me there because you are interested in grave questions of national or international policy. When I come back to Arizona you never ask me any questions about such policies; instead you ask me: 'What about my pension?' or 'What about that job for my son?'

"I am not in Washington as a statesman. I am there as a very well-paid messenger boy doing your errands. My chief occupation is going around with a forked stick picking up little fragments of patronage for my constituents."

Thus the Senator orated at length. I may have taken some literary license with the direct quotations, but the substance of his remarks is accurate as quoted. When the meeting was over he was told that he had been the victim of a conspiracy—that he had been hoaxed. I don't know whether he was embarrassed or not. I have a suspicion that he was rather glad he had been goaded into telling some truths which many Washington luminaries would like to tell their constituents if they dared.

WASHINGTON, D. C., *February 24, 1935.*

Hon. HENRY F. ASHURST,
Washington, D. C.

DEAR SENATOR: The tribute you paid Mr. Berryman, the cartoonist, in your speech at the University Club last Thursday evening, February 21, was beautiful, and your bantering discussion of the "care and feeding of politicians" was the most brilliant piece of irony and satire I have ever heard.

Faithfully yours,

CHARLES J. KERLEY.

EXTRACT FROM THE ADDRESS DELIVERED BY SENATOR ASHURST AT UNIVERSITY CLUB, WASHINGTON, D. C., FEBRUARY 21, 1935

All classes of corporations, organizations, and persons have lately received generous gifts, gratuities, grants, and bounties from the Public Treasury except that large class of modest citizens, the politicians.

The Government's neglect of the politician is so cruel that I publicly declare that some provision should be made for the care, nurture, feeding, and training of our politicians, and I now set forth the following regimen or economic program to be observed until some law may be passed for the relief of our politicians.

As to diet: The politician just before an election should be allowed, at public expense, all the pork he wishes, and he should use plenty of applesauce, as that is the only commodity of which the supply can never equal the demand.

As to sleep: If the politician should be tormented with insomnia, he should read one of his own speeches or listen to the speech of one of his fellow politicians; then a drowsiness will soon come upon him that could not be produced by all the soothing sirups in the world. After he falls into slumber there should be no anxiety as to the place where he is to sleep, as they all like the same "bunk."

As to exercise: "Fence building" is recommended, but if the lateral muscles of the body require development the politician should take up the practice of dodging. The muscles of his neck may be much strengthened if the politician will become a confirmed head nodder and nod his head in approval of all statements, plans, laws, appropriations, suggestions, resolutions, and reforms brought to his notice.

One of the defects of the American politician is that he is not a graceful auditor. No asset is more valuable to the politician than the art of audition, and he should train his ears by constant usage until they are capable of listening many hours at a stretch.

It will be remembered that the Earl of Beaconsfield, twice Prime Minister of Great Britain, in preparing young gentlemen for the diplomatic service, instructed them that to control their temper was important but that to control their features was more important. Therefore the politician should so control the muscles of his face that he will apparently be listening with rapt attention at all times. No matter how silly, foggy, or befuddling may be the conversation addressed to him the politician should guard against exhibiting inattention or exhaustion.

Neither scantiness of argument, barrenness of fact, nor absurdity nor ribaldry of the speech inflicted upon him should cause the politician to betray impatience. It cannot be too strongly emphasized that the politician must control the muscles of his face to conceal his boredom and disgust no matter how addlepated the bore may be.

It is impossible to teach the politician to save up anything for a rainy day, although during prohibition times politicians were able to save something for a dry day.

If the politician, during a political campaign, should resort to such an outlandish performance as to indulge in flattery, he should spread it on, not in thin layers but he should rather spread it on with a trowel, or, better still, with a shovel.

There has long existed a myth to the effect that politicians should radiate creature comfort, suavity, affability, and sugared cajoleries.

This myth should be exploded; the politician who expects to survive every storm that blows should simulate a flurried, harried demeanor, and a nervous—yes, I shall say irritable—nature, as such persons are generally regarded as sincere.

It should be remembered that the electorate suspects and distrusts men of superb intellect, calmness, and serenity.

Of course, there are some laws that mankind can never repeal, such as the law of reactions, the law of supply and demand, the law of the survival of the fittest, and the law of gravitation, but in a hard-pressed campaign, the politician will become the incarnate symbol of romantic liberalism and will gather many votes if he crusades demanding the repeal of these laws. Above all things, he should not forget that voters never grow weary of illusory promises.

The politicians must tell the people what they want to hear; this, of course, never adds to the strength, firmness, or efficiency of the Government, but it does nourish the politician.

Even if the politician be a fluent speaker, silence is recommended, as silence is the best substitute for brains ever invented.

It is possible that the politician may be afflicted with that devastating malady known as presidentitis, which is a burning, itching desire to become President. This is not a common disease; it usually assails Senators, Governors, Representatives, and Cabinet members, but it has been known to attack now and then even a university president.

When attacked by this ailment, the politician's usefulness to the country, to himself, and to his party is seriously impaired and frequently is destroyed.

The symptoms of "presidentitis" are pronounced and unmistakable and are as follows: The patient's vocabulary is reduced to the personal pronoun "I." There is an acute sensitiveness to newspaper criticism, then come irritability, thirst, unhappiness, loss of sleep, and extreme suspicion of all other statesmen. The earliest symptom, however, is the metamorphosing of the politician's backbone into india rubber.

[Editorial from the Arizona Daily Star of March 17, 1935]

SENATOR ASHURST AND COMMUNISM

The charge made by the notorious William Shearer that Arizona's senior Senator, HENRY F. ASHURST, is a Communist will come as a surprise to those in Arizona who know the Senator intimately. The charge will cause many a smile or laugh, and instead of being taken seriously it will be the cause of some fun-making at HENRY'S expense.

HENRY FOUNTAIN ASHURST, the cowboy and former jail turnkey who became Senator, is not a Communist. Even though he did believe in the Marxian economic principles, he is of the kind that simply could not swallow Marxian governmental principles. In the first place, our beloved HENRY loves to talk, and he likes

to talk as he pleases. For that reason, if for no other, he would be about the last person from Arizona to become a Communist. If a padlock were put on his tongue or if he were told that he had to think along just certain lines, he would be like a caged lion and soon languish and pass away.

Nor could HENRY FOUNTAIN ASHURST tolerate the ruthless course that even Marx admitted that communism must take to succeed. There is no man more kindlier, no man more generous. If he ever carries a hammer it will be clothed with velvet and used only for a soft and friendly touch. As for the sickle, his would be as dull as a butter knife. He would use it only to gather votes. Violence is foreign to his nature. Even when he speaks, although he has a command of words and metaphors that can hypnotize his listeners, he cannot find words to say a real mean thing about anybody.

HENRY FOUNTAIN ASHURST can never be a Communist. It is not his nature. And besides, he knows his history too well. Above all things, he knows his politics too well. He is as full of politics as a dog is of fleas. He is, above everything else, a politician, a delightful politician, who conquers his enemies by disarming them with charming manners, his never-ending interesting stories of the great and near-great, and by his frank confessions that he is just a politician out looking for votes.

EXTRACT FROM A SPEECH DELIVERED BY HON. HENRY F. ASHURST, OF ARIZONA, AT THE ANNUAL BANQUET OF THE ALFALFA CLUB, JANUARY 18, 1930, WASHINGTON, D. C.

Mr. Toastmaster, I have lately received letters, some of them written in a serious vein and some of them written in bitter irony, urging that the Democratic Party abandon the donkey as its emblem and symbol, but I have replied to the letters that I hoped the Democratic Party would never abandon the donkey, for he is a compendium of endurance, patience, fortitude, and stately dignity; he is a seriocomic philosopher whose stamina and stoicism conquered the wilderness and sustained the pioneer; the donkey uncomplainingly bears heavy burdens; he is a sure-footed, trustworthy creature of epicurean taste and gargantuan appetite, but his appetite and taste, happily enough, may be satisfied by a nibble at a desert cactus, and he is then ready for another long and lonely journey.

The donkey is the personification of the sublime virtues of moderation, forbearance, restraint, and rigid economy. From the vibrant chords of his throat there comes zigzag bars of music as thrilling as the midnight minstrel of the nightingale. The donkey must not be abandoned, for upon his back the Democratic hosts ascend the steep acclivity to power, or, to change the figure of speech, he is the pons asinorium over which they march to victory, and we should be ingrates if, in our day of supremacy, we felt abased at the donkey's homely indigence, deserted him, and offered to his lips the cup of neglect and oblivion.

In the Senate, Tuesday, August 24, 1935

Mr. ASHURST. Mr. President, the remarks of the Senator from Kentucky [Mr. BARKLEY] revive pleasant memories, and I am glad to seize this proper opportunity to refer to the able speech I heard the Senator from Kentucky deliver in London upon the occasion of our duties there as American delegates to the Interparliamentary Union. I sat in the audience, and I was moved with admiration because of the precision of his phrases and the care he employed in recognizing the auspices under which he spoke.

I recall distinctly the conference with Mr. Lloyd George, to which the Senator from Kentucky referred. Mr. Lloyd George spoke over an hour and invited us to ask questions. I took down the answers in my own shorthand. It will be remembered by the Senator from Kentucky that someone asked Mr. Lloyd George about Russia. Now that some years have elapsed, I am at liberty to give the reply. Mr. Lloyd George stated, in substance:

"As you leave this hall, go by Trafalgar Square and you will see a statue of Lord Nelson. Remember that when upon a certain occasion a signal was given to Nelson to retreat, he put the telescope to his blind eye and said, 'I do not see any signal.' "

Mr. President, let me paraphrase what Lloyd George said, and say that not only in public life but in private life as well it is necessary frequently to put the telescope to our blind eye. I am not certain that we might not well do so upon this occasion.

A vast deal has been said this morning about the press. As politicians, we are all anxious, one not more than another, to receive favorable mention in the press.

Reporters are seldom to blame for so-called misstatements. In the hurry of public life we sometimes give out interviews—I am probably a sinner in this regard—without due preparation. The reporter must shoot from the hip. He has no time to turn the stylus, polish the phrase, and rub the lamp. He must get his dispatch, his story, to the desk at once. There the authorities controlling the paper may not agree with the story or may slap a headline over it not always supported by the text. The press is the "fourth estate." The press enjoys a poetic license, and it should. It works under difficulties.

Do not forget that the press is entitled to mangle grammar and to misapply syntax. I see one of the distinguished leaders of the "fourth estate," the Senator from Michigan [Mr. VANDENBERG], listening to me and I am proud to have him here. The members of the "fourth estate" are the only persons who are authorized to use the first person plural for the first person singular; in other words, only newspapermen and men with tapeworms are allowed to say "we" instead of "I."

It is not well to be too touchy and thin-skinned about newspaper reports. We are lending altogether too much importance to what might have appeared in the headlines regarding the absent Senator, Mr. Pope. If we are to hold one another accountable or are to be held accountable for what Senators say, then, indeed, our entire time will be taken up in explaining what we say.

Mr. President, I have had a long political career; I have been in office since I was 18 years of age, and I give this word of advice: Never make an explanation. Let your actions speak. Never explain. If you do, the next day you will be explaining your explanation. [Laughter.]

* * * * * * *

The press has a habit, like politicians, of doing what it pleases. The press is as anxious to have the favorable opinion of politicians as we politicians are to have the favorable opinion of the press; and while the press does not require or wish any defense from me, I must say that I marvel at its accuracy, considering the haste under which they must operate and the necessary and unavoidable uncertainty of public men. Our profession, being that of politics, makes it at particular times necessary that we change our opinions and for good reasons reverse our judgments. In view of all these unavoidable elements, I do not think we ought to complain when the press overplays or underplays an incident, unfortunate though it may have been, regarding a Senator.

[From the Washington Daily News, January 14, 1931]

THE ASHURST PURCHASE

The late and eloquent Senator Daniel Webster once said on the Senate floor that he wouldn't give a dollar for the whole of Oregon. The also eloquent Senator HENRY FOUNTAIN ASHURST, of Arizona, has discovered in the far Southwest a treasure trove worth considerably more than a dollar. In a Senate resolution he proposes to instruct the State Department to open negotiations for the purchase of Lower California from Mexico.

A decade ago ASHURST spellbound the Senate on the same proposal. He expatiated pollysyllabically upon the advantages of our owning great Magdelena Harbor, the gaping mouth of "the American Nile," the Colorado River, the now-arid acres that under the hand of our race would make the desert bloom and smile, the mineral, piscatorial, avian, and chelonian resources. Waxing anatomically metaphorical he called this unfortunate land at once "Mexico's vermiform appendix" and Uncle Sam's "Achilles' heel." He left no doubt in anyone's mind that we need Lower California and Lower California needs us.

[From the Santa Rosa (Calif.) Republican, 1931]

WHAT 'TWOULD MEAN

A representative citizen of Santa Rosa, once a resident of southern California, said the other day that if the Government—through Congress—could be induced to adopt Senator ASHURST's plan to purchase Lower California from Mexico, the same as we purchased Alaska from Russia, the State of California, through its close proximity and natural "feeder" position would, within less than 10 years, equal New York State in population—and greatly excel the Empire State in actual agricultural prosperity and financial wealth.

Besides, the ownership of Lower California by the Government would give us the greatest, safest, and best-protected naval and military base anywhere in the entire world. As a matter of national protection and security alone, Lower California would seem to be almost literally "worth its weight in gold."

[From Time, 1931]

APPENDIX AND HEEL

HENRY FOUNTAIN ASHURST has represented Arizona in the United States Senate since that Territory became a State, in 1912. His tall figure, his shiny black hair, his resounding rhetoric, his theatrical byplay with black-corded glasses have caused many an observer to mistake him for a Shakespearean actor. Today he is the senior Senator from the Southwest.

Like many another frontier politician, Senator ASHURST has long fired his imagination with dreams of United States' territorial expansion. Last week he flustered the State Department, set Mexican officials to guffawing, by reviving his 12-year-old proposal that the United States purchase Lower California from Mexico. To the 58,338 desolate square miles thus acquired he would add another 10,000 square miles clipped from the Mexican State of Sonora and tacked on to his own Arizona to straighten its southern boundary. By his resolution the President would be "respectfully requested to open negotiations" for this international deal.

Of his proposal, Senator ASHURST had declared: "The peninsula is a vermiform appendix to Mexico. It is the heel—the Achilles' heel—to the United States."

[From the Washigton Post on Court bill]

The peak of studied elegance of manner, if there is such a thing, is reached by Senator HENRY F. ASHURST, Democrat, of Arizona, the debonair and balm-tongued chairman of the Judiciary Committee.

It is no secret that his genial and patient handling of the President's Court reorganization plan has reduced friction to a minimum at a time when senatorial nerves were exasperated raw.

Thus, with opponents and proponents snarling like bull wolves around the committee table, the sound of his rolling periods as he has gently trumpeted his rulings has served to soothe the near-surface savagery aroused by the President's Court bill.

[From the Washintgon Star on defeat of Court bill]

Mr. ASHURST confined his comment to one of his usual philosophical dissertations.

"Moderation, forbearance, and restraint are the virtues of victory, whilst patience and fortitude are the virtues of disaster," he said. "Almost any American citizen easily endures and quickly forgets disaster, but it requires character and noblesse oblige to endure victory.

"I hope to endure victory with becoming humility.

"Destiny distributes triumphs and defeats with charming nonchalance. Whether she awards victory or prescribes defeat is of little importance, but it is of very great importance how the individual receives and carries that which destiny distributes to him."

[From the Arizona Daily Star, September 4, 1937]

HENRY FOUNTAIN ASHURST promises that he will do plenty of talking as he returns to Arizona. He has always done plenty of talking—and very pleasant and effective talking at that. He talked himself into the United States Senate, where he has remained a seemingly immovable fixture for a great many years.

When he gets back to Arizona he will be asked to talk about his part in the attempt to pack the Supreme Court. And he will probably make many speeches ostensibly dealing with that subject. They will be entertaining addresses. He will carry his audience with him. He will gain the sympathy of hundreds—nay, thousands.

In order to appreciate how empty an ASHURST speech often is, his hearers must go away from the spell of his golden voice and the vigor of his magnetic personality and think about the substance of what he has said. It is revealing to do as a reporter must do—go back to the office and attempt to set down in brief form exactly what he has said. Disillusionment is apt to follow. For such a process reveals that he says very little in these eloquent talks of his.

That, in fact, seems to be the secret of the ASHURST success. He can talk endlessly and delightfully and say nothing. And in spite of the fact that many of us will condemn and oppose him for the stand he took in the last session of Congress, we will listen to him explain and enjoy it.

After all, an amiable eloquence is far from being a vice. Despite the fact that his use of the almost lost art of oratory conceals rather than reveals his thoughts, he is capable of taking a definite stand in a controversy. As one of the leaders in the bitter and losing battle to pack the Supreme Court he revealed himself as a capable fighter despite his amiability.

There was plenty of anger and shouting in the Senate over the Court measure. Wild accusations flew—some of them aimed at ASHURST himself. But it is not on record that he ever lost his temper, said an unkind thing about an opponent—or altered his stand.

Even when opposing him, one must admire that kind of a fighter. The world would be a better place in which to live if all its battles were conducted in the spirit maintained by the Arizona Senator.

[From the Washington News of July 3, 1937]

Ordinarily a filibuster is a pretty nasty affair. And this one has all the makings of a bad-tempered, name-calling row.

But there is one cheering thought that brightens the dark picture. It is that HENRY FOUNTAIN ASHURST, as chairman of the Judiciary Committee, has nominal charge of the legislation. And certainly he is one who measures up to Kipling's standard—one who can keep his head though all about him are losing theirs. Though other debaters hurl bitter invectives, he can be depended upon to remain serene.

This long and purple controversy over the Supreme Court has tried many Senators' souls, but the gentleman from Arizona has not lost an inch of his hide, nor shed a drop of blood, nor a bead of perspiration.

When it is all over, even though he be trampled in the dust of defeat, we expect to see HENRY FOUNTAIN ASHURST rise and, with engaging smile and courtly bow, sigh that he regrets the conclusion of the friendly tête-à-tête, but rejoices in a glorious triumph.

Mr. ASHURST. Mr. President, I ask unanimous consent to have printed in the Appendix of the RECORD the brief radio address delivered by me on February 5, 1939, upon the affiliation of station KVOA in Tucson, Ariz., with the Blue Network of the National Broadcasting Co.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

"The radio has made a whispering gallery of the skies. Its messages fly around the world on wings as swift as lightning.

"Music being the universal language in which mankind expresses emotion, it is quite appropriate that when station KVOA, of Tucson, Ariz., becomes associated with the National Broadcasting Co., the inaugural should be a musical program.

"I welcome this opportunity to salute KVOA and to speak to my invisible audience regarding Arizona whose citizens are patrons of learning, disciples of industry, and apostles of success, and which State, paradoxical as it may seem, is at one and the same time the oldest and the newest of our governmental subdivisions—oldest in ancient occupation and civilization, and the newest and freshest in modern progress.

"The citizens of Arizona celebrate, this year, the four hundredth anniversary of the arrival of Fray Marcos de Niza, the first European to the soil, that is now Arizona.

"Arizona was a populous land before Julius Caesar's shouting legions brought tribute back to imperial Rome; and Arizona peoples of antiquity wove and spun cotton and flax into gaudy tapestries and gay raiments and melted gold, silver, and copper from Arizona's hills, into chieftains' ornaments and queens' girdles, long before the Knickerbocker set foot on Manhattan Island. Sublime as are the glories of art and architecture, Arizona contains natural wonders of scenic grandeur sculptured when the world was young by the Hand that sustains all creation. For example her petrified forests, which lived its green millenniums and put on immortality millions of years ago. No prose poet has ever dipped pen deep enough into the ink of temerity to attempt a complete description of the Grand Canyon with its mosques and minarets, its temples, pyramids, sheer cliffs, and forbidding ramparts and its colors that elude the artist's brush. Arizona has a bracing, cleansing air which heals the throbbing nerves of pain. Her sunshine reddens the bloodless lip and paints the rose upon the invalid's pale cheek. She has irrigation projects so practical and yet so ideal that they charm the imagination with their wizardry. The fertility of Arizona's soil, the salubrity of her climate, the vastness of her mineral wealth make the lamp of Aladdin and the purse of Fortunatus appear tame and commonplace by comparison."

In the Senate, Monday, December 13, 1937

Mr. ASHURST. Mr. President, there is in this world a deadly law of compensation which sooner or later does its perfect work.

It was, I believe, in 1932 that our then Secretary of State, Mr. Stimson, by cable and on the telephone, communicated with Sir John Simon, then Great Britain's Secretary of State for Foreign Affairs, and our Secretary of State then advised Sir John Simon that he, Mr. Stimson, would cooperate with Great Britain in an attempt to stop Japan from overrunning what was then called Manchuria, now Manchukuo. We had very few and scanty vital interests in Asia at that time. Great Britain had enormous vital interests there at that time and the most lamentable breakdown in statesmanship in history was when Sir John Simon, British Secretary of State for Foreign Affairs, failed to support our Secretary of State at that time. While we deplore the damaging and expensive results that may come to Great Britain from the present trouble in Asia, the law of compensation which does its perfect work is now active against British interests because Great Britain refused to support our Secretary of State, Mr. Stimson. Not a gun would have been fired, no expense larger than the cost of a cablegram to Japan to stop would have been necessary and, if Sir John Simon had sent such cablegram, there would have been peace and tranquillity in Asia.

In the Senate, Monday, March 13, 1933

Mr. ASHURST. Mr. President, I have received, as doubtless many Senators have, a large number of telegraphic dispatches respecting Senate bill No. 233, a bill to maintain the credit of the United States Government. One of the dispatches reads as follows:

"I feel it my duty to advise that your future success is in grave danger if you uphold granting Presidential power."

Another reads:

"Your attitude very unsatisfactory. You are taking $6,300,000 annually from Arizona, and are politically dead unless you change your attitude."

Mr. President, some time ago I made the astonishing, and for a while, to myself, the distressing discovery that the perpetuity of the American Government did not absolutely depend upon the reelection of one HENRY FOUNTAIN ASHURST to the Senate of the United States.

When a Senator makes such a discovery, at first the fact appears incredible. It seems as if the stars above his head had faded and the earth had slipped beneath his feet. But as time rolls on such a discovery proves to be a real antidote to megalomania; and the further flight of time brings to the discoverer a serenity and a humility to be envied by the world's greatest philosophers.

It may be, Mr. President, that the perpetuity of the American Republic does not depend upon my reelection to the Senate; but the perpetuity of the Republic may indeed depend upon granting to the President the authority to make the economies called for in his message to Congress.

MAY 29, 1933.

Mr. G. H. BROWN,
Phoenix, Ariz.

DEAR MR. BROWN: Yours of May 25 received advising that you desire a position with the Bureau of Internal Revenue, and you request me to recommend you "to the new collector at Phoenix as soon as he is appointed."

It is my duty to tell you that the district attorney, marshal, collector of internal revenue, collector of customs, and register of the local land office, respectively, will be appointed upon the recommendations of the United States Senators from Arizona.

In my judgment, it would be improper for a Federal Senator to make any suggestion as to whom such persons thus recommended by Federal Senators should appoint. The Federal officials who may

be appointed upon my recommendation shall be left free to select their own assistants, deputies, accountants, and clerks.

On this point I may be—probably am—censurably delicate, but it is my inflexible rule to which I adhered during the Wilson administrations. Quite naturally, I desire to please as many of my constituents as possible and to offend as few of them as possible, but I believe in the principle of absolute noninterference by Federal Senators in the selection of the subordinates of Federal officials appointed upon my recommendation.

Sincerely yours,

HENRY F. ASHURST.

OCTOBER 16, 1933.

Mr. G. A. ROBERD,
Phoenix, Ariz.

MY DEAR FRIEND: Your letter received advising that the chamber of commerce had "denounced" Senator HAYDEN and myself for not securing larger sums of Federal funds for Arizona.

This complaint of the chamber of commerce is not at all unique, for daily from the mail bags there are dumped upon my desk demands that "this, that, or the other" industry be nourished by some gift, bounty, or largess out of the Federal Treasury.

I sympathize somewhat with the impatience of the chamber of commerce and say in reply that I have worked harder since March 4 last than I have ever worked before, but I am not complaining, for when an officeholder complains of overwork he is simply proving that he has a task too big for him.

I have been for years a critic, and hope I am able, without making a wry face, to take a small dose of that medicine—criticism—of which I have given other fellows sizable doses; in other words, I not only "ladle it out" but can also "take it." Pardon my dropping into slang, but it conveys my thought precisely.

I believe you are correct in your conclusion that a number of candidates—all excellent gentlemen—will try to displace me at the next election, but it is beginning to appear as if I shall be reelected, not by reason of any particular merit that I possess or by any political activity on my part but by the folly of my opponents.

Kind regards,

Sincerely yours,

HENRY F. ASHURST.

APRIL 17, 1935.

Mr. R. W. KNAPP,
Phoenix, Ariz.

DEAR FRIEND KNAPP: Your letter received.

It is quite true that many if not most, of the laws passed in the hope of rescuing the country from the depression were experiments. Some of these experiments are successful, whilst frankness and candor compel me to say that some of them are failures. No rational person would admit a belief in the wholesomeness of all of these laws, and he would have been a bold man who would have ventured to prophesy that all of these experiments would be a success.

I share the hope you entertain that we may abandon experiments that are obvious failures and retain such as have been demonstrated to be of value.

In times of grave danger to our country, whether from unemployment, famine, fire, flood, war, pestilence, or depression, a nation, and certainly a first-rate nation, becomes a laboratory to test problems and discover which is the plan of recovery.

I observe your reference to the securities bill, and also your reference to the Rayburn bill. It may come to pass that in order to emerge from the depression our Nation may yet be obliged to resort to those prosaic, unpopular, and age-old remedies that have never failed—economy, hard work, and the other simple virtues that made our Nation.

With kind regards, sincerely yours,

HENRY F. ASHURST.

JANUARY 2, 1934.

Mr. A. L. MOORE,
Route 2, Box 223, Tucson, Ariz.

DEAR FRIEND: Your letter of December 25 received, in which you say, "I ask you to work for and vote for repeal of this Economy Act."

I should be lacking in frankness and deficient in courtesy if I failed to tell you that I shall support President Roosevelt all along the line.

A crisis of terrible proportions, bringing many distressful results, came upon our country and has not lifted its blight from us; hence all citizens must continue to make sacrifices for their country's welfare.

It is often quite true that the only way in which an officeholder may render great service to the Nation, in its day of trouble, is by his willingness to lose his future or at least to lose his present position in political life, if he may thereby aid in bringing national recovery, just as the soldier may for a time give up a part of his civil liberties and may pay with his physical life in order to render service for his country in battle.

Whenever grave danger comes to our Nation, whether from unemployment, famine, fire, flood, war, pestilence, or depression the officeholder must be willing to take action which might be temporarily unpopular if he may thereby aid in the recovery of his country.

I shall follow the President's leadership, and if he should urge that the present law be amended so as to meet your request, I shall support his efforts in that behalf.

Kind regards.

Sincerely yours,

HENRY F. ASHURST.

MAY 18, 1935.

Mr. J. F. MILLARD,
Phoenix, Ariz.

DEAR MR. MILLARD: Your letter of May 11 received in which you request me to recommend a pardon for ———.

In reply, it is my duty to say to you that during my service in the Senate I have never interfered with judicial processes or with pardons or paroles and have always refused to recommend pardons or paroles for the obvious reason that when Senators or Representatives do interfere in such matters they thwart the administration of justice. I shall not recommend pardon for ———.

With kind regards, sincerely yours,

HENRY F. ASHURST.

PHOENIX, ARIZ., *October 26, 1938.*

Mr. RALPH BRADFORD,
371 Beech Street, Arlington, N. J.

DEAR SIR: Your letter of October 18 received, and I should be deficient in candor were I to encourage your coming to Arizona, unless you have, in your own right, a fixed, permanent income, adequate to your support, upon which income you may rely without default or discount.

This State is now chock-a-block with impecunious transients and to subsist them has laid a heavy burden upon Arizona taxpayers.

Moreover, I shall be guilty of disingenuousness if I fail to tell you and Mr. Welch that neither of you could secure employment in Arizona, as we have here thousands of actual bona fide citizens of Arizona who are vainly attempting to secure employment here, and quite properly, bona fide residents of the State will be first considered.

You say that you may consider going into business in Arizona. Undoubtedly any one of our various county assessors would be pleased to add your names to their tax rolls.

A pollyanna reply to your letter could have been sent, but surely you will welcome the truth instead.

Your intimation that you might expect letters of introduction from me to "responsible parties" could not be realized, inasmuch as you are a stranger to me.

Having thus frankly told you of the situation here, it remains only for me to say that Arizona is still, as she has always been, the land of opportunity and hope, where the industrious, competent, honest, and lucky young person of good judgment may have a sporting chance to earn at least the right to live a graceful and useful life.

Yours respectfully,

HENRY F. ASHURST.

In the Senate, March 30, 1938

SEA POWER

Mr. ASHURST. Mr. President, it was sea power that saved Rome from Greece.

It was sea power that saved Greece from Persia.

It was sea power that gave to the Phoenicians the command of the ancient maritime world. Sea power built up the far-flung commercial empire of Carthage. Sea power made Athens ruler of vast terrritories, and it was sea power that made the Rome of antiquity mistress of the civilized world. Rome could not have subsisted without her sea power, because nearly all her wheat came overseas.

When Spain had great sea power she dominated Christendom; and Spain's decline began when storms and British seamanship wrecked her great Armada.

The sea power of the American Colonies with the sea power of France won the American Revolution, and the naval blockade defeated the Confederacy.

During the World War the Allies would have starved had it not been for sea power.

In the Senate, April 8, 1938

TAXES

Mr. ASHURST. Mr. President, doubt and fear, twin spectral forms of evil, have descended upon business. Whether or not business is justified in its fear of Congress is a question I do not now discuss. It is sufficient to know that such fear actually exists.

The person who now addresses you during his youth time believed in ghosts, and was morbidly and frenziedly afraid of any man who was dead. It would be the subject of an interesting homily, if the Senate had the time to hear it, for me to relate the circumstance which permanently eradicated my fear and dread of ghosts and wraiths. I may do so some day, but not at this time.

The country will not recover, nor will it make progress, unless and until Congress gives assurance that when citizens engage in legitimate business enterprises they will not be the subject of unnecessary taxes and amercements. Business now fears that should it launch legitimate enterprises, its activities would be pounced upon by Congress and penalized by unnecessary taxes, and that some sort of invisible radiation, such as a ghost or wraith of the enterprise, would be all that would ever flow from the undertakings.

Congress must dispel this fear and doubt with which it has enshrouded business. Congress should say to labor, "You shall have a fair day's wage for a fair day's work," and should say to business, "You shall not be exploited."

Taxes will be, to say the least, moderately heavy during the lifetime of all persons now in existence. Taxes may be reduced only

by reducing expenditures. The remedy for heavy taxes is somewhat within the hands of the taxpayers themselves. If and when taxpayers quit the practice of telegraphing Congress for more appropriations, and begin instead to telegraph Congress to vote against appropriations, Congress will grant relief from heavy taxes.

But I do not entirely despair. There are in this world some laws that may not be repealed, such as the law of the survival of the fittest, the law of supply and demand, the law of compensation, and the law of reactions. Even if Congress should refuse to grant relief from excessive taxes, the law of reactions would ultimately do its perfect work.

As jealousy is the concomitant of violent love, as Aristides the Just was banished because people grew weary of hearing him called Aristides the Just, as a fiercely raging fire will burn itself out, as a rapidly running river will create obstructions for itself, likewise an era of prodigal expenditures will be followed by economy to the point of parsimony.

I therefore declare to the Senate, as I said last autumn in my addresses to various civic organizations, "You are wise in getting money from Uncle Sam's Treasury 'while the getting is good'; for under the law of reactions this prodigal era in due time will be followed by a regime that will make Calvin Coolidge look like a spendthrift." [Laughter.]

In the Senate, May 26, 1932

THE STAGE IS VISION OF THE ROMANCE INSEPARABLE FROM EVERY HUMAN LIFE

Mr. ASHURST. Mr. President, I invite attention to the fact that the spoken drama in the United States is now almost extinguished. I do not believe we have reached such a deplorable place in our history that we would be willing unfairly to tax or to penalize the spoken drama or the talkie movie.

I am opposed to admission taxes, whether for the spoken drama or the talkie movies. Such taxes are only an irritant—they are like unto a dash of Tabasco sauce in the eye and will be resented by the American people. Some well-informed persons argue that the theaters and talkie movies are luxuries and amusements only. That they are, from one angle, "amusements" is quite true; that they possess facilities for disseminating interesting information of much practical value, especially to those persons who cannot spare the time or money to travel, is none the less true.

It is also true that the theaters and the talkie movies make contributions to art, belles-lettres, literature, music, science, and philosophy, and appeal to and help to gratify that inborn cultural and artistic yearning inherent in every normal person, although in some breasts this yearning is meager and obscure and sometimes is deeply hidden.

The stage artists, the screen artists, and the vaudeville artists hold the mirror up to nature, and only through them do we ever see ourselves as others see us.

On the stage and on the screen we see our own weaknesses, foibles, and pretensions made plain and then corrected. On the stage and on the screen the richness of human experience is laid before us, and all that is beautiful, all that is tragic, and all that is mournful in man's destiny is clearly shown.

The penetrating skill, the Attic salt, and the humor of the screen artist and the stage artist expose the shams and frivolities of a particular epoch, and not infrequently teach a nation the way of truth.

The plays of Aeschylus and Euripides taught the Greeks to meet disaster becomingly and to realize that although Fate spins a strange pattern and motif into every career, such circumstance affords no reason for a refusal to meet life courageously and cheerfully.

The comedies of Shakespeare enriched England, softened the cruelties of his time, and gave seasonable advice and admonition to monarch, to lords, and commons. There would have been no polished Elizabethan England except for Shakespeare, who appeared personally in some of his own plays, notably his Twelfth Night, which he acted in 1602, and from the stage poured gentle satire upon vanity and injustice.

I do not doubt that Schiller and Goethe helped Germany, and I am certain that Molière and Rostand and Bernhardt enriched France. Who can measure the joy and the emotional sympathy that Dion Boucicault gave to the world? He was called the scribe of the American and English stage and had 124 dramas to his credit.

Unnumbered thousands of our own generation have been charmed by the melodious airs and clever rhymes of the Gilbert and Sullivan light operas and the talent of those two gentlemen was so exceptional and their criticisms of official smugness and complacency were so deft and subtle that their productions were given audition and applause by the most prim and rigid of the mid-Victorians.

It would be impossible to estimate the ennobling influence showered upon our Nation by such characters as Edwin Booth and David Belasco.

Amidst the gloom of the depression and out of the darkness of the country's financial and industrial misfortune there suddenly beamed forth last winter, when the clouds were lowering, five stars, five distinguished thespians to tour our country: The superb Maude Adams and well-beloved Otis Skinner revived the Merchant of Venice; William Gillette came back to us in Sherlock Holmes; Ethel Barrymore reproduced Sheridan's School for Scandal; and Walter Hampden gave us again glorious Cyrano de Bergerac, the fascinating yet futile lover, poet, duelist, and hero of seventeenth-century France. How many weary hours these artists beguiled; how many desolate hearts they encouraged; how many of our citizens learned anew from them that moderation, forbearance, and restraint are the virtues of victory and prosperity and that fortitude, patience, and courage are the virtues of disaster and defeat.

The drama is coextensive with the people and of all the arts, save music, it is probably the dearest to the human race. The stage is akin to poetry in that it is a great expression of human emotion. The stage is a vision of the romance inseparable from every human life; it is a magical place, breathing the inspiration of color and sound; a place for high thoughts, splendid truths, and beautiful words, for objects vividly observed and gorgeously imagined.

The stage is art. Art is truth, and in the final sum of wordly things, only art endures; the sculptures outlast the dynasty, the colors outlive Da Vinci, "the coin outlasts Tiberius."

When Hamlet, Prince of Denmark, desired a rehearsal of the play which was to confound his uncle, the king, he said to the players: "Come, give us a taste of your quality." After the players had recited Hamlet turned to Polonius, the lord chamberlain, and said:

Mr. ASHURST. Mr. President, I invite attention to the fact that let them be well used, for they are the abstracts and brief chronicles of the time; after your death you were better have a bad epitaph than their ill report while you lived."

So, Mr. President, when our citizens, after a day devoted to the duties and claims of this fevered life, go to the theater or to the talkie movies, there to renew their exhausted strength, there may-hap to escape for an hour from the specter of their baffled hopes, from their broken ideals or evaporated illusions, so common in this complex machine age, or there to be spared for an evening from the fardels and the clangor of a bewildered world, let them not be met with a Federal admission tax, which, as I said before, is a vexatious, corrosive, pestiferous irritant.

In the Senate, January 6, 1936

CHARLES A. LINDBERGH

Mr. ASHURST. Mr. President, Charles A. Lindbergh, who captured mankind's imagination when he crossed the Atlantic by riding alone the pathway of the stars, has lately been the subject of much discussion because, forsooth, as a discerning gentleman, after performing the duties cast upon him by a tragic occasion, he properly withdrew himself and his family from the house of his woe and sorrow until the conclusion of the case which affects himself and his family so poignantly.

Of course, no one except Colonel Lindbergh and his family knows the precise reason for his sojourn in England; but in view of his well-known habit of observing the proprieties and amenities of life, it would not be a rash guess to say that he and Mrs. Lindbergh quite naturally preferred to be absent during the climax of the case.

It may be, indeed, that the Lindberghs are temporary refugees from the tyranny of curiosity. He and his family have been the victims of ruthless, reckless, and relentless espionage. If they wished to go shopping, attend a theater, a picture show, or go to a restaurant, they must needs disguise themselves or be pestered, annoyed, insulted, jostled, intimidated, and manhandled by cranks, potential gangsters, gaping sensation mongers, and other unrecorded, unidentified, and unauthorized individuals.

To some persons one of the truest joys that can come is to live serenely in obscurity the life of a private citizen; but, unfortunately, such a vast number of persons with a prurient, itching curiosity have been so constantly invading Colonel Lindbergh's right to privacy that he and his family for some months have been required practically to reside within a fortress.

This deplorable status of affairs may not be cured by any law or by any action that the Department of Justice may take. It can and will be remedied only and when those citizens who represent the good repute of our Nation, and who live courageously, shall themselves set an example of a refusal to violate the privacy of another citizen and an example of indignant resentment of any intrusion upon their own privacy.

Human beings differ in temperament, habits, and inclinations. A mode or plan of life agreeable to one person may be unpleasant to another. One man desires to be surrounded by gayety, laughter, and song: another prefers to keep company with invisible and inaudible things.

That a man should prefer his own silent and deploying thoughts to bubbling comrades does not indicate that he lacks urbanity or warm-heartedness; it simply indicates that he has chosen companions agreeable to himself.

In the Senate, Tuesday, June 20 (legislative day of Thursday, June 15), 1939

GHOST WRITING, ITS ORIGIN AND DEVELOPMENT

(By HENRY FOUNTAIN ASHURST, United States Senator from Arizona)

Mr. ASHURST. Mr. President, I ask unanimous consent to have printed in the Appendix of the RECORD an article written by myself entitled "Ghost Writing, Its Origin and Development."

There being no objection, the article was ordered to be printed in the RECORD, as follows:

"Fortunately it is not always absolutely essential, although it is always desirable, to define words and terms with precision, otherwise, notwithstanding the richness of the English language in synonyms, it would be difficult to define 'ghost writing' although

that term is now an accepted locution. Usage has given it a standing over any protest etymology may make.

"'Ghost writing' may be said to be a speech, address, or article written by one person but delivered or signed by another.

"When we say 'the ghost talks today,' we do not mean that some wraith, without a body, is squeaking and gibbering, but we do mean that some person is delivering a speech or is 'by-lining' an article written by some person other than the one by whom authorship is impliedly asserted. In many, if not most, 'ghost speeches' and 'ghost articles' the ghost's style of expression betrays his anonymity.

"When we say 'the ghost walks today,' we refer to a declaration that has come down to us by tradition from the times in London when Shakespeare, who often played the part of the ghost in his tragedy Hamlet, was also paymaster to the players. Thus the saying whereby early English actors linked salaries with ghosts came to mean 'pay day,' and this same saying is today frequently heard in the House of Thespis and in the House of Printing and means pay day.

"Recently an article appeared in a current magazine which went on to say that ghost writing had its origin about the beginning of the twentieth century, but the fact is that ghost writing has been practiced for many centuries.

"It was among the Greeks that public speaking as an art had its development. In its flower, it produced the models of eloquence for all succeeding orators.

"In the days of remote antiquity the theory prevailed that every citizen should be his own advocate in settling his disputes. The theory seemed to be sound, but, like many theories, it was difficult of practical application inasmuch as many citizens who were drawn into litigation had justice on their side but lacked the knowledge, ability, or the voice to defend their causes.

"For this reason one Corax, in the Greek city of Syracuse in the fifth century B. C., set up a school to instruct or coach private citizens how to urge their rights and claims before magistrates and juries and thus assist those persons lacking in forensic skill.

"It is interesting to observe that the principles of oratory enunciated by this pioneer instructor Corax have prevailed in one form or another in all forensic oratory; that is to say, beginning, narrative, argument, subsidiary remarks, and peroration.

"Through all the subsequent and troubled centuries, embracing the rise and decline of the Greek culture, the Athenian cities, the Roman and Byzantine empires, down to this day, the principles of oratory as taught by Corax have guided many, if not most, of the world's greatest orators.

"After Corax there flourished in Athens a speech writer, one Lysias, who adapted his compositions to the character and station in life of the man or client who was to deliver them, and he wrote the speeches according to the terminology required by the particular nature of each case.

"Then came Isocrates, who, unfitted by weakness of voice to speak in public, devoted his talent for eloquence to instructing pupils who came to his school at Athens. He did not to any great extent write speeches for others; his school trained his pupils to write their own speeches. Isocrates earned enormous sums of money; some authorities declare that his earnings were to the money value of about $50,000 a year from tuition paid to him by students.

"It was from this group, or from this school, rather, sprang Demosthenes, born 384 B. C., died 322 B. C., in whom was combined all that was excellent in the grand art of public discourse.

"Demosthenes' father, who was well-to-do, in fact opulent, was a manufacturer of cutlery and furniture and died when Demosthenes was 6 years old, leaving to his son what then was an enormous estate.

"It would seem that young Demosthenes received shabby treatment from his guardians, for when he attained his majority, which was at the age of 16 years, he found that the greater part of his inheritance had been wasted or stolen by his guardians and he brought suit against them and obtained a verdict, but it is not known whether the money was ever paid to him. At least he secured more reputation than money out of his lawsuit.

"He had, however, been carefully educated for the profession of rhetorician or, as we would say, advocate, and in not a few instances this literary training in preparing speeches for others was worth more to him than the inheritance he should have received. Demosthenes managed, notwithstanding a weak voice, delicate constitution, and a defective articulation, to build up a renown as the most famous orator of antiquity.

"The important duty of the Athenian advocate was to prepare pleas for his client who would commit the plea to memory and deliver it to the jury.

"The usual membership of an Athenian jury was 500 citizens, and some juries were composed of 1,500 citizens. A skillful rhetorician or advocate would prepare a plea so that it might be supposed to come from the client himself. There are extant about 30 pleas of this sort written by Demosthenes, and from them we may learn some of the lights and shadows of life in the Athens of that day.

"Among the Greeks eloquence was an end in itself, but among the Romans eloquence took a more practical turn. Gaius Gracchus, whose eloquence was much praised by the ancients, was charged by his opponent as having employed a ghost writer to compose his speeches.

"It seems to be definitely established that the speeches delivered by the Roman Emperior Nero were written by his Prime Minister, Seneca.

"Dr. Samuel Johnson contributed nine lines to Oliver Goldsmith's poem, The Traveler, and contributed four lines to Goldsmith's poem, The Deserted Village.

"Senator ARTHUR H. VANDENBERG, an authentic historian, is of opinion that Alexander Hamilton wrote all but four lines of General Washington's Farewell Address.

"Daniel Webster prepared an inaugural address to be read by William Henry Harrison when General Harrison was inaugurated as President, but General Harrison disregarded the ghost speech and preferred his own composition.

"One of the most tragic episodes flowing from ghost writing in the United States occurred when a ghost writer who was employed to write a farewell address for Hon. John White, Speaker of the House of Representatives in the Twenty-seventh Congress, in preparing the address for Speaker White, copied copiously from the language of the farewell address delivered by Vice President Aaron Burr to the United States Senate in 1805. Speaker White delivered the address as it was written for him, and when it was discovered that much of the address was from that of Vice President Burr, Mr. White, being unable to laugh at the comic position into which the ghost writer had placed him, was, on the contrary, so overcome with mortification and disgust that he committed suicide.

"Abraham Lincoln, after composing alone and unaided at Springfield his inaugural address containing the closing passages of exquisite grace and tenderness, forwarded a copy to Senator William H. Seward, his intended Secretary of State, inviting Senator Seward's comments, and Seward smoothed out a few quaint phrases.

"President Andrew Johnson's first message to Congress was a masterpiece of statesmanship and literature, and, notwithstanding the fact that President Johnson possessed a lofty range of statesmanlike talents and was a skilful rhetorician, James G. Blaine refused to give Johnson credit for its authorship and declared that Seward had written it; but Blaine was wrong, for Johnson indeed wrote it, and George Bancroft's pen—not Seward's—gave the message its high-grade, literary polish.

"Press dispatches have just announced the discovery of the tomb of great Caesar's ghost writer, one Aulus Hirtius, who was born 90 B. C. and died 43 B. C. and who throughout his entire lifetime was the personal and political friend of Julius Caesar. Hirtius, although politically opposed to Cicero, took lessons in oratory from Cicero and in return Hirtius, who was a capable cook, imparted to the famous orator's household lessons in preparing delights of the table. Hirtius was a distinguished historian and, while it cannot be affirmed with absolute certainty, it is more than probable that Hirtius wrote some portion of Caesar's Commentaries, dividing with Oppius, another ghost writer of that day, the credit for authorship of the eighth book of the Gallic Wars.

"Hirtius was killed at the Battle of Mutina while leading an assault against the enemy. The body of Hirtius, together with the bodies of some of his comrades slain in the same battle, was sent to Rome with a large escort, where with highest honor it was buried in the Field of Mars. Hirtius was held in such great esteem and was so generally respected for his valor, scholarship, and genius as a ghost writer that the mortician refused to accept compensation for the interment of Hirtius' body.

"These recent press dispatches further announce that his tomb will be restored to its ancient grandeur, and it is the opinion of this writer that unless the beautiful flower of gratitude has withered and perished the American ghost writers of the present day, who are 'thick as autumnal leaves that strow the brooks in Vallombrosa,' will remember Hirtius' name with thankfulness for having modestly furnished so excellent a pattern of ghost writing. Moreover, it is reasonably certain that ghost writers in the days that are to come, with a friendly sentiment for his memory, will take care that the restored tomb shall not fall into obscurity and decay."

Rising Government Debt and Some of Its Consequences

EXTENSION OF REMARKS

OF

HON. LELAND M. FORD

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Friday, July 21, 1939

ARTICLE FROM THE GUARANTY SURVEY

Mr. LELAND M. FORD. Mr. Speaker, under the leave to extend my remarks in the RECORD, I include the following statement from the Guaranty Trust Co. of New York:

[From the Guaranty Survey of June 26, 1939]

RISING GOVERNMENT DEBT AND SOME OF ITS CONSEQUENCES

To a superficial view it would appear that business had become unconditionally dependent upon Government spending. But several vital facts point to a different conclusion. One is that business in the United States, in spite of the vast amounts of public funds that have been spent to stimulate it, has been found to have shown less net progress toward recovery since the low point of the

depression than business in any other large country for which reasonably satisfactory data are available.

The end of this month will mark the close of the ninth successive year of deficit financing by the Federal Government. During these 9 years the national debt has increased by nearly $25,000,000,000, or more than it did during the 3-year period 1917–19, marking our participation in the World War. The expenditures of the Government in the last 9 years have been $30,000,000,000 larger than they were during the war period, and an even greater increase in the debt has been prevented only by the rise in taxes to almost record levels.

At present the outlook is for an indefinite prolongation of the policy of borrowing, spending, and lending by the Government, with some signs that it will be intensified, rather than moderated, as time goes on. While, as this is written, it appears that Congress may vote a relief appropriation for the coming fiscal year smaller than that for this year, the agricultural appropriation bill provides for expenditures far in excess of earlier estimates; the cost of national defense is at a level without precedent in times of peace; changes in the social-security program are contemplated that will temporarily reduce the pay-roll taxes but will raise the cost of old-age benefits in the next few years, and recent press reports indicate that there is under consideration a new and far-reaching plan for Government "investment" in business.

The Mead bill providing for Government insurance of 90 percent of bank loans up to $1,000,000 to industry, which has been discussed at hearings before the Senate Banking Subcommittee, appears to be generally regarded as the first step in this new "investment" plan. The main purpose of the bill—to make caiptal more readily available to small businesses through loan insurance—is in line with one of the three proposals for a revision of our financial system offered last month to the temporary national economic committee by A. A. Berle, Jr., Assistant Secretary of State. The other two features of the plan are much more far reaching. One calls for legislation providing for capital credit banks to make long-term loans either to business enterprises or to Federal and local Governments for public works.

The other advocates the establishment of a public-works finance corporation with rediscount privileges at the Federal Reserve banks. Testimony of public officials at hearings on the Mead bill seems to indicate that the measure is considered merely one feature of a much more comprehensive plan drawn up on these general lines.

The public reaction to these proposals has been formed against the background of President Roosevelt's address last month before the Retailers' National Forum, in which the President defended the use of borrowed funds by the Government to provide purchasing power and promote business recovery, and belittled the dangers inherent in the mounting national debt. The new program, in other words, is viewed as a phase of the broad policy of Government spending or "investment" as a means of increasing the national income.

This policy has been responsible for most of the rise in the tax burden and the national debt in the last 9 years—and yet there are in excess of 10,000,000 workers unemployed and about 20,000,000 individuals wholly or partially dependent on governmental relief payments and industrial production and national income are at 77 percent of their respective 1929 levels.

TEMPORARY STIMULATING EFFECTS

The persistence with which Government spending is advocated as a recovery device is probably due in part to the fact that it does appear to stimulate business activity temporarily. A comparison of changes in the amount of Federal expenditures with variations in the general level of business tends to suggest a casual relationship. While the correlation is far from perfect, there is an apparent tendency for variations in spending to be followed, after an interval of some months, by similar fluctuations in business activity. Expenditures increased sharply in the closing months of 1933 and were maintained at a high level in 1934 and 1935. During the same period, business activity rose rather steadily. The veterans' bonus payment in June 1936 was followed by an abrupt drop in expenditures. Business, presumably under the stimulus of the bonus payment, continued to rise until the summer of 1937, when it declined precipitously. Expenditures were increased early in 1938, and business began to advance a few months later.

To a superficial view, therefore, it would appear that business had become unconditionally dependent upon Government spending. But several vital facts point to a different conclusion. One is that business in the United States, in spite of the vast amounts of public funds that have been spent to stimulate it, has been found to have shown less net progress toward recovery since the low point of the depression than business in any other large country for which reasonably satisfactory data are available. Another is that every past depression has been followed by recovery without the aid of Government spending, and never has the expansion been so slow and halting as in the present instance. A third is that many businessmen and other close observers of economic affairs agree in attributing the present lack of business vitality in part to world conditions and in part to adverse factors in the domestic situation that have been created, and can be removed, by governmental action.

INCREASE IN NATIONAL DEBT

Some of these factors are direct results of the spending program itself. The one indisputable consequence of the spending policy is that it has raised the cost of government to a level that has created serious concern on the part of many people regarding the future of taxation, public credit, and currency stability. It is recognized, moreover, that Government payments have become an apparent necessity to large groups of people who will naturally use every possible means of opposing their cessation, and consequently that it will be very much more difficult to reduce the spending than it was to increase it. Even more disquieting than the thought of the cumulative Federal deficit and the resulting increase in the national debt is the reflection that the cost of government may become "frozen" at a level where the Budget cannot be balanced.

The effects of the spending program on the financial position of the Federal Government are indicated by the following figures, which show the totals of receipts, expenditures, and debt for recent fiscal years in millions of dollars:

	Receipts	Expenditures	National debt, end of year
Fiscal year:			
1930	4,178	3,994	16,185
1931	3,190	4,092	16,801
1932	2,006	5,154	19,487
1933	2,080	5,143	22,539
1934	3,116	7,105	27,053
1935	3,800	7 376	28,701
1936	4,116	8,880	33,545
1937	5,294	8,105	36,427
1938	6,242	7,626	37,165
1939 [1]	5,520	9,492	41,132

[1] Estimated.

The most significant fact brought out by these figures is that the debt has continued to rise at an undiminished rate in recent years in spite of the increase in receipts. The revenue of the Government in the last fiscal year was the greatest in its history, except for the fiscal year 1920. Even the reduced receipts for this year were exceeded only in 1920 and 1921. Yet the increase in expenditures has been so great that the debt has risen by approximately $4,000,000,000 during the current fiscal year and now stands at a total about fifteen and one-half billion dollars above the early post-war peak.

In addition to the direct debt, the Government has a contingent indebtedness of approximately $5,400,000,000 in the form of obligations of governmental corporations and credit agencies fully guaranteed by the Treasury. To offset this the Treasury has a "proprietary interest" or partial ownership in such agencies amounting to approximately $3,700,000,000. Under the most favorable supposition the Treasury would not have to meet any part of its contingent liability and would ultimately realize the full amount of its proprietary interest in the governmental agencies, or possibly even more. Under the least favorable supposition the proprietary interest would vanish and the contingent liability would become a direct liability. Other potential offsets to the debt are the Treasury's general cash balance, which amounted to $3,044,000,000 at the end of April, and the unused portion of the $2,000,000,000 gold stabilization fund, amounting to $1,800,000,000.

Items of this kind, however, represent only a minor consideration in an appraisal of the Government's fiscal position. Whether the net indebtedness that will ultimately have to be faced is somewhat more or somewhat less than the amount shown by the currently published totals is of less importance than the fundamental fact that the debt has already far exceeded all past records and, in spite of heavy taxation and large Government revenues, continues to increase as rapidly as ever, with no relief in sight.

MONETARY RESULTS OF SPENDING

The borrowing and spending policy of the Government has had a profound effect on the monetary situation. A large part of the Government obligations issued in the last 9 years has been absorbed by the banks. When the banks buy Government securities they pay for them by placing current funds at the disposal of the Treasury. As fast as the funds are spent they cease to be Treasury deposits and become a part of the general volume of bank deposits. In this way billions of dollars in new bank deposits have been created in recent years. The total deposits of all banks in the United States at the end of last year were almost equal to those at the end of 1929 and were $16,000,000,000 greater than at the middle of 1933.

As a result, bank deposits at present are sufficient to meet the requirements of a much higher level of business activity than actually exists. If the borrowing and spending policy of the Government had had the desired effects, such a level of activity would prevail today. But it has already been seen that the stimulus given to business by public spending has been short lived. As the Treasury deposits acquired through borrowing were spent and thus transformed into individual deposits, they ceased to circulate, or circulated only sluggishly. That is, as deposits increased, their average "velocity" or rate of turn-over declined. The business activity produced by the public spending was of the temporary and artificial sort that would result from the use of any other inflationary device in the absence of the essential bases of sound prosperity. The main driving force of recovery—the spontaneous quickening of private enterprise in the quest of profit—was lacking.

The outlook for balancing the Budget by further increases in taxation is not promising. The tax burden on the people of the United States for the support of the Federal Government alone

increased more than $2,000,000,000 between 1930 (the last year in which the Budget was balanced) and 1938, but a further increase of more than $3,000,000,000 above the 1938 total would be required to balance the Budget at the present level of expenditures. Tax rates are already so high that they appear to be exerting a strong deterrent effect on business. Taxes on business concerns must either raise prices and reduce demand, or diminish profits and discourage expansion. Taxes on individuals diminish their purchasing power and lower their capacity to consume the products of industry and to finance the growth of business. It is a serious question whether the economic life of the country could bear further heavy increases in the tax burden without a disastrous impairment of productivity.

Substantial relief must come, therefore, through reduced expenditures. Of the more than $9,300,000,000 of expenditures in prospect for the coming fiscal year, only about $3,300,000,000 is for the ordinary and indispensable functions of government; and this includes the extraordinarily high figure of $1,400,000,000 for national defense. The remaining $6,000,000,000 is for what may be broadly described as social purposes, including relief and public works, aid to agriculture, social security, and payments to veterans. Any hope of balancing the Budget through substantial savings in the cost of government must lie primarily in these classifications, together with some possible reduction in expenditures for national defense.

Today we face the prospect of an indefinite continuance of debt expansion in the hope that further Government spending will raise the national income to a point where the increased tax yield will balance the Budget. Experience does not encourage this hope. Events of the last few years, like those of more remote inflationary episodes, tend to show that public spending cannot possibly provide an adequate substitute for private spending, and that, once the process is begun, successive doses of the artificial stimulant are required to prevent collapse. Obviously, the process cannot go on forever. The only escape from the vicious circle that does not lead to economic chaos lies in the reestablishment of a sound fiscal policy and the removal of the burdens and restrictions that have deprived business of its incentive to expand.

Monopoly—From the Standpoint of the Lawyer in the Government Service

EXTENSION OF REMARKS

OF

HON. CLYDE T. ELLIS

OF ARKANSAS

IN THE HOUSE OF REPRESENTATIVES

Friday, July 21, 1939

ADDRESS BY HON. CLYDE T. ELLIS, OF ARKANSAS, TO THE FEDERAL BAR ASSOCIATION

Mr. ELLIS. Mr. Speaker, the Federal Bar Association is composed of more than 1,000 lawyers in the Government service. I insert in the RECORD an address which I delivered yesterday at the association's annual luncheon:

You honor me today beyond expression. You represent a profession whose services are indispensable to the operation of a constitutional democracy.

Since the first meeting of the Continental Congress the legal profession has furnished more recognized American statesmen than all others combined. And why not? In school and in practice the lawyer learns the science of living and the science of government and from them the rules—which are the law. If he is not best equipped to represent humanity, he ought to be.

And so to us, to those of us who have elected to represent not the individual but the collective client, whether in the legislative or the executive branches, comes a great heritage, a heritage of self-sacrifice and eternal devotion to unselfish duty.

Of course, we have also inherited some of the public's opinion of us. Way back in II Henry VI (act IV) we find this little dialog:

"DICK. The first thing we do, let's kill all the lawyers.

"CADE. Nay, that I mean to do. Is not this a lamentable thing, that of the skin of an innocent lamb should be made parchment? That parchment, being scribbled o'er, should undo a man? Some say the bee stings, but I say 'tis the bee's wax, for I did but seal once to a thing, and I was never mine own man since."

MONOPOLY

Admitting that there is a wave of unrest gripping the masses and assuming, as I believe we would all agree, that not only in the legislative but in the executive departments there is much room for the lawyer-statesman, I wonder if there are not awaiting us opportunities just as promising as in any period.

RICHEST NATION

Are we not the richest of the nations? With 48 percent of all the oil in the world, 52 percent of all the coal and the major minerals in about the same proportion. In the United States we have 27 out of every 55 radios of the world; we have 33 out of every 47 automobiles in the world; and we have one-half of the telephones.

POOREST NATION

Then how can it be, or, to put it objectively, why must it be, that today the Department of Labor tells us that there are (as of May) 13,017,000 able and red-blooded men and women out of work and looking for work? And this they have been, or others in their places, since the partial collapse of our capitalistic structure 10 years ago this fall.

In much worse condition is the American farmer. With all that has been done for him by the Government during the past 6 years, still, and through no fault of his own, he is seeking out but a bare existence; he is not enjoying the modern conveniences of life. When he produces and sells and starts to buy back his necessities, he runs out far too soon. Even today his produce will buy only 79 percent of what it would buy from 1909 to 1914, the base years of parity. This has reflected itself in many ways. For instance, today the farm homes of France, Germany, of Norway, Sweden, and Denmark are 90 percent electrified, and those of Holland and Switzerland are practically 100 percent electrified. In New Zealand, a sparsely settled country, they are 65 percent electrified. But in the United States, this paradise of resources and wealth, the farm homes are only 15 percent electrified.

CAUSES

I submit that through the endless network of American monopolies the functionings of once-recognized economic laws have been stifled, prices have been fixed on both the raw and the finished products, and profits that once found their way to the producing masses have been diverted and hoarded by the captains of the game.

A $1 SHIRT

Many examples might be given, but let us suppose, for instance, that a cotton farmer walks into his village store to buy himself a $1 cotton shirt. Who gets the dollar? Well, the merchant gets a little of it, an estimated 10 cents. The jobber gets a nickel. For hauling both the cotton and the shirt the railroads get another nickel. Labor gets 20 cents. But that still leaves 60 cents to be divided, principally between the manufacturer and the farmer. But the poor, helpless farmer has nothing to say about how much he gets, so, according to the Bureau of Agricultural Economics, he gets 6 cents. The manufacturer gets most of the 54 cents over and above his labor bill.

What does he do with all this profit? He can't reinvest it, or he is afraid to, because the American purchasing power is largely gone, and times are hard. So he hoards it.

Today there is more idle money, and except for Government expenditures there would be more hungry people than at any other time in our history.

POWER TRUST

Monopolies operate to no good end in various other ways. Some choose to flagrantly disregard all economic laws and exact exorbitant rates and prices. One notable example is the Power Trust, with all of its pyramided holding companies. Thanks to the Tennessee Valley Authority and to many cities like Tacoma and to P. W. A. projects, we are at long last learning the cost of electricity. We are learning that by comparison with the T. V. A. yardstick or the Tacoma rate or the Ontario rate, American consumers are being overcharged for this most vital necessity—all because their lines are in no danger of competitors building down the other side of the road—more than $1,000,000,000 annually.

In my humble opinion, one of the noblest efforts of this administration is reflected in the dual-purpose dams and reservoirs now under construction throughout the country, designed to control the floods, aid navigation, provide irrigation and recreation, and to turn into channels of human happiness our almost unlimited sources of water power that down through the centuries has been wasting itself to the sea.

FREIGHT RATES

Monopoly may even discriminate against one section of the country and in favor of another. For instance, today, if a farmer at my home town of Bentonville, Ark., orders a turning plow from, let us say, South Bend, Ind., and the freight on it is $2, and when it comes he discovers it isn't what he wants and he is forced to return it, he finds that it costs him to return it over the same road, not $2 but $3.50. Freight rates on commodities originating in the southwestern zone are 75 percent higher than on those originating in the eastern or official zone; and thus the natural industrial development outside the favored official zone is retarded.

HISTORY

Monopoly may be either political or economic. Its history is the history of the law, dating back to the 282 paragraphs of the code of Hammurabi, 2350 B. C. Its tendency has been to destroy equality and to foster class favoritism. The concentration and freezing of American wealth is breeding a new generation of peons.

You may have noticed in the last few days the high scaffold extending from the steps of the Supreme Court Building to the top of the huge marble columns, to the words deeply engraved there, "Equal justice under law." The story is going around that two little neighbor boys chanced to meet out front the other morning and stood watching the workmen. One of them, the son of a comparatively wealthy citizen, remarked, "I wonder what they are fixing to do?" The other, the son of a day laborer—when there is

labor—replied, "I don't know, unless they are fixing to remove the word 'equal'."

Exact justice is impossible, but more equal opportunity is inevitable. For us of this generation there lies ahead a great rich field of opportunity as we strive for more of equality and less of favoritism "under law."

John Marshall was perhaps our greatest jurist, and yet historians say that as such jurist he was an even greater statesman. There are those of our profession and of our generation, some of them no doubt members of this Federal bar of Government employees, who will recognize and seize this opportunity to champion the cause of man and on that issue will win, and thus will much of the good work already begun be continued. As counsel for this most humanitarian of all administrations, as first lieutenants in this age-old battle of the centuries, may each of you in the end deserve to take your places alongside the lawyer-statesmen of the day.

Cotton Bagging, Net Weight, the Mode of Sampling, and Better-Packed Cotton Bales for Sale

EXTENSION OF REMARKS

OF

HON. CHARLES R. CLASON

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Friday, July 21, 1939

STATEMENT BY L. T. STONE

Mr. CLASON. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following statement by L. T. Stone in Cotton and Cotton Oil Prices of July 24, 1939:

[From the Cotton and Cotton Oil Press of June 24, 1939]

COTTON BAGGING, NET WEIGHT, THE MODE OF SAMPLING, AND BETTER PACKED COTTON BALES FOR SALE

(By L. T. Stone, Tri-States and Southeastern representative, the Cotton and Cotton Oil Press)

The title of this article is more or less confusing, but no more so than has become the reasoning with respect to better packaging of American cotton.

There was a period in history when America was the ranking officer in the field of cotton. Other countries did not dispute her superiority—England, France, Spain, the Netherlands, and all the rest bought from us because there was no place else to buy—we were the only popcorn stand on the midway and business was good.

Those were the days when we paid little heed to the buyer's cry for neater packages. What did we care of the way they looked—the product sold well enough.

But now it is another day. Brazil has come into her own. The fertile valley of the Nile has been broadened. The new China has learned how to grow our cotton. And these competitors realizing that there must be merchandising—some inducement—if they are to gain a place in the world market, answered the buyer's plea and wrapped the cotton in a nice, uniform, wasteless package.

Eventually, of course, we had to become alarmed. Our volume was increasing and our sales decreasing.

It would take volume upon volume to quote here all the plans which were devised to remedy the situation. But, one thing we did know: We shipped the "rattiest" bale of any producer in the world and knew it ought to be stopped.

There is not a single man in the South or in the country who does not admit that the above is true. And there is no one who, passively at least, does not want to see it stopped.

But after we've recognized an ailment, we grow confused as to the cause. The issues are distorted and the fundamentals become lost. It's like the first baby who comes home from the hospital with the new mother. The house is upset with the first home-grown squall. Father says it ought to be spanked; auntie says it didn't get enough to eat; grandma says it's got the colic; the Negro servant says one ought to carry a bag of asafetida to scare off the demons; grandpa says the diaper is too tight; and, finally, everyone has forgotten why the argument started in the first place.

So, after it has been admitted that there is something wrong with the American bale of cotton, let's try to be sane enough to find the cause and then to remove it.

COTTON BAGGING

For some strange reason, the question of cotton bagging always looms up with that of better packages. When it was first mentioned, the idea of cotton bagging took the South by storm. "Certainly, let's wrap cotton in cotton; let's use more of our own product." There was no rhyme or reason in the thought—no stopping to see if the idea was economically sound. It even got into politics, and to this day it still bobs up in the Halls of Congress at the instance of some fellow who wants to make it a law because he lives in the shadow of a cotton mill that can manufacture cotton bagging.

Happily, there were some who stopped to reason—paused to see what it would cost, and, when they had concluded their reasoning, saw that cotton bagging could never be economically used.

First, it was thought that if we used cotton bagging many bales would be consumed. But simple mathematics proved that to be a fallacy. Here's the reason:

Cotton bagging weighs 12 ounces to the yard. It takes 6 yards to wrap a bale. That means that each bale of cotton could consume 4½ pounds. On a 12,000,000-bale crop—providing every bale is wrapped with cotton bagging—108,000 bales would be used. But what about the next year and the next?

Well, it is a common practice for at least two-thirds of the American crop to be wrapped in used and reworked bagging. And, it is logical to expect that two-thirds of the new cotton bagging would be reworked and rewoven after it is first used. So the net annual consumption of cotton would not be over 36,000 bales. Now no one could ever suppose that 36,000 bales could have a measurable influence on the market price of cotton.

Let's go into the problem of costs.

At the present time there are about eight different classifications of jute bagging. They are:

	Cents per yard
2-pound new jute	11
2-pound rewoven jute	10
2¼-pound reworked jute	9½
1¾-pound sugar bagging	8
1½-pound sugar-bag cloth	7
New 12-ounce burlap	6
1-pound sugar-centals cloth	4½
12-ounce sugar bagging	4

For a long time it was difficult to ascertain the price of cotton bagging. Now we have something which we can call the bottom price. One mill, in a bid to the United States Government, said that they could manufacture cotton bagging for 73 cents per pattern, or about 12 cents per yard. That was a bid which applied on a volume of 1,000,000 patterns.

Now, compare this lowest bid of 73 cents per yard with that of the best jute. The 2-pound jute mentioned above costs about 66 cents per pattern as compared with the 73 cents cost for cotton bagging. If the cost of cotton bagging, which weighs 12 ounces to the yard, is compared with the cost of 12-ounce jute, there is a much greater difference—73 cents as against 36 cents, to be exact. So it ought to be evident that the cost of cotton bagging would prohibit its use.

I know of no better way to sum it all up than this: Last year, when the Marketing Division of the A. A. A. agreed to subsidize the manufacture of cotton bagging by paying 28 cents for every pattern made, a man who has been in the bagging business many years, and one who knows that business from A to Z, wrote thus to the Secretary of Agriculture:

"Seventy-two million yards of bagging will be required to wrap a 12,000,000-bale crop. In cotton bagging this would cost $8,640,000. In jute bagging it would cost $4,320,000. This is a saving of $4,320,000. And if cotton bagging is used there would be consumed only 108,000 bales, which, at 6 cents per pound, would be worth only $3,240,000. In other words, more is saved by using jute bagging than the total value of all the cotton possible to consume as bagging. You could buy and burn all the cotton concerned, pay for and use jute bagging, and still be over a million dollars to the good.

"We make this proposition regarding cotton bagging. Determine the quantity of cotton possible to consume as bagging and what this bagging would cost. Pay us this amount. In return, we will destroy the quantity of cotton possible to consume as bagging on the entire crop; we will wrap the crop in a jute bagging identical in style and utility with the proposed cotton bagging, and we will return to the Government an imposing sum as income tax on the profit realized from the transaction."

NET WEIGHT TRADING

Closely alined with the problem of better packing of American cotton has become the plan of selling cotton on net weights or standard tare. It has been argued that, since the cotton buyer and the producer sell the bagging and ties for the same price of cotton, they are interested in tacking on as much of it as possible.

It is agreed that there is some incentive to overwrap American cotton under our system of marketing. But, as we consider the question of net weight, the idea of cotton bagging must be left completely out of the picture. Net weight and cotton bagging are two separate and distinct questions.

As a matter of fact, if we were to awake in the morning with a new system of net weight, wherein the cotton would move as just so much lint, we would find a rush for the cheapest bagging available—not for cotton bagging. The money incentive would be removed; the farmer, who buys the bagging, would no longer believe that his wrapping sold at the same price as lint, and, hence, would just as soon have it wrapped with binder twine, and probably would if it was cheaper.

All of the bills yet introduced into Congress favoring net-weight trading have been aimed at one thing more than just a standard tare, and that is a low tare. Therein lie some dangers. It appears as though there must be some minimum specifications as well as

maximum, if the American bale of cotton is going to profit to the extent of becoming a better package.

In connection with the idea of net-weight trading, another point must be noted. If net-weight bills are passed and become a law, heavier jute—according to all present bills—will be prohibited. The trend will be toward the lighter, more closely woven jute covering. Now, all heavier jute is woven in this country. Only the raw material is imported. The jute-mill business represents an investment of several millions of dollars in the United States. Their pay rolls are said to total more than $4,000,000 annually and they are all manned by citizens of these United States. So, if the heavier type jute is outlawed, these American mills will lose a substantial part of their business; pay rolls will be reduced and production curtailed.

THE MODE OF SAMPLING

After we have reasoned this whole thing out, we come to the final answer which is the real reason why American bales of cotton reach foreign markets in such a deplorable condition. That is the method of sampling.

Selling cotton is a "barrel-head" business. The farmer brings his crop to town this morning and gets his money before he goes back home. The cotton must sell on grade and, to grade it, a sample must be drawn from the bale. The writer has yet to see many bales as they roll from the gin stand that do not look neat as a pin. But when half a dozen prospective buyers whack through the cover and dig into the contents of the bale, who could expect it to retain its smooth complexion?

Cotton is not liquid. You can't pour some of it out a spout and then very nicely replace a cork. It is not bought by the wagon-load, so that you can dip down into it for a sample. You've got to tear it apart, and so long as John Farmer stands with his hand outstretched at the gin yard, that is where damage of the American bale will begin.

No; our problem is not net weight. It is not in the kind of bagging used. It is in our system of sampling. Solve that problem and you have solved all the rest. Then, and then only, will American bales flow to any port in as pretty a package as all the rest.

The most perplexing thing in all this program of better packages for cotton has been the criticism that has been leveled at jute. Why, we ought to thank our stars that the Lord made jute, even if He did plant it in India. Jute, and the men who handle the product, have done a splendid job in the business of cotton, and they deserve praise—not contempt. Note this carefully: Brazil has been complimented for her neat bale of cotton. Egypt has, too. We have said that we ought to do as well with our crops as these two nations do. And we ought. But both the Brazilian and the Egyptian crop are wrapped in jute. The difference is in their method of sampling, and there is where we might learn some lessons.

Let's quit this roaming all over the field and direct our energies toward the cause of all this bad packaging. So much talk about net weight and cotton bagging confuses the issue. We must find a different method of sampling. When that is done we'll have the kind of bale we want.

Democracy Defies Communism

EXTENSION OF REMARKS

OF

HON. WILLIAM I. SIROVICH

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 1, 1939

ADDRESS BY HON. WILLIAM I. SIROVICH IN THE HOUSE OF REPRESENTATIVES, APRIL 8, 1930

Mr. SIROVICH. Mr. Speaker, under leave to extend my remarks in the RECORD, I include a speech made by me on April 8, 1930, on the subject of Communism, which was responsible for bringing about the Fish Investigating Committee on Communism. I have received countless letters from all over the United States asking that I have this speech reprinted:

Mr. TILSON. Under the special order of the House the gentleman from New York [Mr. SIROVICH] is recognized for 60 minutes.

Mr. SIROVICH. Mr. Speaker, when we call the roll of all the great governments that have existed in ancient days, and let them march across the stage of time, we find three distinct forms of government that ruled the peoples of antiquity.

The first form is called an oligarchy. Here supreme power is restricted to a few who are self-appointed and self-annointed to look after the welfare of their peoples. Such a form of government was found among the ancient Assyrians, Babylonians, Egyptians, and Persians.

The second form of government, found in the Orient, is the patriarchal type, which is symbolized by the ancient Semitic tribes in Arabia as represented by the fathers of Israel, such as Abraham, Isaac, and Jacob.

The third form of government, hoary from remote antiquity, is represented by the despotic monarchy, which was found among the Chinese, Japanese, and the peoples of India.

These three forms of government—namely, the oligarchic, the despotic, and the patriarchic—lived, thrived, and flourished during their time, and inculcated religion as a part of the government of their day. Each of these forms, furthermore, is characterized by the fact that those who ruled absolutely controlled the religious as well as the political destinies of their subjects. Thus, we find in the early history of the world the union of church and state; spiritual and temporal powers united.

As the years rolled by, sovereign government moved from the Orient to the Occident. Civilization passed from the east to the west.

The dawn of Grecian culture manifests itself in an aristocratic government in its early period of existence. Within a few centuries the golden era of Grecian civilization comes to the fore. Pure democracy has its birth and inception. Solon, the lawgiver, was the founder of democracy, and not many centuries later the greater Periclean Age appears. Such eminent philosophers as Pythagoras, Socrates, Plato, and Aristotle gave their profound wisdom and their intellectual genius as a contribution to the world of yesterday, today, and tomorrow.

In Plato's republic the state is created for the benefit of the individual. The happiness of the individual is supreme. The one exists for the other.

To the south of the Athenian Republic was the great state of Sparta. Sparta was the first communistic government in the world. The individual meant nothing. Men and women were the pawns of the state. Children belonged to the state and not to their parents. And so in time the communistic cradle of Sparta, rocked by its founder and apostle, Lycurgus, crumbled, collapsed, and was consumed in the ashes of time.

Upon the distant horizon the Roman soldiers are marching. Each legion carries upon its flag the three Latin words "Civis Romanus sum" ("I am a Roman citizen"). Woe unto those nations or peoples that would destroy or defile the rights of Roman citizenship. The democracy of Julius Caesar lives and thrives. In militant fashion these Roman soldiers carried the culture and civilization of the Roman Republic to all the known corners of the world. Caesar is assassinated. Democracy falls with him. A benevolent monarchy under Caesar Augustus takes its place. Years pass, and we find a despotic monarchy again in the saddle. Nero fiddles while Rome is in flames.

The tyrant Caligula persecutes and oppresses the Roman citizenship. Militarism and autocracy reign supreme. Prisoners of foreign climes infiltrate all of Rome. Debauchery takes the place of decency and self-respect until in the year A. D. 476 the sun sets upon the civilization and glory of Rome and Rome is destroyed. [Applause.]

From the year A. D. 476 to 1454, when Gutenberg invented and perfected printing by movable type, this period of 1,000 years is known as the Dark Ages. This 1,000-year period witnessed the development of two forms of governmental evolution.

First, the great holy Roman Empire, under the spiritual and temporal protectorate and supervision of the Pope, spread its benevolent influence in preserving the education and culture of ancient times, and bequeathed them through the invention of printing and books to the culture and civilization of modern days.

Second, the feudal period, an economic, social, and political system under which petty lords, dukes, and barons controlled their form of government, and business, which was primarily agriculture. It was a period in which the peasants were the slaves of their overlords and paid them tribute for protection in their hour of need.

This system of governmental racketeering through the feudal lords was destroyed through the instrumentality of a German Catholic monk, whose name was Berthold Schwartz. He lived in the humble town of Pistola, Italy.

Through a mechanical contrivance which the monk called the pistol, naming it after the town in which he lived, he utilized gunpowder, which made the humblest peasant the equal of his most exalted duke, lord, or baron. The bullet in the hand of the serf could penetrate the armor of any overlord. Thus, gunpowder aided in leveling the duke to a parity with the agricultural serf.

Through printing, religious reformations, discovery, and exploration a new period is ushered into the civilization of mankind. This era is called the Renaissance. It is the rebirth and revival of knowledge, education, and culture. This era marks the beginning of the break between church and state and brought about religious differences which still exist throughout the world.

In my humble opinion, the most important, the most vital and outstanding characteristic of this era is the slow trend toward constitutional monarchy which developed in England.

The Anglo-Saxon government began when the barons of England realized that one strong government was to be preferred to many weak ones, and determinedly showed their sentiments at Runnymede in 1215, where they rebelled against the outrageous exactions of King John the First. They compelled King John to sign that great human, immortal document known as the Magna Carta, and since that day this human document has been the basis of English liberty. It marks the beginning of government by the people of England.

In 1295 King Edward the First called the first Parliament together. It was the first meeting of the House of Commons and the House of Lords. This was the beginning of a most important forward step in the democracy of government.

The English, therefore, were united under one strong ruler, and enjoyed a greater measure of participation in their own government long before any of the other peoples of Europe.

The ancient Republics of Athens and of Rome had government controlled only by the citizens of the city. Neither of them ever provided means by which the citizens in distant places could have a share in deciding national policies without making a journey in person to the home city.

This representative principle adopted by the English has made possible the formation of democratic governments covering a wide area, and set up in England the splendid and superb principle of no taxation without representation.

During the reign of Charles the First the House of Commons appealed to His Majesty with a charter of rights, challenging the King's contention to spend the public money without authorization of the House of Commons. This petition was originally introduced in the House of Burgesses in Virginia in 1624 and transmitted to the House of Commons as their petition of rights. Because of his despotism, Charles the First was beheaded.

Twoscore years afterward, during the reign of King William and Mary in 1689, there developed the great Bill of Rights, which is one of the most important documents in the English constitution. This, too, marked a great step in the triumphant march of democracy.

A comparison of the Bill of Rights with the first 10 amendments to the United States Constitution will reveal many interesting similarities.

The cabinet system of government was also inaugurated about this time. The custom of choosing ministers from the party having a majority in the House of Commons grew stronger and more powerful every day. The Prime Minister was invariably the leader of the party in power.

From that time to the present day the British King never vetoes any law. The House of Lords cannot permanently prevent a measure from becoming a law.

Thus the modern cabinet system enables the voters to control both the Parliament that makes the laws and the agencies that carry out the law.

And so we see in a period of five or six centuries the evolution, development, and perfection of constitutional government in England, with their tremendous influence in continental Europe, especially in Germany and France.

During the last quarter of the eighteenth century there took place three great revolutions which transformed every aspect of society and made possible the modern world in which we now live.

The first movement was the intellectual revolution, which gave birth to new points of view in literature, science, art, and philosophy.

In the second category we find the American and the French Revolutions, which proclaimed the democratic principles of government.

The third was the industrial revolution in England, which inaugurated our present economic and capitalistic life.

The intellectual revolution was responsible for the advanced thought of that period. The European philosophers discussed the social, political, and economic conditions of their day in a way unparalleled for its virulence, its audacity, and its uncompromising radicalism.

Voltaire excoriated the church. Montesquieu attacked monarchy. Rousseau pilloried the old political system of the king and his state. He substituted the doctrine of popular democracy for that of the divine right of kings.

Political economy was founded by Turgot in France and by Adam Smith in England. These writers made the people think in terms of their environment from an economic point of view, and taught men to identify progress and the material well-being of the individual.

In the past progress had meant only religious, moral, and intellectual enlightenment.

The great industrial revolution started in England about the same time. This revolution was a silent one. No bullets and no shots were fired. It marked the greatest of all revolutions in the history of the world. It brought medieval civilization to an end. It characterized the beginning of our present state of society.

This revolution was brought about by several extraordinary inventions made by Englishmen, Americans, Germans, and Frenchmen.

These geniuses, through the fertility of their imaginations, subjugated the forces of Nature to serve the will of man. Thus was ushered in the powerful influence of the industrial revolution.

Behold Watt's steam engine, Stevenson's locomotive, Fulton's steamboat, Whitney's cotton-gin, Morse and Bell in telegraph and telephone. These inventions created revolutions in factories, revolutions in transportation, revolutions in communication, and last, but not least, revolutions in manufacture and industry.

Then came the greatest revolution of all. It was the revolution against the despotism of monarchy and all that it stands for.

It was about this time that our colonial forefathers were being persecuted and oppressed. Men like Benjamin Franklin, Thomas Jefferson, Thomas Paine, John Adams, John Hancock, James Madison, James Monroe, Patrick Henry, George Washington, sat in their respective homes, meditating, pondering, and deliberating what free men should do when tyrants persecute and deny to them the rights, privileges, and prerogatives of justice, in the government of their homes.

There in panoramic fashion, as they sat in the libraries of their humble homes, passed before them all the various forms of government that I have enumerated, that existed in ancient, medieval, and in their own times.

Thus inspired by the rights of freemen they assembled in convention and proclaimed before God and man that they challenged the right of any king to rule by divine right. [Applause.] Then and there they enunciated for the first time the philosophy of democracy—that all governments derive their just powers from the consent of the governed. Within a few years they threw off the yoke of King George III, and established a government by the people, founded upon the firm foundation of the Declaration of Independence and the Constitution of the United States. They pledged everything they held near and dear in life; their means, their property, their homes, yea, even their lives, that such a government should and must be established for the benefit of mankind. [Applause.]

These documents boldly proclaimed the philosophy that all men are free and remain equal in rights; that laws and government are expressions of popular will; that the people instead of the king are sovereign. It guaranteed equal opportunity to all and special privileges to none.

It protected the individual, his home, his property, and his life by granting him the freedom of speech, freedom of the press, and freedom of religious worship. It placed democracy in his home, his hearth, his fireside. In schoolhouses, through education, they said to the world: The child is not the mere creature of the State; those who nurture him and direct his destiny have the right coupled with the high duty to recognize and prepare him for additional obligations. Thus it granted to all parents the right to send their children into the temples of the schoolhouse, there to carry along with them the influence and antecedents of their home, and to back all these privileges with the power and prestige of the Government to see that all children might impartially drink deeply from the fountain of education. [Applause.]

It secured democracy in government by having three distinct branches, namely, the executive, the legislative, and the judicial, each independent of the other and all coordinated together for the benefit of all of the people of our Nation.

To the individual it granted every incentive in life to make him climb the ladder of fame and fortune, in the protection of the property rights that he has earned by the sweat of his brow. And above all inculcated into the hearts, into the minds, and into the souls of every freeman of our Republic the belief that in this land of equal opportunity his children might have the privilege of holding the humblest as well as the greatest office at the gift and disposal of the American people, irrespective of class, creed, or color.

Such, Mr. Speaker, ladies and gentlemen of the House, are the ideals, the principles, the philosophy of democracy in the republican form of government that our forefathers granted to all of our citizens in 1789, when George Washington assumed the first Presidency of our great Republic. [Applause.]

The close of the eighteenth and the opening of the nineteenth centuries witnessed manifold changes wrought by the catyclysmic influences of the political, intellectual, and industrial revolutions. Most immediate was the combustion created by the fire of democracy, whose sparks veritably flew eastward across the Atlantic from America to France. Mirabeau, Robespierre, Marat, Danton, Turgot, and Napoleon, these French leaders changed the political, economic, and geographic complexion of all Europe. Crowns have rested most uneasily on the heads of despots and tyrants since the American and French Revolutions. This period ushered in not only new eras in the political and industrial life of the nations of the world but succeeded after many centuries of tireless effort in democratizing all education. Prior to this epoch of "revolution" education was the sole possession of a limited, aristrocratic class, trained for the most part in classical literature. Labor, on the other hand, was found on the farm—tilling the soil. Agriculture was still in a primitive state. The invention of machinery moved the farmer from agriculture to the factory of industry—from the farm in the country to the factory in the city. Thus came the rise of the factory system, with the concomitant movement of millions of men and women from rural to urban communities. This movement revolutionized the education of the masses of mankind seeking equal opportunities of education and culture for their children. Thus arose democracy in education.

Napoleon Bonaparte passed quickly from Waterloo to a lonely exile in St. Helena. A grasping world lasped once more into black reaction. The reign of the despots, however, was destined to be short-lived. Prince Metternich, the Prime Minister of Austria, representing the great monarchies of Austria, Germany, Russia, and Spain, attempted to make the world safe for absolute monarchy through his conception of the Holy Alliance.

The purpose of this alliance was to check the growth of democracy and give back the republics of South America to Spain, from whom they had revolted, as well as to establish a kingdom in Mexico. Metternich was checkmated with remarkable celerity by our own great President James Monroe and his memorable Monroe Doctrine, which said to the monarchs of this Holy Alliance, "So far canst thou go, but no farther"—that

an attempt to further monarchy in South or North America would be considered an overt act, yea, a declaration of war. That move of Monroe challenged the progress of monarchy. A century later the immortal Woodrow Wilson was to reecho Monroe's sentiments in his enunciating the aim of the Allies in the World War to "make the world safe for democracy." That philosophic sentiment of our entrance into the World War will live on through the ages as the challenge of democracy to monarchy to survive and to rule the destinies of the world. [Applause.] Armistice Day, 1918, witnessed the crumbling of three great despotisms, Russia, Germany, and Austria. As a consequence of the great conflagration that engulfed the world in the second decade of the twentieth century the houses of Hohenzollern, Hapsburg, and Romanoff were reduced to ashes and dust. [Applause.] Monarchy was destroyed; democracy triumphed. In monarchies' places stood the new Republics of Poland, Czechoslovakia, Austria, Germany, and Russia. These Republics were warmly welcomed into the society of nations by President Wilson and their sovereignty approved by the Congress of the United States, while the citizens of our Republic granted them material aid and comfort in their great hour of need. [Applause.]

Let us pause at this juncture to examine briefly the growth and development of the most noteworthy product of the industrial revolution, namely, the economic system of capitalism. Capitalism is purely an individualistic view of the economic categories of production, distribution, exchange, and consumption of wealth, just as political democracy guarantees the complete separation of the legislative, executive, and judicial functions of the state.

The philosophy of capitalism insures free, economic competition among all human beings and equal economic opportunities regardless of heredity, race, or religion. Theoretically it is the finest economic system ever devised by the mind of man. It judges all human beings wholly impersonally and, aided by political democracy, safeguards for all men and women the fruits of their economic toil. The keystone of the arch of the capitalistic system is composed of the trilogy of private property, individual labor, and human liberty in all its aspects.

Of all the great nations of Europe, Russia was the only one prior to the World War which had been almost wholly untouched by the industrial revolution and had not been subjected to the economic benefits of capitalism. Under the czars, the great Russian Empire was politically a despotic monarchy and economically a feudal relic of the Middle Ages. The Bolsheviks, or Communists, therefore, found fertile soil for their economic and political doctrines when they overthrew the Kerensky government in November of 1917 and established the Union of Socialist Soviet Republics under the leadership of Nikolai Lenin and Leon Trotsky. With one fell swoop they overthrew the system of capitalism and substituted policies which had frequently been contemplated in theory by several of the great intellects of the world, but which had never before been subjected to practical experimentation in a large country.

What is this great Russian experiment? Just as capitalism and democracy rest on a trilogy of private property, individual labor, and human liberty, so communism, their direct antithesis, also rests on a trilogy—first, all land, property, and capital belong to the state.

Second, all labor is employed and directed by the state at rates of compensation rigidly fixed by the state.

Third, human liberty in all its aspects, such as freedom of the press, freedom of lawful assemblage, freedom of speech, and freedom of religion, are expressly and unreservedly denied to all individuals and are the exclusive privileges of the state. Thus, for the first time since the feudal system swayed the world, a Spartan state has arisen which fearlessly and cynically challenges the rule of democracy and capitalism.

Mr. Speaker, communism advocates a rigid economy in a rigid state, for it presupposes a lazy and indolent people from whom the state can exact work only by means of purges, threats, and imprisonment. Russia under the czars had become a second sleeping China, passive, supine, and indifferent. Hence when the crisis came the land fell a relatively easy prey to communism, which put every last Russian to work. In the western countries man has been trained to be industrious and energetic, and on that account needs no lash of the whip to compel him to work. In the west there had developed a joy in work; in Russia under the czars there had developed a joy in laziness. Hence in this one sense, at least, it may be said that communism has not been altogether an unmixed disaster for Russia, as it has forced the Russians to work and to develop their country.

Ladies and gentlemen of the House, this despotic, autocratic oligarchy, under the name of communism, constitutes to my way of thinking the first serious challenge to the dominant ideals of democracy which have heretofore been triumphant in the western world.

Communism is fundamentally a new religion. It is a great state and secular denomination. It substitutes the attributes, the virtues, and qualities of God to the state itself. The state instead of God is supreme. Through the system of starvation of any minister, priest, or rabbi who does not conform to their religious policies, they exile them to Siberia and ruthlessly suppress and destroy every other form of worship of God. Communism believes in the here instead of the hereafter. It relegates the belief in a divine Providence to the realm of fiction and superstition.

This new religion has Karl Marx as god of the state. Its Jesus of Nazareth is Lenin. Its Saint Peter is Stalin. Its Saint Paul is Trotsky. Its ideals in philosophy, economics, and government is its new creed. In the union of the church and state as one it has perfected a new bible. In this bible it excoriates democracy. It pillories capitalism. It weeps over an industrial system that exploits labor. In clarion tones it cries aloud for world revolution.

Overproduction one year and underproduction the next year dislocate the markets of the world and bring in their wake chaos, wastefulness, panics, unemployment, war, and, finally, revolt. Communism challenges the institutions known as the family, religion, property, marriage—yes, even patriotism. It seeks their destruction. The communistic bible of the state is a bitter indictment against the present social order.

It is a philosophy of life. It is a program of action. It is a promise of a future goal. It preaches a new declaration of authority. The dictatorship of the proletariat—a dictatorship that will forever abolish poverty, misery, hunger, and want. It will inaugurate the golden age of a happy humanity that will bring into realization true Christianity founded upon the ideal Utopia, from each according to his capacity, to each according to his need, thus bringing about through communism the supremacy of the state and the brotherhood of man. This is the creed. This is the bible. This is the philosophy. This is the religion of communism.

But, lofty as are these ideals and splendid as are these dreams of an Utopia, there arise occasions in the life of an individual, as well as in that of a nation, when the end does not justify the means.

In Russia it is the bullet; in the United States it is the ballot [Applause.] But granting that these Utopian ideals could be realized by the ballot, I am still opposed to the principles of communism. Why? Because deep within each individual is ingrained the cry of the soul for liberty, of the heart for freedom, and of the mind for self-expression. [Applause.] Rather than be a bird in a gilded cage surrounded by all the material comforts that make for happiness, I, for one, would prefer the liberty of thought, conscience, and action. [Applause.]

Communism deprives an individual of the incentive to live. It robs him of individual hope, faith, and ambition. It makes him a mechanical automaton or robot in the realm of life. The herd selfishness is substituted for the individual happiness.

Communism says to you and me: "Sell me that birthright which you have attained after so many centuries of struggle. Give up your liberty. Give up your freedom. Give up your democracy. Give up your aspirations to immortality; your inspirations of divinity. Give up all these cherished traditions. In return we will afford you a modicum of comfort and material possessions."

But, Mr. Speaker, ladies and gentlemen, my answer to them is in the immortal words of that great Virginian, the Old Dominion's illustrious patriot, Patrick Henry, whose clarion voice electrified the House of Burgesses when he said: "Give me liberty or give me death." [Applause.]

Communism scoffs at our democratic parliamentary form of government. It ignores the individual entirely. It is frankly skeptical of either his willingness or ability to govern himself. The state is all important in politics as it is in religion.

Economically, to complete the final plans of the communistic triology, the Soviet state is perhaps on its strongest ground. It is, therefore, the most dangerous as far as our form of civilization and democracy is concerned. In Russia the state controls all commerce, whether industrial or agricultural in character. Private enterprise is denied any right to exist. Mindful of the fact that under the Czars the industrial revolution had not reached Russia, the Soviet leaders are attempting an ambitious scheme. To me it is the most enterprising plan in the entire history of economic life.

It will attempt to mechanize and socialize Russia both in urban and rural life in a period of 5 years. It will organize industry and agriculture so powerfully as an armed unit in 5 years as to challenge any nation in times of peace or in times of war. The torch of communism must undermine all nations of the world. It must spread the gospel of discord, dissension, strife, and strike to all the workers of the world. It must plan and plot rebellion and revolution everywhere.

To meet the threat of a proletarian revolution under Communist auspices, a counter revolution, in the form of fascism, has developed during the past decade. Fascism is the middle classes' answer to communism, but in practice it has proved to be as despotic, autocratic, and intolerant of the rights of men as is the dark force of which it complains so bitterly. By force and fraud Italian fascism has suppressed freedom of speech, press, and assembly; it has demolished all opposition parties; it has abolished all labor unions and has rigidly regimented the whole of Italian economic life. In the end, Fascist despotism has become every bit as vicious, evil, and mischievous as Communist dictatorship.

Both communism and fascism are imperialistic in their motives, for each realizes that so long as its activity is confined to a single major state, so long does its very future remain uncertain. Hence, each of them is forever dispatching missionaries to every continent on earth in search of new worlds to conquer for its particular brand of ideology. In the democratic nations, and in the United States especially, these missionaries are particularly active. The coming decade will witness a bitter propaganda war waged by these sinister forces in an effort to make the democratic nations safe for their special "isms."

Fascism is the exploitation of labor by capital. Communism is the exploitation of capital by labor. Democracy strives to establish a harmony and balance between capital and labor, to the end that the greatest good be brought to the greatest number. Hence, mark my prediction: In the bitter end communism and fascism both will be destroyed, while democracy will enjoy a glorious triumph. [Applause.]

It took capitalistic and democratic systems 150 years to bring the industrial revolution to fruition—through individual effort. Communism expects to accomplish the same purpose in 5 years through state effort, through conscripting capital and mass labor to accomplish the result and conquer the world to its ideal.

Thus we behold Soviet Russia challenging the western world on all three battle fronts—religious, political, and economic. How shall we of the west meet this octopus of the east?

Externally, we must guard ourselves against the infiltration of Soviet propaganda. Their paid propagandists must be deported. [Applause.] However, as long as Soviet Russia is content to conduct its experiment within its own borders and does not attempt to proselytize the rest of the world, its sovereignty should be respected by other nations, including our own.

Internally, we must apply a medical curative. We should immunize ourselves, so that even if the contagious germs of communistic bacteria do infect our body politic we shall be able to resist them and throw them off. [Applause.] I do not believe that the imprisonment of those who advocate Communist doctrine in this country would be beneficial. You may imprison an individual but you cannot effectively imprison an ideal. You cannot chain a political concept. You cannot shackle or enslave an economic philosophy.

We must set our own house in order, and treat the causes rather than the symptoms or effects of economic ills. To meet the dangers of communistic propaganda we must improve the temple of democracy in the United States. Four great constructive economic changes must be wrought in our country.

Firstly, the abolition of child labor. Children under 16 years of age should never be compelled through the force of economic circumstances to work in the mill, the mine, the loom, or the factory. Their frail bodies belong to the schoolhouse [applause], there to receive the education and the culture that will develop a sound mind in a healthy body. [Applause.] Capital has no right to offer their humble bodies in the quarries of industry to compete with labor that justly and rightfully belongs to the older men. [Applause.]

Secondly, the scientific treatment of the unemployment condition. In a land of plenty and prosperity, 5,000,000 people without employment is a tragedy. It is a sad commentary upon the civilization of our day that men and women with families and children dependent upon them, willing to work, should be unable to find employment. Unemployment brings about a subnormal standard of living, untold anxiety, bitter discouragement, and disappointment; and unless corrected leads to poverty, penury, and pauperism.

Labor is the producer of capital. It should, therefore, be entitled to a fair share of the distribution of the wealth it creates. With progress that democracy constantly advocates, perhaps the day is not far distant when unemployment insurance, workingmen's compensation, collective bargaining, minimum wages, and maximum hours will provide the necessary means to provide for the worker when unemployment knocks upon his door. Prosperity by Presidential proclamation is a myth. Prosperity through the scientific solution of unemployment can be made a realization. [Applause.]

Thirdly, the establishment of Nation-wide old-age pensions. Modern society pensions, in the name of patriotism, the soldier who bares his breast to shot and shell to defend his nation's honor upon the field of battle in times of war. Why not pension, in the name of humanity, the old fathers and mothers who in old age find themselves bereft of support and have to join the last great pilgrimage whose caravan is sadly marching over the hill to the poorhouse and almshouse? If patriotism inspires us to pension the soldier, how much more patriotic is it to pension the old fathers and mothers who have given up their lives upon the industrial field of peace and honor to make our Republic the greatest in all the world. [Applause.]

Fourthly, and most important, we must counteract the effects of mergers, concentrations, and combinations of big business which are threatening to exterminate the middle class, the backbone of our individualistic, capitalistic, and democratic system, with frightful celerity. The great Governor of New York Franklin D. Roosevelt last Fourth of July in an address declared the mergers of big business are creating a system of economic feudalism in which all property will be in a few hands and the rest of us will be economic serfs. [Applause.]

Such a view is borne out by the trend of recent events. The mergers of big business have been so great as to veritably beggar description. They create uneasiness and discontent. They are false to the fundamental philosophy of economic capitalism. [Applause.] They tend inevitably to concentrate the separate functions of the production, distribution, exchange, and consumption of wealth in a few hands and usurp all those powers by completely destroying all competition and reducing the middle class to penury and want. [Applause.] Paradoxical as it may seem, the best friends of the Communists in this country are the promoters of these giant mergers.

They are preparing fertile soil for Soviet propaganda. They are weakening our national resistance in the inevitable conflict that will have to come between communism and sovietism on one side and political democracy, capitalism, and individual liberty on the other.

Mr. Speaker, ladies, and gentlemen, before we make the world safe for democracy let us make the United States safe for democracy. Lest we forget, let us always remember that monarchies have been destroyed by poverty, republics through wealth, and that communism will be destroyed by democracy, because it denies to every human being the inalienable right to the pursuit of life, liberty, and happiness by denying to its people freedom of speech, freedom of assembly, freedom of the press, and above all, freedom to worship God in conformity with a man's own conscience. [Applause.]

Mr. Speaker, I shall be glad to yield to any of the Members who might like to ask questions.

Mr. WAINWRIGHT. Will the gentleman yield?

Mr. SIROVICH. I will be glad to yield to the gentleman.

Mr. WAINWRIGHT. I thought perhaps the gentleman from New York [Mr. SIROVICH] might refer to the fact that the Legislature of the State of New York has just passed an old-age pension act.

Mr. SIROVICH. I am proud to inform the distinguished gentleman from New York [Mr. Wainwright] that a speech that I made 2 years ago on the floor of the House was quite helpful in passing that old-age pension law, that has since been adopted by 9 or 10 States of the Union and by 4 more throughout our Republic in the next year. [Applause.]

I would like to see the Rules Committee and the Labor Committee report out the bill that I have introduced providing for old-age pensions, which will help this great Republic do what all of the other nations of the world have done.

For the benefit of you ladies and gentlemen, let me tell you that every civilized nation of the world has already adopted the principle of old-age pensions with the exception of China, India, and the United States, and I am waging this battle to see the United States leave the company of China and India before they surpass us in that field. [Applause.]

Mr. LOZIER. Will the gentleman yield?

Mr. SIROVICH. I yield to the gentleman from Missouri.

Mr. LOZIER. Much has been said in the last year or two about the English dole system. I understand that practically 60 or 70 percent of all the money paid out in England in the form of doles represents funds or relief which has been purchased by a system of workmen's insurance and does not represent a bounty or gift from the Government.

Has the gentleman taken into consideration or given any considerable thought to the question as to how far a system of workmen's insurance would assist in alleviating the conditions to which the gentleman has referred with reference to unemployment?

Mr. SIROVICH. I would be pleased to answer the question of the distinguished gentleman from Missouri [Mr. Lozier]. Twenty-eight governments of the world, Mr. Speaker and ladies and gentlemen, have adopted the principle of contributory compulsory old-age pensions. That means individual contributions of from 3 to 5 percent of the salary every week by the employee, the employer contributing an equal amount, and the state a third amount. This compulsory contributory form of old-age pension was put into operation first by Bismarck in 1881 in order to show the great social democracies of the world that Germany was willing to help its working people through the instrumentality of the state. In 1909 that great Englishman, Lord Asquith, introduced the principle in England, and it was introduced in 1912 in France. So that Germany today takes care of 20,000,000 of its working people, England 16,000,000; and France 7,500,000, who, under the influence of old-age pensions, workmen's compensation, employers' liability, social insurance, sickness insurance, and unemployment insurance, receive the benefit that the gentleman from Missouri has spoken of. There are 10 governments of the world who have what we call the noncontributory form of old-age pensions, which is a straight pension system. When a man arrives at the age of 65, irrespective of contribution to funds, he is pensioned. Such forms of pension are found in Austria, Canada, New Zealand, and Denmark. Two countries that have the voluntary-saving plan are Japan and Spain, in which the workman has permission to take off a certain amount of his money every week, and the government applies the same amount, and when the man arrives at the age of 65 that is given to him yearly as a pension, and he is looked after during sickness.

So all the governments of the world have provided for some form of old-age dependency, with the exception of China, India, and the United States.

Mr. JONES of Texas. Will the gentleman yield?

Mr. SIROVICH. I yield.

Mr. JONES of Texas. I am very much interested in the gentleman's discussion and appreciate his investigation in the different nations that have tried the contributory method of pensions to which the gentleman has referred. Has any plan been devised to take care of the agricultural sections, for instance, which do not have a pay roll or provision for such contribution? I am asking that historically. I would like to know how that is taken care of.

Mr. SIROVICH. Every workman—and that includes agriculturists—is included in the pension system.

Mr. JONES of Texas. But the farmers do not have a regular form of income. I am not asking this for the purpose of embarrassing the gentleman, but I am wondering if there is provision made to take care of that class of workers.

Mr. SIROVICH. Every individual who works at physical labor or mental labor, irrespective of where he works, is provided for in this old-age pension.

Mr. JONES of Texas. But I was speaking of the historic connection, where the gentleman from New York said there were certain countries in which old-age pensions were permitted, where the worker contributed part and the state contributed part.

Mr. SIROVICH. They contribute it through the medium of taxation. That is how the agricultural class takes care of it.

Mr. MOORE of Virginia. Will the gentleman yield?

Mr. SIROVICH. I yield gladly.

Mr. MOORE of Virginia. I would not inject myself into the speech of the gentleman except for his fine allusion to the history of Virginia. I would like to ask the gentleman whether he believes that the effort to eliminate religion from the life of the people of Russia will be successful, considering the failure of any such effort that has ever been made in any other country?

Mr. SIROVICH. My concept is that there never has been a war in any nation of the world in which that nation tried to destroy religion but that in the end the nation was ultimately destroyed itself.

In the French Revolution, during the triumvirate of Robespierre, Marat, and Mirabeau, they did exactly as Russia is doing at the present time. They placed upon the pedestal of the Lord Almighty the goddess of reason. So in time the goddess of reason crumbled. I am sure the distinguished and lovable Chaplain of the House, Rev. James Shera Montgomery, who sits before me, will agree with me that when reason ends, there is where faith begins, and that is why religion can never be destroyed. [Applause.]

Mr. MOORE of Virginia. The gentleman, of course, remembers that not only did the French Revolutionists make the goddess of reason the only deity they would worship, but that they abolished Sunday and any day of rest and closed the churches. Nevertheless, after awhile the antireligious adventure upon which they had entered proved to be an absolute failure.

Mr. SIROVICH. Let me answer the distinguished gentleman from Virginia. That in order to destroy religion in Russia, the Soviet Government has perfected the continuous working week. This adoption of a continuous working week means the elimination of Sunday as a general holiday, thereby taking away from the remnant of the church in the Soviet Union one of its last and strongest footholds.

By doing away with Sunday as a general religious holy day, the churches find themselves deprived of those who would want to worship God in conformity with their traditions.

A minister is not given the permission to vote in the Soviet Government. He is not permitted to raise any funds. The Soviets do not permit parents to give religious education to their children until they arrive at the age of 18. So, in conformity with the philosophy of Richelieu, who was the Prime Minister of Louis the Fourteenth, the Soviets say in Russia, "Give me the children up to the years of 18, when we can fertilize their minds with our dogmas and teachings, and saturate their hearts and souls with our philosophy and our atheism, and we do not care who makes the laws." They are starving the ministers, priests, and rabbis. If a minister should arise in a pulpit and give vent to a sentiment which was in conformity with the teachings of Christ, he would be sent to Siberia or be silently executed.

Mr. O'CONNOR of New York. Will the gentleman yield?

Mr. SIROVICH. Yes.

Mr. O'CONNOR of New York. I thought when the gentleman started to talk, he was going to devote more time to the religious situation in Russia. I was interested to hear whether or not he thought the philosophy of communism was any form of religion. Most people call it atheism. I was interested also in following that up to see if the gentleman had any reason for the alleged growth of atheism in this country. Many people say that a big majority of those who come out of our colleges today are atheists or agnostics. Would the gentleman attribute that to the wave of communism that is transporting itself from Russia to America?

Mr. SIROVICH. Mr. Speaker, ladies, and gentlemen, when our Government was founded we had as many atheists then as we have today. I think the greatest atheist of his time was Thomas Paine, one of the men who helped to frame the Declaration of Independence. It was men of his stamp who kept the word "God" out of the Constitution of the United States, and the reason, I understand, that God was kept out at that time was the thought that if King George III ruled by the divine right of God and persecuted our Colonial forbears they did not care to have that God in the Constitution of the United States. However, in this great democracy the most beautiful thing I love about it is that when a man, be he Catholic, Protestant, or Jew, goes into his temple the Government of the United States puts all the power of the Government behind him in order to protect him in his right to worship God in conformity with the dictates of his conscience. [Applause.] And what is even more beautiful, we protect the atheist and agnostic in this country just as well. That is the beauty of democracy. On the contrary, in Russia the state is God; the state is supreme; if you do anything against the state it is not only blasphemy but it is treason.

Mr. DICKSTEIN. Will the gentleman yield?

Mr. SIROVICH. Yes.

Mr. DICKSTEIN. Is it not a fact that they want to make Russia, under the Soviet Government, a godless country?

Mr. SIROVICH. The question which the gentleman from New York asks me is whether they want to make it a godless country. They have today almost 3,000,000 men and women who under the philosophy of atheism are preaching their gospel of economic, philosophic, and religious views in the schools and all over the world for the purpose of trying to break down that ingrained tradition which the centuries of religious inculcation has brought into the heart and soul of the Russian. The Communists laugh at the devout peasant; they mock him; they jeer at him, believing that ridicule will destroy his faith in God. Through a process of starvation and denial of the right to vote on the part of a minister as a citizen of the Soviet Government, they are trying to break down his morale in the faith and very existence of God. The Communists have no hesitancy in saying through those who preach their gospel that if God wants to preserve the various religious denominations that are in existence in Russia let Him do so, but the Communists will grant Him no assistance. Let the ministers and priests stand upon their own faith, without any outside help from the Communists.

So if the civilized nations of the world permit the Government of Russia to interfere with the right to freedom of worship, which is the inherent privilege of men upon this earth, then in time religion in Russia may one day disappear. But I have faith in God! I have faith in reason. I am wholeheartedly persuaded that the pure in heart and the humble in spirit will find their way to Him in Russia in spite of all ridicule and oppression. In the end atheism cannot prevail in the face of true religion.

Mr. Speaker, ladies, and gentlemen, czarism is autocracy from above pushing downward, while communism is autocracy from below pushing upward, and the result will be that the people in between them will be crushed. [Applause.]

Mr. O'CONNOR of New York. Will the gentleman yield again?

Mr. SIROVICH. I yield.

Mr. O'CONNOR of New York. Does the gentleman spell out of this philosophy of communism any form of religion at all?

Mr. SIROVICH. I stated that during the development of my speech. Communism is a state religion. The state is substituted for God. The state is supreme. No other religion can take its place.

Mr. O'CONNOR of New York. The reason I ask the question is this: Of course, I feel as deeply and as keenly about what is going on in Russia as anybody, but, historically, other nations have forbidden certain religions.

There stands out in everybody's mind what Turkey always did with respect to the Christian religion, and only the other day I noticed that China refused to permit the exhibition of the moving picture Ben Hur on the ground it portrays Christianity, which, to their mind, is a "superstition." If Russia is abolishing all religions and if there is nothing like religion there, she stands in a peculiar position in the world. If she is only seeking to abolish Christianity, some other nations have done that heretofore and are doing it today.

Mr. SIROVICH. Mr. Speaker, my answer to my distinguished colleague from New York is this: You know that you can get to Washington from any direction. You can come from the north, from the south, or from the west, and you can even come from the east to Washington. So when our forefathers founded our Republic they figuratively or metaphorically said that God was Washington. Many religions have different roads that ultimately lead to God, as different roads lead to Washington.

One road that goes into God's bosom is called the Protestant road, a second road is the Catholic road, a third is the Jewish road, a fourth is the Confucian road, and a fifth is the Mohammedan road. I do not care what road a man takes so long as the road leads directly to God and respects His omnipotent powers. [Applause.] True liberty consists in respecting the rights and freedom of every man's worship, be he theist or atheist. [Aplpause.]

Mr. Speaker, I want to thank the House for the cordial attention they have given me and the gracious mannner in which my remarks have been received by the membership of this historic forum. [Applause.]

Increased Agricultural Imports and Dwindling Exports Are Crushing the American Farmer

EXTENSION OF REMARKS

OF

HON. DANIEL A. REED

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Saturday, July 22, 1939

Mr. REED of New York. Mr. Speaker, the reciprocal-trade program of the Roosevelt administration, intended to increase our foreign trade, is playing havoc with American agriculture. It has failed to stimulate foreign markets for our farm products, but it has succeeded in opening our domestic market to an influx of the products of cheap farm labor of foreign countries. Our exports of agricultural products are declining while imports are increasing.

For the 5 months ending May 1939 our agricultural exports were valued at $237,998,000 as compared with $362,936,000 for the same period in 1938, a decrease of $124,938,000, or 34.2 percent, in exports for the 5 months of 1939. While our agricultural imports for the 5 months ended May 1939 amounted to $431,735,000, compared with $404,120,000 for the same period in 1938, an increase of $27,615,000, or 6.8 percent, in imports for the 5 months of 1939.

Thus, our trade balance (excess of imports over exports) jumped from $41,184,000 in the 5 months of 1938 to $193,737,000 in the 5 months of 1939; an increase of $152,553,000, or over 300 percent in favor of farmers of foreign countries.

Our total trade (exports and imports) of agricultural products amounted to $767,056,000 in the 5 months of 1938, and $669,733,000 in the 5 months of 1939; a decrease of $97,323,000, or over 10 percent.

The above figures indicate the general position today of our international trade in agricultural products, while the tables below give details of our import and export items.

No wonder our farmers continue to be dissatisfied with the Hull reciprocal-trade program while foreign markets for their products are fast disappearing. For instance, during the first 5 months of 1939 decreases in our exports of the following farm products were as follows: Corn, $45,839,000; wheat, $19,406,000; cotton, $47,141,000; tobacco, $9,719,000; other agricultural products, $2,833,000; a total of $124,938,000, or 34.2 percent decrease for the first 5 months of 1939 in agricultural exports.

UNITED STATES AGRICULTURAL EXPORTS AND IMPORTS, 5 MONTHS ENDED MAY 1938 AND 1939

TABLE 1.—*Exports of agricultural products*

Export items	5 months ended May—		Increase (+) or decrease (−)
	1938	1939	
Total agricultural exports	$362,936,000	$237,998,000	−$124,938,000
Cotton, unmanufactured	109,448,000	62,307,000	−47,141,000
Tobacco, unmanufactured	46,267,000	36,548,000	−9,719,000
Foodstuffs (total)	196,293,000	129,283,000	−67,010,000
Wheat	44,636,000	25,230,000	−19,406,000
Corn	56,050,000	10,211,000	−45,839,000
Wheat flour	10,613,000	9,843,000	−770,000
Oil cake and meal	4,082,000	3,719,000	−363,000
Vegetables and preparations	5,730,000	6,521,000	+791,000
Fruits:			
Fresh	17,057,000	17,240,000	+183,000
Dried and evaporated	7,312,000	7,286,000	−26,000
Canned	8,088,000	8,483,000	+395,000
Meat products	11,402,000	12,672,000	+1,270,000
Lard, including neutral	8,277,000	8,863,000	+586,000
Dairy products (except fresh milk)	2,334,000	2,587,000	+253,000
Other foodstuffs	20,712,000	16,628,000	−4,084,000
Other agricultural products	10,928,000	9,860,000	−1,068,000

Source: U. S. Department of Commerce reports.

TABLE 2.—*Imports of agricultural products*

Import items	Unit	5 months ended May—		Increase (+) or decrease (−)
		1938	1939	
Cattle (except for breeding)	Head	226,000	461,000	+235,000
Meat products (total)	Pound	61,472,000	65,112,000	+3,640,000
Canned beef	Pound	30,852,000	33,117,000	+2,265,000
Hams, shoulders, and bacon	Pound	19,327,000	20,701,000	+1,374,000
Hides and skins (total)	Pound	51,756,000	142,706,000	+90,950,000
Cattle hides	Pound	15,964,000	60,262,000	+44,298,000
Other (except fur skins)	Pound	35,792,000	82,444,000	+46,652,000
Silver fox fur skins	Number	8,776	33,205	+24,429
Wool and mohair	Pound	19,571,000	102,035,000	+82,464,000
Flax and hemp, unmanufactured	Ton	1,170	3,027	+1,857
Flaxseed	Bushel	6,619,000	8,962,000	+2,343,000
Tobacco, unmanufactured	Pound	26,844,000	30,452,000	+3,608,000
Cotton, unmanufactured	Pound	43,300,000	41,778,000	−1,522,000
Wheat, for milling and export	Bushel	136,000	4,458,000	+4,322,000
Wheat, byproduct feeds	Ton	5,565	146,959	+141,394
Hay	Ton	10,780	21,189	+10,409
Cottonseed cake and meal	Pound	1,957,000	6,378,000	+4,421,000
Cottonseed oil	Pound	20,680,000	23,519,000	+2,839,000
Peanut oil	Pound	354,000	2,846,000	+2,492,000
Oats	Bushel	4,977	753,255	+748,278
Cheese	Pound	20,728,000	21,501,000	+773,000
Eggs in shell	Dozen	88,304	149,424	+61,120
Molasses, inedible	Gallon	82,869,000	82,407,000	−462,000
Maple sugar and sirup	Pound	649,000	6,176,000	+5,527,000
Apples, fresh	Bushel	9	20,734	+20,725
Pineapples, canned	Pound	2,776,000	20,134,000	+17,358,000
Tomatoes, canned	Pound	20,072,000	28,801,000	+8,729,000
Potatoes, white or Irish	Pound	29,323,000	44,448,000	+15,125,000
Potato starch	Pound	2,162,000	4,200,000	+2,038,000
Tapioca	Pound	99,795,000	164,467,000	+64,672,000
Cashew nuts	Pound	8,678,000	11,735,000	+3,057,000

Source: U. S. Department of Commerce reports.

The Man Who Believes We Can

EXTENSION OF REMARKS

OF

HON. FRANCIS H. CASE

OF SOUTH DAKOTA

IN THE HOUSE OF REPRESENTATIVES

Saturday, July 22, 1939

AN ARTICLE FROM THE COUNTRY GENTLEMAN

Mr. CASE of South Dakota. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following article from the Country Gentleman on the distinguished minority leader the gentleman from Massachusetts [JOSEPH W. MARTIN, JR.], and entitled "The Man Who Believes We Can."

[From the Country Gentleman for August 1, 1939]

THE MAN WHO BELIEVES WE CAN

(By E. H. Taylor)

"We must get back the winning spirit in this country. When we do we will find this again a land of hope, adventure, and enterprise. I know that we can pull out of the bog we are in now. There are plenty of opportunities left in America if we will work together and apply ourselves to the job."

These heartening words came with particular force from the man who uttered them. His own career personifies the faith they express. Moreover, unless present signs fail, he is due to fill one of the most important positions of leadership in the Nation. So JOSEPH W. MARTIN, JR., is a man worth knowing about.

It has been said that JOE MARTIN attracts notice chiefly by what he does and by what others say and think about him. Typical of the latter is the recent observation by a widely known Washington commentator: "The best job being done by any Republican in office today is by a man with a future—JOE MARTIN, minority leader of the House of Representatives. If the Republicans capture the House next year, he is certain to become Speaker—if he is in the House." Perhaps more significant still was the poll, taken by a national publication, of the opinion of Washington newspaper correspondents as to the most useful Members of Congress. The score card was based on integrity, intelligence, industry, and influence. JOE MARTIN led, with the highest vote given to any man in either House or Senate.

This verdict came as no surprise to his associates, Democrats as well as Republicans, in the House. Neither did it to the folks in North Attleboro, Mass., population 10,202. They have had a chance to observe this stocky dark-haired and blue-eyed fellow townsman of theirs from very early childhood. For JOE MARTIN'S career is in keeping with what was—and, many hope, still is—one of the finest traditions of American life. His father was a horseshoer who, as a neighbor related, rarely made more than $15 a week in his life. With a family of five boys and two girls, that meant economy and it also meant that the boys went to work just as soon as they could.

JOE started to work when he was 5 years old, delivering newspapers. A deprivation or hardship? Well, JOE MARTIN does not regard it that way. Writing a letter to the Boston newsboys' publication, he said: "All during my school days I had a large and profitable newspaper route. It was a fine business training and gave me an advantage over boys who were not obliged to work."

As fast as his brothers became old enough they took over part of the growing newspaper route. That released JOE for other work of various kinds. The Martin family is of Scottish descent on the father's side, Irish on the mother's. In the rather strict atmosphere of the New England home the children were required to be in by 8:30 every evening. But with all these limitations, JOE found time for his one favorite recreation—baseball. It is quite a while back and North Attleboro has seen some good ball players come and go, but the folks there still tell stories of the young shortstop. John L. Tweedy, on whose lots North Attleboro's baseball was long played, recalls many incidents of JOE MARTIN'S ballplaying days.

A LIFELONG AVERSION TO DEBT

"He was a winning player," Tweedy relates. "He had the spirit that just wouldn't accept defeat. I've seen him, as a little fellow, with tears in his eyes when he had made an error. Then he would come to bat and make up for it. Along with that fighting quality he was a really good ballplayer, covering an amazing amount of ground at shortstop. There isn't much doubt that he could have gone on into professional baseball if he had wished."

As a matter of fact, JOE did receive an offer of an athletic scholarship at a leading New England university. He turned it down, although he later sent two of his younger brothers through Dartmouth College. But by the time he graduated from high school, his ambition was fixed on becoming a newspaper man. And he did, first as a reporter and then, when hardly more than of age, as editor and part owner of his home-town paper. The

owner had other interests and was willing to sell. JOE and his next older brother, Charlie, had saved some money. They found no trouble in enlisting local business men in a syndicate willing to back a couple of young fellows with so much enterprise and spirit. That was the way many of the businesses in North Attleboro had started and grown.

JOE MARTIN is still publisher and his brother Charlie is editor of the North Attleboro Chronicle. In thirty-odd years under the Martin management the paper has failed only once to show a profit. It is rated a good small daily, devoted to homey personal news and local civic betterment.

Immediately after his high-school days Joe started something else—a bank account. It has been maintained ever since. He has never been in debt in his life.

"Perhaps it is the Scottish heritage cropping out, but I have always had an aversion to debt," he explained. "Sometimes when I have bought things it has been suggested that I charge them or pay on the installment plan. But when I pay as I go I know what things cost—and there is nothing to come out of the future."

Four years after he became editor he decided to enter politics in more than a local way, becoming a candidate for the lower house of the legislature. Bristol county has always been prominent in Massachusetts State affairs, and some of the local party leaders felt he was too young for so responsible a job. But he ran and won. Two years later he advanced to the State senate, in 1925 to Congress. In politics as well as baseball and business, JOE MARTIN has kept up the winning characteristic. He has never lost a political contest. During the Roosevelt landslides, when the State was going Democratic, he had comfortable majorities.

That record is partly explained by the fact that he has acquainted himself with every interest and a large proportion of the residents of his district. He does not employ sound trucks, billboards, or any of the other showy political devices in his campaign. Instead he relies upon the human approach.

"JOE likes people and has a gift for understanding them," said State Representative Frank Kelley, whose own political experience qualifies him to speak on this angle. "Sometimes during the year he gets around to every part of his district, and he is available to everyone who has anything to take up with him. Whenever he is back from Washington his time is spent seeing and talking with people—workingmen, farmers, and business. They all know they will get the same understanding and consideration. JOE is interested in young fellows too. He remembers his own start. A lot of his best campaign workers are always youngsters just coming along. There is no particular secret about his hold on this district. People just like and trust him."

TEAMWORK AND SPIRIT

Perhaps another reason was supplied by John H. Bronson, music supervisor of the North Attleboro schools. Bronson grew up with JOE, and his grandfather brought the elder Martin to North Attleboro to work in his horseshoeing establishment.

"JOE MARTIN has gone far," remarked Bronson. "But he has done more for others than he has ever done for himself."

It was the sum of these qualities and abilities that made JOE MARTIN'S election as minority leader a certainty last winter. His support was countrywide and especially strong from the Middle West, for reasons that will develop later. It was the same when he was chosen in 1938 to head the Republican congressional campaign. Then, for the first time since the darkening days of 1930, the Republicans registered gains all along the line. And it is a tribute to JOE MARTIN'S political sagacity that his estimate of the number of Republican Senators and Congressmen who would be elected was off only one in each case.

The task of minority leader had no roseate aspects. Not only was MARTIN new at it, but nearly half the Republican Members were also new to Congress, and they had been elected on an assortment of platforms. Overwhelmed by the Democratic majorities of the preceding 6 years, the morale of the older Members was low. It was a situation that called for leadership of more than a common order.

But JOE MARTIN had definite ideas of what was required. One of his first moves was to meet with the Republican delegation from each State—get to know them, learn their interests and their views. He is a good listener. Then he began building a cohesive, effective minority force, equipped with teamwork and a new spirit. Frequent conferences of the whole Republican House membership were held to develop views and lines of action in regard to pending legislation. In the preceding session there had been only one such conference. At the time this was written nine had been held during this session, with more to follow.

At such conferences every member is free to speak his mind. In contrast to the Democratic caucus, where members may be bound by a three-fourths vote, no one is put under any binding agreement at these conferences. The only semblance of direction is to bring out in the discussion the most desirable policies to follow. There is no cracking of the whip in the MARTIN leadership. If a Republican Member feels that the interests of his district or some campaign pledge he has made compels him to depart from the minority attitude, JOE tells him to go ahead.

"Vote for your conscience," he is told. "We realize that you are answerable to your constituents."

But perhaps as a result of this tolerance or democracy, whichever it might be called, whenever JOE MARTIN wants a united minority on any proposition it responds to his call.

One thing especially that he has done has borne useful fruit and is likely to bear much more. He has named House Republican committees, country-wide in membership to study outstanding public issues and to formulate policies regarding them. This has numerous practical values. One prevalent criticism of the Republicans is their lack of coherent policies. They are being supplied by these studies. Furthermore, in this way, Members are getting training and instruction. If the Republicans come into power in 1940 there will be men prepared for the responsibilities they will face.

POLICIES BASED ON FACT

There was a further noteworthy reason. Hit-or-miss action of any kind is not a JOE MARTIN trait.

"We were determined," he explains, "that the minority record would be made on the basis of finding and serving the public interest rather than opposing everything suggested by the administration simply because it was an administration policy. There was only one way to do that—by actually digging into the issues and getting the facts."

The outcome has been that on three important issues—national defense, emergency monetary powers, and governmental debt—the Republicans have been able to present clear-cut policies based on facts. Studies are now being made of two other issues of national interest, agricultural policies and the effects of the reciprocal trade treaties.

Out of it all has developed a spirit of working together among the Republican Members. Their morale has gone up and they have become an organized force that has won the respect of the majority.

"The way JOE MARTIN has those fellows working and on hand at roll calls is something worth seeing," remarked a Democratic Congressman. "Although we have a majority of over 90, we've found the Republicans frequently outvoting or outnumbering us on the floor and in committee meetings."

That explans why those Washington correspondents ranked JOE MARTIN so high on the point of influence. In a Capitol, where there is plenty of dissension, he has a following conspicuous for loyalty and unity.

A CALL FOR GOOD WILL

It is not hard to find explanations of the secret of JOE MARTIN'S leadership. A few minutes' talk with most any Republican Member will develop them. Here is a carefully considered analysis by CLIFFORD R. HOPE, of Kansas, ranking Republican member of the Committee on Agriculture:

"First of all I would put his ability to understand the other fellow's problems and interests from the other fellow's viewpoint. Next his broad national knowledge and understanding. After that, his sound political judgment. The Members know he won't march them uphill and then down again. All these qualities create confidence and trust in his leadership. Besides, we like JOE."

KARL E. MUNDT, of South Dakota, is generally picked as one of the promising new Members of the House. His view sums up those of a number of the new Members.

"JOE MARTIN knows there are 48 States," he said. "I think that was the thing that impressed us new Members the most. We hardly expected so ready an understanding of our interests and our viewpoint. He has been able to arouse loyalty and enthusiasm because we have the feeling that we are working with him, not for him but for the benefit of all of us. You can believe in a leader of that kind."

It is this wide national grasp and understanding that accounted for JOE MARTIN'S country-wide support for minority leader. Partly it is due to observation, for he has traveled over much of the country, and to his gift for getting the other fellow's viewpoint. The rest is due to close and unremitting study. Blended with this understanding is an intense belief in the unity of American interests and in the progress possible through united effort.

"America has the material resources, the skill, the technical equipment, and the manpower to push this Nation to a prosperity and well-being undreamed of in the past," he declared. "If we will develop the spirit of working together in the common interest we can have these things. That spirit is inherent in the American people. It simply needs to be called forth. Instead of preaching dissatisfaction and dissension in America, let us have good will, cooperation, and genuine patriotic effort, and this will be a good country to live in."

He firmly believes that many of our present fears and bogies will disappear once we begin putting the right policies in effect and people regain faith.

"If we could arrest the present tide we would all be surprised how rapidly it would start flowing in the other direction," he said. "Everything will work with it—our common ambition to succeed and to have better things, our native energy and resourcefulness, and the natural rise in the spirit of enterprise when things begin moving forward. We have not lost these assets. They have simply been held dormant by confusion, uncertainty, and devitalizing bureaucratic restraints."

THE GROWING BURDEN OF TAXES

"I am not, never have been, and never will be a pessimist. We have been drifting for a long time, and our problems and fears have grown up like weeds in a field that is not given the proper attention. Communism, fascism, and these other 'isms' will disappear like the mist before the sun when people get back to work. Virtually every other difficulty before us is but a projection of unemployment."

Besides knowing by experience what it means to be both a worker and an employer JOE MARTIN has had plenty of chances to observe what makes for work or the lack of it in his own district. It is a productive farm section, specializing in dairying, fruit growing, truck raising, and poultry. But it is also one of the major manufacturing centers of the country. Naming them off at random, he counted over 30 different types of industry in his district.

"Most of these industries are individually owned," he said. "With few exceptions they began in a small way and grew in size and pay rolls. One in my own city, now producing pocket lighters, compacts, and vanity cases and other articles, started with 10 workers. The men who founded it plowed back into it all the earnings, taking out only enough for their families to live on. It grew in this way until it is now employing 750 workers, with more than 1,200 at peak times.

"Another case is that of two brothers who started an enterprise in their father's barn. Our locality is a jewelry-manufacturing center, and they saw an opportunity in making jewelry boxes. The demand grew and an addition was put on the barn, then they built a plant of their own. In it they now manufacture a number of other allied articles and employ around 450 workers. Their growth was made in the same way—by putting back the earnings. It was the traditional American way.

"But—and this is the vital point—such enterprises could not grow up under the present taxation system. It chokes off the very means of growth, as well as the incentive to venture into such undertakings. The greatest losers are the workers deprived of a means of livelihood and the young fellows coming on who want an opportunity. That is the way this growing tax burden must be brought home to the American people, must be understood by them."

MERE SPENDING IS FUTILE

"Mere spending, which is the only reliance of the New Deal, has proved futile in expanding employment. It only increases debt and the tax load, present and eventual, which simply raise further deterrents to enterprise. We must take the other way, by restoring conditions that encourage the activities which give people employment and a future. We can have a higher national income, more security and more opportunities only by creating more wealth and more sources of earnings. There is no other way."

JOE MARTIN has an engaging smile and a readiness of humor that his Irish friends like to claim for that side of his ancestry. But when he discusses the present plight of this country it is with a seriousness of both manner and words.

The question had been asked whether he thought things really could be straightened out in this country.

"Yes," he replied. "I know they can, if we start soon and apply ourselves resolutely to the job. But I doubt it, if we continue to drift 4 years longer."

"What will be necessary?"

The answer indicated the full consideration he had given to this most important of all present questions.

"Some sacrifices at the start, which will be far more than compensated by the gains all around that will follow," he said. "Both the will and the example in the beginning must be furnished here in Washington. The President himself can literally give the go-ahead signal. So much responsibility and attention has recently been centered in the Executive that he is in a position to rally the sentiment and restore the confidence of the country. Mr. Roosevelt demonstrated that in the first 30 days of his first administration before the muddled experimenting began and set the country back again.

"The American people should be told honestly what is purposed and needs to be done to put the Nation's house in order. They should be appealed to as patriots—all groups and all interests—to cooperate in the task. They will respond willingly, I am sure, if convinced of the sincerity of the intention. And there should be no question of the sincerity or the will to go through with it."

A FAIR DEAL ALL ROUND

"Business should be informed that as many as possible of the present deterrents will be removed, that it can go ahead creating more wealth and employing more workers. But with the understanding that it must be fair in its practices to labor, to the public, and to all concerned. Wages should be safeguarded, because we need all the earned purchasing power we can get to keep production moving.

"The sacrifices have to be made where Government outlays are involved. We must stop riding the merry-go-round of debt and taxes. There should be no exceptions, save where demoralization would result. Farmers who are receiving benefits from the Treasury would, I am confident, much prefer to have the real prosperity which flows from increased purchasing power. This can be realized over the long term only by general economic recovery. Farm people are essentially thrifty and prudent. They want things run right and their Government kept secure from disaster. Besides, it is surely possible that there are better farm policies, which will give farm producers a more equal exchange without depending so much upon Treasury funds.

"But the example should be set here in Washington. We should go right through the Government structure with a resolute purpose to reduce expenditures. They can be reduced, and not an essential service would suffer. For example, no department needs 50 publicly paid propagandists. As our committee that studied the national debt stated:

" 'The Budget cannot be balanced by a mere pruning of expenditures here and there. To accomplish real reductions in Government expenditures it is necessary to evaluate the functions now being performed by the Federal Government and to determine how those functions which are desirable can be most advantageously performed at a more reasonable cost. Some could probably be eliminated, and others performed in a much less expensive manner.'

"We must be thorough about it. The Appropriations Committee of the House should be equipped to sift every department budget and reduce it to the necessities. A large amount of money can be saved that way, for naturally every department is ambitious and will exceed its actual requirements unless curbed by Congress.

"I am under no delusion that the Government's income and outgo could be balanced the first year. But by working in both directions—reducing expenditures and stimulating recovery and employment—we should be on a sound footing by the third year.

"Most important of all will be the effect on the spirit of the American people. I believe that we could arouse a spirit in this country that would sweep aside present fears and difficulties and carry us beyond anything we dream of now. The winning spirit—that is what we must get back. But those who would rally it must set an example of sincerity and unselfishness. We must have a spirit that will never again demand benefits for any special interest at the risk of imperiling the chances of all."

One characteristic of JOE MARTIN'S is his ability to reduce matters to simple terms. It was illustrated by this remark:

"The problems of the Nation are only individual problems multiplied. If we can treat our individual problems successfully we can the national."

And then followed something that could well be read and considered over and over again for its lasting significance.

"The simpler and plainer Government policies are, the better it will be for us," he said. "We have let both our thinking and our Government become too complicated. Government has now become so ramified and involved that the ordinary individual has lost the ability to understand or keep track of it. The remark has been made that even Congress no longer can comprehend it. Yet the only basis for democracy is self-rule by an informed citizenry. When the average citizen throws up his hands in helplessness, then we have come to the end of democracy in its actual operation. What is left is rule by bureaucracy. And liberty has never survived under that type of rule."

Darkness had long since descended on a sweltering Capitol. The minority leader still had some work to do. As the visitor arose to go, JOE MARTIN added one concluding remark.

"It all sums up," he said, "that we have got to get back to common sense and the simple realities of life, so far as Government is concerned."

JOE MARTIN has been variously described as a liberal, a middle-of-the-roader, and a conservative. But anyone who comes to know him, to learn his views, and recalls the road he came up will discard any tags. He is just JOE MARTIN—American.

A Comparison of Power Rates and Tax Income Between Tacoma and Spokane, Wash.

REMARKS

OF

HON. CHARLES H. LEAVY

OF WASHINGTON

IN THE HOUSE OF REPRESENTATIVES

Saturday, July 22, 1939

Mr. LEAVY. Mr. Speaker, my home city of Spokane, Wash., is located in the northeastern part of the State, about 75 miles distant from Grand Coulee. This city is the metropolis of a vast inland region, reaching from the crest of the Cascade Mountains on the west to the crest of the Rocky Mountains on the east, a distance of almost 400 miles, and from the Canadian border on the north southward across the Oregon-Washington line for a distance of almost 500 miles. The region is one of unusual natural resources and perhaps contains more promise for future development than almost any other section in the United States. Agriculture, mining, and lumbering are the three principal activities of the people living in this region now. Each of these can be greatly expanded and developed, and in addition there are great industrial possibilities, particularly in the mineral field.

NO COAL OR OIL

The region is almost totally devoid of coal and oil. This same region, however, is blessed with the greatest potential possibility for hydroelectric development of any comparable region in the whole world. To be able to utilize this electric power, however, it is highly essential that the electricity developed be freed from the terrific financial overburden

that is now imposed upon the private power companies serving this region. This overburden comes by reason of the fact that these private companies must charge rates sufficiently high to pay dividends to a number of holding companies and super-holding companies. For instance, a part of the rates charged by the Washington Water Power Co. that largely serves my district must go as dividends to its parent company, the American Power & Light, and there must be enough go to this company to permit it to make payments to its parent company, the Electric Bond & Share, which is the grandparent of the Washington Water Power Co. According to official figures furnished me by the Federal Power Commission, the Washington Water Power Co. in the year 1934 paid to its parent, the American Power & Light, in dividends, $1,779,000; in 1935, it paid $1,016,000; in 1936, it paid $1,779,000; in 1937, it paid $1,652,000; in 1938, $1,270,000.

Now every dollar of the above amounts came out of the pockets of the users in the territory served, and went back to Wall Street. It may be that a small portion of this percolated back into the region to the scattered holders of preferred American Power & Light stock, but I am sure investigation would reveal that it was a small portion.

THE FRANCHISE FIGHT IN SPOKANE

The Washington Water Power, in its anxiety to gain additional advantage, has recently precipitated a franchise fight, obtaining for itself by indirection, through a minor subsidiary corporation, a 25-year franchise. This has resulted in the city officials, under the provisions of the city charter and upon demand of the voters of Spokane, calling of a special franchise election. For the purpose of defeating the right of the people to express themselves upon this all-important issue the power company has seen fit to resort to litigation that will delay, doubtless for many months, an election on the franchise issue.

PEOPLE SHOULD KNOW THE FACTS

Mr. Speaker, all of what I have here said establishes the tremendous importance of giving the people of my district a fair, impartial, and full statement of facts in reference to this controversy, in order that they may know whether it would be to their gain or loss to grant or deny a franchise obtained from the city authorities in the manner in which this one was. The primary argument made in support of permitting the power company to continue for the next 25 years in rendering the service it has, is first, that there is no discrimination in rates against our region, and second, that the city of Spokane would lose greatly in its tax revenues if they were being served by a publicly owned distribution system. It is for this reason that I have sought information from governmental sources on these two issues and I am making them available to the public.

SPOKANE RATE AND TAX SITUATION

The Washington Water Power Co. for the calendar year 1938 reported its electric earnings and kilowatt-hour sales, for Spokane and suburbs, to the Department of Public Service, Olympia, with a copy to the Federal Power Commission, Washington, D. C. On pages 510 and 511 of the report the following statistics appear for Spokane and suburbs:

Total electric revenue	$3,534,921
Total kilowatt-hour sales	302,855,706

The similar figures for Tacoma, from the 1938 report of the department of public utilities, are as follows:

Total electric revenue	$2,473,734
Total kilowatt-hour sales	287,860,633

It appears from these statistics that Spokane's kilowatt-hour sales are 5.4 percent greater than Tacoma's, but the collections are 43.2 percent greater. If Spokane's sales and collections were proportioned so as to equal Tacoma's sales, we find that Spokane consumers pay $876,300 annually more than the Tacoma consumers for equal amounts of electricity—or, in other words, Spokane's consumers are annually overcharged this amount when compared with Tacoma.

TEXAS

The Washington Water Power Co. only reports taxes for the company as a whole. These taxes in percent of gross earnings are as follows:

	Percent
State and local taxes (total)	11.32
Federal taxes	7.03

The equalized Spokane earnings for the same kilowatt-hour sales as Tacoma would be about $3,350,000, and on these earnings and the above percentages the Spokane local tax bill would be approximately $379,000. Tacoma paid $280,419 annually in State utility and activities tax, school and city taxes in 1938, and in addition made contributions and rendered service to the city of Tacoma in the amount of $132,627. The total Tacoma tax and contribution amounted to $413,046, or approximately $34,000 more than the equivalent Spokane estimated tax. The Washington Water Power Co. has not for reporting purposes segregated the local taxes, and estimated figures have to be used. Therefore, any doubt would be resolved in favor of the company if it is stated that the equivalent Spokane and Tacoma tax and contribution payment were approximately the same. The Spokane company pays on this equivalent base $235,000 annual Federal taxes that the Tacoma property does not pay, the latter municipality being exempted.

Therefore, compared with Tacoma, the Spokane citizens are overcharged $876,300, after considering State and local taxes. This is the amount which affects the local situation. After deducting $235,000 Federal taxes, the overcharge is $641,000 annually. Granting the franchise to the subsidiary of the Washington Water Power Co. gives the parent company the monopoly to siphon out of the community $876,300 annually in overcharges.

THE OFFER

To continue the right to monopolize, and to practically keep Coulee's cheap power out of Spokane, the Washington Water Power Co. made an offer to the city commissioners. Let us look into this offer.

According to information the Washington Water Power Co. offered the following to the city of Spokane for the new franchise:

(1) One percent gross-income tax of heating and power company's earnings.

(2) Rate for traffic lights reduced from 3 to 2 cents per kilowatt-hour.

(3) Install 425 street lights from 1939 to 1942.

(4) Energy and maintenance rate of all street-intersection lights reduced from $37 to $30 per lamp-year.

(5) Replace without cost to city all center suspension overhead lights. The work to be done in a 4-year period.

(6) Make a survey of curb-lighting system in order to make necessary changes to install 10,000 lumen lights, and company will make a contribution of $20,000 toward this cost. And to furnish reimbursable funds for the remaining cost without interest. Reduce rates from $60 to $55 and $45 per lamp-year. This approximates 1.25-cent current for 4,000 burning hours.

(7) Pumping-service charge.

Let us now evaluate these gifts in terms of yearly approximate costs.

(1) The gross-earning tax will yield $30,000 to $35,000 per year.

(2) Traffic lights use little current. In Washington, D. C., with a much larger number of such lights than usual, the total consumption is 750,000 kilowatt-hours, and the cost is $7,500 annually. Proportioned by population, the reduction offered amounts to about $1,800 per year. Three cents and even 2 cents are high prices for such current. The Government in Washington pays 1 cent for such current, manufactured with coal. Water-power current cost is about 25 percent lower. Therefore, Spokane will still be paying nearly three times as much for such current as it should.

(3) Installation of the 425 additional street lights by the company is good business. It increases load, and the rate will amortize the company's investment in a reasonable period.

(4) Reduction in energy and maintenance rate on 1948 lights represents $13,700 per year. Data are not available on size and burning hours, but average practice would indicate

that the city is still overcharged for the service. Washington, D. C., pays seventy-five one-hundredths of 1 cent per kilowatt-hour for such current.

(5) Replacement of present suspension lights with mast arms, with a 15-year amortization period, should cost the company around $7,000 per year.

(6) The cost of survey, amortization of $20,000 gift, and interest on the balance of the construction cost should run about $3,000 per year.

(7) Pumping service-rate charges will run $10,000 to $15,000 per year.

These seven items approximate $65,000 per year to the company.

It is good business to contribute $65,000 to hold $876,000.

ELECTRIC BILLS—COMPARISON OF TACOMA AND SPOKANE

Residential service

Schedule No. 1 of the Washington water power covers all service in this class except water heating. By schedule No. 1 the top block for 13 kilowatt-hours is 5.4 cents. The next 22 kilowatt-hours is sold for 5 cents. Water-heating service under schedule 19 is sold for eight-tenths of a cent on off peak.

Controlled water heating, available only in connection with electric ranges, is sold on a flat rate, which costs about six-tenths of a cent per kilowatt-hour. Residential suburban rates of Spokane are higher than urban rates.

Comparison of Spokane and Tacoma residential billings

	Kilowatt-hours per month			
	25	40	100	250
Tacoma	$0.95	$1.10	$1.70	$3.20
Spokane urban	$1.30	$1.95	$3.75	$7.15
Spokane suburban	$1.65	$2.45	$4.25	$7.65
Urban rates higher than Tacoma...percent..	37	77	120	124
Suburban rates higher than Tacoma...percent..	74	114	150	139

Comparison of commercial bills

These billings represent the charges to business houses for lighting current.

	Kilowatt-hours per month				
	50	150	375	750	1,500
Tacoma	$1.75	$4.75	$10.38	$17.25	$28.50
Spokane	$2.60	$7.10	$16.10	$27.60	$50.10
Spokane higher than Tacoma..percent..	49	52	55	60	76

These are based on standard demands of Federal Power Commission. Effective January 1, 1939.

POWER COMPANY INCREASES ITS DEBT

In view of what I have here stated, there certainly should be no reason why the Washington Water Power Co. should be compelled to add to its existing indebtedness; however, in the last 2 months, and that based in part upon the procuring of this new 25-year franchise, the power company has come back to the financial interests on Wall Street and not only renewed the mortgage of $19,911,000 that was existing against their properties in the form of a funded debt, but they have increased that debt to $22,000,000, and this in the face of the fact that their statement shows an earned surplus of $4,453,391. It is true that this debt will bear a lower rate of interest, and it is equally true that they paid $440,000 in brokers' fees for the purpose of making this new loan, and $140,000 in attorneys' fees, trustees' fees, and so forth. It is further equally true that every dollar of this new debt, plus the costs incident thereto, is a new burden on power users in my congressional district and throughout that region.

TACOMA REDUCES ITS PLANT DEBT—POWER COMPANY INCREASES ITS PLANT DEBT

While all of this has been going on, the municipal power plant in the city of Tacoma has been constantly reducing its outstanding indebtedness with the assurance that the great advantage in rates that they now enjoy will still be much greater. Why is there any reason in the world, either directly or indirectly, that the people should hurry to grant a new 25-year franchise, in plain violation of the provisions of the city's fundamental law, its charter, 2 years before it is possible, under the terms of that charter, to apply for such franchise?

Members of Congress have already made the statement to me since they have heard of this occurrence in Spokane, that they can see no reason why enormous Federal appropriations should be continued for Grand Coulee, which is the world's greatest hydroelectric power development, when the largest city in the immediate vicinity of that great development has indicated that it is willing to tie its hands for a quarter of a century into the future on the matter of buying electric power. [Applause.]

Proposed Amendments to the Omnibus Transportation Bill

EXTENSION OF REMARKS

OF

HON. WILL M. WHITTINGTON

OF MISSISSIPPI

IN THE HOUSE OF REPRESENTATIVES

Saturday, July 22, 1939

Mr. WHITTINGTON. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following amendments which I favor to S. 2009, known as the omnibus transportation bill, to wit:

(1) Page 199, line 8, after the period and before the quotation mark, insert the following: "All of the provisions of this act shall be administered and enforced with a view to carrying out the above declaration of policy."

The purpose of this amendment is to recognize and preserve the inherent advantages of water transportation as declared in the policy of the act. The declaration of policy is not enough. The act should substantially provide for administration and enforcement of the declared policy.

(2) Page 203, line 1, after the word "products" insert "agricultural products and raw materials."

The gentleman from Texas [Mr. SOUTH] has proposed this amendment and I trust he will offer it. I mention the amendment in this connection because I had prepared this amendment before I was aware it was his purpose to offer a similar amendment.

(3) Page 245, line 8, strike out the period and insert a colon and add: "*Provided, however,* This subsection shall also apply to baled cotton."

Contract carriers of bulk commodities meticulously described on page 245 as being without wrappers or containers and without mark or count are exempt from the provisions of the bill. Thus oil is exempt and the Standard Oil is protected. Thus coal is exempt, and the coal corporations are protected. Thus sulfur is exempt, and the sulfur corporations are protected. But not so with cotton. Cotton is baled; it can be carried on barges just as well as oil, coal, and sulfur. Moreover, the textile manufacturers of North Carolina, South Carolina, New England, and the Atlantic seaboard will secure cheaper transportation. They can thus afford to pay more for cotton. The growers and the manufacturers are thus interested. The interests of both the cotton grower and the cotton manufacturer would be promoted.

(4) Page 260, line 8, after the comma, insert the following: "to the recognition and preservation of the inherent advantages of water transportation."

The purpose of this amendment is still further to make good the declaration of policy by substantive law.

(5) Page 260, line 11, after the semicolon, insert the following: "to permitting water carriers to reduce rates so long as such rates maintain a compensatory return to the water carriers after taking into consideration overhead and all other elements entering into the cost to the water carrier for the service rendered."

The purpose of this amendment is to include the real heart of the so-called Miller amendment adopted in the Senate. This amendment is found in section 30 of the Senate bill, on page 111 of the pending bill. Some of the provisions of the Miller amendment have been retained. It is important for the protection of water carriers that all of its provisions be retained. The purpose is to enable the public at large to enjoy the benefits and economies afforded by each type of legislation. It includes, therefore, that part of the Miller amendment not otherwise included in the bill.

The Civil Service in Michigan—A Comparison of Democratic and Republican Administrations

EXTENSION OF REMARKS

OF

HON. JERRY VOORHIS

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Saturday, July 22, 1939

Mr. VOORHIS of California. Mr. Speaker, in order to keep the record straight I think it important to relate something of the havoc that has been wrought by reactionary forces in Michigan—forces that have torn down and entirely destroyed the fine effort of Attorney General Frank Murphy to establish a career type of civil service and efficient operation of State government during the 2 years that he was chief executive of his native State.

Under the leadership of Gov. Frank Murphy, and only after the exercise of his full personal influence, the State civil-service act was passed through a special session of the legislature and signed on August 5, 1937. It was immediately hailed by experts all over the country, including the National Civil Service Reform League and the Civil Service Assembly, as perhaps the finest piece of civil-service legislation written onto the statute books of any State of the Union. It provided a comprehensive merit system for 98 percent of the employees of the State and vested full control of the employment of these persons in a nonpartisan civil-service department.

ESTABLISHMENT OF THE COMMISSION AND THE DEPARTMENT

The Governor then selected what was probably the strongest commission that the people of Michigan had ever had the good fortune to have in their service. It was rightly named by both Republicans and Democrats as "the all-time, all-American civil-service commission." Even Governor Fitzgerald, in public statements, both before and after the 1938 campaign, said that no finer commission could have been selected. Without regard to partisan politics, the Governor combed the United States for the most able director of personnel available, and selected a native son of Michigan, who, however, had been serving as personnel director of another State for a number of years.

ESTABLISHMENT OF AN EFFECTIVE MERIT SYSTEM

The civil-service law became effective on January 1, 1938, in the second year of Governor Murphy's term. Since the time remaining for the installation of the system was so short, Governor Murphy's administration was placed under a difficult handicap from the standpoint of the time available to make the necessary studies, give the necessary qualifying examinations, and provide the other protections and procedures which the program called for. Nevertheless, all dead lines were met, 17,000 incumbent employees were examined, and approximately 1,000 were found unfit and were discontinued from the service. Examinations were given to about 75,000 candidates for positions, and a large number were employed to replace those found unfit and to staff the newly created unemployment-compensation commission. A complete and detailed survey was made of the duties of every job in the classified service of the State, and salary scales based on costs of living and prevailing wages in industry were put into effect. This system of equal pay for equal work necessitated thousands of salary adjustments. A careful review was made of the need for positions, and unnecessary jobs were eliminated. So much for the record of Democratic Governor Murphy.

LEGISLATIVE INVESTIGATION

Immediately upon accession of the Republican Party to power in Michigan in 1939 dire threats were made against the civil-service system. On the first legislative day of the new administration, a concurrent resolution was adopted in both houses as the first and only order of business to provide for the investigation and conviction of those administering the civil-service system. The new Governor accepted first the resignation of the Republican member of the civil-service commission, and soon thereafter the resignation of the two Democratic members. The new majority members of the Commission were men known to be integral parts of the Republican patronage machinery.

The legislative witch hunt that ensued for the next 30 days turned almost the entire press of the State against the present State administration, which was climaxed by an editorial in the Republican Detroit Free Press entitled "Civil Service Wolves." This search on the part of the legislative committee was so fruitless and so thoroughly discredited itself that the committee ended up with an incoherent report unsubstantiated by any facts, and has so far refused to let even so much as the Democratic members of the committee or the legislature have a copy of the hearings of the commitee.

GOVERNOR LEADS ATTACK

In spite of this fruitless persecution, the Republican Party continued its quest for spoils, and Governor Fitzgerald himself made a blistering attack and gave legislative sanction to the legal undoing of the civil-service system in a speech before the Republican Party's spring convention. Immediately thereafter there was reintroduced into the legislature the original bill prepared by a Governor's civil service study commission, which bill was labeled as the Governor's idea of civil service. This bill was promptly disemboweled by the Republican majority of both houses. In protest against this blind of tearing down the civil-service system under the name of a bill bearing the original study commission's approval, the chairman of the original study commission, a Republican, publicly repudiated in a radio address the program of his party and the efforts to destroy civil service.

THE REPUBLICAN VERSION OF CIVIL SERVICE

The new bill enacted into law provided for such a wholesale exemption of positions from civil service that it was immediately labeled by the entire press of the State and was thereafter so known as the Ripper bill. The bill provided for a salaried part-time civil-service commission for exempting all important professional and administrative positions from civil service, and many that were unimportant, for exorbitant application fees for persons wishing to apply for work with the State and took from the civil service department the authority to audit and verify State pay rolls. An appropriation was included in this bill, and also an immediate-effect clause for the admitted subterfuge of preventing the friends of good government from bringing this matter to the attention of the people on a referendum which would otherwise have been possible under the State constitution.

The crowning action to these various efforts of the Republican administration to use the State government as a spoilsman's paradise came when the State senate refused on the 1st of this month to confirm the appointment of the chairman of the civil service commission on the grounds, as stated in the public press, that the chairman had used his authority as commissioner to secure the appointment of many personal favorites and had ignored the needs of the party to the benefit of his own personal following. And this, despite the fact that this gentleman was appointed under a statute which set as one of his qualifications "who shall be known to be in sympathy with the application of modern personnel practices in the public service * * *." It is hardly necessary to say that this qualification required in Governor Murphy's civil-service law was deleted from the Republican edition.

Neutrality

EXTENSION OF REMARKS
OF
HON. EMANUEL CELLER
OF NEW YORK
IN THE HOUSE OF REPRESENTATIVES
Saturday, July 22, 1939

ARTICLE BY FREDERIC WILLIAM WILE

Mr. CELLER. Mr. Speaker, I desire to offer a splendid contribution to the subject of neutrality by my friend, Frederic William Wile, who writes brilliantly and fearlessly under the term "Washington Observations."

CONGRESS' REFUSAL OF NEUTRALITY PROGRAM HELD LIKE INTERFERENCE WITH CONDUCT OF WAR

(By Frederic William Wile)

Refusal of Congress to approve the Roosevelt-Hull peace and neutrality program is not much different, in this column's opinion, from a Capitol attempt to interfere with the Executive's conduct of a war. It is "war," after all, in which the United States is engaged—war against war. In actual wartime it is the American way to trust the administration to conduct the national defense. Politics and partisanship subside to the vanishing point. Congressional support is not always 100 percent unalloyed. George Washington didn't find it so. Lincoln was not immune from snipers. McKinley in 1898 experienced opposition and criticism. Woodrow Wilson, leading the country in its greatest war effort of all time, commanded well-nigh universal support up to the peace conference. By and large, Congress, through our tempestuous national history, has refrained from either stabbing in the back the constitutionally responsible guardians of the Republic's safety or presenting to the world the spectacle of divided counsels at Washington.

CRISIS ALMOST GRAVE AS WAR

This mad world is still at peace. But well-informed men everywhere, who are not victims of wishful thinking, know that since 1914 mankind has not hovered so perilously on the brink of war as it does in midsummer 1939. President Roosevelt and Secretary Hull are reported to believe war is only a matter of weeks. It is in light of "present world conditions" that they consider it "highly advisable that the Congress at this session should take certain much-needed action." Roosevelt and Hull urge action "for the cause of peace and in the interest of American neutrality and security." Lives there a man with soul so dead as to think the President of the United States would address such language to Congress without remeasuring every syllable of his words? To suspect Franklin D. Roosevelt of such irresponsibility is not far, at the worst, from imputing to him high treason. At the least, it is questioning his patriotism. It is to suggest that for some unassigned reason he has the country's well-being less devotedly at heart than Senate isolationists, insurgent Democrats and Republicans in both Houses, who, linked in a bipartisan vendetta, have probably blocked neutrality action for 6 months. When next Capitol Hill sinks its teeth—and its stilettos—into the subject, it may have to enact a war, not a peacetime, measure.

WHO KNOWS BEST?

Uncle Sam maintains West Point and Annapolis, at vast cost, to educate Army and Navy officers for the emergency of national defense. When emergency arrives, it is the American tradition to clothe these trained men, under democratic civilian control, with requisite responsibility. It is also in accord with our tradition, above all, to trust these men and their seasoned judgment once they are vested with the supreme obligation of protecting the United States from attack or invasion and the rights of our citizens from violation. If we were at war this week, military and naval responsibility, under direction of the President, as Commander in Chief, would rest mainly upon the shoulders, respectively, of Maj. Gen. George C. Marshall, Army Chief of Staff, and Admiral William D. Leahy, Chief of Naval Operations. The Nation would strip for action under those leaders in a spirit of justified confidence. It would have that confidence for two sufficient reasons: (1) Because Marshall and Leahy are fitted for their jobs, and (2) because they are in possession of all available information about the military and naval situation. They would know best what to do—or not to do.

CONGRESS WOULD NOT INTERFERE

Does any reader of the Star believe the country would tolerate congressional interference with military and naval operations, except in case of demonstrated inefficiency? If Capitol Hill would and should mind its own business respecting the conduct of war, why isn't there incumbent upon House and Senate an equally urgent duty not to obstruct or instruct the men now trying to prevent war, or, if war be inevitable, are doing their best in advance to avoid our being drawn into conflict between other nations? What evidence is there that Bill Borah, Hiram Johnson, Bennett Clark, Gerald Nye, Arthur Vandenberg, Styles Bridges, and Hamilton Fish are any more jealous of America's welfare than Franklin Roosevelt, Cordell Hull, Sumner Welles, George Messersmith, Key Pittman, Alben Barkley, Speaker Bankhead, Jim Wadsworth, Bruce Barton, Sol Bloom, and Sam Rayburn? What right have the arms-embargo diehards to think they have a monopoly on either patriotism, wisdom, or information?

DO WE FAVOR FRIENDS OR FOES?

Do isolationists possess inside knowledge about the international situation more reliable than the facts at the disposal of the State Department? Do they believe that gentlemen from Idaho, California, Missouri, North Dakota, Michigan, New Hampshire, and the Hudson River Valley are better posted about what the United States ought to do, in its own interest, at this critical international hour, than our wideawake observers in London, Paris, Berlin, Rome, Moscow, and Tokio are? Do arms-embargo zealots seriously suspect that our representatives abroad are in a conspiracy with the State Department and the White House to plunge the United States into direct or indirect war commitments? And, finally, with war threatening, do isolationists think Congress should enact a law to favor the side with which American sympathy lies or do they conceive it to be the duty of Congress to hamstring and handicap our friends? That, after all, is the question—lift the embargo and aid the democracies or retain it and help Hitler!

The Citizens' Appreciation of the Constitution of the United States of America

EXTENSION OF REMARKS
OF
HON. BUTLER B. HARE
OF SOUTH CAROLINA
IN THE HOUSE OF REPRESENTATIVES
Saturday, July 22, 1939

ADDRESS BY FLETCHER PADGETT, JR.

Mr. HARE. Mr. Speaker, some time ago Eddie Cantor, radio comedian, offered a scholarship of $4,000 to the high-school student who would deliver the best oration in a contest sponsored by the American Legion. Fletcher Padgett, Jr., a 16-year-old high-school student of my home town, Saluda, S. C., was awarded this prize at Springfield, Ill., on April 14, and I ask unanimous consent to extend my remarks by including therein the speech delivered by young Mr. Padgett:

THE CITIZEN'S APPRECIATION OF THE CONSTITUTION OF THE UNITED STATES OF AMERICA

(By Fletcher Padget, Jr.)

Does the average citizen of the United States of America appreciate the Constitution? Does he know its value and the rights guaranteed to him thereunder? Does he stop to consider the price at which it was purchased? Is he willing to make the necessary sacrifices in order that these rights may be perpetuated for himself and for his posterity?

Upon the answer to these questions depends whether or not the citizenship of America will be lost and engulfed in the "isms" that threaten to destroy the democracies of the world, or whether this Nation will come triumphant through this period of the world's history which is marked by socialistic, communistic, and individualistic trends of thought and action.

The average citizen of the United States, the man that you ordinarily meet upon the street or upon the highway, does not take the time to consider what the Constitution means to him. He does not know that our Constitution is so constructed that it wraps the cloak of protection as securely around the most lowly laborer and peasant farmer as it does for those who have been fortunate enough to be possessed of fabulous wealth, and, not knowing this, he does not fully appreciate this immortal document. He is too engrossed in his business, in the job of making a living for himself and his family, and in facing the common and everyday problems of his life to appreciate fully the protection provided by the Constitution. He takes for granted the rights which he enjoys and which were guaranteed to him under the provisions of the fundamental law of this land. He and his immediate predecessors are too far removed from the time when these rights were secured. He does not read the history of its making and is unacquainted with the trials and difficulties which the founders of this great Republic suffered and endured in order that this great document, with all of its meaning and protection to every citizen, might be made the cornerstone and bedrock upon which this Nation was founded.

The founding fathers of this grand Palladium of Liberty believed and had faith in the ability of the people to rule themselves. They believed that the people were entitled to a form of government which recognized the inalienable rights of its citizens. They

evidenced this thought and ideal by incorporating therein this beautiful sentiment, "We, the people of the United States, in order to form a more perfect union, establish justice, insure domestic tranquillity, provide for the common defense, promote the general welfare, and secure the blessings of liberty to ourselves and our posterity, do ordain and establish this Constitution for the United States of America."

The keenly intellectual and master minds of those who framed this Constitution were careful to see that the rights of each individual citizen were protected. The right of trial by a jury of his equals, where his life, liberty, or property was at stake, was secured to him in no unmistakable terms. The right to tax him was given only with his consent or the consent of his legally elected representatives. Everything that pertained to his happiness and welfare was left to the voice and consent of him who was governed. There was no place in this instrument for the iron rule of an autocrat or a dictator. What the Constitution has meant to the American citizen since its adoption cannot be estimated. No historian, no economist, and no student of government would even attempt to place a value upon it. It has been a godsend to womanhood, a shelter to the weak, a barrier to the strong, a relief to the oppressed, and a model and pattern for all liberty-loving people.

Standing as we do today in point of time, far distant from the adoption of the Constitution, it is difficult for us to understand and appreciate what it cost. If we could go back across the years and stand by the side of the men who took part in the framing of this great instrument, we would better appreciate its meaning. They were fresh from a conflict that was brought about by misrule; they had seen their property taken away from them by unjust taxes; they had been oppressed by overlords and rulers; they had seen their rights trampled under foot with impunity; they had dared challenge the right of a great and powerful nation to impose unjust rules and taxes; they had banded themselves together in a common cause to resist the injustices which were being heaped upon them. They had marched from Lexington to Concord, to Bunker Hill, Valley Forge, and Yorktown; they willingly endured the hardships of a merciless war in order that liberty might be guaranteed to them and to their posterity. They paid the price in order that man might set up in a new world a new form of government, and time has proven the soundness of their reasoning.

Have the sacrifices of our forefathers been in vain, and will this experiment, which started more than 150 years ago be able to stand through all the vicissitudes which now encompass the nations of the world, or will the historians of future generations have to write that the greatest democracy of the world failed? No; the fight and struggle for self-government and freedom must go on. The citizenship of America have taken upon themselves the responsibility of proving to the world that people are able to govern themselves. The privileges of citizenship in a free country are too priceless a heritage to give up. The history of the past with all of its bloodshed, its heartaches, its sorrows, its toils, and sacrifices in order that man might be free, demand that this generation and those who come after us shall ever keep alive our form of free government. The Constitution of this country must be honored, appreciated, and defended at all cost. The heroes of the past cry out to this generation to save and protect it. Every liberty-loving man the world over is working with hope and faith to the end that this Constitution shall be preserved. It is the duty of every individual citizen, your duty and mine, to learn the meaning of the Constitution, its value, and the things for which it stands, thus showing our appreciation to the founders of the Constitution for guaranteeing to the citizens of the United States of America the freedom and liberty that we now enjoy, and for which many of our forefathers paid the supreme sacrifice.

Founded upon a philosophy of free government that was born in the hearts and minds of free men, tested in the trials of peace and war which it has experienced through the years, and solidified by a faith that shall live, this Nation will endure. Though the rains of discord and dissension may descend, the flood of "isms" may come and the winds of adversity blow, this constitutional form of government will stand, for it is founded not upon sands that shift with the ebb and flow of a tide, but upon an everlasting rock.

Why a Union?

EXTENSION OF REMARKS
OF
CLARE E. HOFFMAN
OF MICHIGAN
IN THE HOUSE OF REPRESENTATIVES

Saturday, July 22, 1939

Mr. HOFFMAN. Mr. Speaker, the purpose of a labor union, like that of every other organization, should be to improve the condition of its members, promote the public welfare.

EACH ONE SHOULD STRIVE FOR MORE

It is well that the woman or the man who works with her or his hands should desire a higher wage, shorter hours, better working conditions, and more friendly relations with the employer. If everyone in days gone by had been content with her or his condition and station in life, with what he had, we all would still be living in caves, clothed in animal skins or not at all, and existing from day to day on roots, plants, and the flesh of animals we were able to kill.

But thank the good Lord who implanted in each one of us a desire to improve not only ourselves but others and to obtain not only for ourselves but for our children more of those things which make life easier, more pleasant, and agreeable.

SOME WILL ALWAYS HAVE MORE THAN OTHERS

Some, either through greater ability, a more constant application to the tasks which confronted them, or through luck or good fortune, or because their ancestors by some means had been able to accumulate a fortune, are placed in a position where they are able to hire others to perform what many consider the more difficult tasks.

As long as some women and some men deny themselves some of the luxuries of life, are more frugal, thrifty, and industrious, that is, work harder and longer hours, there will always be inequality in this world. Whether because of their lack of ability, of inclination to work or to save, or because of misfortune beyond their control, always there will be some who live in hovels, some who live in homes without modern conveniences, some who live in modest homes which have everything that woman or man actually needs, and some who live in mansions; and no one knows where the greater degree of happiness and contentment actually dwells, although quite naturally it should be in the homes of those in moderate circumstances, able to enjoy not only the actual necessities but many of those things which in days gone by have been termed "luxuries."

Neither extreme poverty nor great wealth bring contentment or happiness. So it is that all can probably best serve their own interests and the interests of their fellow men by striving for and being content with that station in life which enables them to live comfortably, enjoy the conveniences, and earn the income which gives time for legitimate pleasure but which does not encourage idleness, waste, and character-destroying pleasures.

SOME GREEDY EMPLOYERS

In the past, some employers, being greedy, overavaricious, unmindful of the welfare of those who were aiding in creating a profit, have denied to the workers a fair share of the income which came from the efforts of all. Hence it is that workers have become dissatisfied; have, in far too many cases, been oppressed, misused, and denied the opportunity to better their station in life.

Out of this has come, first, spontaneous strikes or revolts against the employer, sometimes resulting in violence and the destruction of the plant where the workers were employed; sometimes resulting in the permanent loss of jobs of the workers, in the complete destruction of the property of the employer.

Where the employees were few and knew the employer and the employer knew each of his employees, his family needs and family problems, if the employer was worthy of being called a man, when differences of opinion arose, those differences were usually settled in a friendly, satisfactory manner when the two met and talked things over.

But as industry grew and thousands of men were employed, as capital from other cities or States was used to build and operate factories, it became impossible for those in charge of operations—for those upon whom the responsibility for production, sales, and the meeting of the pay roll rested—to know the individual need of the workers.

WHEN A UNION IS ADVISABLE

It therefore became necessary, if workers were to be protected in those cases where there were justifiable grievances, to form unions, elect representatives of the workers, authorize

and empower them to meet and bargain with representatives of the employer as to wages, hours, and conditions of employment, as to grievances which the individual employees might have to present.

Such a movement was organized, and for almost 50 years, under the wise leadership of Samuel Gompers, the American Federation of Labor, holding aloof from politics, from all legislation except that which affected the interests of labor, was known as the workingman's representative, which obtained for him increases in wages, shorter hours, and vastly improved conditions surrounding his daily toil. That organization in those days was known as being loyal to the interests of the worker. Its officers and representatives were devoted to just one cause. That was the improvement of the workingman's lot in life.

COMMUNISTS IN UNIONS

But back in 1924, from abroad came ideas and a movement which were destructive to the true interests of the woman and the man who earned their bread by their daily toil. In printed Senate Document No. 14 of the Sixty-eighth Congress, first session, there is a report compiled under the direction of John L. Lewis, who was then president of the United Mine Workers of America, in which he described that movement in the following words:

LEWIS SAID COMMUNISTS WOULD DESTROY OUR UNIONS AND OUR GOVERNMENT

Imported revolution is knocking at the door of the United Mine Workers of America and of the American people. The seizure of this union (A. F. of L.) is being attempted as the first step in the realization of a thoroughly organized program of the agencies and forces behind the Communist International at Moscow for the conquest of the American continent.

The overthrow and destruction of this Government, with the establishment of an absolute and arbitrary dictatorship, and the elimination of all forms of popular voice in governmental affairs, is being attempted on a more gigantic scale, with more resolute purpose, and with more crafty design than at any time in the history of this Nation.

C. I. O. ATTEMPTS TO DESTROY A. F. OF L.

In 1935 Lewis quarreled with the leadership of the A. F. of L. and withdrew from that organization and, joining seven others, formed the C. I. O. and began the formation of industrial unions.

At first this group met with considerable success. They, however, took into their organization many Communists, who believed in violence and in the destruction of this Government by force. Among others, Lewis accepted as his aides Powers Hapgood, John Brophy, and Adolph Germer. These three men Lewis had himself, publicly, at the Indianapolis convention in 1930, described as "fakirs, repudiated leaders, traitors to the unions, opportunists, and purveyors of every falsehood, slander, and deception." Nevertheless, knowing them to be such, he permitted them to take an active part in his organizing compaigns.

LAWLESSNESS AND SIT-DOWN STRIKES

Using funds collected from the United Mine Workers, the sit-down strikes were called in Michigan on the last day of 1936. By using armed men brought in from other cities and even from outside the State, the C. I. O., using the tactics and the leaders of the Communists, seized possession of factories, drove thousands of women and men from their jobs, caused a loss to the wage earners alone of $44,000,000, and, in the end, the average wage of the General Motors worker was less than it had been before.

In many other communities the same tactics were followed. Lewis demanded, and by force attempted to make good his demand, that only those women and those men who paid the initiation fee fixed by him, signed his organization card, and later paid the dues and the special assessments determined by his international executive board were to have the privilege of working in certain designated factories.

To end the Flint strikes, General Motors signed a contract with a C. I. O. affiliate, but, notwithstanding that contract, within a year, according to one of Lewis' lieutenants, more than a thousand strikes were called in that industry, and today negotiations are still pending because Lewis is demanding a closed shop.

The larger part of the soft-coal mining industry signed a closed-shop contract with Lewis' United Mine Workers, and today that industry, as everyone knows, is a "sick" industry, with miners out of work much of the time, with the operators of the mines losing money, and with fewer jobs available than in previous years.

UNIONS CLOSE FACTORIES—DESTROY JOBS

In one industry in Pennsylvania the C. I. O. pulled one of its strikes, and as the result a factory costing more than a million dollars was sold and, under the protection of police, dismantled and the machinery sold as second-hand material or as junk.

In the summer of 1937, when the C. I. O. was conducting an organizing campaign at Tupelo, Miss., it was my privilege to visit that town. As a result of the C. I. O. invasion, the cotton mill closed. It was dismantled and several hundred jobs were lost forever to the people of that little town.

At Akron, Ohio, in former years 75,000 men were employed in the rubber industry. The town was prosperous. The wages were high. Then came the C. I. O. and today in many sections of the city stand vacant houses. Instead of 75,000 jobs, there are some 25,000 in that industry and much of the production has been shifted to other communities. Akron sees the error of its ways, for there, in the beginning, the businessmen, because of pressure brought, supported the strikers. Today many of those who condemned the employers, who favored the strikes, are out of business permanently, and worker after worker has been forced to sell his home and move to some other community, while hundreds of others have gone on relief.

But do not take my word for what is happening the country over. Let me quote from an article from the Valley Daily News, of Tarentum, Pa., and which bears the caption, "Coral, Now Ghost Town, Monument to Strike Folly", and which shows what happened July 18, 1939. Look at the date again. This month, on the 18th, at Coral, Indiana County, Pa., not in some unnamed place at some unnamed date, but at what happened at that particular place on that date, a thing which has happened time and time again since the C. I. O. and John Lewis started on their wrecking expeditions, and which will happen in many other towns where employees listen to these agitators. Here is the article. I quote:

C. I. O. CREATES A "GHOST TOWN"

CORAL, July 18.—Miners and their families today are pondering the cost of strikes as their homes go under the hammer. The entire town that once housed 1,500 persons is being sold piece by piece. With it goes the coal properties and mining and coke equipment that coal men say will never again operate.

Labor troubles, 11 strikes in 2 years, the operators say, made it impossible for them to continue. In the 2 years of 1937 and 1938 the Coral Coal & Coke Co. put $100,000 into the mines and ovens, about half of which, they said, resulted from losses directly due to repeated strikes. The mine operated under union contract and at union wages, officials said.

Constant agitation by about 15 leaders caused the troubles, according to the management. Each strike required a concession by the company for settlement and each concession became accepted policy. After 11 costly concessions the operators could no longer operate at a profit, they said.

The company's chief product was foundry coke. It operated 300 ovens and employed 270 men at the time of closing. At one time it employed more than 300. Today the former employees as well as company officials realize fully that the repeated strikes are responsible for them being out of employment and on relief. All the miners retain today is an $18,000 meeting hall recently completed.

The mine was originally opened in 1902 by the Wharton Coal & Coke Co. It represents an investment of more than a million dollars.

ORGANIZERS LEAVE WORKERS IN JAIL

In my own district in Michigan, in the town of Dowagiac, organizers came in from outside and proceeded to organize the workers and to incite them to riot. Following the advice of the organizers, who received approximately $15 a day and their expenses, according to local report, some of the local men injured the factory building, with the result that the local boys were thrown in jail, one of them sentenced to the penitentiary, while the organizers went gaily on their way, seeking other people to fool.

Over at Grand Haven, in the southwest part of Michigan, a strike was called against the Kiddie Kover Manufacturing Co. Again following the advice of outside agitators and organizers, there was violence, interference with officers, and once more two men were sent to the penitentiary and one woman was sentenced to a jail term of 6 months. Again the organizers had left town; local people were left without jobs.

EMPLOYERS MUST MAKE A PROFIT

Not a woman or a man but who knows that no corporation or individual running a factory, mill, or mine can continue to do business unless a profit can be made for the stockholders or owner.

LEWIS LIVES IN LUXURY

Not a single agitator nor the head of a union—no; not John Lewis himself, who enjoys an income of $25,000 per year; who at one time had an expense account of $1,000 a month, all paid out of dues collected from working people; John Lewis, who rides in a limousine with a chauffeur; who attends so many of the official social functions; who calls on foreign ambassadors and counselors; who is welcomed at the White House, in a spike-tailed coat and winged collar and wide, white shirt; who apes many of the customs and habits of those whom he is pleased to denounce as the idle rich—has ever been known to give one industrial job or pay a wage to one industrial worker thrown out of employment.

WORKERS MAY BE ASSESSED BY LEWIS

In 1936, John Lewis' mine workers, after paying enormous campaign and organizing expenses, had a surplus of over $3,000,000, taken right out of the pockets of men who toil with their hands. Those who join his organization, although they may get in in the first instance without charge, are usually later required to pay an initiation fee, monthly dues of as much as $1.50 and—and do not forget this—such special assessments as John Lewis' international executive board may levy. Just recently a special assessment of $1 each was rendered against soft-coal miners for—note this—political purposes.

WORKERS FINED BY UNION

In my files is a letter from a woman asking me to protect her against a local organization of Lewis which fines her 50 cents every time she fails to attend a meeting called by the union. Another letter in my possession is from a girl who was told that she will continue to pay the dues and special assessments levied by the union of a hosiery organization or she will not work in her home town.

UNDER UNION CONTRACT, MINERS PAY HIGHER RENT

On the 10th day of July 1939 I saw a contract at Harlan, Ky., which an operator was forced by Lewis' organization to sign, which in effect raised the rent of the miner's house—now mark you, the miner belonged to this union—from $6 to $9 per month. Is it any wonder that some employers sign?

If you are not being paid what you should receive, if your employer is making an exorbitant profit, if your hours are too long, if the conditions under which you work are not proper, and if you cannot get these things adjusted by talking to foreman or manager, then organize your own union, elect your own representatives, and have them consult with the employer. Learn what the trouble is and find a remedy for the unfair conditions, if there be unfair conditions.

DECIDE FOR YOURSELF

The people of every small community in Michigan should be able to handle their own affairs. They ought to know what is wrong in their particular community. They should know how to remedy it, if there is a remedy. They should learn for themselves before they submit to the dictation of outsiders whether the employer is making money, whether he can afford to pay more, whether working conditions can be changed, and then, if they have complaints, as just stated, meet together and, as our forefathers did in olden times, form their own organization, elect their own representatives, and bargain collectively.

Plans for this purpose can be readily obtained; in fact, I will be glad to furnish samples without charge to any group which believes in independence; which does not desire to permit organizers from other cities and other States to come into a community, levy tribute upon workers, drive employers out of business.

The workers of Michigan need no assistance from foreigners located in New York, Pittsburgh, Philadelphia, Detroit, or any other city. Nor do they need assistance nor advice from those Communists formerly described by Lewis as bent upon the destruction of legitimate labor unions and the overthrow of this government. But into the C. I. O. organization, in the forefront of its battles, went these Communists, using many of their lawless, violent methods to further Lewis' interests.

NEITHER ORGANZIERS NOR UNION OFFICIALS GIVE JOBS OR ISSUE PAY CHECKS

Advice of outside organizers and employees of the Labor Board acting as organizing aids to the C. I. O. may be freely given, but while you are listening to it, remember that none of them will give you a job or a pay check; that, after they have gone, you may have little or nothing or a substantial loss to show as the result of following their advice.

Regulation of Water Carriers in Interstate and Foreign Commerce

EXTENSION OF REMARKS

OF

HON. SCHUYLER OTIS BLAND

OF VIRGINIA

IN THE HOUSE OF REPRESENTATIVES

Saturday, July 22, 1939

Mr. BLAND. Mr. Speaker, the statement has been made frequently that title II of the pending bill, dealing with regulation of water carriers in interstate and foreign commerce, is the result of the work of what is known as the President's Committee of Fifteen, headed by Dr. Splawn, and the Committee of Six, made up of representatives of railroad companies and representatives of labor.

It cannot be emphasized too strongly or too often that the water carriers were not represented on these commissions, and have never been represented on any of the commissions or on any studies that have been made. They have now been denied the consideration of the bill by any group of men who knew their problems or legislation affecting them.

TONNAGE ON WATERWAYS

A great deal has been said about the tonnage carried by water carriers. Figures taken from the official records of the United States Army engineers show the following:

Trade	Calendar year	Short tons
Coastwise	1937	121,077,781
Intercoastal	1937	7,732,706
Great Lakes	1937	143,355,824
Inland waterways	1937	190,450,102
Total		471,616,413

These figures, of course, include tonnage carried by all kinds of carriers—industrial, common, and contract.

Deducting from the total of 471,616,413 the Great Lakes tonnage of 143,355,824 leaves 328,260,589 tons, but of this only 7,732,706 tons are intercoastal. That tonnage is subject to regulation by the Maritime Commission, and a large part consists of bulk commodities and similar cargoes of which Admiral Land, Chairman of the Maritime Commission, says in his brief submitted to Senator BAILEY, chairman of the Committee on Commerce in the Senate, that much of the traffic in the intercoastal trade consists of bulk commodities which the railroads could only carry at rates unremunerative to them, making up the losses on other traffic. However, if all of the intercoastal traffic were carried by rail, it would not add substantially to their total tonnage. It is shown in that report that a fair comparison of the relative importance of

the rail and water movements may be drawn from the fact that the seven principal western railroads carried 208,000,000 short tons of revenue freight in 1936, whereas both the common and the contract intercoastal carriers by water together carried 7,500,000 short tons. It is shown that if this water traffic had moved by these western railroads it would have increased their revenue tonnage by only 3.6 percent, and by reason of the low rates applicable to most of the commodities their revenue would be increased by an even smaller percentage.

Admiral Land says:

> The problems of the intercoastal carriers are mainly problems existing as between themselves as Congress recognized in passing the Intercoastal Shipping Act, 1933, which gave the Commission a more extended jurisdiction over this class of carriers at that time than in the case of coastwise carriers.

As a member of the committee when the Intercoastal Shipping Act, 1933, was prepared, and also when the Maritime Commission was given jurisdiction over the minimum rates as well as the maximum, I know this statement to be entirely correct.

I quote further from the brief:

> The Commission has completed and recently sent to Congress a careful survey of the intercoastal shipping situation. This is a supplement to former Chairman Kennedy's survey of the American merchant marine and copies are available for the members of this committee. There is presently underway a comprehensive investigation of the rates and practices in this trade. This investigation is a formal proceeding under the provisions of section 22 of the Shipping Act, 1916. In view of the fact that all of the intercoastal carriers are respondents therein, and a vast number of shippers and other interested parties have expressed their desire to offer testimony at hearings now being held in different parts of the country, the Commission is confident that there will be evolved therefrom a rate structure and a body of practices which will improve conditions in this segment of shipping.

It has been said that intercoastal carriers asked for the pending bill. Those advocates were Edward B. Farley, chairman of executive committee, American-Hawaiian Steamship Co., and trustee of Munson Steamship Co., closely connected with Mr. Harriman, railroad magnate, and reported to have large holdings in the American-Hawaiian Steamship Co.

Mr. Farley appears to have been the intercoastal witness and his identity with railroad interests appears to be very certain. Moreover, his company appears to be a carrier of only 24.4 of the cargo for 1938 passing through the Canal, and it is very evident that he is motivated also by the desire to get more business for his steamship company if he can remove his competitors.

As to the coastwise carriers, the tonnage shown above was 121,077,781 short tons. Of this tonnage, there was carried for the year 1937, 10,474,262 tons by common carriers, and by contract carriers 19,856,872.

On this subject of coastwise trade, it is important to note that the portion of the cargo carried by the water lines, such as petroleum, ore, coal, phosphate rock, and sulfur, which is not generally competitive as between the water carriers and the railroads, is even greater than in the intercoastal trade, and that in the general cargo which moves in the coastwise trade, there is included a substantial amount of transshipment cargo originating in or destined for foreign ports.

> The real problems relating to transshipment cargo, are, first, to prevent its diversion to direct ocean carriers, most of whom are foreign-owned, foreign-flag lines; and, second, to further the development of this type of traffic. The proposed bill which makes transshipment cargo subject to the Interstate Commerce Commission as to that part of the movement which is between ports in the United States would in practice preclude domestic carriers from entering into transshipment arrangements with carriers in foreign commerce and therefore would force existing traffic to these direct lines, and prevent any further development of transshipment business.

Surely nothing should be allowed to retard the development of our own American merchant marine, and it should not be hampered or obstructed by the delays, technicalities, and procedure of the Interstate Commerce Commission.

As to those water carriers not now subject to regulation with respect to their rates, and their operating practices, please note:

> The two important classes of carriers are the contract carriers in the coastwise trade and the inland water carriers, both common and contract carriers. Competition between contract carriers in the coastwise trade and the railroads is negligible. Both those operating on the high seas and those operating on the Great Lakes compete, if at all, only with the common carriers by water in those trades. It is these common carriers by water who desire, and would possibly be benefited by, the regulation of contract carriers in these trades to the same extent as the common carriers. Whether it would be desirable to make the regulation of these contract carriers coextensive with that applicable to the common carriers presents many questions which should be given careful consideration. It is sufficient for the purpose of this statement to point out that these problems primarily concern domestic water transportation and have little relationship to the problems of the rail carriers.

INLAND CARRIERS

As to inland carriers, the improvements made on this system indicate the purpose of Congress to provide for transportation, particularly, of our basic commodities at rates which reflect the economies of water transportation. From the earliest days the importance of fostering inland-water improvements in aid of navigation has been recognized. Many of our Presidents have urged upon Congress the development of our inland-waterway system, and principally for the purpose of providing economical water transportation.

It must be admitted that—

> Federal aid in the development of inland waterways was greatly accelerated in the 1920's because by that time the public had come to a greater appreciation of the value of water transportation. Barges and steamboats had virtually disappeared from the inland waters and the country had come to depend almost entirely upon the railroads. Commissioner Splawn, of the Interstate Commerce Commission, stated during the hearings on the Lea bill (H. R. 2531) before the Interstate and Foreign Commerce Committee of the House that the strengthening of the Interstate Commerce Act in 1920 was for the purpose of regulating the railroads on the theory that they had a substantial monopoly of domestic transportation. In addition to more rigid regulation of the monopoly, Congress decided to provide for the extensive development of inland rivers and canals and coastwise water facilities. Waterways were developed and improvements made to meet the requirements of shippers and the general public, and to escape from the virtual monopoly of the railroads. The extent to which this program of developing our inland waterways, which began about 1920, is a matter of history, with which the committee is fully familiar.
>
> The (Maritime) Commission is making a survey of this field of water transportation similar to that which has been undertaken by the Commission in other fields and expects to report to Congress thereon in the near future. Prior to the completion of the survey the Commission is not in a position to state what, if any, regulation of inland waters seems necessary or desirable. I feel that in fairness I should state that nothing has so far been developed in the course of making the survey which indicates that regulation to the extent provided under S. 2009 is either necessary or desirable.

Anyone who has examined the comprehensive and exhaustive surveys of the Maritime Commission on the subject of foreign commerce and coastwise and intercoastal shipping will desire that part III of the pending bill shall be deferred until this report on inland waters shall have been completed.

Advocates of the pending measure allege that the Inland Waterways Corporation, of which Maj. Gen. T. Q. Ashburn is the head, has requested regulation by the Interstate Commerce Commission. That concern represents about 3 percent of the tonnage carried on the inland waterways.

In an editorial which appeared in the January 1939 issue of Marine News on the transportation problem, it was well said:

> The success or failure of our transportation system depends upon the service that they render to the public, and it is pleasing to note that the different transportation systems are coming to realize this more and more.
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> * * * * * * * * *
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> There are a number of ways by which, we believe, the railroads could improve their financial situation, without penalizing the water-borne carriers, and which should be carefully investigated. There is one main objective, however, which we believe should be accomplished that will do more to improve the existing situation than any other, and if this main objective is properly developed the other points will take care of themselves.

The objective referred to was described as the bringing of all of the different modes of transportation into a more complete understanding of the transportation needs of the

public, which should be their main aim, and then close cooperation between them in offering joint services to the public. It was said that where they directly compete with each other, the cost of different types of service should be predicated on the service rendered, the facilities offered, and the time consumed in completing the service. The slowest service should charge the lowest rate, with a corresponding higher rate as the type and speed of service increases. It was well said that an honest application of this objective will benefit the country as a whole, and will enable each type of carrier to earn a fair return for the service that it performs.

The proper approach to this transportation problem is through cooperation, and on this subject Admiral Land said:

In considering whether the interests of those shippers and consumers and the water carriers would be adequately protected if regulatory jurisdiction over them were given to the Interstate Commerce Commission, it should be borne in mind that the railroad carriers may be considered as inherent monopolies in their own field of transportation, while the water carriers have no natural monopoly with respect of water transportation. Every effort of this Commission with respect to the water carriers has been to prevent them from becoming monopolies and to retain the greatest freedom of competition consistent with service to the public. A railroad represents a huge investment in fixed properties, and the communities it serves would be, in many instances, greatly injured by its discontinuance. In the case of water carriage, the problem is in maintaining the transportation service, but not necessarily, however, by the particular carrier then in the trade. Consequently, the Commission, in viewing regulatory matters, stresses the adequacy of the service as a whole to the persons employing it and the reasonableness of the carriers' rates with relation to the needs of both the shippers and the consumers. The maintenance of a particular carrier in trade, although not neglected, is not given controlling weight. The Commission feels that of necessity the Interstate Commerce Commission would have to use as a measure in all of its determinations involving the competitive efforts of the railroads and the water carriers to get business the railroads' struggle for existence.

Coordination is a very desirable objective, but it is best obtained by a proper spirit of cooperation between various agencies of the Government, each of which is expert as to the several problems involved, and not through subordination either in theory or in practice of one phase of the problem to the other. The Maritime Commission has always cooperated very closely with the Interstate Commerce Commission as to water rates which in any way affect rail rates. It has recognized the gravity of the railroad problem and in practice given most careful consideration to the effect of any regulatory action which it may take upon the railroad rate structure. More than this cannot justifiably be asked.

Our first objective today should be the promotion of the use of all of the facilities of transportation and to try to solve some of our major economic problems by the greater distribution of farm products and other basic commodities. No good will be accomplished by increasing that cost. It has been repeatedly urged that there is an imperative need for more purchasing power to the end that more products of factory and farm may be consumed. That result cannot and will not be obtained by increasing the cost of distributing those products. The less the expense for this purpose, the more of the products of factory and farm will be consumed, the more will be produced to the advantage of the producers, and the more will be transported to the advantage of all forms of transportation. Strangulation of any one form of transportation increases unemployment, increases expense, and adds other obstacles to the barriers already delaying recovery.

EFFECT OF PART III ON FARM PRODUCTS

Secretary of War Woodring, Secretary of Agriculture Wallace, Admiral Land, Chairman of the United States Maritime Commission, and National Grange, all oppose the regulation of water carriers by the Interstate Commerce Commission.

Admiral Land: As a matter of fact, farm organizations, shippers, and their trade associations, are alarmed at the proposals which it (the bill) contains and sincerely believe that its passage would be detrimental to their interests. The farmers and other shippers in particular are convinced that the effect of the present bill would be to force water transportation rates to levels close to levels approximating those of rail rates and higher than necessary to reflect the reasonable cost of water transportation, and that they, the users of water transportation, would be footing the bill for the sole benefit of the railroads.

Secretary Wallace: Farmers and other shippers should not be required to pay rates based on transportation costs of properties improvidently built, wastefully operated, or partially obsolete. Any effort to improve the condition of the transportation industry should be harmonized with the general welfare. The advocacy of thorough regulation of the minimum rates of motor and water carriers by a centralized agency appears to represent an attempt to use Government power to bring competing transportation agencies into a cartel and, in this manner to share traffic and adjust rates in such a way as to earn a return upon all transportation capital of these agencies. Hence, an umbrella would be held over the inefficient plant, and the present high rail-rate level would be protected from the impact of a vigorous competition. Undoubtedly, such a policy would also result in more rigid rates in times of depression, since the motor carriers and boat lines could no longer play their rate as an effective competitive force in bringing down rail rates on commodities susceptible to rail or truck, and rail or water movement.

Again in the same letter written July 15, 1939, to Speaker BANKHEAD, Secretary Wallace said:

We have for some years been advocating greater flexibility in rail rates, and lower rather than higher rates especially, as an aid in marketing surpluses of farm products and as vital prerequisites to the restoration of economic health to agriculture, to industry, and to transportation itself. As a means of improving the purchasing power of industrial labor and the urban population for surplus farm products, and that of the farmers for industrial (employment-giving) products, the Department of Agriculture is working vigorously on plans and programs to obtain a larger distribution of such surplus farm products as citrus fruits and butter in the consuming centers of the East. The transportation factor is a large element in the cost of distributing these products. Lower rail rates to reduce the great barrier of distance is an essential condition to the success of this effort to bring about a more effective functioning economy.

In the same letter, Secretary Wallace appropriately said:

What then are the remedies for the so-called transportation problem? In the first place, it should be recognized that the transportation problem is only part of a larger problem. In reality, the country faces an economc problem which largely consists of finding ways and means of increasing employment, production, and consumption to the end that our economic system can operate at reasonably full capacity under democratic controls. The railroads and other agencies of transportation are significantly affected by and can contribute measurably to the solution to this all-important social and economic problem. Unfortunately, the railroads seem determined to find a solution for the admittedly difficult financial situation of certain rail carriers without regard for the more general solution; in fact, from their public statements it would seem that they are seeking to solve their difficulties at the expense of agricultural and other shippers, consumers, and taxpayers.

If the proposed bill will not raise water rates, it is meaningless so far as the railroads are concerned. The proportion of water-borne commerce affected as compared with the rail commerce is so small the bill will accomplish nothing for the railroads. On the other hand it will destroy water-borne commerce by strangulation, burdensome requirements, and continuous embarrassment with the result that those who now enjoy benefits by cheap transportation and can survive only by cheap transportation will be destroyed.

REGULATION UNNECESSARY FOR WATER-BORNE COMMERCE EXCEPT AS NOW PROVIDED UNDER THE MARITIME COMMISSION

Regulation of railroads began with granger legislation of the 1870's, and in the act to regulate commerce of 1887. These laws were passed to protect the public against extortionate rail rates, unjust discriminations, rebates, iniquitous preferences, and similar practices. Students of that period will recall how large shippers not only secured rebates and preferences for themselves, but compelled exorbitant rates on their competitors, driving them out of business, and finally pursuing practices as iniquitous as the methods of the highway robber in that they not only compelled exorbitant rates on their competitors, but demanded and received the excess so extorted for themselves.

Secretary of War Woodring in his letter to Chairman LEA regarding this bill, said:

The only disinterested testimony before your committee stressed the unsoundness of relating water rates to the present illogical and inconsistent rail-rate structure, and thus depriving the public of such economies as are made possible through the use of waterways. It insisted on the soundness of regulating water rates to the needs and the potentialities of water transportation, altogether independent of other forms. The advantage of making water transportation still further dependent upon the arbitrary regulation of an outside agency is not apparent. This Department

recommends that the revenue scales of the rail carriers be restored to normal levels, with the large bulk of the country's traffic continuing to travel by rail, but at profitable rates, and that the free flow of specially adapted tonnage be permitted to reach and use the waterways unhampered to the end that commerce may be stimulated to move in increased volume at the lowest possible cost. It is believed that such steps would be in the interests of the taxpayers, the shippers, and the carriers themselves.

NO PUBLIC DEMAND FOR WATERWAY REGULATION

There is no public demand for waterway regulation. The committee presenting the bill shows no public demand. The instances referred to have been answered. The public is satisfied. The committee says that there should be unified control, and yet they have omitted air transportation. The truth is that the right of transportation units to live must be measured by the service they are able to render. The majority of rail, highway, and water carriers are in better condition, if anything, than business in general.

The water carriers must take into consideration interruptions from fog, ice, and flood conditions. These carriers have no backlog of noncompetitive tonnage upon which to shift their burden. They can be starved out. Their only salvation lies in genuine low operating costs. Their competition is really with each other. Once destroyed, the shipping public lose the advantage of waterway transportation and the benefits that flow from it.

There are many of us who feel the gravest apprehension for the future waterways if placed still further under the control of outside agencies. We feel that the railroads should address themselves to economies in their own service. We recall that Commissioner Eastman, former Federal Coordinator of Transportation, found unnecessary and wasteful duplication of rail terminal and exchange facilities and operations to be "one of the greatest items of railroad expense and probably accounting for more than 50 percent of the total expense."

We realize that excessive fixed charges could be readjusted and savings secured by the elimination of expenses involved in traffic solicitations and endless legal controversies carried on for the purpose of harassing and exhausting the resources of their competitors. Why not let the railroads reduce unnecessarily large salaries paid high officials and burdensome expenses of executive associations? Let them make an honest effort to reform themselves rather than direct their efforts to the destruction of their competitors.

Surveys by the War Department indicate that the consequent rise in cost of service is likely to discourage the movement of freight which requires cheap transportation.

The consumer pays the transportation bill. He suffers when it is high. He benefits when it is low. In the interest of the consumer, the waterway sections should be removed from the bill.

R. F. C.—Its New Chairman

EXTENSION OF REMARKS

OF

HON. EMANUEL CELLER

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Saturday, July 22, 1939

ARTICLE FROM THE NEW YORK TIMES

Mr. CELLER. Mr. Speaker, one of the most useful and efficient agencies of our Government is the Reconstruction Finance Corporation with its affiliate corporations. I deem its entire staff the most proficient and hard working of any in Washington. I am happy to sing the praises of Jesse H. Jones, its Chairman, and his splendid board of directors—Senator Charles B. Henderson, Carroll B. Merriam, Emil Schram, and Howard J. Klossner—and its excellent legal staff ably headed by Claude E. Hamilton, Jr. I cannot overlook a word of praise for William C. Costello, assistant to the Chairman.

If time would permit, I could easily point out for especial reference many others in the Corporation who have helped make it the least-criticized of governmental bureaus despite the fact that it has handled billions of dollars of the people's money. Unfailing has been the courtesy and consideration I have always received from the gentlemen named, and their assistants, like Messrs. Thalman and Hoover in the loaning division. Many have been the instructive admonitions and advices I have received; earnest has been the consideration I have received from my esteemed friends, Messrs. Henderson, Merriam, and Schram. I say this despite the fact that applications for loans of my constituents have not always been granted. But the rejections have always been fair and proper and justified.

Recently we learned that Jesse Jones was selected to head the great entity set up as a consolidation of all our governmental loaning agencies. That was good news. No man is better fitted than he for such a gigantic job.

Agreeable and happy was the President's selection of his successor, Emil Schram.

In that connection I cannot resist the temptation to insert herein a fine and telling article which the New York Times recently carried to reflect my own views of Emil Schram:

[From the New York Times]

SCHRAM A LINK FOR BUSINESSMEN WITH NEW DEAL AS R. F. C. CHAIRMAN—URGED BY JESSE JONES AS SUCCESSOR, INDIANAN HAS HAD SUCCESS AS A FARMER AND IN MANAGING FEDERAL LOAN AGENCIES

(By Joseph Alsop and Robert Kintner)

WASHINGTON, July 16.—Kipling's line, "East is east and west is west, and never the twain shall meet," rather accurately describes the relations between the new dealers and their rivals, the orthodox Democrats, and old-line Government officials. Casual encounters are rare enough, except when Harry Hopkins plays bridge with Jesse Jones; and it is almost unheard of for any individual to keep a foot in both camps.

However, Emil Schram, slated to be the new chairman of the Reconstruction Finance Corporation, manages to combine a good many of the best qualities of each group of his friends. He is probably the only man in the Government whose work is admired equally warmly by Jesse H. Jones and Thomas Corcoran, and he is certainly the only one whose career has been jointly fostered by this ill-assorted pair.

Mr. Schram's elevation to the R. F. C. chairmanship is significant for that very reason. With regard to general policy, he may be expected to follow the liberal principles dear to New Deal hearts. With regard to specific methods, he will imitate the businesslike habits of his extremely able and successful predecessor in the chairmanship. Meanwhile, lowering of R. F. C. interest rates, which is likely to be carried through by him, will intimately affect all business and particularly banking.

Mr. Schram is a tall, middle-aged, slightly bald man, with a deep voice, a pleasant manner, and a gift for self-containment. He looks like a businessman from a small city, but the truth is that he first made his mark as a farmer.

TURNED SWAMP INTO FARM

He is the third generation in a family of German immigrants. The grandfather, a skilled woodcarver, settled in Peru, a woodworking center. There Emil Schram was born, got his schooling, and after high school went to work in the office of J. O. Cole, coal and timber operator. Mr. Cole was impressed by the boy. First he made him bookkeeper. When young Schram was 21, Mr. Cole chose him to develop a 5,000-acre tract of semiswampland on the banks of the Illinois River.

The land was exceedingly rich, but almost under water. Emil Schram, who knew nothing of farming, had first to get it drained, protected from the river by levees, and prepared for planting. Then he had to make it produce.

In the first year, the land yielded 6,000 bushels of corn; in the second, 13,000, and, in the third, 100,000 bushels. Last year, the yield was 140,000 bushels of corn and 35,000 bushels of wheat. Many of its 20 tenant families had celebrated their thirtieth anniversary on the property, and the land was still making a fair return.

The fact that his farm was on swampland was what brought Emil Schram into the New Deal. Drainage and irrigation districts and their problems are an old story in Washington. During the Hoover administration they got into trouble by the score, and Mr. Schram, who was chairman of the National Drainage Association, used to struggle to get something done for them. His own levee had been "topped" by the turbulent Illinois, and he desperately needed help himself.

GOT LOAN FOR LAND DRAINAGE

The New Deal, always more susceptible to such pleas, gave in to Mr. Schram. Loans for the drainers and irrigators were arranged

at the R. F. C., and Jesse Jones asked Mr. Schram to take charge of the program. It was a difficult job, for many of the districts were broke already, but Mr. Schram carried it through with complete success.

Then the Electric Home and Farm Authority, a T. V. A. subsidiary financing sales of electrical equipment to home owners, got itself into serious difficulties. It was adopted, as a sort of foster-child, by Tommy Corcoran, who still calls it Little Eva. Brought over to the R. F. C., it was put under Mr. Schram, who actually managed to put it on a paying basis. Currently E. H. F. A.'s depleted capital has been restored, electrical appliances are selling like hot cakes, and its $10,000,000 in loans outstanding are in first-class shape.

This second success was quickly noted by Jesse Jones, who had Mr. Schram named to the R. F. C. board some time ago. Last year, managing the R. F. C.'s Business Loan Department as well as E. H. F. A., Mr. Schram doubled the department's previous business.

Thus, when Mr. Jones was promoted to be Federal Loan Administrator, he needed no prompting to tell the President that Emil Schram was "the best man available" to succeed him at the R. F. C. His R. F. C. regime will serve as an immensely interesting test of whether strictly businesslike methods and New Deal policies can be effectively combined.

To Compel Competition

EXTENSION OF REMARKS
OF
HON. ARTHUR B. JENKS
OF NEW HAMPSHIRE
IN THE HOUSE OF REPRESENTATIVES
Saturday, July 22, 1939

EDITORIAL FROM THE CHICAGO DAILY NEWS OF JULY 11, 1939

Mr. JENKS of New Hampshire. Mr. Speaker, under leave to extend my remarks in the RECORD, I include therein the following editorial which appeared in the July 11 edition of the Chicago Daily News:

[From the Chicago Daily News of July 11, 1939]

TO COMPEL COMPETITION

In a recent editorial stress was laid on free competition as a vital part of a free enterprise system. This was designed to be an introduction to a serial discussion of a way out of the 10-year-old depression which began in October 1929.

To an extent little recognized, prices have determined the duration of depressions in the past. When prices were permitted to respond, without interference, to the law of supply and demand, hard times always yielded to the pressure of returning prosperity and the national income began to rise. And in every instance it rose to a peak unequaled in previous experience. The present has been the longest depression in American history. It also has been the depression which saw more futile and costly attempts to maintain prices artificially than any other we have passed through. Again, for emphasis, we repeat:

You cannot maintain a prosperity price level on a depression income.

And yet that is exactly what the first, the second, the third, and now the fourth New Deal, in cooperation with big business leaders, big labor-union leaders, and big farm-organization leaders have been trying to do. Of course, they have been unsuccessful. It has never been done. So long as we retain economic freedom, it never can be done.

This disastrous effort to keep prices up, in a period of enforced liquidation, has usually taken the form of stifling competition. In some cases this has consisted of lending Government funds to overcapitalized businesses which can never be healthy again until they have gone through the wringer of honest reorganization. In other cases it has taken the form of demands for increased hourly wages and shorter work hours by powerful labor leaders, with the support of self-serving politicians. This has raised unit costs in industry, increased the sale price, lessened the volume of production, and increased unemployment. In agriculture it has consisted of Government subsidies for decreased production of foodstuffs, thus maintaining or increasing food prices.

Each of these expedients was expressly designed to shackle competition, though all human experience has taught us that we must compel competition if we are to achieve recovery and retain the free-enterprise system.

How can we compel competition?

Like it or not, one of the ways of compelling competition is to restrict the right of corporations to own, control, or manage other corporations. Please note that nothing is said of the size of corporations, only of their functions. Size will take care of itself. If a corporation gets too big, smaller and more efficiently managed competitors will force it out of business, or break it up. But almost invariably the holding company device, which enables corporations to own, control, and manage other corporations, is resorted to for one of two reasons: (a) for the financial benefit of the insiders who organize the holding company, or (b) for the purpose of avoiding competition. Other advantages of the holding company plan are minor, and can be achieved in other less objectionable ways.

This is one way of compelling competition.

Another method of compelling competition is found in removal of trade barriers, both between the States and between this country and other nations. If we are against monopoly, we must be against any attempt to monopolize our great domestic market, both because we thus deny our consuming public the benefits of a reasonable competition from foreign sources, and because, as a creditor nation, we cannot sell our surplus abroad—necessary to our prosperity—unless we also buy abroad. Our experience with a high protective tariff, when we were a debtor nation, no longer applies. There remains now only one reason for a protective tariff—the protection of the American wage standard—that must be protected. But in cheap and abundant raw materials, in cheap and abundant capital, in cheap and abundant transportation, in skill in management, and in mass production costs, we can meet competition anywhere. The growing tendency to set up barriers to the free exchange of goods between States, in our own country, is wrong. It must be checked.

If we are sincere in our purpose to restore competition, we will unhesitatingly repudiate the use of the Government police power to prevent price cutting, to create milk-control boards, to fix prices for coal by commission, and all the other uniformly unsuccessful schemes to maintain prices artificially.

The right of labor to organize freely and bargain collectively is established. But this does not confer the right on labor to monopolize, any more than the right of capital to organize into corporations confers upon them the right to monopolize. It is contrary to the essentials of a free-enterprise system that unions, by excessively high initiation fees, unreasonable apprentice rules, or arbitrary seniority rules, should close all entry to those who seek employment. It is equally contrary to the successful operation of the competitive system, under free enterprise, for unions to try to raise wages when there is heavy unemployment in their trades. And it is particularly reprehensible and contrary to the national interests for Government to encourage such practices. These things tend to destroy price competition as an economic regulator, and no one suffers more from this than the workingman.

These are some of the ways in which to compel competition—competition which must be preserved if we are to continue to live under a free-enterprise system. It is true that pursuit of such a policy would eliminate Government as a competitor with private business. But it contemplates the restoration of Government to its proper function—that of an umpire, instead of a competitor. If we restore the free-enterprise system, depending on the corrective influence of free competition, we can and should implement Government with ample powers to enforce fair competition. That is what Government is for.

The Kings Canyon National Park

EXTENSION OF REMARKS
OF
HON. BERTRAND W. GEARHART
OF CALIFORNIA
IN THE HOUSE OF REPRESENTATIVES
Saturday, July 22, 1939

ARTICLE FROM FIELD AND STREAM MAGAZINE

Mr. GEARHART. Mr. Speaker, on Tuesday last the House of Representatives sent to the Senate, with its emphatic approval, a bill to create in California a new national park to be known as the Kings Canyon National Park. Because of the widespread interest in this legislation, as well as its impending consideration in the other body of the Congress, I am sure that many will be interested in reading a brief endorsing article which appeared in the August issue of the magazine Field and Stream an article from the very capable pen of one of its editors, Mr. H. L. Betten.

By reason of the unanimous consent of the Members of this body that it may be printed therein, I am privileged to hand to the Public Printer a copy for inclusion in the CONGRESSIONAL RECORD as of this date.

Mr. Betten's brief article follows:

[From Field and Stream]

THE KINGS CANYON NATIONAL PARK

The Gearhart bill, now before Congress, aims to establish a national park of some 350,000 acres in the Kings River Basin in California. It deserves the unqualified support of every recreationist and Congressional Representative in the Nation. The passage of this measure will insure the preservation of a marvelous scenic area in a practically primitive state; it will banish forever all fear of future exploitation and spoliation by power, grazing, and other commercial interests; it will preserve for posterity natural wonders without a parallel in America.

The marvels of the Kings River Basin were first extensively explored and described by that grand old naturalist, John Muir. Its stupendous gorges and weird glacial formations rival, if they do no overawe, those of Yosemite. Within this proposed national-park area are 40 peaks more than 11,000 feet high, 10 of which exceed a height of 14,000 feet. There are nearly 400 lakes in this primitive region. In its entirety it affords a magnificent mountain panorama such as has rarely been exposed to the eye of man.

Almost half a century has passed since John Muir first proposed preservation of the Kings River Canyon as a national park. Through the years the proposition received the hearty endorsement of thousands of representative Americans. It won the enthusiastic approval of President Theodore Roosevelt, of Dr. David Starr Jordan, Stephen T. Mather, Stewart Edward White, Dr. B. W. Evermann, of three former Chiefs of the United States Forest Service—Henry S. Graves, William B. Greeley, and R. Y. Stuart. It has the endorsement of the current national administration, including the President, Secretaries Wallace and Ickes, and the head of the Forest Service. Moreover—and this is important—it has the earnest support of the Sierra Club, outstanding mountaineering association, with some 3,500 active members, and that of more than 150 important civic, public-service, and sportsmen's organizations in California; also, of scores of newspapers in the State. These endorsements have been won as a result of searching inquiry into the merits of the proposition.

Past efforts to establish a national park in the Kings River country were overshadowed by Yosemite; furthermore, these lacked coordinated support. Also, with customary adroitness, lobbyists for certain powerful interests succeeded in killing such congressional bills. Now, however, the carefully drafted Gearhart bill, giving fullest consideration to the rights of every legitimate interest and element, leaves the opposition without a foot to stand on; it places its screened enemies in the unenviable position of battling for special privileges the maintenance of which must prove highly detrimental to the vast recreational army of America.

The ready manner in which natural resources have been and can still be exploited and monopolized on our public lands by designing commercial interests is a matter of grave concern. The ill-advised granting of special privileges thereon in the name of fictitious necessity or of political expediency has been widely practiced. However, such laxity and latitude do not apply to our national parks. Rules and safeguards there are inflexible, and nothing less than a well-publicized act of Congress can change these an iota. Commercial or other manipulation of natural resources is thus made practically impossible. And right here we have the veiled reasons for opposition to another national park.

Summing up the limited opposing elements which seek to prevent establishment of the John Muir National Park, we find principally the water interests, a small number of stockmen, a similar monopolistic element among deer hunters, and a coterie of local Forest Service officials. The reasons for most of the opposition are very transparent and deserve careful attention and critical examination by Congress, as does the propaganda which has emanated from such sources.

The Kings River basin is not an important game field. The annual kill of deer averages less than 175, and no other game is present in quantity. Nevertheless, although California has a greater acreage of accessible deer country than any other State, and the annual kill exceeds 20,000, loud wails are heard over the proposed stoppage of hunting privileges in this area. On the other hand, establishment of the John Muir National Park would automatically insure development of angling resources; thus sport would be provided for thousands. It might be added that the spilling of a surplus from the carefully protected stock of deer within the park onto adjoining national forests would more than compensate for the loss of hunting privileges within the park area.

This important issue of proper administration of the Kings River Basin must be decided, not upon the selfish desires of any bureau, but upon the utmost of service and benefit to the millions of recreationists in the Nation. There are countless thousands who are physically unable or lack the time and means to undertake long and difficult mountaineering jaunts on foot or by packtrain. The Gearhart bill proposes to make approximately 50,000 acres within the vast Kings River Basin reasonably accessible to this very large element of nature lovers, so that they may view at least a fraction of its wonders. Even here the primitive aspects of the region would be carefully maintained, while on the remaining 300,000 acres the age-old natural conditions will prevail. And what is tremendously important, by no trick or device of designing commercial interests or other seekers of special privilege could this magnificent natural arena be exploited after it had been made a national park.

The sportsmen of America who have witnessed time and again the encroachment of commercial and other selfish elements on the natural resources of the public domain have a vital interest in the establishment of the John Muir National Park. It is earnestly hoped they will exert themselves in this connection. Let us hope, too, that Congress will watch carefully for pernicious amendments introduced by a limited but adroit and voluble opposition, and act in accordance with those findings.

H. L. BETTEN.

Need for a Census of Housing

EXTENSION OF REMARKS

OF

HON. JOHN W. McCORMACK

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Saturday, July 22, 1939

Mr. McCORMACK. Mr. Speaker, there is an immediate and pressing need for adequate data on housing conditions in the United States. This information is essential to private enterprise and the Federal agencies in planning for that expansion of the home-building industry which is so vital to business recovery.

There is no reliable information for the United States as a whole and for the various localities as to the actual need for housing, and the size and price range of the dwellings which should be built. Without such market information the home-building industry and financial institutions must operate in the dark.

We lack reliable figures on a Nation-wide and local basis on such basically essential facts as the following: (1) The total number of dwellings; (2) the type of structures and their essential facilities; (3) the age, condition, and state of repair of our homes; (4) the overcrowding and doubling up of families; (5) the value of homes, and the rentals of leased dwellings; (6) the present mortgage status of dwelling properties and the cost of home financing.

The coming decennial census to be taken early in 1940 offers a splendid opportunity for the securing of this necessary data. The cost of a housing census if taken in connection with the regular census will be only half what it would be if taken separately. Moreover, the housing information itself will be much more valuable because of the possibility of relating it to the population and other data secured in the regular census.

A bill providing for a census of housing in 1940, S. 2240, has already been passed by the Senate and is now before the Census Committee of the House.

In view of the fact that the present favorable opportunity to secure a census of housing will not recur for 10 years, and since action at the next session of this Congress will be too late to permit the necessary arrangements, I am calling this situation to the attention of the House.

In this connection I wish to present the following list of organizations supporting the proposed census of housing: American Federation of Labor, United States Conference of Mayors, American Federation of Housing Authorities, National Association of Real Estate Boards, American Public Health Association, National Association of Housing Officials, American Home Economics Association, New York State Housing Board, Pennsylvania Housing Board, Citizens Housing Council of New York, Producers Council, American Institute of Architects, Construction League of America, Associated General Contractors of America, National Retail Lumber Dealers Association, National Lumber Manufacturers Association, Portland Cement Association, National Lime Association, Mason Contractors Association, National Sand and Gravel Association, Structural Clay Products Institute, Metal Window Institute, National Association of Master Plumbers, National Paint, Varnish, and Lacquer Association.

I understand, in addition, that the various housing agencies of the Federal Government and the Department of Commerce on behalf of the Bureau of the Census itself are on record in support of this legislation.

Works Progress Administration

EXTENSION OF REMARKS

OF

HON. ALBERT L. VREELAND

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Saturday, July 22, 1939

ARTICLE FROM THE EAST ORANGE (N. J.) RECORD AND LETTER FROM THE RELIEF DIRECTOR OF EAST ORANGE, N. J.

Mr. VREELAND. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following article entitled "Works Progress Administration," which appeared in the East Orange Record on April 27, 1939, and a letter this day received from Clarence A. Hastings, relief director of the city of East Orange, N. J.:

[From the East Orange (N. J.) Record]

WORKS PROGRESS ADMINISTRATION

Your Congressman, in a speech on the floor of the House of Representatives, January 13, 1939, during the debate on the deficiency appropriation for the Works Progress Administration, as a suggestion among other things, made the following statement:

"I might say in the outset, having been associated with a municipal government for 9 years, I recognize the desperate financial plight of the average municipality in trying to cope with the crying need of those who are victims of the depression, to keep them from want, and I am heartily in favor of the Federal Government subsidizing the States and municipalities to assist in their burden of relief. Until this country has risen from the depths of depression and once more business and industry can function, I cannot conscientiously stand by and see anyone go hungry or in want for clothing or warm homes. But how can business recover as long as the Government continues to excessively spend money? Under the present form of the legislation now to be considered, and having been introduced, hereinbefore referred to, the appropriation will be allocated and administered in the same manner and method as it was prior to the first of this year, without restrictions as to what amount will actually find its way to the relief and assistance of those in want or what amount will be used for the administration of it.

"In my State, New Jersey—and I believe in a great many other States, if not all—there is in the State Government at the present time a relief administration adequately manned with properly qualified investigators and administrators well versed in the methods of administering relief; and in my city—and I believe in a great many cities in the United States—under the director of relief, there is also an organization composed of experts in the administration of relief and a full and competent staff of investigators, all of whom are competent and better acquainted with the needs of the people to handle the expenditure of public funds than is the present Works Progress Administration. We are all aware of the method used in the appointment of the district employees of the Works Progress Administration, and I speak with complete knowledge of my own district, without presuming to have knowledge of others, and I may be in error as to some districts. I am well aware that in my district the administration of the W. P. A. and the employees, as distinguished from the recipients, have all been appointed because of their political position and not because of their knowledge of relief. The higher a person is in the Democratic political machine, the better the job he has received in the Works Progress Administration office. Also, we are all aware of the fact that a man's voting record indicates, even to the recipients, what classification he is in. Is it not a duplication of effort and an unnecessary expense to maintain a Works Progress Administration when the State is equipped to handle it? Would not it be less expensive to the taxpayer to allow the present State relief administration to administer the funds? Would not a much decreased appropriation through the State render more benefit to the unemployed?

"I would be heartily in favor of an appropriation to care for the needs of those in want, in spite of the fact that the deficiency was caused by wasteful spending in a desperate and vain attempt to carry an election, providing such funds were under the supervision and control of the State relief department and distributed through the municipal relief department and the funds necessary to maintain and keep in office the members of the political machine be stricken from the appropriation. I think an examination of the figures will disclose that adequate relief can be given to the unfortunates deserving it with a far less amount than is intended to be appropriated were the administration directed as I have stated. We are all cognizant of the methods used in October to further the political desires, and many were discharged from the rolls to starve because they refused to be dictated to as to whom they vote for. The exploitation of the misfortune of our people for political purposes is deplorable and despicable and should be stopped."

Credit is not taken because of those remarks for what has developed since. However, in line with the suggestions made, there have been two important measures introduced in Congress. One by our own Senator BARBOUR, S. 222, and one by Representative DITTER, of Pennsylvania. Senator BARBOUR's bill, briefly, abolishes the Works Progress Administration and places under the Social Security Act a new title and gives to the Social Security Commission the right to allocate directly to the States moneys appropriated for direct relief and work relief, to be administered by the State relief agencies subject to the supervision and control of the Social Security Commission.

The amount to each State is to be based upon a report filed by the State estimating the total amount to be expended and stating further the amount to be made available by the State and its political subdivisions, which, after investigation by the Board, the amount arrived at will be forwarded to the State. The Board's further determination shall be based on the population of the State, the area, the number of needy individuals, the character and extent of the assistance, and such other factors as the Board deems relevant. This measure, according to the statements of the Senator and those interested in the legislation, will remove from the political arena the distress of our people.

Congressman DITTER's bill, H. R. 5613, abolishes the Works Progress Administration and establishes a Federal Relief Board, which Board shall have approximately the same powers as Senator BARBOUR's bill grants to the Social Security Commission. However, this measure restricts the payments to the States and bases it upon the following factors: The unemployment, relief costs, population, and financial resources, providing, however, that the amount allocated to the State shall not exceed 75 percent of the total amount to be spent in such State.

It will be seen that both bills introduced are introduced with the sole purpose of relieving the deplorable condition that now exists and the waste of public funds on unnecessary expenditures. It will give the State an opportunity to control its relief problems, and finally places the responsibility of administration to the individual upon the municipal relief officials, so that any violations of the rules and attempt at political coercion can be placed on the local official and immediate action taken.

Either of the above bills is a step in the right direction.

THE CITY OF EAST ORANGE, N. J.,
LOCAL ASSISTANCE BOARD, EMERGENCY RELIEF,
July 21, 1939.

Hon. ALBERT L. VREELAND,
House of Representatives, Washington, D. C.

DEAR CONGRESSMAN: It begins to look as if W. P. A. was on the way out, and I believe that it might be just the time for a group in Congress who feel that way about it to get busy.

As I have written you before, I believe the W. P. A. should be canned as a Government operation, and that the Government should make direct relief grants to the States. Each State to then decide whether to expend these funds for direct relief or worthwhile State projects or both.

I believe also that the Federal commodities distribution should be stopped at the same time and the moneys so expended turned back to the relief-grant account.

Here in Essex County the W. P. A. has recently decided to centralize all the sewing projects. They have persuaded the State F. A. C. to sponsor a State-wide sewing project to supersede the existing projects. Orange, West Orange, South Orange, and East Orange will be in one sewing room in Orange; Irvington and Newark in another; Bloomfield and Montclair in another; Belleville and Nutley in another, etc.

This is just more centralization. Less control over the projects by the municipalities and more control by the W. P. A.

There seems to be right now more widespread public objection to things of this kind and more objection and disgust over the so-called strike against W. P. A.

In other words, I think the people of the country are becoming fed up with the whole W. P. A. as a Government operation, and that the scrapping of the W. P. A. as a Government function, and in its place direct grants to the States so that they can handle their own relief problem directly, will appeal more strongly to thinking people throughout the country as the days go by.

It is bound to come sometime, and I believe right now is a good time to start it going, if possible.

Sincerely yours,

CLARENCE A. HASTINGS,
Relief Director.

Murphy, Lawlessness, and Violence Versus Dickinson, Law Enforcement, and Peace

EXTENSION OF REMARKS

OF

HON. CLARE E. HOFFMAN

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Saturday, July 22, 1939

Mr. HOFFMAN. Mr. Speaker, whatever may be our opinion as to Governor Dickinson's views on, and his methods of,

handling the age-old problem of "wine, women, and song," few, if any, will doubt the efficiency of his methods in a recent Michigan strike which secured to strikers the right to picket; to those who wanted to work the opportunity to work; and to property owners the possession of their property. All this without violence or bloodshed and in a minimum of time.

For long, Attorney General Murphy, former Governor Murphy, has been patting himself on the back because of his claim that he has high regard for civil liberties; he has held above his own head a glittering halo of self-esteem, and he has posed as the man who, while Governor of Michigan, settled the sit-down strikes without bloodshed.

As a matter of fact, every person cognizant of the real situation which existed in Flint and in Detroit during January and the early days of February 1937, knows that Murphy's hand was forced; he was compelled by citizens of Flint, who would no longer wink at his official support of lawlessness and violence, to tell his friend, John L. Lewis, for whose benefit Murphy was violating his oath of office as Governor, that the sit-down strikers would have to get out of the factories of Flint.

Sensing an end to his ability to aid Lewis and the sit-down strikers in their violation of Michigan laws, Murphy, according to his own story, told Lewis that he, Murphy, would be forced to make public a letter calling upon Lewis to get the sit-down strikers out of the General Motors plant.

Murphy could as well have done this early in January as waiting until the 9th or 10th day of February, but, of course, earlier action would have interfered with the plans of Lewis and with the plans of the Communists in their attack on industry; hence, Murphy waited.

Ever since he has claimed that he settled the sit-down strikes without bloodshed.

GOVERNOR DICKINSON AND CAPTAIN LYONS

Just a few days ago another strike took place in Michigan and hundreds of pickets blocked the entrance and denied admittance to workers on the way to their jobs in a motor factory. The pickets were loud in their statements as to what they would do. Their leader threatened to "tie up" the city of Pontiac. In short they were going to show the people of Pontiac another Flint.

Unfortunately for them they forgot that Governor Murphy was no longer in office. They overlooked the fact that in the executive mansion in Lansing sat 81-year-old God-fearing Governor Dickinson; a real Christian who believes in practical religion; a man who has read and who has taken to heart and who believes in that admonition of St. Matthew "Ye shall know them by their fruits."

Murphy used the State police, some under Captain Lyons, and 3,700 National Guards to prevent the enforcement of the law and the strikes ran on and on.

After 2 days of violence with their pickets in mass formation, failure by the local police force and deputy sheriffs to restore order Governor Dickinson sent Captain Lyons with less than 200 State police down to Pontiac.

Arriving there with a squad, according to some newspapers, with less than 10 State police, Captain Lyons called the attention of the strikers to Michigan's Riot Act and told them to disperse. They obeyed. He told others who were blocking the entrance to the factory, preventing the workers from going to their jobs, to get out of the way, to picket peacefully, limiting the number of pickets to something like 10 at each entrance.

Again the strikers obeyed. Those who came from Flint and Detroit and who would have brought continued violence to Pontiac were told to go about their business. They went. And, strange as it may seem to Governor Murphy, there was not a black eye nor a bloody nose after the arrival of the State police. So you see the difference between Murphy and Dickinson.

A statement which is concise and accurate and brings out the difference between the present Governor and Governor Murphy, who talks about his piety, about his regard for civil liberty, but who aided in the violation of the law, is found in an editorial written by Stanley Banyon and published in the July 14 issue of the News-Palladium, Benton Harbor, Mich. It reads as follows:

WHEN THE LAW STEPS IN

We have an idea that whatever industrial troubles may develop in Michigan while Luren D. Dickinson is Governor there won't be any open defiance of the law and the courts such as there was when Frank Murphy was Governor. And we base this opinion on what happened at Pontiac this week when a C. I. O. strike at a General Motors plant got out of hand.

The sheriff's officers and local police at Pontiac were being shoved around by the strikers and in the scuffling several men were hurt. It began to look as if another Flint affair were in the making. Despite threats from the leaders of the strikers that there would be called a general walk-out and a lot of talk of what would happen if State police came in and took command of the situation. Governor Dickinson ordered in the troopers. They promptly dispersed milling mobs, reduced picketing to a peaceful status, permitted those who wanted to work to do so, turned back an auto load of Detroit troublemakers, and otherwise let everybody in Pontiac know that there wasn't going to be any rough stuff pulled in that particular strike. In an hour or so quiet reigned, leaving union officials and the plant management to negotiate as they should, without recourse to violence.

Governor Dickinson might have waited for the Pontiac situation to develop further, to get worse before he acted. He might have gone down to Pontiac and pulled some of the grandstand stuff that Frank Murphy engaged in when Flint was in the hands of roughnecks and rowdies and the officers of the law were being laughed at and openly defied. He might have indulged in some grandiloquent rhetoric, a la Murphy, on the sacred subject of human rights versus property rights. But he did none of these things. He simply did his sworn duty when the situation was called to his attention. Local officers at Pontiac were apparently unable to cope with the disorder that was threatening the orderly processes of the law. If left to boil, the situation might have become even more dangerous. He recognized the right of the strikers to police the plant where the strike was in progress, but he also recognized the rights of other employees who wanted to work and also the major rights—which transcend the rights of any minority—of the general public to be protected against violence on the wholesale scale.

There might be other flare-ups along Michigan's industrial front in the months to come, but we have an idea that after what happened at Pontiac this week there won't be any Flint episodes while Dickinson sits in the Governor's chair at Lansing.

From a weekly newspaper so capably edited and published by Don Cochran, in the little town of Hartford, he makes the same point; that editorial is as follows:

Michigan people must have been impressed by the contrast between the automobile strike at Flint in 1937, when former Gov. Frank Murphy palliated lawlessness and disorders, and the automobile strike at Pontiac in 1939 which Gov. Luren D. Dickinson handled fearlessly.

The same rioting and disregard of personal and property rights that held unchecked sway at Flint was rapidly developing at Pontiac last week. Governor Dickinson warned that if Pontiac police could not preserve order, the State police could.

When it became apparent that Pontiac police couldn't, the State police did. A detail of 150 of them quickly dispersed the mobs and quieted the disorders. Governor Murphy said he wanted to avoid bloodshed at Flint, but blood was shed there. There was no bloodshed at Pontiac.

The Flint strike brought disgrace and lingers as a dark page in Michigan's history. No stigma lingers at Pontiac.

The rights of the strikers were not denied at Pontiac. Neither were the rights of nonstrikers nor the rights of the public.

The two methods form one of the most striking contrasts in the records of Michigan industrial disputes. It seems amply assured that there will be no repetition of the Flint disgrace while Luren D. Dickinson is Governor.

Undoubtedly, nine-tenths of the people of Michigan agree with the sentiment expressed in these two editorials.

The Penalty of Politics

EXTENSION OF REMARKS

OF

HON. J. THORKELSON

OF MONTANA

IN THE HOUSE OF REPRESENTATIVES

Saturday, July 22, 1939

Mr. THORKELSON. Mr. Speaker, I take this occasion to further clarify my position on S. 1871, an act intended to prevent pernicious political activities.

It occurs to me that pernicious political activities may be clearly avoided if candidates for political offices do not engage or involve others in such activities. The best method of discouraging such activities is to stop patronage of all sorts. There is no rhyme or reason why a political candidate should take it upon himself to promise positions to those who might help him to be elected. It is only natural that those who help in the election will be favored if the candidate is successful. Fortunately for myself, during my campaign I promised no positions to anyone, but I did say that I would support the Constitution of the United States and represent all the people equally. I also put myself on record as being bitterly opposed to any attempt to destroy the Government or to involve the United States in war. I denounced all "isms," but particularly communism and anarchism. Mr. Speaker, I have tried to keep these promises to the best of my ability.

Last night, I voted against S. 1871, the so-called Hatch bill. My reason for doing so was, as I said last night, that in my humble opinion the measure was unconstitutional. I, of course, despise the putrid politics and political rot which is constantly going on in the Government. I also abhor fraud, and the pernicious practices going on in relief organizations. No one is more opposed to these practices than I, but they cannot be corrected by a law. This must instead be brought about through a patriotic awakening of political candidates to their duty to the people they represent and to the Government which they must support.

This bill provides:

That it shall be unlawful for any person to intimidate, threaten, or coerce, or to attempt to intimidate, threaten, or coerce, any other person for the purpose of interfering with the right of such other person to vote or to vote as he may choose.

It has always been unlawful to coerce, intimidate, or force people to vote for or against anyone or anything. If the candidate could only realize this, he would not attempt to coerce anyone, and those whom he attempts to coerce should kick him in the creek when he comes around and insists they vote for him.

It is, as I said last night, the constitutional right of all citizens to do as they please in respect to the ballot, and Congress cannot pass any law to prevent a man from expressing his opinion politically, whether he is employed by the Government or not. The fact that he is an employee of the Government does not deprive him of the right of expression.

In section 2, we find that Congress graciously restores the right of any such person to state his preference with respect to political candidates, or to vote as he may choose. The section is ambiguous, because it is difficult to determine what is meant by:

To use his official authority for the purpose of interfering with or affecting the election.

In section 3, we find:

It shall be unlawful for any person, directly or indirectly, to promise any employment * * * or other benefit, * * * to any person as * * * reward for any political activity.

How can anyone prove that a person has been promised employment? One person's word is as good as another, but if anyone should prefer a charge or falsely state that he had been promised a position, it might embarrass the candidate. In my opinion, it leads to greater political confusion than we have ever had before. It may actually bring about suspicion of the innocent, because lies, fraud, and dishonesty have no limitations.

In section 4:

It shall be unlawful for any person to deprive, attempt to deprive, or threaten to deprive * * * any person of employment for support or opposition to any candidate or political party.

This in a certain sense excludes and protects workers on relief, yet they are subjected to subsection b, section 9, and as I read this subsection b, it refers only to section 9:

SEC. 9. (b) Any person violating the provisions of this section shall be immediately removed from the position or office held by him, and thereafter no part of the funds appropriated by any act of Congress for such position or office shall be used to pay the compensation of such person.

Section 5, in brief, says that it shall be unlawful for any person to accept money for any political purpose from a person known to him to be employed on relief. What is to prevent a person from going to a relief worker and saying, "John, place a $5 bill in a box to help Mr. X, who is a candidate for office. I can't take the money, but somebody else may find it"? We have laws on the statute books now which take care of coercion, but those who engage in coercion care nothing about the spirit of the law. So, again, it will help the lawless.

In section 6 we find that it shall be unlawful for any person to furnish, for political purposes, names of persons receiving compensation, and so forth, from public-relief funds to a candidate, and so forth, but is it unlawful to furnish the same lists for other purposes—for informative purposes, for instance? A list was furnished to me recently of salaries of officials, not for political purposes but because I wanted to know how much this organization was costing the taxpayers. Is it possible that anyone is no naive as to believe that one engaged in fraudulent activities will respect the spirit of the law? Certainly not. It is only the law abiding who respect the spirit of the law, and they would not ask for a list for political purposes.

Graft, dishonesty, and political fraud are created by those political candidates whose insatiate desire is to live upon the public pay roll and profit by their official powers. I approve of a law that will forever debar a political candidate from holding office when he has been engaged in bribery or fraud in order to maintain his position.

Section 7 provides that no part of any appropriation for work relief and no authority conferred by the act shall be used for the purpose of "interfering with, restraining, or coercing any individual in the exercise of his right to vote at any election."

It occurs to me that this was already provided for, because it must come under the classification of bribery and the use of public funds for such purpose. Why have it reenacted in this act if it is already in the law? And how is anyone to prove the purpose of an individual who chooses to be wrong instead of right? We have examples of this today in the propaganda now so prominently publicized in our papers. The columnist stalls us off by shouting "Nazi, Fascist," and solemnly expounding his views in defense of constitutional government, when he is in actuality vindictively destroying sound constitutional government.

Section 8 provides for a fine of $1,000 and imprisonment for not more than a year for violation of the act.

Section 9, as I understand, is the Dempsey amendment, which makes it unlawful for any person employed in the executive branch of the Federal Government or any agency or department thereof to use his influence, and so forth, but further on in the section it says:

All such persons shall retain the right to vote as they may choose and to express their opinions on all political subjects.

Here the section restores the constitutional right to the people—a right which Congress cannot grant the people, but which they have instead reserved for themselves. The Members in Congress who do not believe this may be better impressed of such rights when they come up for election every 2 years. It is within the power of the people to do just exactly as they have said—to change the whole Congress every 2 years, and that is the right that the people have reserved for themselves, in the ninth and tenth amendments of the Constitution of the United States.

Let us now get this thing right. The Constitution delegates power to Congress in article I, to the President in article II, and to the Supreme Court in article III. All that is necessary is for each branch to read the powers that the people delegated, and if any question arises as to the limit of such power, the people have further provided in the ninth article in the Bill of Rights that, in case of doubt,

the benefit of the doubt should be given to the people—and not to the politician.

The Constitution further provides that anyone who in any manner destroys the value of the document is an enemy of the people and as such must be treated accordingly. An official who does not enforce the laws so as to protect the Nation commits a crime. If certain activities are bent upon destruction of the Republic, an official who does not protect the Republic by enforcing the law commits treason and lays himself open to impeachment. If Congress does not enforce this provision, it invites public contempt and public ridicule. The people can express their disapproval or approval by the ballot only, but do not forget that this Government belongs to the people of the United States and we are the servants of and the protectors of the people's rights.

I shall again refer to the amendment introduced by the gentleman from New Mexico [Mr. DEMPSEY]:

For the purposes of this section the term "officer or employee" shall not be construed to include (1) the President and Vice President of the United States, (2) persons whose compensation is paid from the appropriation for the office of the President, (3) heads and assistant heads of executive departments, (4) officers who are appointed by the President, by and with the advice and consent of the Senate, and who determine policies to be pursued by the United States in its relations with foreign powers or in the Nation-wide administration of Federal laws.

May I call your attention to No. (4) in this section?

(4) officers who are appointed by the President—

Do not forget that this covers a multitude of appointments. This is particularly true since we enacted the vicious and unconstitutional Reorganization Act, in which the President, for all intents and purposes, presents legislation to Congress which becomes law in 60 days if Congress does not deny this power to the Chief Executive. Under this same act he may make many kinds of appointments. Bear also in mind that it excludes those who administer the Federal laws, " * * * the Nation-wide administration of Federal laws." Now, then, what will the act accomplish? It will place every decent, honest, and sincere citizen who has the fortitude to leave his business in order to help the Nation and the people as a Member of Congress at the mercy of those who have been engaged in subversive political activities since the beginning of our Nation. He may innocently become a football for crooked politicians, for, mark you, this act will not in any sense prevent the same activities that have existed heretofore.

Mr. Speaker, last night was the first time since I have been a Member of Congress that the House engaged in extensive debate about the constitutionality of legislation. That alone is a healthy sign, for it is now evident that the Members of Congress recognize that we are operating under the Constitution of the United States instead of vague interpretations of the Constitution often delivered by the Supreme Court. This is as it should be, because Congress alone is responsible for the constitutionality of all legislation presented and considered by this body.

When either branch of the Government exceeds the power delegated to it in the Constitution in its literal meaning, it has exceeded the power delegated to it by the people. When the question arises, as it did last night, in respect to constitutionality, such uncertainty is in itself evidence of disagreement. When an occasion like that arises, Congress must, instead of passing the legislation, give the benefit of the doubt to the people, as provided for in the ninth amendment of the Constitution. Mr. Speaker, this is what I have been talking about since I have been in Congress, and by the nonobservance of the Constitution we have today such a chaotic mass of unconstitutional legislation on our books that half of the people do not know whether we are a republic or whether we have degenerated into the much-advertised, demoralized democracy, as expounded by the Communists, the liberals, and the New Deal Socialists. It is well for us to bear in mind, as I have already said, that Congress cannot give more rights to the people than they have already reserved for themselves, and Congress must not deprive the people of such rights.

If Congress acts arbitrarily or in contravention of this power, it is no longer observing its obligation to the people and to the Constitution of the United States.

I wish to deal briefly with another phase which is pertinent at this time, and that is the question of free speech. I am a firm believer in free speech, but free speech which has for its purpose the destruction of the Government of the United States may be classified as seditious. In such event, those who engage in expressions of that sort become enemies of the United States. I here and now charge that communism and anarchism have for their purpose the definite destruction of the United States Government, which is clearly proven in their own writings. Article III, section 3, provides punishment for those engaged in destruction of our Government, for they are enemies of the United States. It is the duty of the President to see that this law is faithfully obeyed, and to bring all those who are engaged in communistic and anarchistic activities before the bar of justice. If he fails to do this he himself neglects a duty which he has sworn to perform. In such event, no matter who the President may be, he, by acquiescence, and in not seeing that the laws are faithfully obeyed, becomes himself involved in the same activities. Congress should see that all departments perform their duties as provided for in the Constitution. If those whose duty it is to enforce the laws neglect their duties, then it becomes incumbent upon Congress to make inquiry as to the cause of such neglect. If Congress fails to do this, the people are still in supreme command, and no doubt will express their wishes by the ballot.

Business Recovery Ahead

EXTENSION OF REMARKS

OF

HON. LEWIS D. THILL

OF WISCONSIN

IN THE HOUSE OF REPRESENTATIVES

Saturday, July 22, 1939

Mr. THILL. Mr. Speaker, in yesterday's Evening Star, a newspaper published in Washington, I read the following news item:

HYDE PARK, N. Y., July 21.—President Roosevelt contended at a press conference today that a decision to defer action on neutrality legislation until the next congressional session would hurt business.

In my estimation, the President is wrong. Some keen students of finance and of the stock market indicate that, under the Dow theory, a signal of a new bull market was given this week. How long securities and business will go up cannot be foretold. But that a new psychology has taken hold of the investor and speculator in the securities markets cannot be denied. The stock market averages rose decisively during the past few days, and millions of dollars were added to the quoted values of securities.

What caused this change in mental attitude? Was it due to a realization on the part of businessmen and the public generally that Congress is again getting back to a sound, sane course?

That the activities of Congress have a tremendous effect upon the mental equilibrium of the average citizen is acknowledged. The passage of the Hatch bill, to prevent pernicious political activities, and the passage of the Smith resolution, to investigate the National Labor Relations Board, should have a calming effect upon the minds of those Americans who have been disturbed by New Deal political extravagances.

The Southern Plea for Abolition of Freight-Rate Discriminations

EXTENSION OF REMARKS

OF

HON. JOSEPH R. BRYSON

OF SOUTH CAROLINA

IN THE HOUSE OF REPRESENTATIVES

Saturday, July 22, 1939

Mr. BRYSON. Mr. Speaker, no part of this transportation bill is more deserving of our consideration than section 6, which strikes a blow at sectional and intersectional freight-rate discriminations.

While those of us in this House who have been pressing for the enactment of legislation to wipe out freight-rate discriminations against industry in the South and West cannot say that the provisions of section 6 gives us all that was asked for, we do feel that it represents a partial victory—a precious concession to our demands.

Section 6 of this measure amends section 3, part I, of the Interstate Commerce Act, so as to make it unlawful for any common carrier either to give any undue advantage to any particular region, district, or territory, or to subject any particular region, district, or territory to any undue disadvantage. Under this section authority is also given the Interstate Commerce Commission to investigate rate structures throughout the country to determine instances in which unjust, unreasonable, or unlawful rates exist.

The inclusion of this section in the transportation bill recalls efforts at this session of Congress, which began with the meeting of a large group of southern and western Members of Congress on January 20. Representatives of 20 Southern and Western States participated in this meeting, and plans to attack the problem of freight-rate discrimination were considered at length.

The week following this conference I introduced a bill designed to wipe out existing freight-rate discriminations. This bill was referred to the Committee on Interstate and Foreign Commerce on January 30. Making it unlawful for any common carrier to maintain rates unduly disadvantageous to any particular region or territory, my bill would also require the Interstate Commerce Commission to revise existing freight-rate structures "for the purpose of establishing and thereafter maintaining sectional and intersectional uniformity in rates, permitting the free and unfettered flow of commerce between different sections and States of the United States."

Similar measures, aimed at the eradication of freight-rate differentials between different sections of the country, have been introduced by other Members of Congress. In an interview with the press on April 28, I stated that the introduction of these measures had made an impression on the Interstate Commerce Commission that was being reflected in a more sympathetic treatment of the complaints of southern shippers. In support of this view, I pointed to a recommended report which Commissioner Lee submitted to the Commission on February 27. This report recommended lower rates on a number of articles moving out of southern territory, stating that:

> The maintenance of rates reflecting territorial differences in rate levels, thereby creating rate walls along the borders of rate territories, tends to prevent a Nation-wide development of industry, and is not conducive to the promotion of the best interests of either the carriers as a whole or the country as a whole.

At that time I also predicted that the President's action in calling upon Congress to give special study to the subject of freight-rate discriminations would strengthen the position taken by the southern group in Congress. Last November I had an opportunity to discuss briefly the freight-rate situation with the President, and he left no doubt in my mind as to his readiness to support the South in this struggle.

Legislation to eliminate freight-rate differentials, which impose an unfair tariff on goods manufactured in the South, is long overdue. I wish to call to the attention of the Members of this House certain portions of a recent report on economic conditions of the South, which reads as follows:

> In addition to absentee ownership and the high cost of credit, the major problem which faces almost all industry in the South is that of freight-rate differentials. The present interterritorial freight rates which apply on movements into other areas of many southern manufactured and semifinished goods, and some agricultural products and raw materials, handicap the development of industry in the South. This disadvantage works a hardship particularly with regard to shipments into the important northeastern territory. This region, containing 51 percent of the Nation's population, is the greatest consuming area. The southeastern manufacturer sending goods across the boundary into this region is at a relative disadvantage of approximately 39 percent in the charges which he has to pay as compared with the rates for similar shipments entirely within the eastern rate territory. The southwestern manufacturer, with a 75-percent relative disadvantage, is even worse off. Such a disadvantage applies to the southern shipper even when, distance considered, he is entirely justified on economic grounds in competing with producers within the eastern territory.
>
> In effect, this difference in freight rates creates a man-made wall to replace the natural barrier long since overcome by modern railroad engineering. Both actual and potential southern manufacturers are hampered because attractive markets are restricted by the existence of a barrier that is now completely artificial. The southern producer, attempting to build up a large-scale production on the decreasing cost principle, finds his goods barred from the wider markets in the Nation's most populous area. In marketing his products over the wall he is forced to absorb the difference in freight charges.
>
> Two chief reasons for higher freight rates have disappeared. One was the greater expense of railroading in the South due to physical difficulties. This has been minimized by modern engineering. Another was the comparative lack of traffic that prevented the spreading of the cost. This no longer is the case, since many important southern roads have as great a traffic density as those above the Ohio River. The operating costs of southern lines today are lower than those in the eastern territory.

Despite the fact that all reasons for higher freight rates have disappeared, glaring examples of rate discriminations still exist. For instance the distance between Charlotte, N. C., and St. Louis, Mo., is 801 miles, and the cost per 100 pounds for shipping goods first class is $1.98. On the other hand, while the distance between New York City and South Bend, Ind., is 803 miles, the cost per 100 pounds for shipping goods first class is only $1.42. This means in this instance that the manufacturer in Charlotte must pay 56 cents more—an outright 56-cent tariff—on every 100 pounds of goods which he ships to St. Louis in competition with the New York manufacturer.

Looking at this matter of rate discrimination from another angle, we find that the distance between Atlanta, Ga., and Louisville, Ky., is only 449 miles, while the distance between New York City and Louisville is 852 miles, or almost twice as great as the distance between Atlanta and Louisville. Yet the transportation cost for the 852 miles between New York City and Louisville is only $1.49 per 100 pounds first class, while the transportation cost for the 449 miles between Atlanta and Louisville is $1.51 per 100 pounds first class. This means that the Southern manufacturer must pay 3 cents more than the New York manufacturer to ship every 100 pounds of his goods about half the distance of the New York shipper.

There can be no denying the fact that the industrial development of the South has been retarded and is being hampered today by the presence of discriminatory freight rates. All the people of the South have felt the oppressive effects of this great injustice. The manufacturer has been forced to meet competition from other sections of the country with one hand tied behind his back; the mill worker has seen his opportunities for employment limited, and he has often been expected to bear the burden of this freight-rate tariff while the farmer has had to place his product on sale in a restricted market.

By and large I know that the Members of this House hold to the vision that this Nation can, and will if it so

orders its affairs, attain the ultimate in productive genius and human happiness, and I appeal to each of you in a spirit of fair play to go forward with us in this effort to wipe out all freight-rate discriminations.

What Does Labor Want?

EXTENSION OF REMARKS

OF

HON. FRANCK R. HAVENNER

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Saturday, July 22, 1939

RADIO ADDRESS BY MARSHALL E. DIMOCK, SECOND ASSISTANT SECRETARY OF LABOR

Mr. HAVENNER. Mr. Speaker, under leave granted to extend my remarks in the RECORD, I include the following address by Marshall E. Dimock, Second Assistant Secretary of Labor, delivered over the radio on July 14, 1939:

I

In Pullman cars, businessmen's clubs, country post offices, and corner taverns—indeed, whenever topics of the day receive an airing—people are asking, "What does labor want?" Sometimes the question is discussed casually, merely to make conversation, while at other times it is attacked with great passion, as though life itself depended upon the answer.

To be sure, no one person should presume to know categorically what labor does want, but the question is so important that despite the danger of being considered presumptuous, individuals from widely differing walks of life need to discuss it as frequently as occasion permits. Our American institutions, let it never be forgotten, are built upon mutual education and universal assent.

What has happened to make people ask searching questions about labor's aims and objectives? In a relatively short time the ranks of organized labor have almost trebled; company unions have been outlawed (on paper at least) and collective bargaining has made great gains; industries have been organized which were once thought unorganizable; a floor for wages and a ceiling for hours is being created; and child labor is prohibited in important segments of our economic structure.

In the conference room and in the legislative halls organized labor has been outstandingly successful.

If these gains are to endure, however, public opinion must be much better informed on the necessity and legitimacy of organized labor's aggressive program than I, for one, think it is at the present time.

II

If we are to work out a sensible, democratic solution of the relations between capital and labor, we must learn to think of labor in terms of underlying realities rather than in terms of symbols.

What does labor want? As I see it, labor does not want anything special or peculiar; it merely wants the same thing that everybody else is seeking, whether they be called businessmen, farmers, professional people, or savants. Men from widely different walks of life have given expression to this basic truth. Thus, for example, we find one of the most outstanding businessmen Boston has ever produced observing as follows:

"Labor could not and did not act like a commodity. It acted like human beings. It acted, in fact, from much the same motives with which employers acted, and not even the most dismal economist supposed that employers were commodities."

The same idea was expressed even more graphically a year or so ago by the American workers' delegate to the International Labour Organization Conference in Geneva. Labor, he said, is but a group term for working people. They have the same desires as everyone else; that is, to earn a decent living for their families in self-respecting circumstances at jobs which they can enjoy. And keep constantly in mind, he added, that our fundamental social problems can be solved only by viewing labor as a "mass movement of individuals with the same sort of hopes and feelings and needs" as everyone else. I am convinced that this is the fundamental point of departure for all thinking and program planning in the field of industrial relations.

III

In order to understand what labor wants and why tensions exist today it is necessary to view the labor movement both historically and in comparison with developments in other countries. The history of the older industrial countries shows that just to the extent that technology replaces manual labor, that tools are owned by investors rather than by workmen, that aggregations of capital and management supersede the simple, individually owned form of business enterprise; just to this extent may organized labor be expected to form itself into compact defensive-offensive organizations for the purpose of bargaining collectively with employers and holding out for its fair share of the national income. In our modern industrial world, labor has no alternative than to form itself into organized groups if it is to be on a parity with large employers in collective bargaining.

It is well recognized by all competent observers that the American labor movement until recently was about 20 years behind corresponding labor movements, such as that of Great Britain, in securing recognition for its legitimate social and economic aims. It is a tribute to the perspective, Americanism, and sense of humor of American businessmen that the adjustments of the last few years have been accompanied with no more bitterness and warping of points of view than there has been.

This, then, is the historical explanation. A second, to which I now turn, is of a different sort, but, as you will see, it is closely related to the foregoing.

IV

I have already said that men in labor organizations want substantially the same things that the rest of us want. Applying this to the American scene, there emerges a second basic proposition which is a corollary of the first: American laboring men seek the things that America and Americans strive for. When, therefore, our national values place emphasis upon the dignity of the individual, organized labor assumes that its members will be given the same consideration; when in our scheme of values we as a people assume that a rich and fertile land should produce a constantly improving standard of living, American workers take it for granted that they will get their just deserts; when our ideology emphasizes individual responsibility and initiative, it is entirely natural that Amercan laboring men should take this position with reference to their work and their Government. In short, American workers want what we Americans as a whole want, nothing more and nothing less.

Men in groups attempt to adjust themselves to new situations. Now, for the words "men in groups," simply substitute the word "labor" and this is what you get: labor attempts to adjust itself to new situations. It is a well known truth of social psychology that men are happy only when geared into the prevailing thought and standards of the age. In terms of the adjustment we are considering this means that so long as we in America emphasize property, individualism, and progress, American labor may be expected to strive ceaselessly for the same goals. It is because of this fact that executives who have the large perspective realize that the worry and uneasiness which organizing activities sometimes cause them should be borne with that fundamental sense of confidence which is part of our tradition, because they realize that the activities which occur in their own particular plants are merely part of a larger program of adjustment to the changing structure of our industrial society.

Let us push our thinking forward into some concrete applications. Assuming that labor's aims are simply a reflection of the larger values of our civilization, that men in groups attempt to adjust themselves to new situations, and that the unprecedented unionization of recent years is largely due to a delayed reaction which occurred much earlier in other countries, what, then, may be said of the duties and responsibilities which devolve upon the executive of a particular business?

From the standpoint of industrial relations, the basic problem of management is to discover evidences and causes of maladjustment. These may be social, organizational, or psychological. (A great deal of what is labeled psychological might better be called social.)

Administrative organisms, like social ones, produce "cultures." Man's harmonious relationship to his culture is the most important problem both of labor economics and of the individual man. What does labor want? To be geared into the culture of our time. This means security, a chance to rise, good wages, everything that is considered right and proper in the thought of our age and society.

Among social psychologists who have attempted to study labor's attitudes and desires in a careful fashion there is almost unanimous agreement that security is a universal demand. However, this is one of those cases in which the argument is true up to a certain point, but thereafter, if pushed too far, becomes untrue. Security means different things to different people. True, most men want steady work; but mere security and holding the same job would not satisfy the man who wants to get ahead. Further, few people would care to hold the same job if they knew that the pay were going to be periodically cut. The implications of the security slogan, however, become really objectionable when it is interpreted as meaning a "frozen" industrial structure in which the masses are led to understand that they must give up hope of constantly bettering the average lot. When the term "security" takes on this connotation, it is virtually indistinguishable from class stratification.

V

I know from having talked extensively with employers that one of their great concerns when one assumes that organized labor will demand more and more, is that labor will "interfere" with management. Of all the factors which must be worked out over a considerable period of time, none is of greater potential significance than this. It is a matter, first of all, of defining what is meant by "Share the management" and thereafter of educating both sides with reference to what can and should be done.

Executives are naturally jealous of their traditional right to organize, coordinate, and direct all parts of their enterprise without let or hindrance, except insofar as a board of directors or some

other authority chooses the goals and establishes the limits of discretion. But when labor people talk about labor's right to an increased share in management they contemplate something which is quite different from the division of authority at the top. Most workers want cooperation rather than power. They want to be sure that they are not being exploited and that the corporation is not receiving exorbitant profits.

Industrial relations, therefore, is ultimately a matter of educating each side with reference to the viewpoints and problems of the other. No one has stated this more clearly than that astute student of our economic system, Louis D. Brandeis. In his testimony before the United States Commission on Industrial Relations in 1914, this keen observer of human nature and social organization said:

"I think the main mistake that the employers have made has been a failure to acquire understanding of the conditions and facts concerning labor. There has been ignorance in this respect on the part of the employers—ignorance due in large part to lack of imagination. Employers have not been able to think themselves into the labor position."

Then, turning to the other side of the picture, Mr. Brandeis added:

"What the employer needs most is to have proper representatives of labor understand the problems of his business, how serious they are, how great is the chance of losing money, how relatively small is the chance of making large profits, and how great is the percentage of failures."

It is a source of great satisfaction to all of us, I am sure, that so much progress has been made in the direction pointed to by Louis D. Brandeis since he offered his sound advice in 1914.

American workers are the most efficient in the world. They are hard workers and essentially individualists. I think it is also true that to a greater extent than in any other country, perhaps, American labor is essentially fair. Many will disagree with me, of course, and say that labor leaders are frequently unfair, visionary, impractical. But laboring men are close to realities, and when given the facts they can be trusted to come out with the right conclusion and to do the thing that is fair in at least as large a percentage of cases as would a group of employers.

It is also charged that there are "racketeers" among labor leaders; but when one investigates this one discovers that the number is very small indeed, and is without question proportionately less than the number of businessmen who have abused their trusts in a way which is unacceptable to our standards of morality. You also hear it said that some union organizers seem to be interested primarily in extending their own dominion, making a more important position for themselves; but have you ever talked with a candid businessman or a frank Government official who did not admit that aggrandizement is a universal trait of leaders and organizations of all kinds?

Do not misunderstand me. I am not attempting to justify or to condone the mistakes that labor leaders and labor unions have made and still continue to make. There is no question that in the labor movement, as in the management of large business enterprises, we need a stronger sense of institutional trusteeship and a more uniform level of individual competence.

There is no question in my mind but that labor will become more responsible and turn increasingly to internal improvements as more and more the militancy which has been necessary in order to secure its just claims passes from the scene. The question of how to improve responsible leadership is a very complex one and there is danger of oversimplifying it. However, as one important factor which needs to be kept constantly in mind, I would suggest a point which Robert Watt, one of labor's leaders, has made:

"Management can determine the sort of leadership which labor provides because it determines whether we must plead our cause by force or by reason. Give us conference-table discussion of honest issues and you will get that type of leadership. If you give us the Mohawk Valley formula, you will get militant unions with fighting leaders. You cannot breed respect and confidence by the stool pigeon and labor spy. Every union which you smash by force and deceit will be succeeded by a tougher, harder union ready to match itself against your tactics."

VI

Organized labor is merely a group name for other human beings like you and me, irrespective of our occupation or our place in society. This being the case, labor wants what all of us in America want. It is gregarious and fraternal; it is human nature for it to organize. It wants to sit around a conference table and talk things over with employers. It feels that only in this way can it get its just share of what it produces and render the contribution to the enterprise which it is capable of delivering. It wants everyone, including management, to recognize the dignity of the worker's task. The ultimate values which guide and inspire American labor are the values which constitute the pulling power of us all. Labor insists that as individuals and as a group, it be assured an opportunity to grow, to improve. Labor wants a basic minimum of security. It wants to be geared into the culture of our time. It wants to be educated and to be permitted to educate. It wants that form of power which grows out of cooperation rather than domination.

The Hatch Bill

EXTENSION OF REMARKS
OF
HON. FRANK H. BUCK
OF CALIFORNIA
IN THE HOUSE OF REPRESENTATIVES

Thursday, July 20, 1939

Mr. BUCK. Mr. Speaker, yesterday you honored me by asking me to preside over the Committee of the Whole House on the state of the Union while it considered the so-called Hatch bill. The committee began consideration of the bill at 10 minutes after 3 in the afternoon and did not rise until 5 minutes of 11 last night. During that period, with the exception of a few moments during the general debate, I was in the chair the entire time. Even had I not been interested in the subject matter of the bill it was necessary, in the position that I occupied, to pay strict attention to both the general debate and the debate on various amendments that were offered to the bill. It is only proper to say that this debate was vigorous and illuminating, but it was not enough to convince me that the bill as finally amended in the Committee of the Whole House should receive my favorable vote.

On final passage, I found it necessary to cast a negative vote. The bill as it then stood, in my opinion, went far beyond any legitimate effort to make the text of the bill conform to its title—an act to prevent pernicious political activities.

"Pernicious," in its dictionary definition, means: "Malicious, wicked, baneful, deadly, destructive, evil, harmful, hurtful, injurious, mischievous, noxious, perverting, ruinous." Some of the activities which we have prohibited in the Hatch bill undoubtedly fall within this definition and they should be prohibited. Other activities, however, have been included which in my opinion are perfectly legitimate activities of the man who desires to exercise his elective franchise and his right to participate in political activity in a perfectly legitimate way. It is the prohibition of these activities by the Hatch bill that I find myself opposed to which caused me to vote against the bill. With the original purpose of the bill which was aimed at abuses such as corruption, fraud, coercion, and intimidation of voters, I am in entire sympathy. Section I of the bill provides that it shall be unlawful for any person to intimidate, threaten, or coerce or to attempt to do so, any other person, for the purpose of interfering with the right of such other person to vote as he may choose or of causing such other person to vote for or not for any candidate for the office of President, Vice President, Presidential elector, Member of the Senate or House of Representatives. Certainly there is nothing in that that anyone could object to.

Furthermore, one of the original purposes of the bill was to prevent intimidation or coercion of workers on relief rolls or the use of the official authority or influence of those in an administrative capacity over such relief workers. With that purpose I am in entire sympathy.

The difficulty is that those who drew the bill probably drew it rather hastily, and those who have amended it last night certainly amended it in a spirit of haste and without due consideration, if, indeed, they did not amend it in a spirit of partisanship. Perhaps they may themselves have been guilty of pernicious political activity in one of the milder terms of its definition.

As the bill now stands, as as it will go to the White House, for I understand the Senate is accepting the House amendments today, it will deny to those men and women who hold political appointments not under civil service even the simple political rights that civil-service appointees now have. A civil-service employee can contribute to campaign funds. He can go to all the political meetings he wants to and he can

express his personal opinion as to which candidate he may be for. Civil-service employees cannot take part in managing campaigns, and they are not supposed to make a political speech. But you have gone much further in this bill, which affects non-civil-service appointees. Perhaps it would have been all right to cover the non-civil-service appointees administering relief work, and I think I should have been glad to have gone along in this respect. But, after all, those who are appointed as district attorneys and marshals and collectors of internal revenue and their subordinate non-civil-service employees in the present status of the law have their foundation just as much dependent upon the political views and whims of the voters as do you and I; and it seems to me entirely unreasonable, even if we have the right, to deprive them of the privilege of defending their actions by word of mouth or by contribution to the war chest of the political party to which they belong, or by otherwise taking an active part in political campaigns.

I am not sure in this respect the bill is constitutional, but I do not propose to pass upon that question. I am certain that whether constitutional or not it is inadvisable for us to prohibit the activities of non-civil-service employees to a greater extent than those who are in the classified service. These gentlemen whom you are trying to drive to cover are just like ourselves. They have not the assurance of the security of the classified service. Their security depends upon the vote in the next election. Why, then, until such time as you put them under civil service and make their tenure permanent, should they not be permitted not only to express their opinions freely but to make contributions or even receive them for the benefit of the political party to which they belong? Frankly, I think this is an invasion of the principles of American equality and the civil liberties of this part of the voting population. I cannot go home to my people and tell them that I voted to take the first step to say that because you are in any way connected with the Federal Government or receive pay directly or indirectly from it, that you are hereafter to be hog-tied as to your participation in an election.

Frankly, I do not know how far this bill may go. One section provides that it shall be unlawful for any person employed in any agency of the United States, including any corporation controlled by the United States or any corporation all of the capital stock of which is owned by the United States, or any agency thereof, to use his official authority to influence any voter or any primary or general election. There are a great many people whose compensation is partly paid by the Federal Government and partly paid by the State. Such are those who work under the Federal-State matching plans for road building, for Federal-State employment service, for farm-extension work, and for various other activities. In my personal opinion all these individuals are now handcuffed as far as their participation in any political movement is concerned. One gentleman who spoke last night pointed out that it might be possible that even the employees of national banks might be covered by this bill. It seems to me that we have taken a very long step toward depriving a great element of our population of their rights to actively participate in political life.

The gentleman from Florida [Mr. GREEN] said yesterday:

> To whom is this bill directed? It is directed at the weak and underpaid Federal employee. It is not to remove from him the fear of casting his vote properly, but it is to put in his heart the fear that if he defends his political right, defends a principle in which he believes, defends an administration of which he is a part, attends a public dinner with the leaders of his party, contributes 5 cents for an advertisement for his political party, or engages in any kind of political activity, he will be branded as a Federal law violator.

I am not ready to go this far. I think we have exceeded our authority in passing the bill. I think we have deprived thousands of persons of inherent rights.

I have no quarrel with the primary objectives of the bill. I sincerely hope that the President will veto it and send it back so that those primary objectives may be enacted, without trespassing on what I consider the constitutional rights of our citizens.

Democracy and Americanism

EXTENSION OF REMARKS
OF
HON. C. ARTHUR ANDERSON
OF MISSOURI
IN THE HOUSE OF REPRESENTATIVES
Saturday, July 22, 1939

ADDRESS BY DR. EDWARD J. McCORMICK

Mr. ANDERSON of Missouri. Mr. Speaker, on July 10 the Benevolent and Protective Order of Elks opened their Seventy-fifth National Convention in St. Louis, Mo. On that occasion Dr. Edward J. McCormick, grand exalted ruler of the Elks, delivered a memorable address on Democracy and Americanism. I ask unanimous consent to extend my remarks to include Dr. McCormick's address and I commend it to the attention of every Member of this House.

Mr. Chairman, Your Honor, the mayor of St. Louis, past grand exalted rulers, officers of the Grand Lodge of the Benevolent and Protective Order of Elks, distinguished guests, ladies, and gentlemen, it has been many years since the Benevolent and Protective Order of Elks of the United States of America met in national convention in the great city of St. Louis. In the name of half a million American gentlemen, who are members of the order, and on behalf of their families and friends, I express sincere gratitude for the words of commendation and welcome spoken by his honor, the mayor of the city of St. Louis. We know that St. Louis is one of the most substantial cities of the Union, its citizens noted for conservatism and solidity and undiluted Americanism.

We are your guests this week, not only for the purpose of fraternal reunion with men from all parts of the United States and its possessions, but to make plans for greater endeavors in our charitable and humanitarian undertakings and to marshal our forces for "a fight to the finish" against intolerance and un-American activities.

This is the seventy-fifth convention of the order, which is now 71 years of age. The fraternity came into being after the Civil War, as an Order of American Patriots, and was dedicated to charity, justice, brotherly love, and fidelity at a time when these virtues had been forgotten. That the founders of our order had great vision is evident, if we look about the world today. It would seem that these Biblical fundamentals had been relegated to the archives of history.

We are an American order, devoted to the cause of democracy. We accept into our ranks only those men who believe in and worship the Supreme Being and who are citizens of the United States of America and who are willing to acknowledge that they are their brother's keeper. We cannot separate God from democracy. Democracy is the government of God-loving people. When God is denied, democracy disappears and is replaced by totalitarianism or communism, and charity, justice, brotherly love, and fidelity become selfishness, injustice, intolerance, and immorality. The free man becomes the serf. The Constitution of Elkdom was written with the Holy Bible on the one hand and the Constitution of the United States on the other.

Recognizing that we are "our brother's keeper" and that the continued existence of democracy, government by and for the people, depends upon the interest of the more fortunate in the less fortunate, we have for 71 years maintained a charitable and humanitarian program that has necessitated the expenditure of millions of dollars by our 1,500 subordinate lodges, in excess of eighty millions having been expended by these lodges in the past 50 years. These expenditures are exclusive of grand lodge foundations and programs. The activities have been in every known humanitarian and altruistic field.

In New Jersey, Florida, North Dakota, Nebraska, Illinois, and other States, our State associations and subordinate lodges have pioneered in the care of crippled children and the physically handicapped. Hospitals are owned or supported by the order for this purpose. There are thousands upon thousands of self-supporting men and women in the world today, who but a few years ago were doomed to dependency, who have been rehabilitated by the Elks of America. In Arizona the Elks have devoted themselves to the care of the tubercular and operate a hospital for tubercular patients. In Ohio, Pennsylvania, and Massachusetts, and in other States, the State associations are supporting scholarship foundations. When I visited the Pennsylvania association, 14 scholarships were given to worthy boys. The Elks of Missouri are striving to solve the problem of defective vision in children of indigent fami-

lies. Five hundred boys of Indiana are in a camp provided by the Elks of that State, learning the lessons of physical fitness, moral cleanliness, crime prevention, and traffic safety. So in all States, the State organizations are devoting their energies to some major problem having to do with the welfare of the poor people.

Subordinate lodge activities for the unfortunate have been outstanding during the entire existence of the order. Practically all lodges give Christmas and Thanksgiving baskets. Hundreds of widows and orphans have been and are being cared for. Most lodges have Boy Scout troops and some Girl Scout troops. Many lodges are now awarding scholarships. All types of civic and community-welfare work have been undertaken at some time or another wherever there is a group of Elks.

Grand Lodge activities have included the erection and maintenance of a home for aged men at Bedford, Va., said to be one of the finest in the country, the construction of the National Memorial building in Chicago in honor of those who made the supreme sacrifice during the World War, and the publication of the Elks Magazine in New York City. The war work of the order, directed by the Grand Lodge, included the donation of base hospitals to the Government, the construction and the presentation to the Government of a fully equipped reconstruction hospital, the establishing of a revolving fund for loans to returned soldiers and the financing of the operations of the Salvation Army in France. I have ofttimes said that the War record of the order justified its existence had nothing else ever been done. Since the war, the Grand Lodge has brought into being the National Foundation Fund which is growing rapidly year by year, and from which fund moneys are dispersed to State and subordinate organizations for all types of constructive work. This fund is unique in that its principal is held in perpetuity, and that no part of the income is used for administrative expense—the latter is borne by the Grand Lodge.

During the past year, all lodges and members have been extremely active in civic works. New programs have been initiated for fire prevention, the tubercular testing of hundreds of school children, the study of child delinquency and crime prevention, traffic control campaigns, the building of swimming pools and recreation grounds, lunches for school children, tonsil and dental clinics—in fact the good works impetus has been so comprehensive that it almost defies description. One lodge of our order has expended $104,000 during the past 8 years for milk, and its members, during this period, have placed milk each morning upon the doorstep of every indigent family in its community. Hundreds of iron lungs and many electrocardiographs have been given to institutions, many hospital rooms furnished, and numerous safety cars presented to various cities. We have justified our existence. Through the years we have protected democracy by an active interest in the less fortunate, by public condemnation of intolerance and by fearlessly holding aloft the hands of democracy with a demand for liberty and justice for all.

During the past few months we Elks have conducted a Nation-wide Americanism program, teaching the blessings of democracy and warning all Americans of the present threats to Government "of and by the people." It has been estimated that we reached at least 15,000,000 people during our Americanism week in March. Thereafter many of our lodges started Americanization programs for the purpose of aiding the foreign born in the serious problem of actually becoming American citizens, designed to absorb them and to make them love America, its history, and traditions, and to cause them to respect its liberties and opportunities.

Flag Day observation throughout the order has assumed mammoth proportions. Hundreds of thousands of people have attended Flag Day ceremonies directed by officers of the order.

As an American order, we know that the founders and fathers of our country recognized the fact that we have been given certain inalienable rights by the Creator and not by form of government. They realized that men are created equal and we in America have obtained a higher degree of political and social equality than any other country. We are striving for equality of dignity and opportunity and we should aim at economic equality insofar as such equality is possible, but as has been said, "We cannot hope to shackle the more efficient, that they may not outrun the less efficient." Our Constitution tells us that we have certain inalienable rights derived from our Creator which, therefore, cannot be taken from us except by the Creator. So we guard in America the liberty of the individual and the minority.

Democracy and our Americanism has brought to the shores of this land of ours determined men and women who have realized that the rail splitter would here be given opportunity to prove himself worthy of the highest office in the land. Initiative of the individual has not been curtailed and America has progressed to become, while the youngest, yet the greatest of countries. We have become the world's leaders in art, in science, in the professions, and in business. We are a rich country. We are a progressive people. We lead the world because we are a democracy.

Would that I could say to this audience tonight that our democracy was marching on to new victories, without threat or obstacles. This, I cannot honestly do. Americanism and democracy are threatened by many and it is our duty to advise our friends and our neighbors that the very medium that has made us a great Nation and a great people is in danger. I have but to remind you that in our public-school systems and in our great universities, there are men and women who have cast God out of their hearts, who have turned their backs upon "Government by and for the people," and who are openly advocating changes in our form of government that to say the very least, would bring us to the brink of communism and totalitarianism. We find that these individuals have made their ways into city, State, and governmental agencies, that they are holding offices in our labor unions, stirring up strife and discord and doing everything possible to interfere with economic progress to the end that democracy may be torn down and discredited. I am sure that all of us recognize labor as the backbone of democracy and Americanism. We realize that under democracy, labor has made great strides and that the laboring man occupies a position in this country far above the plane on which he is placed in any other land, but I feel that I can truthfully say that unless labor relieves itself of the services of communistic racketeers, the failure of labor is inevitable and when labor fails, we all fail.

Communism is diametrically opposed to democracy and Americanism, and as Elks we dedicate our moneys and our manpower to an attempt to rid our country of every person who is in any way, shape, or form connected with it. Without God there can be no democracy. Without religion there can be no government "by the people and for the people." Our President has said: "There comes a time in the affairs of men when they must prepare to defend not their homes alone but the tenets of faith and humanity, on which their churches, their governments, and their very civilization are founded. The defense of religion, of democracy, and of good faith among nations is all the same fight. To save one, we must now make up our minds to save all."

And I submit to you, my friends and my brothers, that in the saving of our homes and our faith and our Government, that we could do no better than to exclude forever from our shores those who are not in accord with the teachings of God and with the fundamentals of democratic government. I would warn you that the godless philosophy, which has worked its reign of terror in Germany, is rapidly penetrating the United States, and that many Fascist organizations, disguised as patriotic and Christian groups, are spreading a type of hatred and intolerance which is incubated on foreign soil and brought here to grow, and I would likewise warn you that the propaganda machines of foreign dictators will use, and are using, every possible method to cause disintegration of democracy in the United States of America.

It has been estimated that the German-American Bund numbers more than 25,000 members, that it could raise 5,000 storm troops, and that another 100,000 persons are willing to be seen at its meetings. I am told that there are 10,000 Italian Black Shirts in the United States, with some 200,000 sympathizers. Whether there are 1 or 100, or 100,000 of these individuals, we must proceed against them in the same manner as we would against a great epidemic which threatened to destroy our people and send them back to those lands where they can enjoy the particular Godless type of government which they crave. I would likewise advise that all Americans join in a movement to procure the legal definition of liberty and determine once and for all where free speech ends and treason begins.

I am happy in the fact that during the year we have been able to conduct a Nation-wide campaign against subversive activities. I know that this campaign has done a great deal of good. I am happy in the fact that churches and other organizations are active in the fight to prevent further inroads by these undesirables and I look forward to the day in the near future when the American Legion, the Veterans of Foreign Wars, the Daughters of the American Revolution, the Shrine, the Knights of Columbus, the masonic bodies, and all patriotic and American organizations will be united under one generalissimo for the express purpose of making America safe for Americans.

I have great respect for the work that has been done by these orders in behalf of America. I am anxious to see our own order grow and become stronger and more influential because it has the possibility of maintaining itself in perpetuity. I shall always remember the Sunday afternoon some months ago when I sat at my radio and listened to the President of the United States when he spoke on the occasion of the dedication of a monument to the soldiers who fought in the Civil War. Without the aid of television, I could see the old soldier in gray and the old soldier in blue as they were assisted to a position where they might light the perpetual flame in honor of the Blue and Gray and my thoughts then turned to a day, not so far distant, because time is fleeting, when the last doughboy of the American Legion and the last Veteran of Foreign Wars, and the last member of the Daughters of the American Revolution, and the last member of the Spanish American War Veterans shall have gone to their reward. I saw in my mind's eye a greater, a larger, a more determined group of men in all the cities of the United States of America, wearing the emblem of America's oldest charitable and patriotic fraternity, the Benevolent and Protective Order of Elks, with their faces turned to the enemy, determined that all the great battles and the lives of our heroes and leaders shall not have been in vain. Their hands will be raised against everything un-American and undemocratic and they shall go marching down the halls of time fully determined that it "cannot happen here."

So I commend to my brother Elks and to the friends of the order, a continuation of all humanitarian and civic and community welfare endeavors and a militant Americanism, to the end that we may give this great country of ours to our successors as it was given to us by our fathers and mothers and grandfathers and grandmothers, a country with a Government "of and for and by the people," where all of God's creatures may be accorded happiness and oportunity.

My brother Elks, democracy cannot, must not, shall not fail!

Gen. Barnard Elliott Bee

EXTENSION OF REMARKS

OF

HON. JOSEPH B. SHANNON

OF MISSOURI

IN THE HOUSE OF REPRESENTATIVES

Saturday, July 22, 1939

ADDRESS BY COL. J. RION McKISSICK, PRESIDENT, UNIVERSITY OF SOUTH CAROLINA

Mr. SHANNON. Mr. Speaker, under leave to extend my remarks in the RECORD, I include an address delivered by Col. J. Rion McKissick, president of the University of South Carolina, on Manassas Battlefield yesterday, July 21, 1939, at the presentation of a monument in honor of Gen. Barnard Elliott Bee.

It was a great pleasure to me to attend the dedication ceremonies, held under the auspices of the Mary Taliaferro Thompson Southern Memorial Association. It was stated by Virginia State Senator John W. Rust, president of the Manassas Battlefield Association, on that occasion that General Grant was practically the only one of the leading military figures of the Civil War who did not participate in either the first or second Battle of Manassas. Senator Rust also stated that it is the hope of his association that a monument will in time be erected in memory of each of the participating generals. Next July a monument will be presented in honor of General Jackson.

One day of battle for the Confederacy was all allotted to Gen. Barnard Elliott Bee, yet how tragic and how glorious it was for him!

For that day he had been preparing since he entered West Point 20 years before.

Born in 1824 in Charleston, he was his father's namesake and was a grandson of Thomas Bee, South Carolina's first Federal judge.

His mother, Ann Wragg Fayssoux, was of Huguenot descent.

General Bee's father, a signer of the South Carolina ordinance of nullification, moved to Texas in 1835, took a leading part in the establishment of the short-lived Republic of Texas and was its first Secretary of State.

The general's brother, Hamilton P. Bee, was himself a Confederate major general.

Graduating at West Point in 1845 with the rank of brevet second lieutenant of infantry, Bee served in the military occupation of Texas and in the War with Mexico.

For "gallant and meritorious conduct" in the Battles of Cerro Gordo and Chapultepec, he was successively brevetted first lieutenant and later captain, while the State of South Carolina presented him with a sword of honor for his "patriotic and meritorious conduct" in that war.

From the close of that conflict until he entered the service of the Confederacy Bee served in the United States Army successively as lieutenant, adjutant of the Third Infantry, captain of the Tenth Infantry, and colonel of the Utah Volunteer Battalion, mainly on frontier duty in the West.

Resigning in March 1861 to enter the Confederate Army, Bee was commissioned a major of infantry.

Such was his reputation that President Davis in June 1861 promoted him to be a brigadier general.

He was given command of the Third Brigade of the Army of the Shenandoah under Gen. Joseph E. Johnston who earlier in July had asked that Bee be assigned to him and who said that his army while in the valley was "strengthened" by the accession of the South Carolinian.

After participating with the army in the maneuvers in the valley against the Union forces, Bee accompanied General Johnston on the march to reinforce General Beauregard at Manassas.

His brigade was posted between McLean's and Blackburn's fords.

Since all of his command had not arrived, Bee actually commanded in the battle part of his brigade and part of Bartow's—Georgia, Alabama, North Carolina, and Mississippi infantry, and Virginia artillerymen.

The battle began shortly after 6 in the morning when the Union forces "opened with musketry and artillery against the small brigade commanded by Col. (N. G.) Evans, which held the stone bridge on the extreme left of the Confederate line."

An hour later the Shenandoah brigades, Bee's, Bartow's, and Jackson's together, with Bonham's, were ordered up in support.

"The attack was feebly pressed, and Evans * * * became satisfied that the movement to his front was but a feint, and that a column of the enemy was meanwhile marching to turn his flank by way of Sudley Springs, about 2 miles northwest. * * * He left four companies to hold the bridge; and with six companies of riflemen, a battalion called the Louisiana Tigers, and two 6-pound howitzers, he moved across Youngs Branch and took post on the Matthews Hill."

Half an hour later the leading Union brigade struck Evans' riflemen.

The enemy were twice repulsed, but supports came crowding up, and Evans sent back for reinforcements.

Lt. Col. G. F. R. Henderson, the chief biographer of Jackson, whose account of the battle to this point I have quoted, adds:

"Again the situation was saved by the prompt initiative of a brigade commander.

"Bee had been ordered to support the troops at the Stone Bridge.

"Moving forward toward the Henry Hill, he had been informed by a mounted orderly that the whole Federal Army seemed to be moving to the northwest.

"Bee waited for no further instruction.

"Ordering Bartow to follow, he climbed the Henry Hill.

"The wide and beautiful landscape lay spread before him; Evans' small command was nearly a mile distant, on the Matthews Hill; and on the ridges to the far northwest he saw the glitter of many bayonets.

"Rapidly placing his battery in position near the Henry house, Bee formed a line of battle on the crest above Young's Branch; but very shortly afterward, acceding to an appeal for help from Evans, he hurried his troops forward to the Matthews Hill.

"His new position protected the rear of the companies which held the stone bridge, and so long as the bridge was held the two wings of the Federal Army were unable to cooperate.

"But on the Matthews Hill the enemy's strength, especially in artillery, was overwhelming, and the Confederates were soon compelled to fall back to the Henry Hill. Sherman's brigade of this division, passing the stream by a ford, threatened the flanks of Bee and Evans as they retreated across Young's Branch."

So heavy and terrific was the fire of the Union artillery that Bee's troops were fleeing in great disorder.

The day seemed lost.

Henry Hill, "the commanding height, the key of the battleground," was abandoned to the enemy.

General Beauregard thus describes the scene:

"We found the commanders resolutely stemming the farther flight of the routed forces, but vainly endeavcring to restore order, and our own efforts were as futile.

"Every segment of line we succeeded in forming was again dissolved while another was being formed; more than 2,000 men were shouting each some suggestion to his neighbor, their voices mingling with the noise of the shells hurtling through the trees overhead, and all word of command drowned in the confusion and uproar."

Col. Thomas L. Preston, a member of Gen. Joseph E. Johnston's staff, says:

"General Bee rode up, and as he faced General Johnston he dropped the reins of his bridle and in a voice tremulous with emotion and tears rolling down his cheeks, he said, 'General, my command is scattered, and I am alone.'

"General Johnston replied, 'I know it was not your fault, General Bee. But don't despair; the day is not lost yet.' "

Thomas Marshall Spaulding, in the new Dictionary of American Biography, observes that Bee's brigade "was one of those that bore the brunt of the first attack—it suffered heavily, and finally broke up, but it had held back Union advance long enough for the defense to be organized in the rear."

"But help was at hand.

"Jackson, like Bee and Bartow, had been ordered to the stone bridge.

"Hearing the heavy fire to his left increasing in intensity, he had turned the head of his column toward the most pressing danger, and had sent a messenger to Bee to announce his coming.

"At this moment, about 11:30 a. m., Bee rode up at full gallop and met Jackson face to face.

"Jackson was cool, composed.

"Bee, covered with dust and sweat, sword in hand, his horse foaming, said:

" 'General, they are beating us back!'

"Jackson answered:

" 'Then, sir, we will give them the bayonet!'

"Jackson's determined bearing inspired Bee with renewed confidence. He turned bridle and galloped back to the ravine where his officers were attempting to re-form their broken companies.

"Riding into the midst of the throng, he pointed with his sword to the Virginia regiment, deployed in well-ordered array on the height above."

It was at this moment that Bee, as Mrs. Jackson put it, "christened his companion-in-arms, in the baptism of fire, with the name he was henceforth to bear, not only in the Southern Army, but in history, of Stonewall Jackson."

What did Bee actually say?

Dr. R. L. Dabney, one of the first biographers of Jackson, asserts that Bee said:

"There is Jackson standing like a stone wall.

"Rally behind the Virginians.

"Let us determine to die here, and we will conquer.

"Follow me."

Mrs. Jackson records that Bee said:

"Look at Jackson; there he stands like a stone wall! Rally behind the Virginians!"

General Beauregard asserts that Bee said:

"Look at Jackson's brigade! It stands there like a stone wall!"

Gen. E. P. Alexander, who was in the battle, puts it:

"See Jackson standing like a stone wall. Rally behind the Virginians!"

Jackson, with characteristic modesty, always insisted that Bee had referred to his brigade and not to himself personally.

Gen. Joseph E. Johnston, in his narrative, adds this curious note that just when Bee christened Jackson such of the latter's men as were "in sight of Bee's troops were lying down by Jackson's order to avoid the enemy's artillery."

Gen. E. P. Alexander observes:

"It is a coincidence that the same comparison was made the same afternoon by Gen. Joseph E. Johnston.

"I was acting as his guide late in the evening, and, in speaking of the fighting, he instanced the Fourth Virginia Regiment of Jackson's brigade, under Col. James F. Preston, and said, so impressively that I always remembered it, 'Preston's regiment stood there like a stone wall.'"

While I was preparing to come here today, a South Carolina woman of the elder generation sent me this message: "Be sure you don't quote General Bee as saying to his men, 'Rally behind the Virginians!' because you know no South Carolinian would ever tell his men to do that."

However, recalling numerous expressions of admiration and affection for the people of the Old Dominion uttered by South Carolina Confederate veterans and our women of wartimes, I am certain that our soldiers would rather have rallied behind the Virginians than anywhere else.

Jackson's own account of this phase of the battle is characteristically terse and laconic. He says: "Ascertaining that General Bee, who was on the left of our line, was hard pressed, I marched to his assistance, notifying him at the same time that I was advancing to his support; but before arriving within cannon range of the enemy I met General Bee's forces falling back. I continued to advance with the understanding that he would form in my rear. General Bee, with his rallied troops, soon marched to my support."

Whatever it was that Bee exclaimed, "the men took up the cry, and the happy augury of the expression, applied at a time when defeat seemed imminent and hearts were failing, was remembered when the danger had passed away."

After the retreat had been halted General Beauregard resolved to take the offensive and ordered a charge for the purpose of recovering the plateau.

"The movement, made with alacrity and force by the commands of Bee, Bartow, Evans, and Hampton thrilled the entire line," Beauregard declared.

The enemy was swept from the Henry plateau, but they reformed and pressed the Confederates back.

Beauregard determined to make another effort to recover the plateau and ordered a charge of the entire line of battle which, as he said, "broke the Federal fortunes of the day at severe cost."

Bee had reformed the remnant of his command with Jackson's brigade and held his ground.

"To hold the raw and undisciplined troops up to their work required desperate exertion and reckless exposure on the part of the officers."

Bee had lost nearly all of his field officers in addition to many of his men.

In the second charge of the whole gray line Bee was mortally wounded a few yards back of the Henry house "near the very spot whence in the morning he first looked forth upon Evans' struggle with the enemy."

When he fell Bee was grasping the sword of honor which the State of South Carolina had presented to him 17 years before.

President Davis noted in his book:

"When riding to the front I met an ambulance bearing Gen. Barnard Bee from the field where he had been mortally wounded after his patriotism had been illustrated by conspicuous exhibitions of skill, daring, and fortitude."

He died the following morning, July 22, in the little cabin on the field where he had made his headquarters—he and General Bartow having been the first Confederate generals to give their lives for their country.

His body and those of General Bartow and Lieutenant Colonel Johnson, of South Carolina, were sent to Charleston on a special train.

Bartow's corpse was later carried on to Savannah.

Charleston did the utmost honor to the slain South Carolinians and to General Bartow.

A great number of citizens and the local military companies met the train and escorted the bodies to the city hall, which had been draped in mourning. The bells of the churches tolled, flags flew at half-mast, the stores closed, and between 4,000 and 5,000 people viewed the bodies laid out in state.

The body of General Bee was carried across the State to Pendleton, historic village to which has family had moved.

When he fell mortally wounded his thoughts were of that home, for he called out, "Where are the Pendleton boys? Let them take me off the field," and some of them did.

In the Episcopal churchyard, not far from the home of John C. Calhoun, and in sight of the sentinel ranges of the Blue Ridge, General Bee sleeps beside his brother-in-law, another Confederate brigadier general, Clement H. Stevens, his volunteer aide who was seriously wounded at the same time Bee was mortally shot at Manassas, who invented the Confederate armored floating battery, and who was killed at the Battle of Atlanta.

Theirs is a common monument
The simple epitaph for Bee is:

"If thou a noble soldier art
That passest by his grave, man,
There moulders here a gallant heart
For this was a brave man."

Bee earned the high opinion of his superior officers at Manassas.

Gen. Joseph E. Johnston said:

"I had full confidence in the high soldierly qualities of General Bee."

He added that the victory at Manassas was "due, under Almighty God, to the skill and resolution of General Beauregard, the admirable conduct of Generals Bee, E. K. Smith, and Jackson, and of colonels commanding brigades (Evans, Cocke, Early, and Elzey), and the courage and unyielding firmness of our patriotic volunteers."

In his official report General Beauregard said:

"In the death of Gen. Bernard E. Bee the Confederacy has sustained an irreparable loss, for, with great personal bravery and coolness, he possessed the qualities of an accomplished soldier, and an able, reliable commander."

Beauregard also styled him "the brave Bee" and "the heroic Bee," and declared that he fell "to the great misfortune of his country, but after deeds of deliberate and ever-memorable courage."

Gen. E. P. Alexander, referring to Bee and Bartow at Manassas, asserts that "the victory could never have been won without them," while Robert M. Hughes, biographer of Gen. Joseph E. Johnston, asks, "What would have been the story of Manassas without Bee, Bartow, and Jackson to illumine its page?"

The sentiment of Bee's native State was voiced by its leading newspaper of the time, the Charleston Mercury, which said:

"South Carolina * * * mourns his loss, for he was a true representative of his race—mild, modest, amiable of deportment, open, generous, bold and dashing in achievement, nice of honor, and punctilious of fame, winning friends by sterling conduct, as fearless of foes as sensitive of regard, he was all that his State could ask of a gentleman, a soldier, and a patriot.

"South Carolina will ever bend in honor over the tomb of such a son."

Thomas Marshall Spaulding observes in the Dictionary of American Biography:

"He is chiefly remembered now as the man who gave Stonewall Jackson the name by which he is known in history.

"These accidental titles to fame have rather obscured his real merit.

"He showed a capacity for command that was not usual in the early days of the war, and it is fair to suppose that he would have risen high if he had lived."

The old Palmetto State is and ever will be deeply grateful for the high honor done here and now to a son who loved her and whom she loves forevermore.

South Carolina has proclaimed to the world for all time to come her judgment of her sons and all others who wore the gray in an inscription upon a white shaft before her statehouse which perpetuates the memory of those who—

"True to the instincts of their birth,
Faithful to the teaching of their fathers,
Constant in their love for the State,
Died in the performance of their duty; who
Have glorified a fallen cause
By the simple manhood of their lives,
The patient endurance of suffering
And the heroism of death; and who
In the dark hours of imprisonment,
In the hopelessness of the hospital,
In the short sharp agony of the field,
Found support and consolation in the belief
That at home they would not be forgotten."

Those for whom they died inscribe—

"The solemn record of their sacrifice
The perpetual gratitude of the State they served.
Their names recall to their children and kinsmen
How worthily they lived;
How nobly they died;
And in what tender reverence their memory survives."

These were men—

"Whom power could not corrupt,
Whom death could not terrify,
Whom defeat could not dishonor;
And let their virtues plead for just judgment
Of the cause in which they perished;
Let the South Carolinian
Of another generation."

Remember—

"That the State taught them
How to live and how to die,
And that from her broken fortunes
She has preserved
The priceless treasure of their memory,
Teaching all who may claim the same birthright
That truth, courage, and patriotism endure forever."

A Scholar of the Law Discusses Current Problems

EXTENSION OF REMARKS

OF

HON. JOHN M. COFFEE

OF WASHINGTON

IN THE HOUSE OF REPRESENTATIVES

Saturday, July 22, 1939

ADDRESS BY ROBERT H. JACKSON, SOLICITOR GENERAL OF THE UNITED STATES, AT THE COMMONWEALTH CLUB OF CALIFORNIA, SAN FRANCISCO, CALIF., JULY 14, 1939

Mr. COFFEE of Washington. Mr. Speaker, under leave to extend my remarks, I include herein an address by the Honorable Robert H. Jackson, Solicitor General of the United States. I consider Mr. Jackson to be one of the ablest and most brilliant figures identified with this administration. Mr. Jackson is courageous, scholarly, profound, and versatile. Politically I would say that Mr. Jackson possesses "oomph," or "it." We need more men in public life of his character and potentialities.

This meeting with the rationally famous Commonwealth Club of California is the high spot of my trip across the continent. I have driven for the purpose of getting a more intimate view of the towns and various countrysides which make up the great Nation whose cases before the Supreme Court are my responsibility. I have often said that everyone in official life should be compelled to spend every third week at home—wherever that is—so as to get the tonic of life as it really is, to relieve the political high blood pressure that always affects Washington, and which at about this season is apt to make its victims a little hysterical.

I am a living example that the errors of the fathers are visited upon the sons even unto the second generation. But for the mistake of returning east on the part of my grandfather, I might actually be, as I have come to feel myself, at home here in California. He came here seeking gold in 1851. Where our family had settled on the headwaters of the Allegheny River, the news arrived slowly and he did not make it in time to be a forty-niner. He came by the Isthmus of Panama and by packet up the Pacific, and I always understood from him that the transportation of that day did admit of some improvement. He told me with an indignation that never died of being compelled to pay a native a whole dollar, as he footed it across the Isthmus, for the privilege of sleeping one night on a bed of poles elevated some feet so as to be above reach of snakes and vermin. I think my hatred of all monopoly originated in that story. But California itself, San Francisco, and the Sacramento Valley were set in my young imagination as a land of romance. He returned to marry—in the East—and that made me a stranger to California, but it is not a strange land to me.

As I sense the real problems and worries of our steady-going American people, they are not political—that is, you cannot vote them out. You can change the names and faces in the newspapers about official life by an election. But the old problems remain after election to vex the new administration.

And the real problems and worries of America are not local. A shortage of buying power in cities means a low market for the farmer and fruit grower. A shortage of buying power on the farms means unemployment in the implement, automobile, and other factories which sell to farmers. A failure of crops in one locality means migration to another. Refusal or inability of one State to meet its social or economic problems means that the problems may move on to another State. No one knows this better than you of California. Any idea that a break-down of our social system is not your affair, if it is a couple of hundred miles away, must be gone by now. In our interrelated and interdependent life there is no such thing as a local problem any more. If it rises to the importance of a problem, it rises above merely local concern.

This administration had a whole basket of these problems dumped on its lap at once. And I am not unrealistic enough to claim that we have yet reached a satisfactory or permanent solution of some of them. But we are again approaching a national campaign in which there will be sharp division and controversy over the methods and the objectives of this administration.

As I go about the country I find that many of those who aspire to be leaders of an opposition to the administration are talking about things that not only fail to satisfy but fail even to interest the mass of average Americans.

Editors, lawyers, columnists, and many businessmen engage in a war of what has been called "ideologies." That is, they try to make some idea fit over every proposal of government and enclose it like a tent. Proposals are labeled and disposed of by epithets. This proposal is called "socialistic," that one is "fascistic." Another is called "American" and a fourth is "Marxian." Some are called "communistic," others just "alien" or "totalitarian" or "conservative" or "radical" or reactionary." This war of ideologies is making most of the noise of politics.

I came from people too busy making a living to work life's annoyances up into a philosophy. I believe that the mass of Americans rightly feel that no good will come to them from any side in a war of abstract ideologies.

The way of life of the American is practical, hard-headed, and concrete. It is not made of what Justice Holmes once called "pernicious abstraction." Its distinguishing ideology is that it has no "ideology" except to get results.

The most dramatic examples I have ever seen of the victory of practical results over conflicting ideologies are your breath-taking bridges which are now the symbol of San Francisco to the world. Each was built according to a different "ideology."

The Oakland Bridge was built by an agency of the State of California with funds borrowed from a Federal Government agency—borrowed, by the way, under a Republican administration on the same theory of self-liquidating projects as that which President Roosevelt is now proposing. After the bridge had proved its worth, the Federal Government sold its interest to private investors through a private banking house.

That, I suppose, ideologists would say, was a bridge with Socialist antecedents and capitalistic consequences.

The Golden Gate Bridge, so I understand, was financed by a local bridge district through a bond issue supported by tax liens. That, of course, according to the ideologists, would be a strictly socialized bridge.

A third bridge far down the bay was built by private enterprise and is a less useful but a strictly respectable capitalist bridge.

But I will wager that neither Communist or capitalist, nor private enterprise or parlor Socialist, nor liberal or conservative, Democrat or Republican, ever lets his political preferences decide whether he will travel by a wholly private bridge, by a half-private bridge, or by the wholly public bridge. At those misguided moments when he wants to leave San Francisco, each mother's son of them takes the shortest route and forgets his theories. And no banker ever refused to come here on a railroad just because when private capital lagged before a task too big, the Government stepped in and financed the railroads with land grants.

That, I submit, is the true American way of life—that habit of thinking things and not words, that emphasis on results—concrete results for our people. Our people do not want barren theories from their democracy. Maury Maverick has expressed very quaintly, but clearly, what they really want when he says, "We Americans want to talk, pray, think as we please—and eat regular."

We grew from a little string of settlements to a great Nation because the practical philosophy of our people was that government should interfere in business almost as freely as business interfered in government—and that "the legitimate object of government" was as Abraham Lincoln put it: "To do for a community of people whatever they need to have done, but cannot do at all, or cannot do so well, for themselves, in their separate and individual capacities."

This is the underlying attitude of the American people toward our problems as I sense it. No ideology is going to stand in the way of the instinct to "eat regular." Americans prefer private capital to run our business, to build our bridges, and to employ our workmen. But when private capital cannot, or will not, on reasonable terms, do these things, then the people turn to their Government for big bridges, for T. V. A.'s, for big dams, and they will turn to it to relieve unemployment and provide for dependent old age and to meet other problems along the whole social and economic front where private effort fails or falters.

A large part of the strength of the Roosevelt administration is that it has followed this very practical and traditional attitude of the masses of our people. It has not been an administration of sterile ideologies. It has been one of action, of experiment, of determination that our people by some means or another "eat regular." And it is hard to understand why this simple and self-preservationist attitude of the great mass of the people should arouse such opposition among those who not only "eat regular" themselves but who represent so much of educational, cultural, and social, as well as economic, advantage.

I think it was Henry Adams who lamented that he was educated in one century and had to live in another. Something like this happens to all of us. It is especially true of those who are able in early years of life to acquire a formalized learning on which to coast the rest of their lives. The times out-run their intellectual preparation. So the depression, with its score of new problems, and its other score of old problems greatly accentuated, caught much of the political and financial leadership of the country wholly unaware. They found themselves living in a world for which they had learned no formula, and they were frightened about every move of government for which they knew no precedent, and were afraid of every experiment which was not included in their last century ideology. They comprise the bulk of the opposition to the administration.

But the masses of the people who do not so formalize their ideas do not suffer this lag between their ideas and their lives. Their theories are the product of their experiences; they do not try to shape experience to fit previously learned theories. Their ideas are always up to date with their experience. They are willing to breakfast on one ideology, lunch on another, and dine on a third. I repeat that the strength of the Roosevelt administration with the masses of the people is based on its sympathy and understanding of this elemental American practical trait. A weakness of the opposition has been in offering people ideology when they want dinner—and stale ideology at that.

One of the things that government has had to do was to get time—to buy time—time to let us all bring our thinking up to date with our problems. It has used stopgaps and temporary measures, it has tried experiments, and it has met new conditions with new remedies. The administration is a living example of the philosophy in which I am a believer, which was best stated by Mr. Justice Holmes when he said: "I have little faith in panaceas and almost none in sudden ruin."

No one who knows how slow are the processes of political evolution, or who appreciates that government is no exact science, will claim that the measures of the administration to deal with unemployment, with lagging industry, with dependent old age, or with a score of other problems are panaceas or are in acceptable permanent form today.

Not only had our problems accumulated until they were acute in form but their very existence had long been unnoticed. Our people had been preoccupied with the marvelous inventions which have revolutionized our lives and with the sciences which have exposed new frontiers to our enterprise. We had not been socially minded, nor had we watched the growing tendency to unemployment, the denial of jobs to older men, nor the effects of increasing concentration of wealth in few hands. Ventures of our democracy upon solution of the difficulties that beset us have, therefore, of necessity been experimental and tentative.

In fact, we have not even known until lately how far the Supreme Court would permit the American democracy to try to solve its problems. During the whole of the first administration of President Roosevelt nearly every effort was struck down before we had a chance to appraise its worth or effectiveness. It has taken the most of the second administration to find out that the law imposed upon the first administration by the Court was not even good constitutional law.

For nearly half a century scholars of the law knew that a slow destruction of the powers of the Government was in progress; that we no longer had the strong and virile Government that the great opinions of Marshall foreshadowed. Farsighted men knew that sooner or later in some form that trend must be reversed. They hoped it might not destroy in the reversal either the Court itself or the democratic nature of our institution. One of the most important services which the Roosevelt administration has rendered to the future is to meet and solve this problem, without destroying the Court, without impairing its usefulness, and without upsetting our form of government. To understand what has happened, let us turn to history.

Our Constitution was framed by aggressive young men to give us a government with powers enough to combat an economic depression. The Convention met in a period of great economic crisis. Ships were rotting in the harbor, men were out of work in the cities, debtors were unable to meet debts, States were laying discriminatory restrictions on the trade of each other. The desperation of that day lingers in our phrase "not worth a continental," which was their expression of contempt for their Government's obligations. That time of our founding has well been described as "the critical period of American history."

Driven by this desperation, the country sought a central government equal to economic emergency. They did a master job of creating it. John Marshall, who well knew the need and the purpose, started off the Supreme Court interpretations which gave us a virile and solid National Government.

Then the slave question began to appear. Slave interests saw that institution endangered by the sentiment of the Nation but cherished by the sentiment of their own States. Able lawyers and judges under that influence began the work of protecting slavery by cramping constructions of the only power that threatened it—that of the Federal Government. They overplayed their hands, and their most extreme decisions were reversed on the battlefields of the Civil War. But many of their incidental decisions cutting down Federal power remain as precedents for later judges to follow.

The will to follow was not wanting. As the great railroad and industrial and financial corporations rose to power, they saw, as the slave power had seen, that if they could keep the central government weak they could handle most of the local governments, play some against others, and make government regulation generally ineffective. So we had another powerful interest, represented in our courts by most able minds, bent on keeping the central government weak.

By the first Roosevelt administration there were precedents to furnish the background for the Supreme Court to hold that this Government, founded to deal with economic emergency, had almost no such power at all. These precedents were used, often over the protests of such far-sighted men at Chief Justice Hughes, Mr. Justice Stone and others to strike down nearly every economic measure of the New Deal. N. R. A., the Petroleum Code, the agricultural program, the Railroad Retirement Act, the Bituminous Coal Act, were some of those struck down.

I do not know how good these laws would have been found. We were never permitted to know. There were strong indications of recovery and no doubt these, or some of these laws, were of help. The point is that powerful interests, by the use of an abstract ideology not found in the Constitution at all, had reduced the structure of Federal Government to a very ornamental but pretty helpless shadow, while the real running of the country could be done by men whose power did not come from being elected at all.

The second administration has been devoted to breaking up that philosophy of weakness and paralysis. The task of carrying us back to the strength and virility of the original founders of the Government has been the task on which my whole service in government has been spent. And I say to you that we have restored the powers of the Federal Government to where it may once again govern the powerful and protect the weak. This is the legitimate end of all government.

I know we have succeeded. The slashing attack on the Supreme Court by the president of the American Bar Association this week testifies to our success. That association, after spending some years preaching that new dealers should not attack the Court even if they disagreed with its decisions, now listens to a blast from its president that makes the worst we ever said of the Court seem temperate. And he does not spare such men as the Chief Justice, Mr. Justice Stone, or Mr. Justice Roberts, all of whom have at times taken the Court leadership in rediscovering the Constitution and in helping to undo a half century or more of misinterpretation. But the people will recognize the attack as a tribute and feel assured that the Court is again imbued with the spirit of the people of the United States instead of the ideology of the Liberty League.

Then I know we have succeeded because of the acknowledgment of our adversaries. Mr. Arthur Krock in the New York Times said, after the decision sustaining the new Agricultural Adjustment Act, that the New Deal had wholly won its long fight to reinvigorate the commerce clause of the Constitution. He might have said the same of the general-welfare clause, the taxing power, and he might have noticed a return toward the original concept of the due-process clause.

We are really living under the Constitution again.

There are people who think that President Roosevelt, whose first term was destroyed by the judges, and whose second term has been stalled on many policies while the judges have been correcting the judges, should now have one term under the Constitution.

And this now successful battle to reestablish the powers of Government has been accomplished without impairment of the democratic process. There again the common sense of the American people discounts the nonsense about a theoretical "dictatorship" which some editors have so steadily peddled.

The American people know that they are almost alone among the peoples of the world who look forward next year to an election to choose their leader. They know the result will be accepted in good sportsmanship by all parties. They know their election will not be a mere "yes" or "no" vote on a single name, with soldiers to see that they vote "yes" or else!

They know that any man will be free to take criticism, however extreme, of the President, the Congress, the Supreme Court, or any official or policy, and will not be sent to a concentration camp for doing it. They know that their newspapers will write bitter and unfair attacks on those who are running the Government and that same Government will carry those newspapers to subscribers—at less than cost. Nowhere in the world today is the democratic process so free, so virile, and so safe. And they know that to have kept it so, when democracies elsewhere in the world fell before the same forces that have battered our country, is no mean accomplishment.

What will we use our democratic freedom to do?

In the field of policy, while I do not have time to consider detailed programs, the great need is to reexamine the work which has of necessity been done in haste and in emergency. In these calmer days measures which have failed should be rejected or replaced; those which reveal shortcomings should be amended; those with hope and promise should be strengthened and their administration improved. Evils not yet touched must be remedied by measures yet untried.

The task ahead is one that calls for the same practical common sense that is the most American thing about America. It needs the open-minded testing policy, not by some "ideology" but by its effect on the welfare and the daily lives of the masses of the American people. The status quo is at many points indefensible. We have a long road to go to the standard stability, security, peace, and justice which we Americans demand.

And in the field of leadership what use are we likely to make of one of the few significant free elections the world can anticipate?

We know that only a strong President will mean a strong democracy.

There may have been times in our history when we did not need a strong President to keep our democracy strong—when any middle-of-the-roader, or no one at all, could safely occupy the White House—and the people sensed no need of leadership. There have been times when the people did not resent the manipulation of the machinery of two political parties to bring out two candidates of a kind that has been called a "tweedledum" and a "tweedledumber," who both stood for the same things. There have been times when the country could stand for a "middle-of-the-road" leader—and a "middle-of-the-roader" which usually means one who holds up traffic going in both directions. But these are not and cannot be such times.

There are times when every clear head knows that the mysterious personal electricity of leadership is needed, and desperately needed, to cohere the otherwise scattered forces of good will and intelligence—to bring them together, to hold them together—so they become an effective and concentrated force in using the reinvigorated powers of Government in the solution of the country's problems.

Lincoln had that power—to hold his people's courage to the great moral issues of their time; to hold them together not only to start but to finish a crusade after the first fine flush of excitement was past and the burden became really heavy; and there were those who wanted to quit to make money; and there were those who wanted to quit because they were simply tired.

That same magnificent power to give men the steady courage to throw themselves against problems bigger than men ever have faced, that same power to inspire the trust of millions who trust nothing else, and no one else, in our political and business life rests in the White House today in Franklin D. Roosevelt.

He is the greatest natural resource we have.

I am not yet saying that he must accept a third term which he may not want.

What I am saying is this:

First, irrespective of a third term for President Roosevelt, there must be a third term for Roosevelt's ideas.

The achievements of his administration have become so much a part of our national life that any attempt to rip them out rather than carry them through would bring disorder and chaos to all classes in the country.

Second, if anyone else is to be President it must be someone who will be President in the Roosevelt tradition.

For unless I mistake the temper of the American people they do not propose to quit.

Nor do they propose to turn back when their feet are on the road that leads to America's limitless future.

W. P. A. Furloughs

EXTENSION OF REMARKS

OF

HON. FRANK E. HOOK

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Saturday, July 22, 1939

Mr. HOOK. Mr. Speaker, during the course of the consideration of the work-relief bill I called the attention of the House to the hardship that would result to my section of the country and to the people who through no fault of their own have depended upon the meager wage paid them for W. P. A. work.

I urgently solicit the attention of the Committee on Appropriations, and especially the subcommittee that was in charge of the work-relief bill, to the hardship that will result if all those who have been on W. P. A. for 18 months are furloughed for 30 days in my district.

The economic situation is such because of the practical shut-down of the iron and copper mines and the reduction of employment in the lumber industry that the people of my section are forced on relief. They are good, clean, honest, industrious people, ready and eager to take private employment if it were offered to them. I see no reason why they should be forced to starve for 30 days in this land of plenty.

May I urge the Committee on Appropriations to submit an amendment to the Work Relief Act striking out subsection B of section 16, which provides for the dismissal of persons continuously employed on projects for more than 18 months and making such person so removed ineligible to be restored to employment on these projects until after the expiration of 30 days.

Unless this provision is stricken from the act untold misery will result.

In order to more forcefully call attention to the situation which confronts the people of my district I hereby include in these remarks the following telegram:

HOUGHTON, MICH., *July 19, 1939.*

Hon. FRANK E. HOOK,

House of Representatives, Washington, D. C.:

The Democratic Club of Houghton County wishes to enter a strenuous protest against the 30-day lay-off provision in the new Works Progress Administration law enacted by Congress and respectfully solicits your efforts in bringing about a revision of the law in such a way as to eliminate this objectionable feature.

Enforcement of 30-day lay-off provision in this district would work a tremendous hardship on a large number of residents who, through no fault of their own, have depended on a mere subsistence wage from Government Works Program. For several years they have not been able to save anything from their meager wages to meet such an emergency, and a 30-day suspension at any time will bring them face to face with starvation.

Due to the depressed conditions of the copper industry, Houghton County has had and will continue to have a large proportion of its workable population dependent upon the Government Works Program. They are merely living from hand to mouth and cannot afford the loss of a single day's employment.

JOHN G. SALMI.
PORTAGE LAKE DEMOCRATIC CLUB.
CALUMET WOMEN'S DEMOCRATIC CLUB.
CALUMET DEMOCRATIC CLUB.

American Zionist Bureau

EXTENSION OF REMARKS

OF

HON. MICHAEL J. BRADLEY

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 20, 1939

LETTER FROM AMERICAN ZIONIST BUREAU

Mr. BRADLEY of Pennsylvania. Mr. Speaker, under leave granted to extend my remarks in the RECORD, I include the following letter from the American Zionist Bureau:

AMERICAN ZIONIST BUREAU,
Washington, D. C., May 1, 1939.

Hon. MICHAEL J. BRADLEY,

House Office Building, Washington, D. C.

DEAR CONGRESSMAN BRADLEY: I want you to know how much we appreciate the joint statement you signed in behalf of Palestine and in behalf of the thousands of homeless Jews of the world, whose fate is so closely bound up with the fate of the Holy Land. It was cabled to London and widely circulated in the English press. Your ready support gave us encouragement and help not alone in America but in British circles as well, where responsible American opinion is still respected and carries great weight.

Be assured we shall remember your kindness and interest.

With my personal thanks and the thanks of all our friends, I am,

Sincerely yours,

ISADORE BRESLAU.

Tribute to Sam D. McReynolds

EXTENSION OF REMARKS

OF

HON. WALTER CHANDLER

OF TENNESSEE

IN THE HOUSE OF REPRESENTATIVES

Saturday, July 22, 1939

RESOLUTION OF THE TENNESSEE DELEGATION IN THE HOUSE OF REPRESENTATIVES ON THE DEATH OF HON. SAM D. McREYNOLDS, OF TENNESSEE

Mr. CHANDLER. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following resolution adopted by the Tennessee delegation in the House of Representatives on the passing of our colleague Hon. SAM D. MCREYNOLDS:

The passing of Hon. SAM DAVIS MCREYNOLDS, Representative from the Third Congressional District of Tennessee, has brought deep sadness to his colleagues in the House of Representatives and has deprived the members of the Tennessee delegation of a true friend, wise counselor, and distinguished leader.

Born in the beautiful Sequatchie Valley in Tennessee 67 years ago, and reared in the very district which he represented in Congress for 16 years, SAM MCREYNOLDS was exceptionally qualified by character and ability for public office. He understood the people of his district, a composite one, rich in natural resources and industrial and cultural development and containing within its boundaries people of the mountains and mines, rivers and forests, hamlets and cities.

On the circuit bench for 20 years, Judge MCREYNOLDS had been the arbiter of the legal differences of his constituents, and as their friend and neighbor he had shared their hopes, their adversities, and their loyalties. He knew their needs, he understood their problems, he served them with unswerving devotion, and they appreciated him.

Representative MCREYNOLDS brought to the House of Representatives a vigorous mind and body, an engaging personality, and an abundance of common sense. As the great obligations of leadership pressed upon him, he met them assiduously and skillfully.

He became an effective debater and an excellent parliamentarian. Well informed on international law, a lover of peace, yet unafraid, he was a splendid chairman of the Committee on Foreign Affairs. His colleagues liked him, and when they needed him he never failed them.

Personally, SAM MCREYNOLDS was a man of strong convictions, unaffected, humbly religious, and honest. Sorrowfully, we take our leave of him, ever grateful for the privilege of his friendship and thankful for the lessons of his useful life: Therefore be it

Resolved by the members of the Tennessee delegation in the House of Representatives, Seventy-sixth Congress, That we record this our tribute of esteem and affection for our departed friend and colleague; that this resolution be placed in the CONGRESSIONAL RECORD; and that a copy be sent to the family of the deceased.

J. WILL TAYLOR.
CARROLL REECE.
ALBERT GORE.
JOSEPH W. BYRNS, Jr.
WIRT COURTNEY.
HERRON PEARSON.
JERE COOPER.
WALTER CHANDLER.

Amendment in W. P. A. Appropriation Bill Affecting Veterans

EXTENSION OF REMARKS
OF
HON. MICHAEL J. BRADLEY
OF PENNSYLVANIA
IN THE HOUSE OF REPRESENTATIVES
Thursday, July 20, 1939

LETTER FROM HON. JAMES H. FAY, OF NEW YORK

Mr. BRADLEY of Pennsylvania. Mr. Speaker, under leave granted to extend my remarks in the RECORD, I include the following letter from Hon. JAMES H. FAY, of New York:

HOUSE OF REPRESENTATIVES,
Washington, D. C., July 3, 1939.

Hon. MICHAEL J. BRADLEY,
Member of Congress, House of Representatives,
Washington, D. C.

MY DEAR COLLEAGUE: I wish to express my thanks to you for your support of the amendment introduced by me to the W. P. A. appropriation bill liberalizing provisions of the act with regard to veterans and extending preferential treatment to those who served our country in time of war.

Because I was aware of your active interest in the welfare of veterans while a member of the Committee on World War Veterans' Legislation I sought your cooperation and discussed the amendment with you prior to its introduction, and I feel that your efforts contributed in a great measure to its passage.

I am a disabled World War veteran myself, and for that reason have always been interested in legislation affecting the veterans, and I am consequently gratified and thankful to my colleagues in the House for their support of the amendment as introduced and I wish to convey to you my appreciation for your fine cooperation.

With kindest regards, I am,

Sincerely yours,

JAMES H. FAY.

Annual Convention of Connecticut Postmasters

EXTENSION OF REMARKS
OF
HON. FRANCIS T. MALONEY
OF CONNECTICUT
IN THE SENATE OF THE UNITED STATES
Monday, July 24 (legislative day of Tuesday, July 18), 1939

ADDRESS BY HON. FRANCIS T. MALONEY, JULY 22, 1939

Mr. MALONEY. Mr. President, I ask unanimous consent that there be inserted in the Appendix of the RECORD introductory remarks which I made in connection with an address delivered by Postmaster General James A. Farley at the annual convention of the postmasters of Connecticut at West Haven, Conn., on July 22, 1939.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

I am grateful to you for inviting me to present the Postmaster General to this great group of postal employees and their friends who gather in annual convention on the historic and romantic shores of Long Island Sound to pay tribute to the leader of their forces. I am greatly pleased as well, because it gives me a chance to catch a breath of New England atmosphere, at a time when we are undergoing the seemingly necessary excitement of the closing days of another session of Congress. I am glad to have the chance to break bread with my lifetime neighbors and dear friends and with the splendid men and women who are serving the Government and their fellows in the not altogether exciting but exceedingly interesting and tremendously important work of handling the mails.

I congratulate you upon the work that you have done and are doing, and upon the fact that you are welded together in such a fine spirit of fraternalism—that you so much like and understand each other—and that when you came together this year you were thoughtful enough, and lucky enough to bring to Connecticut as your guest of honor the great and good man who is "a swell stamp salesman," and perhaps the finest Postmaster General in the history of the mail service.

I am presenting a man who has served in a great crusade as a member of the general staff. The crusade has been against careless thinking, governmental inaction, a little greed, and unintentional selfishness. The crusade has been waged to reestablish a sound social order, and to strengthen, spiritually and financially, an abused economic system. The effort has not as yet been completely successful, but the measure of success has been tremendous, and in spite of the odds against the loyal legions, in which Mr. Farley is "one of the high command," there will be a final success and complete victory.

Under the guidance and leadership of President Roosevelt, whose idealistic vision and courage, and whose brotherly interest in his less fortunate fellow men quickens the heartbeats of our people, Mr. Farley has played a part that will stand out when the record of this period in our country's history is calmly compiled.

In all of the history of politics and government men who were active in public office have suffered criticism. The criticism has been very harsh in times of economic stress. It has been especially harsh when the leadership was bold and brave. That is why our national leadership has suffered a continuous attack. For our part we would like to have Mr. Farley tell the President of the United States that we are proud to be of his legion, and anxious to serve with the shock troops until his work is done.

There have been some mistakes, but this administration has a high record of accomplishment, and while there are some who would not cloak us with even thin garments of wisdom and respectability, or high purpose, our heads are high, and our hearts not too heavy, because we know where we ought to go, and what we ought to do, and with God's help that's where we are going.

We are going that way, though the path be rough, because the seriousness of the times, and the confidence placed in us, has impressed the people of this administration with the need to press forward.

At times it has been a little lonesome in the no man's land of legislative and governmental uncertainty, but an irresistible feeling that the great masses of the American people wanted neither surrender nor retreat was a sufficient balm for the pain of criticism and abuse.

If it were not an intrusion upon your pleasure, and the limited radio time of the Postmaster General, I would rejoice in an opportunity to review the record of these crusading years, but I am denied that chance. As a matter of fact you are quite familiar with the record. I think that you are pretty certain as well of what needs to be done, and I am reasonably sure that you do not believe that the President of the United States, or those who serve with him, want to overdo it.

The political revolution seems to be nearing its end. Things are more quiet on the economic front, and there has been a clearing of the social atmosphere. We are, it seems to me, approaching the proof of the righteousness of the efforts that have been made. In spite of the errors it seems to me that we have most times been right, and I know we have at all times desired to be right.

I have been acquainted with your distinguished guest for many years. I am proud of his accomplishments and his friendship, and I must again say that I am grateful to you, and exceedingly pleased that you have given me this opportunity to see you again, and to present to you and to the large radio audience anxious to hear him, this distinguished gentleman of rare energy and compelling personality—as he best likes to be presented—Jim Farley.

The W. P. A. Situation

EXTENSION OF REMARKS

OF

HON. ROBERT M. LA FOLLETTE, JR.

OF WISCONSIN

IN THE SENATE OF THE UNITED STATES

Monday, July 24 (legislative day of Tuesday, July 18), 1939

MEMORANDUM OF UNITED STATES CONFERENCE OF MAYORS

Mr. LA FOLLETTE. Mr. President, I ask unanimous consent to have printed in the Appendix of the RECORD a statement concerning the W. P. A. situation which I have just received from Mr. Paul V. Betters, executive director of the United States Conference of Mayors.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

THE UNITED STATES CONFERENCE OF MAYORS,
Washington, D. C., July 22, 1939.

DEAR SIR: I have been directed by the executive committee of the United States Conference of Mayors to forward to you the attached report dealing with the present and future W. P. A. situation. I am,

Faithfully yours,

PAUL V. BETTERS,
Executive Director.

WORK RELIEF AND THE IMMEDIATE FUTURE

(A memorandum prepared by the United States Conference of Mayors)

INTRODUCTION

The problems which have recently arisen—and much more serious problems which will soon arise—in connection with the Federal work-relief program under the Emergency Relief Appropriation Act of 1939 prompt the United States Conference of Mayors to present the viewpoints of the major cities. It is not the intent to present an unduly alarming picture of what lies immediately ahead. But it is already unmistakably clear that the whole work program is jeopardized as a result of certain provisions of the 1939 law. This situation is of such serious import to the needy unemployed, to the success of W. P. A. operations, and to the cities as responsible coadministrators of the work projects as to warrant a frank and realistic discussion.

STATUS AND INTEREST OF THE CITIES

At the outset several points should be emphasized. While the W. P. A. is a Federal agency, the cities are deeply concerned in the execution and administration of the work program. As sponsors of projects the cities are called upon for large contributions in cash and in kind. In most instances this financial burden on local real estate taxpayers is in addition to direct relief costs as well as the local share of the social-security expenditures.

Second, as cooperating agents in supervising work projects, the cities are vitally concerned with efficient execution of the work.

Finally, insofar as W. P. A. provides work relief to destitute employable persons, the number of such persons given employment is an important factor in local financing. For if hundreds of thousands of eligible needy persons are not assigned to the W. P. A. they must be provided with local direct relief.

The scheme of Federal work program along the lines of the present program had its inception on January 4, 1935, when the President made the following recommendation to the Congress:

"But the stark fact before us is that great numbers still remain unemployed.

"A large proportion of these unemployed and their dependents have been forced on the relief rolls. The burden on the Federal Government has grown with great rapidity. We have here a human as well as an economic problem. When humane considerations are concerned, Americans give them precedence. The lessons of history, confirmed by the evidence immediately before me show conclusively that continued dependence upon relief induces a spiritual and moral disintegration fundamentally destructive to the national fiber. To dole out relief in this way is to administer a narcotic, a subtle destroyer of the human spirit. It is inimical to the dictates of sound policy. It is in violation of the traditions of America. Work must be found for able-bodied but destitute workers.

The Federal Government must and shall quit this business of relief.

"I am not willing that the vitality of our people be further sapped by the giving of cash, of market baskets, of a few hours of weekly work cutting grass, raking leaves, or picking up papers in the public parks. We must preserve not only the bodies of the unemployed from destitution but also their self-respect, their self-reliance, and courage, and determination. This decision brings me to the problem of what the Government should do with approximately 5,000,000 unemployed now on the relief rolls.

"About one million and a half of these belong to the group which in the past was dependent upon local welfare efforts. Most of them are unable for one reason or another to maintain themselves independently—for the most part, through no fault of their own. Such people, in the days before the great depression, were cared for by local efforts—by States, by counties, by towns, by cities, by churches, and by private welfare agencies. It is my thought that in the future they must be cared for as they were before. I stand ready through my own personal efforts, and through the public influence of the office that I hold, to help these local agencies to get the means necessary to assume this burden.

"The security legislation which I shall propose to the Congress will, I am confident, be of assistance to local effort in the care of this type of cases. Local responsibility can and will be resumed, for after all, common sense tells us that the wealth necessary for this task existed and still exists in the local community, and the dictates of sound administration require that this responsibility be in the first instance a local one.

"There are, however, an additional 3,500,000 employable people who are on relief. With them the problem is different and the responsibility is different. This group was the victim of a Nation-wide depression caused by conditions which were not local but national. The Federal Government is the only governmental agency with sufficient power and credit to meet this situation. We have assumed this task and we shall not shrink from it in the future. It is a duty dictated by every intelligent consideration of national policy to ask you to make it possible for the United States to give employment to all of these 3,500,000 employable people now on relief, pending their absorption in a rising tide of private employment."

Passage of the Emergency Relief Appropriation Act of 1935 marked this new approach to the relief problem as suggested by the President.

But since 1935 complete Federal responsibility for the so-called employable group has never been assumed by the Federal Government. At no time have all needy employable persons been provided with W. P. A. work. It is now estimated that over 1,000,000 persons are eligible for but unassigned to W. P. A. work. The W. P. A. Administrator himself has officially stated that at least 750,000 eligible people had not been given work.

And it should further be emphasized that since 1935 an ever-increasing share of the cost of Federal work relief has been contributed by the cities. The costs of direct relief, however, have remained completely with the States, counties, and cities without financial aid from the National Government. In other words, the original formula providing for Federal responsibility for the employables has never actually been carried out by the Government while the financial responsibilities of the cities have been increased year by year.

Until such time as a more equitable and balanced Federal-State-city tax program can be effected, the cities can stand no additional financial burdens. They do not have available the same sources of revenue as the Federal Government; they are restricted and hamstrung by constitutional and charter restrictions; and they are confined to real-estate taxes which in most communities are so high as to have reached the point of diminishing returns. It has been suggested that charter and constitutional limitations, if they exist, can be changed. It should be emphasized in the strongest possible terms that, as the Members of Congress know, such changes would at the best take time and cannot legally be accomplished in time to avert the destructive effects of this law.

This is not an attempt merely to dodge a responsibility, or to shift a burden to the Federal Government. It is a question of taking care of the unemployed in the only way they can be cared for, taking care of them in a decently adequate minimum way until such time as the national economic system gets back into gear and they can be reabsorbed in private jobs. The Nation has no alternative but to do this if the present economic system is to endure.

What we are now seeking to impress upon Congress, with all the emphasis and seriousness in our power, is that if the law stands as recently enacted by the Congress problems lie just ahead, which must be faced jointly by W. P. A., the cities, and the unemployed, which will be so serious that their full import is not yet generally realized, even by Congress.

These problems, if the law is not changed, will bring about an almost complete collapse of the work-relief program in industrial cities.

The full effects of this law can be properly analyzed only when its various phases are considered together. No single provision, except that requiring posting of 25 percent of the cost of all projects, in itself could be sufficient to wreck the program. But taken together their cumulative effect would be its destruction.

I. Mandatory 25-percent contribution: If this provision stands, the appropriation by Congress of money for the unemployed will be, so far as many cities are concerned, but an idle gesture. The funds are not available and will not be available to meet this requirement.

II. Reduction of W. P. A. rolls: Because of the lower appropriation we are now confronted with a reduction in W. P. A. employment during the period July 1–August 31 of approximately 650,000 per-

sons. This coincides with the necessity of "furloughing" by August 31 all persons who have been on the rolls continuously for 18 months. But in actual practice this will mean laying them off, regardless of need. For under its appropriation of $1,477,000,000 W. P. A. will be forced to reduce its rolls to 1,800,000 in September, and the scheduled national quota for next June is down to 1,500,000.

We must point out that this wholesale discharge of needy persons can only result in widespread suffering. To say arbitrarily that after a certain date hundreds to thousands of people cannot eat is not what we consider the proper policy for Congress to declare.

III. Fixing new monthly earnings: The new law requires on September 1 that security wages in different localities shall not be varied in greater degree than is justified by differences in the cost of living. The same section of the law also requires that the current national average security wage, which is around $53, shall be maintained.

This can mean but one thing: Substantial reductions in many cities and areas. If the security wages are too low in some areas, the proper approach should be to increase them. But here we are faced not with meritorious increases for certain areas but drastic reductions as well where there is not justification for it. Who is to supplement the needs of many workers who must accept wage slashes on September 1? Those familiar with the facts know that even the present security wage offers only the barest subsistence.

In addition to these provisions, the cumulative effect of other sections of the law in themselves would jointly be enough to seriously cripple the program. The reduction of the $7 per man-month for material, particularly in view of the fact that the increase in hours to 130 will mean use of more materials; the restrictions placed around sponsors credits; the limit of $52,000 as the maximum building project; the fact that many communities cannot legally make contributions for "white collar" projects, which means they would be killed by the impact of the 25-percent clause; the provision that sponsors must assume the burden of providing skilled workers whenever they cannot be found on relief rolls—all pyramid to make the law virtually an administrative impossibility.

SUMMARY

The questions here presented can only be answered by legislation. They are not susceptible of remedial administrative action.

To avoid wholesale dismissals a supplementary appropriation is needed or the section in the law requiring the appropriation to last the full 12 months of the current fiscal year must be amended.

We do not want to witness a collapse of the work program. It is our duty to state that there will be such a collapse unless the issues here discussed are remedied by Congress, a fact fully realized by those administering W. P. A., and we must inquire, What good is it to appropriate funds for work relief if the conditions around the appropriation are such as to actually prevent providing work?

As stated by the President on June 30 when he signed the bill, this "will work definite hardship and inequality on more than 2,000,000 American citizens—about 8,000,000 if we count in their families—people who through no fault of their own are in dire need."

We do not think that Congress when it fully understands what it means will want the law to stand as written. We only hope that it realizes the situation in time to prevent suffering.

Democratic Success in 1940

EXTENSION OF REMARKS

OF

HON. JOSEPH F. GUFFEY

OF PENNSYLVANIA

IN THE SENATE OF THE UNITED STATES

Monday, July 24 (legislative day of Tuesday, July 18), 1939

ARTICLE BY HON. JAMES A. FARLEY

Mr. GUFFEY. Mr. President, the accuracy of James A. Farley as a political prophet has to this date proven unerring. In a special article in today's Philadelphia Inquirer General Farley says Democratic victory is sure in 1940. As the general discusses his reasons for Democratic success and Republican failure in a most interesting way, I feel that my Republican friends as well as the Democratic Senators will be interested in having this article placed in the Appendix of the RECORD, where they may all read it.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

[From the Philadelphia Inquirer of July 24, 1939]

FARLEY SAYS DEMOCRATIC VICTORY IS SURE IN '40—PREDICTS SPLIT IN REPUBLICAN RANKS OVER ISSUE OF PENSIONS

(By James A. Farley, Postmaster General and Chairman, Democratic National Committee)

Apparently the title "Strictly Politics" is the only thing that qualifies me to take over—for 1 day only—this column of space which is ordinarily devoted to the sharp and caustic sayings of the Honorable John M. Cummings.

Writing is not my trade, and the readers would hardly expect me to match the barbed and brilliant phrases which John M. serves piping hot to the breakfast tables of Philadelphia every single morning of the year—vacation time alone excepted.

Like everyone else who would rather miss a night's sleep than the morning newspaper, I envy the life of the columnist. He has all pudding and no hash. He can swat whom he likes, debunk what he doesn't like, pull the trappings off stuffed shirts, and tell the world what's wrong with the world and how it can be cured. On top of that he gets paid for doing it. Pounding a typewriter is far easier than mounting a soap box and infinitely safer.

However, politics is my business, and let's get down (or up) to that. A good newspaperman always puts the hot news in the "lead," especially if it happens to have the added spice of being controversial. So then, who is going to win the 1940 presidential election? The Democratic Party, of course. (Mr. Cummings breaks out in a rash of perspiration as he reads this in his favorite corner.)

I assume that many readers of the Philadelphia Inquirer will also question (a very mild term) the prediction of another Democratic victory. First of all they shudder at the thought of President Roosevelt's policies being upheld by the voters and, second, they have been misled by the current victory chant of the Republican propagandists, who made somewhat the same mistake back in the early days of 1936. Self-confidence is the grandest trait in politics because it seldom evaporates before election day.

But I stick to the conclusion that the Republican Party is headed for another defeat at the polls. The reason is fairly obvious. To be successful, a political party must stand for something. It must have a philosophy, a purpose, and a program. The notion that it can win simply by denouncing everything undertaken by the party in power is false. In the old days, when the party knuckled under to the iron fist of a Hanna or a Penrose, the G. O. P. had a very definite philosophy of government, no matter how distasteful it may have been to millions of worthy citizens who disliked the idea of government for wealthy alone. Yet the party stood by its guns, denounced all those who opposed it as crackpots and radicals, and proceeded to win elections by the dual method of sanctifying the tariff and spending campaign funds both generously and well.

Times have changed since then, and the Republican Party has failed to change or to adapt itself. The party has been trying to ride two horses going in opposite directions, and that is always perilous. Instead of the orthodox conservatism which formed its stock in trade in the days of triumph, the G. O. P. is now a strange compound of Hooverites and Townsendites, two totally divergent factions, who are joined together for political expediency while miles apart in principle. The alliance won't last because alliances of that kind never do.

If some folks are skeptical about the influence of the Townsendites in Republican ranks, they are deceiving themselves. Over one-third of the Republican Members of the House—55 Members in all—voted for the fantastic pension scheme when it came before that body for a vote. Various Republican Governors, as well as candidates for the Presidency, flirted with the doctor's plan to distribute about $24,000,000,000 a year in annuities and many of them owe their political existence to this support of Townsendism—although most of them denounce it privately in vehement terms.

The Hoover wing of the party is at least consistent and forthright. The Hooverites have a definite platform. They want to pull up, from root to twig, everything the Roosevelt administration has accomplished for the betterment of the workers, the unemployed, the farmers, the aged, and the small investors. This wing of the party supplies the financial sinews of war, and the gentlemen who put up the cash have a habit of knowing what they want and what they are paying for. A recent report of the Republican National Committee disclosed that its funds came almost exclusively from the wealthy donors who financed the ill-fated Liberty League so lavishly.

The G. O. P. attained a measure of success in the 1938 congressional elections by going over whole hog to the Old Guard in States like Pennsylvania, while beating the drums for outlandish pension plans in other States where the latter course seemed popular. Unfortunately for them, the Republican Presidential candidate next year must make his choice, and when he does the party ranks will be split right down the middle.

The Democratic Party will take its stand squarely on the badly needed social and economic reforms put through by the Roosevelt administration. The majority of these reforms, including the insurance of bank deposits, old-age security, and the regulation of stock exchanges, are favored by the overwhelming mass of the American voters. We welcome a battle on the issue of their continuance.

The Military Order of the Purple Heart

EXTENSION OF REMARKS

OF

HON. JAMES M. MEAD

OF NEW YORK

IN THE SENATE OF THE UNITED STATES

Monday, July 24 (legislative day of Tuesday, July 18), 1939

MEMORIAL RADIO SERVICE

Mr. MEAD. Mr. President, I ask unanimous consent to have printed in the RECORD the first annual international radio memorial Sunday radio service under the auspices of the Military Order of the Purple Heart, held on May 28, 1939.

There being no objection, the matter was ordered to be printed in the RECORD, as follows:

RÉSUMÉ OF THE FIRST ANNUAL INTERNATIONAL MEMORIAL SUNDAY RADIO SERVICE, MAY 28, 1939, UNDER THE AUSPICES OF THE MILITARY ORDER OF THE PURPLE HEART

(Directed and arranged by Eugene W. Sebring, national patriotic instructor, M. O. P. H., Los Angeles, Calif. Broadcast from Los Angeles, Calif.; Charleston, S. C.; Detroit, Mich.; Minneapolis, Minn.; San Francisco, Calif.; Hollywood, Calif.)

Because time and death have made great inroads in the ranks of the Grand Army of the Republic—those gallant heroes of the Civil War—who originated Memorial Day, other veterans organizations must carry on that great tradition. The Military Order of the Purple Heart, whose members possess the oldest honor award in the United States, and the second oldest in the world, have assumed that noble burden. Eugene W. Sebring, National Patriotic Instructor of the Purple Heart Order, assisted by the Reverend Father Edwin A. Shearer, Past National Chaplain of the Veterans of Foreign Wars, and committees from the American Legion, Disabled American Veterans of the World War, the Veterans of Foreign Wars of the United States, the United Spanish American War Veterans, and the Military Order of the Purple Heart called together representatives of every American veterans group to join the First Annual International Memorial Sunday Broadcast, which was aired Sunday, May 28, 1939, from 1:30 to 2 p. m., E. D. S. T., over the red network of the National Broadcasting Company.

The radio service opened by "first call" followed by "assembly" by the Department of California buglers of the Disabled American Veterans of the World War, at Radio City, Hollywood. The Sons of the American Legion Band, Squadron No. 43, Hollywood, Calif., under the direction of Lt. Wm. B. Jenner, band leader of the One Hundred and Sixtieth Infantry, Fortieth Division, United States National Guard, of California, rendered martial airs, and played the national anthem following the posting of the colors. Posting of the colors was staged in impressive form, with the colors of the Legion of Valor, Military Order of the Purple Heart, the Grand Army of the Republic, the United Spanish War Veterans, the Disabled American War Veterans, the Veterans of Foreign Wars of the United States, and 26 standards representing the combat divisions of the World War.

When the program switched to the East, the invocation, impressive, reverential, and sympathetic, with its appeal for divine aid for our President, the Members of Congress, the Governors of the several States, and other officers of state, and the solemn plea that Almighty God would comfort and console the families of the victims of the ill-fated *Squalus*, and a final prayer that our soldier and sailor dead might have eternal rest, was pronounced by the Reverend James J. Guinea, national chaplain of the Military Order of the Purple Heart, a recipient of the Purple Heart Medal, and recommended for the Distinguished Service Cross. Father Guinea spoke from Charleston, S. C.

From Detroit, Mich., came a message from Eugene I. Van Antwerp, national commander of the V. F. W., followed by Owen A. Galvin, national commander of the D. A. V., from Minneapolis, Minn. The memorial program then returned to the Pacific coast, bringing a message from the national commander of the Military Order of the Purple Heart, Charles O. Carlston, at San Francisco. Commander Carlston spoke for that organization which took the initiative in developing this veterans' memorial Sunday radio program, a group of veterans who have been honored by their Government with the oldest military decoration of the United States, established by Gen. George Washington during the War of the Revolution, and which is awarded to those men who received wounds in action against the enemy in any war in which the United States has participated. The national commander of the American Legion was represented by Smedley Peck, national executive committeeman of the Department of France, who spoke on "Flanders Fields," and reviewed the story of the American cemeteries in France. Rabbi Edgar Magnin, of Wilshire Boulevard Temple, Los Angeles, delivered the benediction to the assembled service men and the listening audience. Mother Alice Davis, the past president of the American War Mothers, of California, paid tribute to all sons departed, of all American wars.

This program was broadcast over the entire red network of the N. B. C., and parts of the blue network. The Canadian Broadcasting Corporation carried the program throughout Canada, and by short wave it was sent to Mexico, the Panama Canal Zone, the Hebrides, through Honolulu, the Philippine Islands, and France. The Military Order of the Purple Heart is grateful for the splendid support given this program by the various veterans' committees and the radio systems so generous in their work, both of which brought about complete triumph of the veterans' cause.

Administration of the W. P. A. in Marion County, W. Va.

EXTENSION OF REMARKS

OF

HON. RUSH D. HOLT

OF WEST VIRGINIA

IN THE SENATE OF THE UNITED STATES

Monday, July 24 (legislative day of Tuesday, July 18), 1939

LETTER WRITTEN BY HON. RUSH D. HOLT, OF WEST VIRGINIA

Mr. HOLT. Mr. President, I ask unanimous consent to have printed in the RECORD an open letter addressed by me to the residents of Marion County, W. Va., with respect to the administration of W. P. A. in that county.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

To the Residents of Marion County:

DEAR FRIENDS: I read the following in the Fairmont West Virginian:

"Approximately 75 W. P. A. workers were cut from the rolls Saturday because of lack of funds."

I sent you a letter explaining how the bosses, earning at the rate of $1,000 or more each, receive in excess of $100,000 in Marion County.

Here are some facts about salary raises in Marion County:

There were 25 project bosses on a recent pay roll whose names I found on the 1936–37 pay rolls. Of these 25, 22 received increases. These 22 had a monthly increase of $855 which would make a yearly salary increase of $10,260. The average increase was $466 a year. Compare that with the amount a W. P. A. worker receives for working an entire year.

Three of these bosses received salary increases of more than $1,000 each per year. Four more received increases from $540 to $900. Eight received increases from $300 to $420 each.

I have recently made public a statement showing that the project bosses in West Virginia had salary increases of more than $15,000 a month, which would make more than $180,000 a year. How many persons now unemployed could be given work with this amount of money?

A W. P. A. worker in Marion County would draw approximately $460 a year if he had full-time work. If the $10,000 yearly raises of bosses in Marion County had been applied to the W. P. A. needy, it would have paid the salaries of these 75 who were laid off for 4 months.

No wonder there is a "lack of funds." Where did the money go? It went to build a political machine. You know the W. P. A. workers were not being fired before the elections. They were employed. The people realize how the W. P. A. is being used and it will not be long until it is cleaned up to help the needy, not to pay political debts.

Sincerely,

RUSH D. HOLT.

W. P. A.

EXTENSION OF REMARKS

OF

HON. JOHN W. McCORMACK

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Monday, July 24, 1939

MEMORANDUM BY THE UNITED STATES CONFERENCE OF MAYORS

Mr. McCORMACK. Mr. Speaker, I include herein a memorandum recently issued by the executive committee of the United States Conference of Mayors, dealing with the pres-

ent and future W. P. A. situation. The views of the mayors of the various cities of the country as stated by the executive committee on any subject are worthy of profound consideration, particularly so when any such statement relates to relief and W. P. A. activities.

Work Relief and the Immediate Future

(A memorandum prepared by the United States Conference of Mayors)

INTRODUCTION

The problems which have recently arisen—and much more serious problems which will soon arise—in connection with the Federal work-relief program under the Emergency Relief Appropriation Act of 1939 prompt the United States Conference of Mayors to present the viewpoints of the major cities. It is not the intent to present an unduly alarming picture of what lies immediately ahead. But it is already unmistakably clear that the whole work program is jeopardized as a result of certain provisions of the 1939 law. This situation is of such serious import to the needy unemployed, to the success of W. P. A. operations, and to the cities as responsible coadministrators of the work projects as to warrant a frank and realistic discussion.

STATUS AND INTEREST OF THE CITIES

At the outset several points should be emphasized. While the W. P. A. is a Federal agency, the cities are deeply concerned in the execution and administration of the work program. As sponsors of projects, the cities are called upon for large contributions in cash and in kind. In most instances this financial burden on local real-estate taxpayers is in addition to direct relief costs as well as the local share of the social-security expenditures.

Second, as cooperating agents in supervising work projects, the cities are vitally concerned with efficient execution of the work.

Finally, insofar as W. P. A. provides work relief to destitute employable persons, the number of such persons given employment is an important factor in local financing. For if hundreds of thousands of eligible needy persons are not assigned to the W. P. A. they must be provided with local direct relief.

The scheme of Federal work program along the lines of the present program had its inception on January 4, 1935, when the President made the following recommendation to the Congress:

"But the stark fact before us is that great numbers still remain unemployed.

"A large proportion of these unemployed and their dependents have been forced on the relief rolls. The burden on the Federal Government has grown with great rapidity. We have here a human as well as an economic problem. When humane considerations are concerned Americans give them precedence. The lessons of history, confirmed by the evidence immediately before me, show conclusively that continued dependence upon relief induces a spiritual and moral disintegration fundamentally destructive to the national fiber. To dole out relief in this way is to administer a narcotic, a subtle destroyer of the human spirit. It is inimical to the dictates of sound policy. It is in violation of the traditions of America. Work must be found for able-bodied but destitute workers.

"The Federal Government must and shall quit this business of relief.

"I am not willing that the vitality of our people be further sapped by the giving of cash, of market baskets, of a few hours of weekly work cutting grass, raking leaves, or picking up papers in the public parks. We must preserve not only the bodies of the unemployed from destitution but also their self-respect, their self-reliance, and courage and determination. This decision brings me to the problem of what the Government should do with approximately 5,000,000 unemployed now on the relief rolls.

"About one million and a half of these belong to the group which in the past was dependent upon local welfare efforts. Most of them are unable for one reason or another to maintain themselves independently—for the most part, through no fault of their own. Such people, in the days before the great depression, were cared for by local efforts—by States, by counties, by towns, by cities, by churches, and by private welfare agencies. It is my thought that in the future they must be cared for as they were before. I stand ready through my own personal efforts, and through the public influence of the office that I hold, to help these local agencies to get the means necessary to assume this burden.

"The security legislation which I shall propose to the Congress will, I am confident, be of assistance to local effort in the care of this type of cases. Local responsibility can and will be resumed, for, after all, common sense tells us that the wealth necessary for this task existed and still exists in the local community, and the dictates of sound administration require that this responsibility be in the first instance a local one.

"There are, however, an additional 3,500,000 employable people who are on relief. With them the problem is different and the responsibility is different. This group was the victim of a Nation-wide depression caused by conditions which were not local but national. The Federal Government is the only governmental agency with sufficient power and credit to meet this situation. We have assumed this task and we shall not shrink from it in the future. It is a duty dictated by every intelligent consideration of national policy to ask you to make it possible for the United States to give employment to all of these 3,500,000 employable people now on relief, pending their absorption in a rising tide of private employment."

Passage of the Emergency Relief Appropriation Act of 1935 marked this new approach to the relief problem as suggested by the President.

But since 1935 complete Federal responsibility for the so-called employable group has never been assumed by the Federal Government. At no time have all needy employable persons been provided with W. P. A. work. It is now estimated that over 1,000,000 persons are eligible for but unassigned to W. P. A. work. The W. P. A. Administrator himself has officially stated that at least 750,000 eligible people had not been given work.

And it should further be emphasized that since 1935 an ever-increasing share of the cost of Federal work relief has been contributed by the cities. The costs of direct relief, however, have remained completely with the States, counties, and cities without financial aid from the National Government. In other words, the original formula providing for Federal responsibility for the employables has never actually been carried out by the Government while the financial responsibilities of the cities have been increased year by year.

Until such time as a more equitable and balanced Federal-State-city tax program can be effected, the cities can stand no additional financial burdens. They do not have available the same sources of revenue as the Federal Government; they are restricted and hamstrung by constitutional and charter restrictions; and they are confined to real-estate taxes which in most communities are so high as to have reached the point of diminishing returns. It has been suggested that charter and constitutional limitations, if they exist, can be changed. It should be emphasized in the strongest possible terms that, as the Members of Congress know, such changes would at the best take time and cannot legally be accomplished in time to avert the destructive effects of this law.

This is not an attempt merely to dodge a responsibility, or to shift a burden to the Federal Government. It is a question of taking care of the unemployed in the only way they can be cared for, taking care of them in a decently adequate minimum way until such time as the national economic system gets back into gear and they can be reabsorbed in private jobs. The Nation has no alternative but to do this if the present economic system is to endure.

What we are now seeking to impress upon Congress, with all the emphasis and seriousness in our power, is that if the law stands as recently enacted by the Congress problems lie just ahead, which must be faced jointly by W. P. A., the cities, and the unemployed, which will be so serious that their full import is not yet generally realized even by Congress.

These problems, if the law is not changed, will bring about an almost complete collapse of the work-relief program in industrial cities.

The full effects of this law can be properly analyzed only when its various phases are considered together. No single provision, except that requiring posting of 25 percent of the cost of all projects, in itself could be sufficient to wreck the program. But taken together, their cumulative effect would be its destruction.

I. Mandatory 25-percent contribution: If this provision stands, the appropriation by Congress of money for the unemployed will be, so far as many cities are concerned, but an idle gesture. The funds are not available and will not be available to meet this requirement.

II. Reduction of W. P. A. rolls: Because of the lower appropriation we are now confronted with a reduction in W. P. A. employment during the period July 1 to August 31 of approximately 650,000 persons. This coincides with the necessity of furloughing by August 31 all persons who have been on the rolls continuously for 18 months. But in actual practice this will mean laying them off, regardless of need. For under its appropriation of $1,477,000,000 W. P. A. will be forced to reduce its rolls to 1,800,000 in September and the scheduled national quota for next June is down to 1,500,000.

We must point out that this wholesale discharge of needy persons can only result in widespread suffering. To say arbitrarily that after a certain date hundreds of thousands of people cannot eat is not what we consider the proper policy for Congress to declare.

III. Fixing new monthly earnings: The new law requires on September 1 that security wages in different localities shall not be varied in greater degree than is justified by differences in the cost of living. The same section of the law also requires that the current national average security wage, which is around $53, shall be maintained.

This can mean but one thing: Substantial reductions in many cities and areas. If the security wages are too low in some areas, the proper approach should be to increase them. But here we are faced not with meritorious increases for certain areas but drastic reductions as well where there is not justification for it. Who is to supplement the needs of many workers who must now accept wage slashes on September 1? Those familiar with the facts know that even the present security wage offers only the barest subsistence.

In addition to these provisions, the cumulative effect of other sections of the law in themselves would jointly be enough to seriously cripple the program. The reduction of the $7 per man-month for material, particularly in view of the fact that the increase in hours to 130, will mean use of more materials; the restrictions placed around sponsors' credits; the limit of $52,000 as the maximum building project; the fact that many communities cannot legally make contributions for white-collar projects, which means they would be killed by the impact of the 25-percent clause; the provision that sponsors must assume the burden of providing skilled workers whenever they cannot be found on relief rolls—all pyramid to make the law virtually an administrative impossibility.

SUMMARY

The questions here presented can only be answered by legislation. They are not susceptible of remedial administrative action.

To avoid wholesale dismissals a supplementary appropriation is needed or the section in the law requiring the appropriation to last the full 12 months of the current fiscal year must be amended.

We do not want to witness a collapse of the work program. It is our duty to state that there will be such a collapse unless the issues here discussed are remedied by Congress, a fact fully realized by those administering W. P. A. And, we must inquire, what good is it to appropriate funds for work relief if the conditions around the appropriation are such as to actually prevent providing work?

As stated by the President on June 30 when he signed the bill, this "will work definite hardship and inequality on more than 2,000,000 American citizens—about 8,000,000 if we count in their families—people who through no fault of their own are in dire need."

We do not think that Congress, when it fully understands what it means, will want the law to stand as written. We only hope that it realizes the situation in time to prevent suffering.

Transportation on the Great Lakes—Report of the Maritime Commission

REMARKS

OF

HON. GEORGE A. DONDERO

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Monday, July 24, 1939

Mr. DONDERO. Mr. Speaker, it is my privilege to inform the House and particularly my colleagues from the Great Lakes States that on Saturday the Maritime Commission made public a report of one of its examiners that will truly make history and be of inestimable benefit to the farms, factories, and people of the great Middle West and Northwest sections of our country.

The Maritime Commission report removes the shackles from the shippers of the Middle West and permits them to ship in original bottoms direct to the markets of the world. We, out in our country, have long sought to regain that natural and inherent right which was taken from us by the North Atlantic steamship conferences. Thanks to the efficiency, ability, intelligence, and broad vision of the Maritime Commission, and particularly Examiner Horan, the presently issued report recommends that shippers in the Great Lakes be permitted to ship direct to foreign commerce, free from handicaps and discriminations and on the same basis as those on the Atlantic coast.

So that we who today are attempting to find a solution of the transportation problem may see this picture in its details and the efficient manner in which it was handled by the Maritime Commission, let me outline the following:

For years the North Atlantic steamship conferences have demanded that shippers in the Great Lakes and Middle West, if they desired a contract rate with such boat companies, must agree to give such lines 100 percent of their shipments, and such shipments must be delivered to them at Atlantic coast ports. If any Great Lakes shipper shipped one pound of freight direct from Detroit, Chicago, Milwaukee, Cleveland, Duluth, Muskegon, or any other such port, the North Atlantic Conference would cancel the contract, and the shipper would have to pay the higher rate, not only on future shipments but also on all previous shipments during the season. That was transportation slavery; it held in shackles our great factories and farms who wanted to get their products into foreign markets at the lowest possible price. It means employment for our people.

Last fall the Great Lakes Harbors' Association, representing lake ports, and the attorneys general of Michigan, Wisconsin, Indiana, and Ohio asked relief. Similar requests were made by the Detroit Board of Commerce, the Detroit Port Authority, Milwaukee Harbor Commission, Muskegon Chamber of Commerce, Cleveland Port Commission, and others.

After discussions as to procedure the formal request of the attorneys general was made in January of this year. Now, note this carefully so that you may note the efficiency of the Maritime Commission: In February a "show cause" order was issued against the North Atlantic Conferences and a hearing ordered for Chicago in March. Briefs were ordered to be filed by the end of April. The proposed report and recommendation is issued by the middle of July, a truly remarkable record of efficiency and response to public need.

I am anxious that my associates study this procedure which will remove the shackles from close to 40,000,000 people and thus permit the great Middle West proper an unhandicapped access to the markets of the world. Our farms and factories will be the beneficiaries. The Great Lakes will be free once again to fight for trade all over the world. The great auto factories of my district will be able to load cars on ships right at their docks and then start them on their uninterrupted way to all the corners of the world. The people of my district will benefit greatly from this most equitable ruling of the Maritime Commission. So will the people in the districts of practically every one of my colleagues in the States touching and close to the Great Lakes.

This present report is a dramatic example of efficiency and broad vision. The Maritime Commission is to be sincerely complimented. I ask my associates to search their conscience and see if this great service rendered by the Maritime Commission could be improved by any other commission. Here we have knowledge of water shipping; here we have experts and experience. I plead with you not to take the backward step of taking this control from the Maritime Commission. Let us retain the best in public service; let us keep in mind our duty to all the people; let us today strike from the Lea bill the impractical and short-sighted proposal to transfer water commerce regulation to the I. C. C.

It is with pride and pleasure that I pay this modest tribute to the Maritime Commission for an efficiency which I am afraid will be destroyed if we pass the Lea bill without serious amendments. The Maritime Commission has become one of the truly great commissions, and it should be preserved in all its experience and efficiency.

American Good Government Society Endorses Mundt Bill

EXTENSION OF REMARKS

OF

HON. KARL E. MUNDT

OF SOUTH DAKOTA

IN THE HOUSE OF REPRESENTATIVES

Monday, July 24, 1939

Mr. MUNDT. Mr. Speaker, in the Appendix of the CONGRESSIONAL RECORD, starting with page 3345, I analyzed pending pollution legislation, and mentioned the unanimous support of H. R. 6723 by our national conservation organizations. Further unbiased support has come from the American Good Government Society, a national, nonpartisan organization with headquarters at Tilden Hall, Washington, D. C., and several branches, including one in the National Press Building. This organization publishes a magazine, the American Good Government Review, and has a broad program of sincere objectives, one of which is conservation of our irreplaceable natural resources. The society's principal officers include: President and editor, Richard A. Staderman; vice president and counsel, H. W. Lincoln; and vice presidents E. M. Norton, M. A. Richter, Delfin Salazar, A. P. Weeks, and Grant Wells. I quote the statement of Mr. Staderman, who is a former teacher of economics:

STATEMENT BY RICHARD A. STADERMAN

At the request of certain public-spirited readers of our magazine, the American Good Government Review, a study of pending anti-pollution legislation was made by the board of governors of the American Good Government Society, resulting in the consensus of opinion I have the honor to express herewith.

TWO MAJOR BILLS

The chief antipollution measures now being considered by the Congress are on the one hand the Mundt bill (H. R. 6723) and on the other hand Senate bill 685.

It is not the purpose here to go into details of the need for minimizing pollution, for preventing destruction of the fish and game in our waters and for preservation of the natural vegetation and scenic beauties of our great Nation. No; it is not necessary to reiterate lessons the public has already learned from ugly, foul-smelling, and germ-laden streams. Our worthy fellow citizens have either learned the need for antipollution first hand when they try to go fishing, boating, and hunting, or the "armchair philosophers" have been enlightened by such unselfish organizations as the Izaak Walton League, the American Wildlife Institute, the American Nature Association, the American Fisheries Society, the Audubon organizations, and so forth.

MORE APPARENT THAN REAL

Senate bill S. 685 consists more of shadow than of tangible substance, except that its $1,000,000 raid on the United States Treasury would provide pecuniary lifeblood for human leeches to devour. Far from reducing pollution, S. 685 might temporarily increase it, inasmuch as it provides for direct Federal payments to firms or individuals only if the pollution is "sufficiently deleterious." In general, examination of S. 685 shows that it would not provide a positive, clear, nor logical method of abolishing pollution, and that it even might give the force of law to certain technicalities which would impair present rights of citizens to bring court action to control pollution. Certainly we already have too much vague and haphazard legislation on the statute books to add another piece such as S. 685, which might well do more harm than good.

REVISED MUNDT BILL A HAPPY MEDIUM

The entire pollution question devolves upon effecting a compromise between the legitimate interests of the factories now doing the polluting, and the general public who would prefer that polluting be immediately terminated. The manufacture of useful byproducts from polluting waste material is obviously an important part of the solution, as we incidentally pointed out in testimony to the Senate Finance Committee in favor of a proposal of the distinguished Senator from South Dakota [Mr. GURNEY] for solving some of our farm problems. This is reprinted on page 3008 of the Appendix of the CONGRESSIONAL RECORD and shows how Sweden and other countries use waste sulphite liquors from paper and pulp mills to manufacture alcohol to use in motor fuel, thereby avoiding pollution of air and streams with this deadly waste.

The earlier Mundt bill was criticized as being too prompt in its attack on pollution to give industry adequate opportunity to adjust itself to its requirements. The present bill, however, H. R. 6723, allows a sufficient leeway in point of time so that no sudden repercussions will be felt by industry in adjusting itself to its provisions.

H. R. 6723 AVOIDS OVERLAPPING BUREAUS

S. 685 provides for another new bureau in our already unwieldy executive branch of the Government. On the other hand, H. R. 6723 merely expands the present pollution-control functions of the Army engineers, thereby saving half a million dollars a year as compared to the cost of administering S. 685, an item which our already overladen taxpayers will appreciate.

This factor of preventing another increment in the mushroom growth of new governmental bureaus is of vital importance to our American way of things. Several years ago Col. O. R. McGuire, chairman of the committee on administrative law of the American Bar Association and an honorary member of the American Good Government Society, collaborated with the late distinguished Congressman from Pennsylvania, James M. Beck, in writing the book, Our Wonderland of Bureaucracy, which pointed out serious situations when we had only some 500,000 Federal employees.

Now that we have added some 400,000 more Federal workers to make food scarce for starving people, to pay $45,000,000 a year to store cotton that should have been sold, and to negotiate reciprocal agreements that diminish our exports and increase our imports, the problem is just that much more serious in keeping government the servant and not the master, the latter having partially come about in France, where the bureaucrats hold the balance of power in many elections.

H. R. 6723 SHOULD BE PASSED

In the case of H. R. 6723 we have a measure for correcting serious abuses affecting millions of people and generations unborn. Yet H. R. 6723 does this with the minimum of additional expense to the Treasury.

We of the American Good Government Society therefore believe that the Mundt bill, H. R. 6723, should be passed; and in view of the unanimous support for it by all unselfish organizations who have studied it, we urge all citizens who feel likewise to wire or write their views to their Senators and Congressmen.

Mr. Speaker, I have included the foregoing statement by the head of the American Good Government Society because I think it is highly significant that this group, interested as they are solely in securing the best possible legislation to regulate and control pollution, have so wholeheartedly endorsed H. R. 6723 and joined the many other patriotic and conservation organizations which are pointing out that it would be better to pass no pollution legislation at all at this session than to adopt S. 685.

We are nearing the end of this session, and it is my sincere hope that this Congress will not be asked to consider the important and controversial problem of pollution legislation in the hurried, closing days of this session. I believe it would be much better to let this whole problem go over until we convene again following the new year so that Members will have full opportunity to study the whole problem and to confer with their constituents in the meantime. It is of Nation-wide importance and permanent significance that after 150 years of failure to pass a national antipollution law we do not now enact legislation which may actually aggravate the problem rather than ameliorate it. Having waited 150 years to attack this problem, it seems logical that we should wait another 5 months to be sure that our method of approach will serve to stop rather than to stimulate pollution. If we are compelled to decide this problem by our votes this session, however, I urge your support of H. R. 6723, which will be offered in the Committee of the Whole House as a substitute for S. 685. H. R. 6723 is the outgrowth of more than 10 years of study and development on the part of the great conservation groups of America and carries their unanimous endorsement; it bears the badge of honor of being opposed by the greatest polluters of America; it will control pollution and it will safeguard the interests and investments of honest industries; it will protect the public waters of this country for the health and happiness of the general public. Ladies and gentlemen, I urge your support for this legislation.

The Philippines in a Changing World

EXTENSION OF REMARKS

OF

HON. C. ARTHUR ANDERSON

OF MISSOURI

IN THE HOUSE OF REPRESENTATIVES

Monday, July 24, 1939

ARTICLE FROM THE COMMONWEALTH ADVOCATE

Mr. ANDERSON of Missouri. Mr. Speaker, all Americans have their eyes directed toward the situation developing in the Pacific area. I have the feeling that what happens there has its affect on the situation in Europe, so that any light that may be thrown upon the Asiatic situation is of world-wide importance.

My knowledge of the Philippine situation is extremely limited. My attention has been called to an article in a Philippine paper, the Commonwealth Advocate, published in Manila.

Unlike some of the Philippine papers that are published in the United States for selfish purposes, this paper is well edited.

The following article was written by the Honorable Carlos S. Tan, a member of the Philippine Assembly, and I am informed, a very able and thoughtful statesman. The article speaks for itself, and I hope that it will add to the information we require about this commonwealth which contains 18,000,000 Christian people and is the fifth best customer of the United States:

[From the Commonwealth Advocate for May 1939]

THE PHILIPPINES IN A CHANGING WORLD—WHAT ROLE THE PHILIPPINES WILL PLAY IN THE NEXT CONFLICT

(By Hon. Carlos S. Tan)

We are living in a very unstable world. The territorial boundaries of nations contract or expand or completely disappear from the map with kaleidoscopic rapidity in a world ready to assume new forms according to the antiquated idea of democracy, or the new and virile ideas of fascism, or the imperialistic plans of some powerful nations. Some people believe that the fate of democracy will be decided in the Mediterranean; others assert that the final supremacy in the Orient will be decided in the Pacific. Whether in the Mediterranean or in the Pacific those two supreme ideas will clash and decide the mastery of the world, and our country will not be able to evade the consequences. What will be the

Philippines, then? After the clash of nations, where shall we be? What role are we going to play in that tragedy?

It has been more than 30 years ago that we have been dreaming of a happy independent Philippines in a peaceful world, guaranteed by America, European and Oriental nations and respected by all. Philippines, the mistress of the Orient.

We were dreaming then about the eternal principles of justice, about the sanctity of treaties, about the validity of international laws.

The World War came to confirm our hopes. Above the din of battle the inspired voice of the greatest and most sublime apostle of democracy, President Woodrow Wilson, was heard by the whole world, expounding the right of the peoples for self-determination and condemning international banditry. The dynamic force of the ideas of the great President, backed by the power of arms, was translated into reality. Those nations that despised the sanctity of treaties were subdued, and from the ashes of war there arose vigorous and flourishing democracies. At the impulse of such democratic ideas, Czechoslovakia, Yugoslavia, Albania, and suffering Poland were born under freedom's wings to take their places in the assembly of nations. It seemed that democracy had triumphed forever, that treaties would be more sacred, and that international laws and the principles of justice would reign supreme in a world that had undergone the extreme test. It seemed that international vandalism and rapacity had no more place in this world.

Hardly 20 years have elapsed since that supreme ordeal. The grimness of that war still fresh in the minds of those who have survived, and now we find ourselves once more before a world full of discord, preparing and arming itself, dizzily headed for another, much bigger debacle, perhaps.

The Treaty of Versailles, that piece of complicated puzzle designed by the victorious nations to prevent future aggressions, has been torn into bits. The League of Nations created as an international agent to stop new wars and to settle international disputes, has failed shamefully. Treaties are once more trampled. International laws have become a myth and the world is a vast field open to the rapaciousness and greed of stronger nations whose only law is might and whose only justification is the necessity to expand in order to exist as a nation. Such is the present situation.

Manchukuo, Ethiopia, Czechoslovakia, Albania are recent and bleeding examples of this situation—a situation that makes Poland, Rumania, Yugoslavia, Switzerland, and even traditionally peaceful Holland—cower with fear. Even the big nations such as England, France, and Italy are cowering before a universal cataclysm. An America that always considered herself isolated from Europe does not believe any longer that she can be isolated from the events now developing in Europe and in the Orient.

The world has become so small before modern scientific advancement such as the radio, the aeroplane; and especially before the rising imperialism of nations. Isolation, the best guaranty of security, is no longer available. We can truthfully say now that neither the North Pole nor the South Pole is isolated.

Thus we see how all countries are feverishly arming themselves, and many like England with their airplane and munitions factories are working 24 hours a day preparing for a conflict which everybody believes is very near. On the face of this probable cataclysm we see nations alining themselves not only in Europe but also in the Orient. A clash between these camps must necessarily affect us for the simple reason that the Philippines are within the sphere of expansion of certain nations. Let us not be deceived when a nation says it has no imperialistic designs. On the eve of the annexation of Austria, Hitler declared that he had no intention of annexing Austria. Weeks before the occupation of Moravia and Bohemia in Czechoslovakia, Hitler stated that he had no desire of expanding toward eastern Europe. And the same is true with other countries. Nor believe that friendship is a guaranty against the imperialism of a friendly country; friendship gives way to necessity.

The great American Nation is an exception. If up to the present time America has not lowered her flag from our country it is because she believes that there is no security for us. Through all these years America has become wedded to us not only through material and economic bonds but also through spiritual and ideologic ones. If the Philippines have to live always under a nation I would rather prefer to be under the great American Nation than any other nation.

In the face of this serious international situation it is time to ponder and make a revision of all political values that affect or may affect our country. In desiring to seek definite solution of our status we should first consider the international situation and study it conscientiously until we reach a final conclusion. We should petition the United States to study and decide with us the present situation and solve the problems that we have before us in an open and frank manner, without any redundancy or subterfuge. The American High Commissioner, His Excellency, Paul McNutt, after visiting the Orient, came back advocating a realistic reexamination of the political situation. I admire the courage of the High Commissioner in launching his proposal before opinions diametrically opposed to his, and I have been a follower of that idea. I have also visited certain neighboring countries and seen certain things that made me ponder for a long time.

When dealing with a problem as serious as the destiny of our country, a little hesitation and consideration is certainly most welcome. Let us demur and continue studying. Who knows, perchance, a happy solution lies in the future.

The Lending-Spending Plan

EXTENSION OF REMARKS

OF

HON. RAYMOND S. SPRINGER

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Monday, July 24, 1939

EDITORIAL FROM THE WASHINGTON POST OF JULY 24, 1939

Mr. SPRINGER. Mr. Speaker, each day I receive many communications regarding the proposed "spending-lending program," which is proposed by the President of the United States, and from the general trend of those communications I find the people, generally, are deeply concerned because of this huge spending plan. It is agreed that if loans are made, and not repaid, the overburdened taxpayers of this Nation will have to assume and pay the indebtedness incurred, and with the present indebtedness, which has reached an all-time high, this plan, while it may operate as "another shot in the arm," will finally impose an added burden upon every class of our people; our farmers, laborers, industrialists, and businessmen will suffer because of this additional imposition, and business and industry in our Nation will find another obstruction upon the highway of progress which will further stagnate development and the opportunity to take up the slack in our unemployed groups. I am convinced, from the record of the past, that this proposed lending program will mean another "spending program" by the administration now in power, which will mean a continuation of our depressed business conditions.

Mr. Speaker, I include in my remarks an excellent editorial which appeared in the Washington Post on Monday morning, July 24, 1939, which editorial has my complete endorsement, and which is as follows:

[From the Washington Post of July 24, 1939]

THE LENDING PLAN

The administration's new lending program authorizes the R. F. C. to issue its own obligations to a maximum amount of $2,490,000,000 to finance construction of highways, expansion of rural electrification, purchase of railway equipment, loans to farm tenants, irrigation projects, and various other enterprises.

Superficially, this new pump-priming venture does not differ in any fundamental respect from preceding ones. The general type of projects is the same, and the agencies through which loans are to be made have been functioning for a number of years. Indeed, Senator BYRD maintains that the present program is not essential, because the R. F. C. already has a huge fund available for financing the bulk of the projects listed.

There has been a very significant change, however, in the character of the arguments advanced to support the new spending-lending program. Earlier proposals have been offered as stop-gap arrangements designed to hasten the revival of private investment activity. The "build-up" for the present plan reveals a new conception of its nature and purpose. The ground was carefully prepared for this new approach in hearings conducted before the Temporary National Economic Committee a short time ago.

Experts attached to the Federal Reserve Board and the S. E. C. presented a mass of statistical data purporting to show an inadequacy of private investment outlets and a consequent need of Government capital investments to meet the deficiency. Hence the latest pump-priming essay has taken on the guise of a governmentally sponsored investment program to finance self-liquidating projects—one that may properly be financed entirely outside the regular Federal Budget.

Senator BYRD has issued a timely warning that the American public must not be deluded into believing that this new spending scheme will neither increase the Federal debt nor increase the Federal tax burden. "If the Government borrows money and makes loans for untried and impractical projects that are not likely to be repaid," he says, "the burden will eventually fall on the taxpayer." In his opinion the "whole scheme is devised to evade the present statutory debt limit." It is, he concludes, "a spending scheme masquerading as a lending scheme."

This is, of course, an extreme statement since it is not to be supposed that all the R. F. C. advances will be a dead loss. However, there is a virtual certainty that a large percentage of loans made to construct toll roads, to aid tenant farmers and to dig irrigation ditches will, like the R. F. C.'s industrial loans, show a high percentage of loss.

Furthermore, a good many loans, which by stretching the definition might be called self-liquidating, will yield very low returns

and be repayable over an excessively long period of time. Government debts incurred to finance such slow enterprises will remain outstanding indefinitely. And should the Government later be compelled to borrow at higher interest rates to refund this indebtedness, the taxpayers would be compelled to shoulder the additional cost.

The American people should not be deceived by soothing phrases or led astray by hair-splitting definitions that broaden the meaning of the word "self-liquidating" until it no longer has any practical significance. Whether the additional billions which the administration proposes to lend are carried in the regular budgetary statement as expenditures offset by additions to the Federal debt or listed as liabilities of the R. F. C. is immaterial. The obligation to repay that debt rests, in final analysis, upon the Federal Government. Verbal legerdemain cannot relieve taxpayers of the necessity of meeting the losses from bad investments.

Townsend Plan in Illinois

EXTENSION OF REMARKS

OF

HON. EDWIN M. SCHAEFER

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Monday, July 24, 1939

ARTICLE BY SAM TUCKER

Mr. SCHAEFER of Illinois. Mr. Speaker, under leave to extend my remarks in the CONGRESSIONAL RECORD, I desire to include a very enlightening article on the Townsend old-age pension plan which was written by the distinguished Illinois journalist, Mr. Sam Tucker, for the East St. Louis, Ill., Journal, and published in the issue of Sunday, July 16, 1939. Mr. Tucker is a well-known observer of National and State affairs. He is a close student of economics and it is my opinion he knows whereof he speaks in the article which follows:

[From the East St. Louis (Ill.) Journal of July 16, 1939]

AS I VIEW THE THING

(By Sam Tucker)

By word of mouth, and by letter, during the last week a number of nice old folks who had put their faith in the Townsend dream have been telling me exactly what they think of me. They have suggested in indelicate language, that I am an offspring of canine ancestry. Worse than that, they have suggested, in a single, pointed word, that my father was a bachelor.

It so happens that I never have traded upon ancestry as an excuse for any of my errors or as a means of advancement. If anybody wants to make something of it, I am willing to stand upon the record of my forebears. In a realistic view, however, it becomes clear that these unfortunate folks did not really mean to insult my father or mother, grandparents, or great-grandparents. I am the one they wanted to punch in the jaw, and I can take it.

ARITHMETIC REFUSES TO YIELD

This is mock heroics—the foregoing—because it is not even your humble columnist with whom the critics have a quarrel. What they are sore at is the law of arithmetic, and they might drive every wage-earning newspaperman of the country out of his job without changing arithmetic. Arithmetic is a very stubborn thing, which refuses to yield either to governments or to wishful dreams. It can't be altered by calling names, nor by any sort of rainbow magic.

In order to see what fantastic, impossible dreaming the Townsend pension scheme is, test it by the unchangeable rules of arithmetic. For a starting point, take the United States census report for Illinois in 1930, the last year of an actual count. You will find that there were, in April of that year, 667,383 persons in this State past the age of 60, an age sometimes suggested as suitable for the beginning of pensions. There were 421,073 persons past the age of 65. Remember these are figures for the State of Illinois alone. In some States, most notably California and Florida, the proportion of old folks is much higher still.

TAXES TO BE CONSIDERED

Assume that we have only Illinois to deal with, and assume that the glorious period of easy living upon pension is to begin at age 65. We have 421,073 persons to pay off. Old Doc Townsend thinks that this part of the population, men and women, lazy vagrants and worn-out workers alike, all should receive $200 a month each. What would it cost?

Take your pencil, multiply 421,073 by 2,400, to obtain the number of dollars that must be expended each year to give $200 a month to each person above 65, as a reward for having continued to breathe so long. What figure do you get? What does that figure mean, in terms of taxes to be raised to meet the cost?

COST ONE-HALF BILLION AT $100

At this point, we hear an interruption. An indignant Townsend dreamer points out that the figure of $200 a month is an ideal, and not necessary the immediate goal. A smaller amount would be accepted, for a starter, with the idea of working up to the higher figure as time went on.

Very well, then: let's cut the Townsend ideal in half, and say that we are going to pay each person in Illinois $100 a month, as reward for having continued to consume groceries past the age of 65. Multiply 421,073 by 1,200. By my arithmetic, this makes 505,287,600—the number of dollars it would take in a year to pay each person of Illinois over 65 a bare $100 each month. Well over a half a billion dollars, for a single State, but perhaps that does not sound impressive to you.

TRANSACTION TAX IS VICIOUS

Take, then, another figure for consideration. The total amount of tax revenue collected in the State of Illinois in 1 year (June 30, 1937–June 30, 1938) from a 3-percent sales tax upon all retail business was $80,917,000. This 3-percent sales tax is a source of serious embarrassment to many small retailers and a cause of much grumbling by customers who are asked to fork over extra pennies on every purchase. It has proved necessary, however, to finance the present expenditure of State government.

The present State sales tax, of course, must be continued until the expenses of State government are greatly reduced, or until the State constitution is amended to permit a State income tax. The Townsend dreamers propose to raise their money by a "transaction" tax—a sales tax under another name, and more vicious because it involves payment of tax two or three times over upon the same merchandise. Assume, however, that nothing worse than a simple sales tax were proposed.

We must have the present 3 percent to finance the State in its previous scheme of operations. To raise an additional half billion dollars a year we must have an additional sales tax six times as big as the present one. In other words, to pay the hopeful old folks $100 a month, without regard to their need or worth, every person who went into a store to buy $1 worth of groceries would have to fork over, in addition, 3 percent, as the ordinary cost of State government, plus 18 cents as Townsend tax, making the bill $1.21 for each $1 worth of goods that were bought.

ALL WAGES WOULD SHRINK

In other words, every wage in the State would shrink by a fifth (for all the families that still continued to support themselves, by their own efforts). Every little retail business would be loaded down by difficulties, due to rising prices and taxes six times bigger than now. Every benefit that was gained by the aged idlers would come out of the pockets of that minority in the population who earn their own way, produce all the wealth that is created, and work for every cent they get or expect to get.

Thus far I have been able to invite you to use your own pencil along with me in computing just what would happen. The whole story, however, cannot be told by means of any figures yet available. Actually there are not merely 421,073 persons of 65 and over in Illinois, as there were in the year 1930, but many thousands more than that number. The death rate has been dropping, the birth rate also, so today we have a larger proportion of old folks to earning men. The actual burden upon workers would be far worse than any official figure will show.

Export of War Materials to Japan

EXTENSION OF REMARKS

OF

HON. LEE E. GEYER

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Monday, July 24, 1939

LETTER FROM REV. WILLIAM W. DARSIE

Mr. GEYER of California. Mr. Speaker, I have on various occasions before this body expressed myself concerning the part the United States is having toward prolonging the war in China.

Authentic authorities agree that if we could embargo war materials to Japan the terrific slaughter would be over in less than a month. I represent the great harbor area of Los Angeles, and I am receiving many communications from my constituents urging that something be done about this matter.

The First Presbyterian Church, of San Pedro, Calif., under the leadership of Rev. William W. Darsie, has just communicated with me upon this subject. His letter is typical of those I am receiving. I hope the membership will read this

letter thoughtfully and enact legislation that will put an end to this terrible tragedy.

The letter follows:

Congressman LEE GEYER:

Washington, D. C.

DEAR CONGRESSMAN GEYER: The session of the First Presbyterian Church of San Pedro, acting unanimously for the congregation of our church, voted to express to you and the Members of Congress our sincere hope that Congress would act in withholding war materials from Japan. Since our church is located in that section of the city of Los Angeles from which oil and scrap iron is shipped in large quantities, we have a deep interest in seeing that Congress act before adjournment in stopping the slaughter of innocents in the Far East. It is our sincere hope that action will be taken at once in correcting this wrong.

Very sincerely yours,

WILLIAM W. DARSIE.

Possibility of Joint Truck-Rate Schedules

EXTENSION OF REMARKS
OF
HON. WADE H. KITCHENS
OF ARKANSAS
IN THE HOUSE OF REPRESENTATIVES

Monday, July 24, 1939

Mr. KITCHENS. Mr. Speaker, the railroad bill before us is inimical to all other forms of transportation. A case of first impression pertaining to joint truck-water transportation arose in my district last year. It took over a year to get an adverse ruling in favor of the railroads by the Interstate Commerce Commission in a decision rendered May 20, 1939.

Camden, Ark., a town located in my district, has for many years been the head of navigation on the Ouachita River. From Camden this river flows in a southeasterly direction down to the Mississippi, and boats using the Ouachita can thus travel between Camden and New Orleans by water. It is the only direct water connection between the coast and the interior towns and cities in my district and in the other districts of southern Arkansas. There has for many years been some commercial use of the Ouachita to Camden, but this was uncertain and not the kind of service which the merchants and businessmen could ever depend upon.

About 4 years ago, however, a common carrier barge line began operations over this water route. This line uses a fleet of modern barges and plies between New Orleans and Camden, using the Mississippi and Ouachita Rivers. Regular semimonthly sailings were established and a slow but dependable service by water to Camden was made available to the merchants. Being an inland-water carrier, this barge line was not under the Interstate Commerce Commission or subject to its rulings, but it made every effort to keep its rates stable and was invaluable to business in this territory.

Not long after the establishment of this common-carrier barge line the Motor Carrier Act was passed by Congress placing interstate truck operations under the Interstate Commerce Commission and providing for the joining of truck and water operations where the barge lines were willing to submit to the jurisdiction of the Commission.

At the request of the shipping interests around Camden and in the territory served by Camden the barge line decided to join with the common-carrier truckers in joint through water-truck tariffs which would name rates from New Orleans to various south Arkansas points through Camden.

There were five common-carrier truck lines whose routes radiated from Camden and provided a service to towns in Arkansas as far north as Little Rock.

It was the purpose of the new tariff to allow wholesalers, merchants, and businessmen at all of these Arkansas destinations to ship directly between their places of business and New Orleans by water and truck without the necessity of taking delivery at the head of navigation in Camden and still have the benefit of low-cost water transportation.

The project was greeted with great enthusiasm all over my district and in the surrounding districts which also would benefit, and in spite of some misgivings on the part of the barge line at submitting to the jurisdiction of the Interstate Commerce Commission, the tariffs naming the through rates were published in April of last year.

The ink on the tariffs was scarcely dry, however, before a loud and vigorous complaint arose from the railroads. They protested to the Interstate Commerce Commission that the new through joint rates were unconscionably low and would completely tear down the rate structure that they had built up for service to this territory. It even developed that one of the common-carrier truck lines which had joined with the barge company in the joint rates was owned and controlled by one of the railroads. As soon as the railroad opposition was made known it immediately withdrew from its participation. The Commission gave ear to the strong protests of the railroads and in May of 1938 suspended the new tariff, setting it down for an investigation and hearing before one of its examiners.

The scheduled hearing was held at the end of June 1938, in Camden. At this hearing there were in attendance many shippers and businessmen who testified as to the great advantages which a joint barge-truck route through Camden would bring to them. They assured the Commission that they had urged the establishment of this valuable service and, in spite of its slowness, they would patronize it and be very glad to make use of the waterway serving their locality. On its part, the barge line depicted the careful study which had been given to the problem before the through rates were decided on; the urgent requests which they had received; and the care which had been taken to name rates which would make use of the through route by shippers possible and still be compensatory to the carriers operating over it.

The barge line pointed out that the through route was very much an experiment and that for this reason an experimental period of 6 months was to be used. Suggestions as to improvements in the tariff were solicited and a willingness to correct any errors or ambiguities was repeatedly expressed. The answer of the railroads to all the pleas of the water and truck carriers and of the shippers for this service was that the rates to be charged were too low and would injure their business.

The case was before the Interstate Commerce Commission for many months. Finally, in late May of this year, over a year after the rates had been first published, the decision was released. It found the proposed joint through rates to be unlawful because unduly low and ordered them to be canceled. The Commission apparently felt that, regardless of the value and cost of the service offered, rates by other forms of transportation must not be low enough to take traffic from the railroads. The effect of the decision is to say that the inherent advantages of low-cost water transportation cannot be given to a locality, no matter how great the need, if to do so can possibly interfere with or injure the business of the rail carriers. No other conclusion can be drawn when this was the sole plea of the railroads to which the Commission in this case lent such a ready ear.

Since the decision ordering their rates canceled, the common-carrier barge and truck lines serving southern Arkansas through Camden have not abandoned their efforts to provide a joint through service. They have been and now are endeavoring to work out rates which will produce some business and still be compensatory. They have been asked, however, by the railroads to furnish copies of such new rates as soon as they are prepared. There is little doubt that the new rates, whatever they are, will be protested again by the railroads and the same long-drawn-out procedure will have to be repeated. Nor does a common carrier by water have much incentive to seek Commission approval of its rates, no matter how valuable the projected service may be to shippers and the people in general, or how reasonable they may be when the slow character of water travel is taken into account. The experience of this barge line which has with the common-carrier truckers, been attempting to provide water and truck transportation to Camden, Ark., and surrounding towns makes the prospect of further Commission regulation a dark one.

The National Debt Limitation

EXTENSION OF REMARKS
OF
HON. HAMILTON FISH
OF NEW YORK
IN THE HOUSE OF REPRESENTATIVES
Monday, July 24, 1939

Mr. FISH. Mr. Speaker, a recapitulation of congressional appropriations discloses that we are dangerously near the debt limitation of $45,000,000,000 established by law. The national debt, as of June 30, 1939, the end of the fiscal year, was $40,440,000,000, of which total Treasury bonds now outstanding amount to $28,066,000,000, while Treasury notes, bills, and certificates of indebtedness eligible for conversion into long-term obligations sum up to $11,820,000,000.

We have experienced 9 continuous years of operating deficits. The excess of expenditures over receipts has varied from year to year due to changes in business conditions and the program of public finance. During the 1939 fiscal year expenditures exceeded receipts by $3,601,000,000 and were more than twice the expenditures for the 1931 period.

A tabulation of the appropriations for the 1940 fiscal year shows that the national-defense program will amount to one and eight-tenths billion dollars; it will cost about the same for relief as it will for national defense; the agricultural program will still run at a level of about one and three-tenths billion dollars. All told, national defense, relief, and agricultural expenditures will constitute about one-half of the cost of government for this fiscal year. Expenditures are estimated to exceed $10,000,000,000 in the 1940 fiscal year with an operating deficit of over $3,000,000,000.

The Treasury Department estimates a gross national debt, as of June 30, 1940, of $44,458,000,000, based on estimated deficit of $3,326,000,000 for the fiscal year ending June 30, 1940. The actual deficit for the fiscal year ending June 30, 1939, was three and six-tenths billion dollars.

There has been proposed a program of expenditures for public works of a self-liquidating nature amounting to approximately $3,000,000,000. If the plan is carried out to completion then the outstanding contingent liabilities (guaranteed obligations of the United States) will approximate $10,000,000,000 in addition to the national debt.

These figures show that we are rapidly approaching the debt limitation and that the time has come to put our own financial house in order, to practice rigid economy, and to balance or at least to approximate a balanced Budget for 1941.

I believe the best way to start doing this is to cut 10 percent off the total appropriations for every department of the Government, except for disabled veterans, those on pensions and relief. There is no way to balance the Budget without a definite attempt to practice national economy, and that can only be done through an effort to reduce the amount of appropriations made by the Congress.

I have introduced a resolution—House Resolution 195—for the creation of a committee of five Members of the House, to be appointed by the Speaker, to make a recapitulation and a complete survey of the authorizations and appropriations of the Seventy-sixth Congress, to ascertain whether or not the limitation on the national debt established by law at $45,000,000,000 has been exceeded. I propose to ask for action on this resolution as soon as Congress reconvenes in January 1940 so that Members will know definitely before the big appropriation bills are considered the exact status of our public debt in relation to the debt limitation.

The proposed spending and lending bill is just a camouflage effort to evade the legal-debt limitation. The fact is that our country has been overdrugged with stimulants and shots in the arm. Business is in a dry rot, confidence has been destroyed, and fear pervades the land. Incomes, profits, wages, all are falling, but unemployment and taxes continue to rise. The tax collector is as inevitable as the messenger of death. The Federal Government is drifting rapidly onto the shoals of inflation, repudiation, bankruptcy, or financial chaos and more unemployment.

I include the following tables showing the state of the public debt as of June 30, 1939, the cost of operating the Federal Government for the fiscal years 1931–39, comparison of changes in the public debt with expenditures for relief for the fiscal years 1934–39, appropriations for the fiscal year ending June 30, 1940, and the growth of contingent liabilities, 1934–39.

TABLE I.—*The public debt as of June 30, 1939*

Bonds:	
Panama Canal, conversion, postal savings	$196,470,660
Treasury bonds	25,218,322,650
United States savings bonds	1,868,149,116
Adjusted service bonds	783,052,606
Total bonds	28,065,995,032
Treasury notes	9,225,905,700
Certificates of indebtedness	1,286,500,000
Treasury bills	1,307,569,000
Total interest-bearing debt outstanding	39,885,969,732
Matured debt on which interest has ceased	142,283,140
Debt bearing no interest	411,279,539
Total gross debt	40,439,532,411
Net balance in general fund	2,838,225,533
Gross debt less net balance in general fund	37,601,306,879
Gross debt per capita	308.29
Computed rate of interest on interest-bearing debt outstanding	2.60

TABLE II.—*Cost of operating the Federal Government for the fiscal years, 1931–39, inclusive*

	Expenditures	Receipts	Operating deficits: Receipts as compared with expenditures
1931	$4,092,000,000	$3,190,000,000	$902,000,000
1932	5,154,000,000	2,006,000,000	3,148,000,000
1933	5,143,000,000	2,080,000,000	3,063,000,000
1934	7,105,000,000	3,116,000,000	3,989,000,000
1935	7,376,000,000	3,800,000,000	3,575,000,000
1936	8,880,000,000	4,116,000,000	4,764,000,000
1937	8,105,000,000	5,294,000,000	2,811,000,000
1938	7,691,000,000	6,242,000,000	1,450,000,000
1939	9,268,000,000	5,668,000,000	3,601,000,000

TABLE III.—*Comparison of changes in the public debt with expenditures for relief for the fiscal years, 1934–39*

	Gross direct debt	Annual increase in gross debt	Relief expenditures [1]
1934	$27,053,000,000	$4,514,000,000	$1,767,000,000
1935	28,701,000,000	1,648,000,000	1,982,000,000
1936	33,778,000,000	5,077,000,000	2,441,000,000
1937	36,425,000,000	2,647,000,000	2,542,000,000
1938	37,165,000,000	740,000,000	2,133,000,000
1939	40,440,000,000	3,275,000,000	[2] 2,854,000,000
Total		17,901,000,000	13,719,000,000

[1] Relief expenditures include only those allocations to the Civil Works Administration, Federal Emergency Relief Administration, Works Progress Administration, Civilian Conservation Corps, direct relief, and the work relief of public works such as emergency flood control, reclamation, etc.
[2] Preliminary computation.

TABLE IV.—*Appropriations for the fiscal year ending June 30, 1940*

Legislative establishment, H. H. 4218, Public, No. 130	$21,892,079
Independent offices, Public, No. 8	1,678,847,840
Independent administrative expenses	73,550,000
Department of Agriculture, H. R. 5269	1,273,004,798
Farm Credit Administration, H. R. 5269	18,741,000
Administrative expenses, H. R. 5269	9,500,000
Department of Commerce, H. R. 6392	52,751,000
Department of the Interior, Public, No. 68	188,337,265
Department of Justice, H. R. 6392	50,907,520
Department of Labor, H. R. 5427	30,536,170
Navy Department, H. R. 6149	773,049,151
Post Office Department, Public, No. 65	[1] 50,987,244
Department of State, H. R. 6392	18,518,700
Treasury Department, Public, No. 65	[2] 2,549,978,410

[1] Appropriated $790,987,244, less $740,000,000 of post-office receipts.
[2] Out of the Treasury Department appropriation of $2,550,000,000, $1,050,000,000 was allocated for payments of interest on the public debt, $585,000,000 for public-debt retirement, $580,000,000 to the old-age reserve account, and the remainder of the appropriation ($335,000,000) will be spent on operations of the Department, such as refunds, public buildings, the Coast Guard, the Public Health Service, Internal Revenue Bureau.

TABLE IV.—*Appropriations for the fiscal year ending June 30, 1940*—Continued

War Department:	
Military, Public, No. 44	$508,789,824
Military supplemental, H. R. 6791	223,393,047
Civil and Panama Canal, H. R. 6260	304,523,014
District of Columbia	[3] 6,000,000
Work Relief and Public Works Appropriation Act, 1939, H. J. Res. 326	1,755,600,000
Total	10,239,862,062

[3] Estimated District of Columbia appropriation not yet enacted into law.

TABLE V.—*The growth of contingent liabilities (guaranteed obligations of the United States), 1934–39*

[In millions of dollars]

	1934	1935	1936	1937	1938	1939
Commodity Credit Corporation					206	206
Federal Farm Mortgage Corporation	313	1,233	1,432	1,449	1,419	1,385
Federal land banks	6					
Federal Housing Administration					1	2
Home Owners' Loan Corporation	135	2,707	3,066	3,038	2,964	2,954
Reconstruction Finance Corporation	236	251	253	256	299	823
U. S. Housing Authority						115
Total	691	4,191	4,751	4,743	4,889	5,485

Collective Security

EXTENSION OF REMARKS

OF

HON. RALPH O. BREWSTER

OF MAINE

IN THE HOUSE OF REPRESENTATIVES

Monday, July 24, 1939

Mr. BREWSTER. Mr. Speaker, in recent months the administration has used various powers available to it under law to curtail so far as practicable our interchange of trade with Germany in carrying out its program of cooperation with the "democracies against the autocracies" and in particular to show American sympathy for Great Britain in its current controversy with Germany.

It seems worth while to note that during this same period, when American business with Germany has been substantially curtailed, under the restrictions imposed by the administration the trade of Great Britain with Germany has very materially increased.

In fact Great Britain has apparently increased its trade with Germany to about fill the gap America has left.

The following Associated Press dispatch from the New York Herald Tribune of July 20, 1939, tells a story that should have significance to American students of international relations:

[From the New York Herald Tribune of July 20, 1939]

GERMAN EXPORT BALANCE FOR JUNE IS $37,640,000—PART OF GAIN IS IN BOOKKEEPING; SALES TO UNITED STATES DROP SHARPLY

BERLIN, July 19.—Germany's exports in June exceeded imports by 94,100,000 marks (about $37,640,000), more than double the export balance in May, it was announced today. For the first 6 months of 1939 an excess of 58,800,000 marks (about $23,520,000) in exports over imports was recorded.

The apparent increase in exports in June over May, 52,200,000 marks ($20,000,000), was in large measure a result of a new method of keeping statistics. June figures included some deliveries actually made in May. Exports listed for June amounted to 537,500,000 marks ($215,000,000), and imports 443,400,000 marks ($117,360,000).

Today's announcement said imports from Italy, Great Britain, Hungary, and the Netherlands had increased and those from Rumania, Greece, and Turkey had decreased.

German exports increased to Britain, Turkey, the Netherlands, Italy, and Sweden, while those to Poland, Switzerland, and France decreased. Export increases to Argentina, Venezuela, Mexico, and Colombia were noted, while there was a strong recession in exports to the United States.

Dark Days Ahead

EXTENSION OF REMARKS

OF

HON. GEORGE W. GILLIE

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Monday, July 24, 1939

Mr. GILLIE. Mr. Speaker, a shadow recently has been cast over the Fourth Congressional District of Indiana, that region of rich farm land and prosperous communities in the extreme northeastern section of the State which I have the proud honor to represent. It was placed there, I regret to report, by the distinguished junior Senator from Indiana [Mr. MINTON]. I rise, therefore, to erase that shadow once and for all, using as my weapon the potent sunlight of the truth.

Mr. Speaker, on Thursday, July 20, the Senator from Indiana, during the heat of debate in the Senate, made the following statement in response to a question by the Senator from New Hampshire [Mr. BRIDGES]. I quote from page 9575 of the CONGRESSIONAL RECORD of that date:

Mr. MINTON. I have in mind one Republican Representative from my State, who inserted in the RECORD some figures which had been tabulated by a Republican editor up in the dark corner of Indiana, a man who ran for the United States Senate last year and was defeated. That is one of them I have in mind. I could refer the Senators to others.

The Republican Representative to whom the Senator from Indiana refers is myself.

The Republican editor he mentions is the Honorable Raymond E. Willis, of Angola, Ind., one of the finest gentlemen from one of the finest communities in my district.

It is only natural for me to assume, therefore, that "the dark corner of Indiana" to which the Indiana Senator refers is my own Fourth District—a district which, I might add, needs bow to no other in the entire United States. At least, Mr. Speaker, this is the conclusion which has been drawn by the newspapers of my district. I wish to insert at this point a Washington dispatch which has gained wide circulation in Indiana:

[Washington dispatch of July 22, 1939]

FOURTH DISTRICT DARK CORNER OF STATE—MINTON

WASHINGTON, D. C.—The Fourth Congressional District, which went Republican by an all-time record majority of over 20,000 votes in 1938, is the "dark corner of Indiana" to Senator SHERMAN MINTON, the Hoosier new dealer, who must stand for reelection next year, probably against Raymond E. Willis, Angola publisher.

The junior Senator from Indiana made public reference to his strongest potential opponent, Mr. Willis, during a debate in the Senate the other day, but he didn't refer to him by name. Instead, he identified him simply as "a Republican editor up in the dark corner of Indiana, a man who ran for the United States Senate last year and was defeated."

It all came about during a debate between Mr. MINTON and Senator BRIDGES of New Hampshire over the farm policies of the New Deal.

The Hoosier Senator took the floor to complain that "numerous attempts have been made by Republican leaders to circulate throughout the country propaganda detrimental to the New Deal economic program. * * * They are trying to show that farmers were better off under Mr. Hoover than they are under the Roosevelt administration."

Mr. BRIDGES. The Senator says Republicans have been circulating these figures. Who does he mean are circulating these figures? "Republicans" is a pretty indefinite term.

Mr. MINTON. I have in mind one Republican Representative from my State who inserted in the RECORD some figures which had been tabulated by a Republican editor up in the dark corner of Indiana, a man who ran for the United States Senate last year and was defeated. That is one of them I have in mind.

The Hoosier Senator had taken exception to a table of comparative farm prices which Representative GILLIE had placed in the CONGRESSIONAL RECORD. The table, taken from Mr. Willis' newspaper, the Steuben Republican, revealed that average prices of

leading farm products under the New Deal period, 1933–37, are as much as 30 percent lower than they were during the Republican period, 1921–32.

The Indiana Senator objected to the figures and inserted his own table, comparing New Deal farm prices with the 1930–32 averages, ignoring the high prices under the Harding and Coolidge administrations.

Mr. Speaker, some very interesting inferences are contained in this newspaper article. The inference is made, for example, that the junior Senator considers the Fourth District the "dark corner of Indiana" because it went Republican last year by the largest plurality in history. The exact plurality, according to the Congressional Directory, was 20,274 votes. Every one of the eight counties in the district contributed to this record plurality. The results by counties were as follows:

County	Republican	Democratic
Allen	36,398	25,118
Adams	4,671	4,081
Wells	4,648	4,594
Lagrange	3,389	2,175
Steuben	4,561	2,494
Noble	6,794	4,515
Whitley	4,955	4,081
De Kalb	7,251	5,210
Total	72,567	52,293

The inference also is made that the Indiana Senator may consider northeastern Indiana the "dark corner" of the State, because it is the home of his strongest potential opponent, Mr. Willis, whom I sincerely believe will be the next Senator from Indiana.

The junior Senator identified Mr. Willis rather curtly as "the man who ran for the United States Senate last year and was defeated." I might say that many citizens of Indiana entertain serious doubts as to the truth of that statement. To be sure, Mr. Willis is not in the Senate today. But there are many who believe that he should be.

This attitude was summed up recently in an editorial in the Columbia City (Ind.) Commercial-Mail as follows:

Raymond E. Willis, it is felt by 90 percent of the voters of the State, was defrauded out of the place by election corruption—and came within a hair's breadth of securing election in spite of the frauds.

Official returns revealed that Mr. Willis polled 783,189 votes and Senator FREDERICK VAN NUYS, his opponent, received 788,386—a difference of 5,197 votes out of a total of 1,581,839 cast.

My purpose in rising today, however, is not to discuss the pros and cons of the much-disputed senatorial election in Indiana last year or to recall with justifiable pleasure the election results in my own congressional district. A shadow has been cast over the portion of Indiana which I represent and it becomes my duty to pierce it and let in the light.

The Fourth Indiana District, Mr. Speaker, is not "the dark corner of Indiana." Anyone who has ever had the good fortune to visit this section of the State, which God so generously endowed with all the natural wealth at His command, can testify to this statement. Its land is as fertile as any in the United States. Its industries are diversified. Its communities are progressing. Its people are the most hospitable on earth.

Northeastern Indiana, among other things, is a vacation paradise. Here, within a radius of 50 miles, are located 200 beautiful lakes, ranging from small ones to giant Wawasee. All of these waters, as well as the winding streams tributary to them, offer splendid fishing and every kind of outdoor amusement.

I wish to pause a moment here to extend a cordial invitation to my colleagues, on behalf of the constituency I represent, to visit northeastern Indiana after adjournment and see for yourselves. I will guarantee you the vacation of your lives. And I will warrant that you will meet the finest, most thoroughly genuine people in the world.

Whether you come from California, Maine, Florida, or Minnesota, you will feel that you are coming home when you come to Indiana. For Indiana's authors have told the whole world about the wonders of this wonderful State. Booth Tarkington, Edward Eggleston, Lew Wallace, James Whitcomb Riley, George Ade, Meredith Nicholson, Theodore Dreiser, and northeastern Indiana's own Gene Stratton Porter—these and many other Hoosier writers have brought Indiana into the home of every American. You will find many of the scenes they wrote about right in Mr. MINTON'S "dark corner of Indiana."

The business and industrial life of northeastern Indiana is centered in my home city of Fort Wayne, a thriving metropolis with a history as colorful as any community in America.

The present site of Fort Wayne, "where the three rivers meet," was an important center of early American Indian life before the coming of the white men. Chief Little Turtle described it as "that glorious gate through which all the good words of our chiefs had to pass from the north to the south and from the east to the west."

Fort Wayne is named after that Revolutionary War hero, Gen. Anthony Wayne, who brought the glorious aftermath of the war to Indiana soil on the site of the present city.

In 1785, just 2 years before the formation of the Northwest Territory, General Washington pointed to this spot as "a most important post for the Union." He wanted it fortified and maintained as a strategic American stronghold in the West. He never gave up that conception, and for 10 years pursued his purpose by sending three armies to accomplish it. His vision finally was realized in the building of Old Fort Wayne by the famous "Mad Anthony," after his defeat of the Indians at Fallen Timbers.

Since its colorful beginning, Fort Wayne has continued to grow until today it is an important industrial center of 130,000 population. Its ideal location in the heart of the great markets of the Middle West has been widely recognized, and many important industries have located plants there.

Mr. Speaker, I could go on forever about northeastern Indiana, her natural riches and varied attractions, the industrious farmers who till her soil, the citizens she has developed, the contributions she has made to the progress of civilization, the good people who perform their daily tasks there. For I love every inch of it and, to me, there is no place on earth to compare with it. I think, however, that I have said enough to convince my colleagues, and the Nation at large, that it is not "the dark corner of Indiana." I also would like to feel that the junior Senator from Indiana, deep down in his heart, shares with me an admiration and affection for the people of this district.

Mr. Speaker, the Nation should be warned. There are dark days ahead. I solemnly predict, here and now, that the Republican darkness to which the Senator has condemned the Fourth District of Indiana—and which already extends over 7 districts in Indiana and 167 in the United States—will envelop the entire country in 1940.

The Ramspeck Bill—H. R. 960

EXTENSION OF REMARKS

OF

HON. CAROLINE O'DAY

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Monday, July 24, 1939

Mrs. O'DAY. Mr. Speaker, one of the early tests of feeblemindedness in children, I have been told, was to direct the child in question to bale out a bucket into which water from a tap was running. If the child stayed at the task all day, it was a sure sign that he was feeble-minded, because any

average child would soon discover the source of the water and turn off the tap.

I am reminded of this illustration by two bills, one of which has just passed the House, the other is awaiting action by this body.

There has been a great fuss over politics in relief, political activity by Federal employees, and much-to-do over the Hatch bill prohibiting "pernicious political activity."

Much less public attention has been given to the bill (H. R. 960) introduced by the distinguished chairman of the Civil Service Committee, Mr. RAMSPECK, of Georgia. This bill would place the bulk of Federal employees within the scope of the civil-service system. Mr. RAMSPECK's bill would shut off the flow of patronage, automatically eliminating pernicious political activity.

The House may draw its own inferences.

Everett Post Office Dedication

EXTENSION OF REMARKS

OF

HON. ARTHUR D. HEALEY

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Monday, July 24, 1939

ADDRESS BY HON. ARTHUR D. HEALEY, OF MASSACHUSETTS

Mr. HEALEY. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following address recently delivered by me at the dedication of a post office at Everett, Mass.:

It is indeed a pleasure to be present here today to participate in the dedication of the new post-office building for the city of Everett. This building is a splendid example of the policy of this administration in erecting post-office buildings with a view toward utility rather than the impracticable type of monumental buildings that we have witnessed in the past. It also represents the policy of the administration to bring up to a modern standard of efficiency the service rendered to the public by the Post Office Department by means of the construction of new self-liquidating buildings such as this one which, over a period of years, will pay for itself.

This building represents the most modern developments in comfort, convenience, and efficiency. A fine example of colonial architecture, embodying the fullest utilization of space, air, and light, it takes its place as the newest of the many thousands of far-flung outposts of the Post Office Department, the most gigantic business in the entire world.

It was indeed high time that the city of Everett, a splendid community of some 60,000 people, should receive the benefits of a publicly owned post-office building, and it very rightfully represents a source of pride to the residents of this city.

In my opinion, the Post Office Department is one of the most typically American institutions of our great Government. Bound up as it has been with the intimate lives, education, society, business, industry, and virtually every phase of American social and economic life, the history of the post office represents a history of the progress and development of America.

In the field of transportation, the Post Office has wielded an important influence on the development of better and swifter means of communication. From the pony express to the latest amphibians of the air, the Post Office Department has fostered and nurtured the growth of modern transportation. When Fulton sailed the first steamship up the Hudson River, sacks of mail were passengers on the historic journey. On their maiden voyages, the great leviathans of the sea carried mail from the United States in their holds. The early railroads were important mediums for the transportation of mail. Lindbergh and the other great conquerors of the air gave passage to mail from this country. And as swifter and more modern means of transportation are devised, it seems a safe surmise that the United States mail will maintain its historic record as first passenger.

From the earliest days of our internal development, the mail has carried news and information to every corner of our growing Nation. Wherever the intrepid explorer blazed a trail and founded a human habitation, there swiftly followed the United States mail.

If time permitted, we could trace through every phase of our economic and social life the all-pervading influence of the post office. When the great pioneers pushed westward to expand the frontiers of this Nation, the mail followed to bring them cherished news from home. The great movement for popular education found a potent ally in the post office, whereby the means of public enlightenment could be transmitted swiftly and cheaply to every corner of the land. However far the wanderer might roam, there was still this vital link to bring him solace from his loved ones and bind him to his hearth.

Like a great all-embracing mind, it has served to spread swiftly to every corner of this land the great developments in thought, culture, and ideals, serving to weld ever closer and closer into one the hearts and minds of the people of this Nation. Business and industry have found a valuable instrument in the mails, and there is hardly a phase of American life that has not felt the beneficent influence of this great institution.

Our Nation represents the last great frontier of freedom. The spirit of autocracy that has pervaded Europe and Asia has yet to take root in this country. However, because of the very existence of swift means of communication and transportation, alien ideologies swiftly find their way to this land. Because of its preeminent position, this Nation is the principal target for the propaganda of foreign governments.

Yet I believe that the people of America cherish too dearly the freedom and liberty that has been preserved inviolate in our land to succumb readily to the illusory enticements of foreign ideologies. Here, as in no other country, the dignity and majesty of the individual are preserved as an inexorable axiom of government. While in other lands the status of the individual has been degraded to that of mere chattel of the state, the great principle that governments are founded for and by the consent of the governed remains the very foundation of our system of government. Freedom of speech, freedom of the press, freedom of thought and conscience remain today the priceless heritage of all Americans. And when any of you chooses to deposit a letter in this building, you may do so with the full assurance that it will be safe from the prying eyes of censorship—that no despotic censor can deprive you of your inalienable right to communicate your thoughts as you deem fitting.

But while we have reason to rejoice in our great heritage, it is incumbent on us to remain vigilant in its preservation. The vast majority of citizens are sensitive to the great blessings that flow from our system of government and are unshakably devoted to free American institutions. However, we cannot be unmindful of the fact that great minority pressure groups in other lands have been able, by virtue of their unanimity of purpose, to subject the majority to their iron rule and discipline. It is incumbent upon all Americans to closely observe and investigate the activities of persons who would destroy our great institutions and, by the active promulgation of Americanism, do their part toward heading off subversive movements in their very inception.

Today, in a world gripped by the haunting fear of imminent war, the dedication of this post-office building may well serve as an inspiring symbol of Americanism. It represents a history of peaceful progress. I believe that the entire progress of America has been founded on peace. Although we have witnessed and suffered warfare, it has always been motivated by great ideals. Never yet has this Nation embarked on a war of conquest and selfish purpose, and it is our hope that it never will. Born in the great War of Independence, this Nation has prospered and developed on a foundation of peace and good will. Our Nation has risen to its position of preeminence under a program of peace and freedom, industry and tolerance, culture and achievement. Those wars that have afflicted us in the past have brought no benefit to this Nation but have served only to retard our growth and progress.

Today with war clouds hovering over Europe, it is fitting that we should dedicate this building in the name of peace. Europe and Asia are a turbulent seething scene of war preparation, a powder keg ready to ignite and blast civilization to bits on the merest incident. I know that there lurks in the hearts of all men a fear of the dreadful consequences that would flow from a new war and that Americans are gravely concerned lest our Nation should be drawn into a conflict that could only mean the end of civilization as we know it.

For months now a barrage of foreign propaganda, calculated to involve the sentiment of this Nation, has inundated our shores from all camps. Undoubtedly, as conditions become more acute, these efforts will be increased and more vigorously prosecuted. The objective is to win American public opinion, as it is the public opinion of America that will eventually guide the course of our destiny toward peace or toward war.

It has traditionally been the policy of this Nation to remain as free from entangling alliances with nations abroad as circumstances will permit. The entire course of our history reveals the wisdom of the principles enunciated by Washington in his Farewell Address. Today we are confronted with a situation similar to that which existed prior to the World War. Should we choose again the path we followed in those momentous days, it is my belief that the possibility of our involvement would be greatly increased.

It would be sound foreign policy, in my opinion, for this Nation to maintain during these critical days a barrier against the shipment of arms and ammunition to belligerent nations. If this Nation were to be converted into an arsenal for the manufacture of death-dealing instruments of war for any nation or nations abroad, this might well be the first step that would lead us inextricably into the seething current of European diplomacy and power politics.

I believe the overwhelming sentiment of the residents of my district and of the entire Nation to be opposed to any war other than one of defense and to favor the maintenance of strict neutrality. It is this sentiment of the people that, in the final analysis, will hold the key to peace or war. It will ever be neces-

sary that each of us exercise care and judgment in dispassionately appraising all news and appeals from abroad, lest the American conscience be imposed upon by spurious propaganda and false reports.

It is my conviction that the people of America will continue to follow the paths of peace and freedom and will continue to progress toward the greatest fulfillment of American ideals of freedom and liberty and the attainment of the fullest measure of the blessings of democracy.

It is my earnest hope that this building will serve for many years as a symbol of the resolution of the American people to cherish, nurture, and preserve our great institutions and to maintain our traditional independence and freedom from entangling alliances with nations abroad.

Address of the Postmaster General

EXTENSION OF REMARKS

OF

HON. JAMES A. SHANLEY

OF CONNECTICUT

IN THE HOUSE OF REPRESENTATIVES

Monday, July 24, 1939

RADIO ADDRESS BY HON. JAMES A. FARLEY

Mr. SHANLEY. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following radio address of Hon. James A. Farley, Postmaster General of the United States, at the annual convention of the Connecticut Chapter of the National Association of Postmasters, New Haven, Conn., July 22, 1939:

It is always a pleasure for me to visit Connecticut, and I want you postmasters assembled here tonight to know how much I appreciate the invitation which I received to address this convention of the Connecticut Chapter of the National Association of Postmasters.

I always welcome an opportunity to talk with postal people, for it gives me a chance to get first-hand information from you who carry on this great business day in and day out. You are the direct representatives of the Department in your respective communities, and it is for that reason that your viewpoint is of great value to us in Washington in formulating our policies. At the same time, these meetings enable me to keep you more directly informed concerning our plans and the progress we are making in the solution of the many perplexing problems that are constantly arising in the operation of the Postal Service.

We are most fortunate in having an opportunity to share in the management and operation of the United States Postal Service, and I know that each and every one of us has a justifiable pride in our accomplishments. While every person in this country uses the Postal Service in one form or another, it is astonishing how few people realize the tremendous influence that is exerted by this great Government utility in the progress of business, industry, transportation, and in the daily pursuits of our citizens in all walks of life.

The report of the Comptroller General of the United States for the fiscal year 1938 shows that during that year the transactions of the Federal service resulted in a total turn-over of cash handled in post offices of more than $8,000,000,000. This amounts to more than all the money in circulation in the United States and exceeds the total appropriations made by Congress for the maintenance of the entire Federal establishment, including the emergency agencies. This figure amounts to more than $62 for every man, woman, and child in America.

We must remember, therefore, that we are partners in the world's largest business, public or private.

I am more than pleased to be able to report to you tonight that the Post Office Department was operated at a net profit to the Government of $10,000,000 during the 1939 fiscal year which just ended on June 30 last, and that postal revenues for this 1939 fiscal year totaled $745,098,350, the highest year in the history of the Postal Service.

This figure is $17,000,000 ahead of the 1938 fiscal year, which in turn represented the previous all-time high in the matter of postal earnings. This is the fifth year that we have operated the Postal Service at a profit rather than a tremendous loss during my administration of the Post Office Department.

It is interesting to note that postal expenditures are still far below what they were during the previous administration, this despite increased volume and receipts, and the additional cost of the 40-hour-week law for postal employees and the public-building program. This reflects outstanding credit on the efficiency of the entire postal personnel, and is a source of great satisfaction to me.

These gains in postal earnings started during the last Christmas season, and each month since that time has been well ahead of the corresponding month a year ago. These gains came from all over the country and have been evenly distributed among the metropolitan and rural areas of every section in the Nation.

The large increase of mailings under permit postage, which obviates the use of postage stamps, has accounted for a considerable portion of the gains, and this has been largely due to increased use of the mails by business and industry. Thus, as a sensitive barometer of business conditions, the postal establishment is again seen as indicating a sharp upward trend in general prosperity.

As for the State of Connecticut, it has shown one of the best increases of any State in the Union during the past 4 years. For the calendar year 1938, postal receipts in Connecticut totaled $11,374,134, which figure represents a 20-percent increase over the same 12 months in 1934.

Thus, it may be readily seen that Connecticut is among the most progressive States in the Union, particularly with respect to its use of the Postal Service.

In this connection I want to take this opportunity of commending the postmasters of Connecticut and, in fact, every postal worker in the State for the outstanding work they did last September during the hurricane crisis. The manner in which the postal employees of this State responded in that time of unprecedented stress in this section of New England will go down in postal annals as one of the finest and most efficient emergency tasks ever performed by postal workers anywhere. If ever the Department's motto, "Neither rain, nor snow, nor heat, nor gloom of night stays these couriers from the swift completion of their appointed rounds," was carried out in its full meaning it certainly was during those difficult days of last fall when transportation and communication facilities in this State were so badly crippled.

Getting back to the present condition of the Post Office Department, the mail volume is increasing daily, weekly, and monthly when compared to the same periods of last year. We have kept pace with this increased volume by adding more employees. We now have on our rolls and at work in the post offices more people than have ever been employed at any time in the history of the service. Working conditions are better. The average salary of postal employees in the field service is greater than the average salary in other Government establishments, and certainly higher than the average income of employees in private industry. This indicates a steady gain in business, confidence on the part of the people, and shows that the patrons are taking advantage to a greater extent than ever before of the wonderful facilities of the United States Postal Service.

I am proud, indeed, to be able to make this report to you, and I know that you, as public officials and as citizens, are pleased to note and accept this report as evidence of the fact that the United States of America is keeping up its march of progress; that its people are increasing business activities; that they believe in their Government; that they are living up to the good-neighbor policy—for you and I know that when postal receipts are increasing in the smaller cities and towns a good part of that revenue comes from the ordinary social correspondence carried on between families and friends. When that condition exists everybody knows that we are getting along all right in America.

I make no claim for personal credit for the accomplishments of this fine establishment. While the service has been generally improved during my administration as Postmaster General, frankness and honesty require that I give to you, the postmasters, to my most efficient staff in the Department, and to all of the postal employees the credit for such improvements. You know, and I know, that the Postal Service has been the most respected of all Government agencies for many, many years. Before we were born, postal officials and employees, hundreds of thousands of them, had given the best years of their lives and their efforts to the development of this magnificent communication system. All praise to my predecessors and your predecessors, and to the loyal army of workers that has given such a fine example of courage, fidelity, and efficiency. We make but one claim; that we have accepted our positions as a public trust. We have but one objective—that in the administration of this public trust we shall at all times safeguard the public interest and pass on to our successors an improved service in keeping with the progress of the Nation.

Our greatest asset is goodwill. In private business goodwill is recorded as a capital asset. In a public establishment such as ours we have no reason to reduce this asset to a dollar-and-cents value. We do know, however, that unless we do everything possible to develop goodwill we are not satisfying our patrons and we will not attain our objective.

I am happy to say to you that careful observance of postmasters and postal employees convinces me that we are reaping the benefit of our many campaigns to encourage courteous and efficient postal service. I hear many expressions and receive many letters commending postal people on their tact and courtesy. I want to thank all postmasters for this accomplishment and to urge that you continue your efforts along this line. Eternal vigilance is required if we are to meet our obligation to our patrons. We in the Department are convinced that the need for politeness is more pronounced in the post office than in most other public services. It is an important part of what we term "efficiency." We operate a monopoly, at least in the transmission of letters, therefore, a patron has no choice but to deal with us; consequently, it is fundamental that we exercise great care in dealing with our customers who are in reality our employers.

Obviously, the patron is not always right, but we gain nothing in attempting to prove to him that he is wrong. Conversely, we are not always right. While it is true that relatively few mistakes occur in the handling of the billions of pieces of mail annually, yet it is human to err, and our employees on rare occasions mis-send mail or delay the transmission of mail matter. When such a thing occurs be frank about it. Admit the fault and take prompt steps to prevent a recurrence. Apologize for the mistake and you will make a friend for the Postal Service and add to the goodwill so valuable to the Department.

You, as postmasters, should constantly strive to secure the cooperation and goodwill of the employees of your office. Make each and every person in your establishment feel that the part he plays in the Service is an important part. Be firm when necessary and always point out the mistakes made by your subordinates. Let them feel that they have an individual responsibility to the public and encourage them to assume responsibility.

It is also important to recognize good work. When some member of your staff has performed a task in a most efficient manner, or has done something to cause favorable comment on the part of a patron, let him know you are pleased with his work. It does not take long to pat him on the back and commend him for his interest in the Service. To do so encourages him to continue in his efforts along that line.

I feel very strongly on this matter of tact and courtesy in our dealings with the patrons and employees, and shall appreciate your continued cooperation.

You may be assured that the Department will cooperate with you if you will but seek its help when you are in need of assistance in solving any of your problems. The administrative agencies of the Department are organized and maintained for that purpose. The several bureaus under my general direction formulate policies and issue rules and regulations which are calculated to insure adequate and efficient service for the people, and also to protect your interest and the interest of the employees.

We in the Department have no direct contact with our customers but must of necessity leave that most important function to you and your staff in the local post offices, so that, in the final analysis, no matter how high our purpose may be, unless we can secure your enthusiastic support we cannot be successful. For that reason I attend meetings of this kind whenever possible, and I encourage the administrative officials in the Department to do likewise—for I am convinced that these conventions offer us our best opportunity to engender goodwill and good feeling between the headquarters staff and the personnel in the field service. There are others here with me from the Department and a number of post-office inspectors are present, all of them available for counsel and advice concerning your service problems.

In conclusion, I again thank you for inviting me here this evening, and wish for each of you a full measure of success and happiness.

Delegates to Oslo Conference and Permanent Study Commissions Assignments

EXTENSION OF REMARKS

OF

HON. HAMILTON FISH

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Saturday, July 22, 1939

Mr. FISH. Mr. Speaker, under leave granted me to extend my remarks in the RECORD, I include the following list of delegates of the American group to the Interparliamentary Union Conference to be held at Oslo, Norway, beginning August 15, 1939:

UNITED STATES OF AMERICA GROUP, THE INTERPARLIAMENTARY UNION

PERMANENT STUDY COMMISSIONS

(1) Political and organization questions: Representative HAROLD KNUTSON, chairman; Representative THOMAS S. MCMILLAN; Representative PEHR G. HOLMES; Representative HENRY O. TALLE; Representative JOHN M. ROBSION.

(2) Juridical questions: Senator ALBEN W. BARKLEY, chairman; Representative FRITZ G. LANHAM; Representative NOBLE J. JOHNSON; Representative JAMES M. BARNES.

(3) Economic and financial questions: Representative ALLEN T. TREADWAY, chairman; Representative MILLARD F. CALDWELL; Representative KARL STEFAN; Representative EUGENE B. CROWE.

(4) Ethnic and colonial questions: Representative HAMILTON FISH, chairman; Senator THEODORE F. GREEN; Representative RICHARD B. WIGGLESWORTH; Representative DEWEY SHORT; Representative LOUIS C. RABAUT.

(5) Reduction of armaments: Senator RUSH D. HOLT, chairman; Senator LYNN J. FRAZIER; Representative ROY O. WOODRUFF; Representative RALPH E. CHURCH.

(6) Social and humanitarian questions: Representative DANIEL A. REED, chairman; Representative MARTIN J. KENNEDY; Representative HARRY B. COFFEE; Representative LEWIS D. THILL.

(7) Intellectual cooperation: Senator ALEXANDER WILEY, chairman; Representative VINCENT F. HARRINGTON; Representative FOSTER STEARNS.

Wagner Labor Relations Act

EXTENSION OF REMARKS

OF

HON. LEE E. GEYER

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Monday, July 24, 1939

LETTER FROM THE CALIFORNIA COMMITTEE TO SUPPORT THE WAGNER ACT

Mr. GEYER of California. Mr. Speaker, under leave to extend my remarks I include a letter from the California Committee to Support the Wagner Act and the statements referred to in that letter:

LOS ANGELES, *July 13, 1939.*

Hon. LEE GEYER,
House Office Building, Washington, D. C.

DEAR SIR: This committee believes it will be of interest to you to see the significant statements, herein enclosed, made in behalf of the Wagner Act and in opposition to changes in the act or Board.

The first group of statements are made by outstanding and representative union leaders of San Francisco—all of them members of important American Federation of Labor unions. The second group are by outstanding lawyers and citizens, including Mr. George Creel, chairman of this committee; Dr. Louis Bloch, member of the Maritime Labor Board; and Prof. Max Radin, of the department of law, University of California.

Respectfully,

URCEL DANIEL,
Acting Executive Secretary.

CALIFORNIA COMMITTEE TO SUPPORT THE WAGNER ACT

Martin Christsen, secretary, joint local executive board, International Union of United Brewery Workers:

"The Wagner Labor Relations Act has done more to promote and maintain peaceable and orderly relations between employers and employees than any single piece of legislation enacted by any civilized country. Such strife as has resulted from its application is not due to the act but rather to the refusal on the part of a selfish minority of employers to go along with the great majority as good, law-abiding citizens. Nothing but harm can result from the adoption of any amendments which attack the fundamentals of the Wagner Act.

"MARTIN CHRISTENSEN."

Emile Rabin, secretary, Cleaners and Dyers Union, Local No. 7, San Francisco, Calif.:

"The Cleaners and Dyers Union, Local No. 7 of San Francisco, believe it would be disastrous to open the Wagner Act by amending it now. As an official of an A. F. of L. union in California, I am entirely in agreement with, and support the stand taken by, Mr. George Kidwell in defending the act at a time when certain elements in the A. F. of L. officialdom were attempting to use the Westwood situation as an attack on the Labor Board and the Olson New Deal administration.

"EMILE RABIN."

George W. Rohrs, delegate to Bay Counties District Council Carpenters, San Francisco, Calif.:

"The Wagner Labor Relations Act is a key part of the New Deal program which has done so much to further the interests of wage earners. If this important legislation is weakened, it will mean opening the way for destroying the rights and gains of workingmen won by them through the New Deal. More specifically, weakening the Wagner Act would result in immediate and crushing attacks on the rights of collective bargaining and self-organization. I am therefore opposed to all changes in the Wagner Act.

"GEORGE W. ROHRS."

Wendell Phillips, secretary, Bakery Wagon Drivers Union, No. 484:
"The present administration of the Wagner Act has been highly satisfactory. I can see no reason for amendments at this time.
"W. PHILLIPS."

—

Wayne Cantu, secretary, Miscellaneous Employees Union, No. 110:
"The Miscellaneous Employees Union is definitely opposed to any amendments to the Wagner Act which would take away the right of workers to democratically choose their collective bargaining agencies. We are also opposed to having added power given to the courts in labor cases; and to having bargaining units limited to a narrow craft basis, especially in large-scale industries. In other words we are opposed to the Walsh amendments. In fact, we think the Labor Act is the soundest labor legislation ever devised and believe it should be retained in its present form.
"A. W. CANTU."

—

Larry Vail, secretary-treasurer, Retail Department Store Employees Union, No. 1100:
"The retail clerks in San Francisco regard of utmost importance the principles of democracy established by the Wagner Labor Relations Act. These principles have protected us against employers who might otherwise have succeeded in their attempt to avoid bargaining in good faith, and against antilabor judges whose unfavorable rulings might destroy our rights and strength. Our bargaining power has been won since the Wagner Act became law. And we know that without its protection there would be a return to instability and strife. We are therefore unalterably opposed to the antilabor amendments to the Wagner Act now being considered.
"LARRY VAIL."

—

George Hardy, secretary, Building Service Employees Local, No. 87:
"The principles of the Wagner Act have greatly benefited the entire labor movement. Any changes in the act would be detrimental to labor's interest. Therefore, I am against proposed changes to the act and all others of a weakening nature which may be proposed in the future.
"GEORGE HARDY."

—

Walter J. Burchell, business agent, Sign, Scene, and Pictorial Painters, No. 510; delegate, District Council of Painters, No. 8:
"Those who complain that the Wagner Act is unfair to employers should remember that the Wagner Act was specifically designed to bring equality in bargaining power between employer and employee. This act merely forbids employers to use such unfair labor practices as blacklisting, espionage, "yellow dog" contracts, and company-dominated unions. None of the employers' rights are taken from them; rather, protection is being given to workingmen to offset the stronger bargaining position which employers have enjoyed for years. Nothing should be done to impair the newly won equality between employer and employee. Amending the act would do this. For this reason, as an officer in the Sign, Scene, and Pictorial Painters, No. 510, and a delegate to the District Council of Painters, No. 8, I am opposed to any changes in the act which would in any way destroy the above-mentioned protection.
"WALTER J. BURCHELL."

—

Alvaro P. Carrarra, president, California State Conference Board of Box Makers; business relations and secretary, Box Makers, No. 1137, San Francisco:
"Since the Wagner Act has been instrumental in diminishing the cost of labor disputes and in improving the standard of living of wage earners, it should be allowed to continue in effect as it now stands. Any tampering with the act will result eventually in its destruction by its enemies. It should be left intact as the Magna Carta has been intact for these many centuries. The Wagner Act is the foundation of economic democracy as the Magna Carta is the foundation of political democracy.
"ALVARO P. CARRARRA."

—

Daniel Del Carlo, president, San Francisco and Marin County District Council of Painters; business representative and secretary, Glass Workers, No. 718:
"The honest labor movement in California has been protected and stimulated by the Wagner Act. This movement is now speaking out against all amendments to the act—including those which are paraded as fair and just and which are actually emasculatory.
"DANIEL DEL CARLO."

—

C. W. Randall, general chairman, Brotherhood of Railroad Trainmen, Pacific Greyhound Lines:
"Although the National Labor Relations Board has conducted impartial elections among the Pacific Greyhound stage drivers and has certified the Brotherhood of Railroad Trainmen, the union receiving the largest number of votes, the company has refused to bargain with this properly chosen unit. Because of this noncompliance with the law of the land, the union was forced to take a strike vote. The executive committee was authorized to call a strike. However, such drastic action has not been necesssary because, following its usual procedure, the Board intervened at this time, bringing contempt action against the company. Had this not occurred, the result would have been to tie up approximately 90 percent of the passenger-bus traffic in seven Western States, causing a loss to the company on a basis of $9,000,000 annual earnings, and inconveniencing hundreds of thousands of passengers.
"This is one more instance where normal Board procedure has resulted in averting strife. It is clear to the stage drivers that if the Wagner Act is amended as now proposed, employer interference in organization will be legalized and Board procedure will be crippled. In this event, strike action will be forced upon unions in situations such as ours. Therefore, we stagecoach drivers of the western coast and intermountain area strongly hold that the Wagner Act should be kept strictly as it is now written.
"C. W. RANDALL."

—

Statements by outstanding San Francisco attorneys—in behalf of the Wagner Act.

Mathew O. Tobriner:
"The underlying principle of the Wagner Act is economic democracy in industry. This means that the majority of a given plant or craft can select their bargaining representatives and those representatives can negotiate with employers to fix wages, hours, and working conditions. They can make a collective bargaining agreement which provides for a union shop or preferential hiring. This principle is the very opposite of the ruling of the District Court of Appeal of California in the Howard case which denies the right to collective bargaining as expressed in a contract for a union shop covering existing employees and which rests upon individual rather than collective bargaining. The protection would be crippled if the amendments now being proposed are adopted.
"MATHEW O. TOBRINER."

—

Harold M. Sawyer:
"The Wagner Labor Relations Act is, in my opinion, the greatest legislative contribution ever made to the cause of industrial peace. It is well known that it has stimulated trade-union organization, raised wages, protected employees from intimidation and coercion, and promoted industrial peace by reducing the number and magnitude of strikes. In 1938 the saving to the country in strikes averted was estimated to be $33,400,000.
"Since its passage, the act has been under constant attack by the enemies of labor. The La Follette committee has advised the public concerning the identity of these enemies, and how they profit from industrial warfare. These same great corporations are the spearhead of the move to destroy the Wagner Labor Relations Act by amendment. If they would transform the energy spent in an effort to destroy the act, into genuine cooperation with the Labor Board in the administration of the act, industrial peace would be an accomplished fact instead of a goal yet to be attained.
"HAROLD M. SAWYER."

—

George R. Anderson:
"All organized labor is strengthened by the legalization of collective bargaining and the right to organize without interference or intimidation. However, more than the workingman's material needs are provided by the protection of this great labor act. His independence, integrity, and self-respect are fostered by the institutions of collective bargaining and self-organization. I consider amending the Wagner Act as a distinct menace to these fruits of true democracy; and I wish it to be known that I oppose them all. I know that I speak not alone for myself, but for clear-sighted and fearless friends of labor.
"GEORGE R. ANDERSON."

—

STATEMENT BY GEORGE CREEL, CHAIRMAN, CALIFORNIA COMMITTEE TO SUPPORT THE WAGNER ACT

All who believe in justice and democracy will oppose present attempts to amend Wagner Act. The enemies of the law, having failed to nullify it by court fights and every known form of sabotage, have returned to the attack as friends, eager only for "changes that will enable the act to function more effectively and fairly."

With a few trivial exceptions, the amendments now being urged are designed to destroy, not improve. Proof is furnished by the fact that virtually every proposal to amend is accompanied by denunciation of both the law and of the Board. Not one proponent of change seems willing to make admission that the act has fulfilled its purpose in any degree. This in itself shows sinister intent, for no fair-minded man can review the record of the National Labor Relations Board without recognizing its very real accomplishment. Defied from the very first and hampered by the tragic split in the ranks of organized labor, it is still the case that the act has been a mighty force for the prevention of industrial war and the promotion of industrial peace.

According to figures just published since the fall of 1935 the Board has handled 20,743 cases involving 4,862,041 workers. Of this huge number, 16,603 were closed as of April 1, and the manner of their disposal attests the value of the act and the fairness of the Board. For example, 8,633 cases involving 1,578,156 workers were closed by agreement of both parties; 2,569 cases, involving 321,512 workers, were dismissed by the Board or the regional directors; and 4,374 cases, involving 922,877 workers, were withdrawn. Certainly these figures do not sustain the charge that the act and the Board have fomented strife.

Even more illuminating is that part of the record which shows that 1,576 strikes and lockouts were settled, resulting in the reinstatement of 233,371 workers, while 688 threatened strikes involving 174,766 workers, were averted. Another fact to be emphasized

is that the Board has conducted 1,943 elections in which 609,559 valid votes were cast, all leading to the establishment of permanent collective bargaining relations, the one firm basis for the peaceful settlement of future disputes.

An impressive record, and rendered doubly so by the fact that it has been compiled in the face of bitter and unceasing attack. From the very first, even before the act became operative, a large majority of employers have engaged in an unprecedented campaign of harassment. May it not be asked how boasted desires for industrial peace can be squared with persistent antagonism to a law and an agency that have done so much for industrial peace? And when it is seen that these same enemies and saboteurs are behind the drive to amend, how can the conviction be escaped that their purpose is not remedial but destructive?

GEORGE CREEL.

STATEMENT BY PROF. MAX RADIN, DEPARTMENT OF LAW, UNIVERSITY OF CALIFORNIA

The Wagner Act has been in effect for 4 years. It was received at first with vigorous opposition, an opposition that was directed against its basic principles as well as against specific provisions.

After 4 years of enforcement of the Labor Act, it can be said that the basic principles of the act, the principle of collective bargaining and the principle of complete freedom in selecting the bargaining agent, are so well established that they are no longer subject to discussion. It will be generally conceded that anything which impairs these principles or renders their application less effective, is an injury to labor and to the community.

The amendments so far proposed do impair these basic principles. They do so by weakening the guaranties of freedom in selecting the bargaining agent and by complicating unnecessarily the process of enforcement. If the amendments are adopted, a step backward will be taken and the history of the Clayton Act will be repeated. That act, passed to protect labor, was transformed by restrictive interpretation into an act which limited and restrained the legitimate activities of labor. It will be extremely unfortunate if the Wagner Act is similarly denatured by restrictive amendments.

MAX RADIN.

STATEMENT BY LOUIS BLOCH, UNITED STATES COMMISSIONER, IN BEHALF OF THE WAGNER ACT

Those who talk glibly of the "one-sidedness" of the National Labor Relations Act should be reminded that the act was passed for the purpose of equalizing—at least in part—the inequality in bargaining which has always existed between employers and employees. The law does not now and never has restricted the right of employers and corporations to band themselves together for the purpose of dealing collectively with their employees. The workers never challenged that right. All the National Labor Relations Act does is to forbid employers from interfering with the rights of workers to self-organization and to forbid them from using such unfair methods as blacklisting, espionage, yellow-dog contracts, and the use of company unions to combat the workers' efforts to organize into unions of their own choosing.

It was never anticipated that the National Labor Relations Act would prevent all strikes. The right of free men and women to refuse to work for low wages and poor working conditions must not be abridged in a democracy. The National Labor Relations Board has no jurisdiction in labor disputes involving questions of wages, hours, and working conditions. In matters involving questions of representation for the purpose of collective bargaining, in which the Board has jurisdiction, it has been singularly effective in preventing strikes. This it has done by virtue of its authority to certify collective-bargaining agencies, largely by means of resorting to elections among employees wishing to deal with their employers through their own chosen spokesmen.

That the Board has been effective in carrying out the duties imposed upon it by law is clearly shown by the number of cases handled by it since its inception. According to its latest published report, "From the appointment of the Board in the fall of 1935 until March 1, 1939, the Board has handled a total of 20,192 cases, involving 4,577,303 workers. Of these cases, 16,018, or almost four-fifths, have been finally closed.

"Of the cases thus closed, 8,378, or 52 percent, involving 1,554,300 workers, were closed by agreement of both parties. Some 2,475, or 16 percent of the cases, involving 311,442 workers, were dismissed by the Board or its regional directors. A total of 4,205 cases, or 26 percent, involving 883,256 workers, were withdrawn by the parties filling the charge or petition. The remainder of the closed cases, some 960, or 6 percent, involving 334,402 workers, were closed in some other way, including compliance with Board decisions and trial examiners' intermediate reports, certification after election, refusal by the Board to certify, intermediate report finding no violation, transfer to other agencies, and issuance of cease-and-desist orders. Thus, 94 percent of the cases have been adjusted before reaching the state of formal hearing.

"Of the total cases closed, 2,057 were strike cases involving 356 workers, and of these 1,547, or about 75 percent, were settled and 227,603 workers were reinstated after strikes and lock-outs. An additional 15,083 workers were reinstated after discriminatory discharges. Threatened strikes, totaling 679 and involving 173,088 workers were averted through Board action. And 1,863 elections were held, in which 589,298 valid votes were cast.

"These figures stated in the mass, actually represent thousands of individual situations, pregnant with bitterness and strife, which have been satisfactorily adjusted according to the orderly process of law."

The act was designed primarily to avert such strikes which arise out of the employer's attempt to resist self-organization of his employees. Facts and figures show that the proportion of strikes caused by organizational issues increased steadily from 1932 until it reached a high in 1937 of about 58 percent of all strikes. Workers involved in organization strikes amounted to about 60 percent of workers involved in all strikes in 1937, and man-days of idleness due to organizational strikes rose to over 76 percent of the total of such idleness. By 1938, the first full year of comparatively unhampered operation of the act, the issue of organization was of much less importance as a strike cause, decreasing to approximately 32 percent of all workers involved, 50 percent of all strikes, and 44 percent of man-days of idleness.

The latest report of the National Labor Relations Board clearly and unmistakably shows that the act greatly stimulated the growth of unionism in the United States. Thus, in 1933 membership in labor organizations stood at less than 3,000,000. By 1938 it had reached a total of somewhat over 8,000,000. This increase is not only the largest increase on record in absolute terms but is also the largest proportional increase in any 5-year period in the twentieth century. This increase in membership is to be found in virtually every industry or trade. The act, of course, is by no means the only factor in this growth of organization, but it cannot be doubted that the protection to self-organization guaranteed in the act has been an important contributing factor.

It is a matter of record that as a result of the operation of the National Labor Relations Act there has been a substantial increase in the number and coverage of collective agreements.

In the steel industry, for instance, during the period from 1913 to 1935, the Amalgamated Association of Iron, Steel, and Tin Workers never had agreements with more than 41 companies, most of them the smaller ones. But in 1938 the Steel Workers Organizing Committee reported collective agreements covering 532 steel manufacturing, processing, and fabricating plants and including more than 400,000 employees.

In the automobile industry collective agreements were virtually nonexistent prior to 1933. By June 1938, there were 537 agreements in the industry covering all the large manufacturing companies except the Ford Motor Co.

Substantial increases in collective agreements are also on record in other industries since the enactment of the National Labor Relations Act. Among these are rubber, electrical equipment, flat glass, aluminum industries, textiles, shoe, cement, canning, petroleum, clothing, mining, lumber, and maritime industries.

In the maritime industry the Board held elections or certified collective-bargaining agencies in cases involving over 750 companies In these elections the number of ballots cast was about 45,000. These elections and certifications affected unions affiliated with the A. F. of L. and with C. I. O.

The only democratic way of securing fair conditions in industry is by means of collective bargaining between organized groups of employers and employees and through written agreements. The N. L. R. A. seeks to provide this orderly and democratic means of handling labor relations. Those who seek to emasculate the act by depriving the workers of their right to organize and to form unions of their own choosing would knowingly or otherwise doom the workers of our country to a status of slavery and to low standards of living which all fair-minded Americans resent.

LOUIS BLOCH.

Resolution in Opposition to Subversive Movements

EXTENSION OF REMARKS

OF

HON. JOHN W. McCORMACK

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Monday, July 24, 1939

RESOLUTION ADOPTED AT A MEETING IN BOSTON, MASS.

Mr. McCORMACK. Mr. Speaker, I herewith include in my extension of remarks a powerful resolution in opposition to subversive movements and activities which was adopted by the many thousands of persons present on the occasion of the one hundred and sixty-third anniversary of the signing of the Declaration of Independence, held recently in the Mattapan district of the city of Boston, which patriotic meeting was held under the auspices of the Mattapan Council, No. 1538, of the Knights of Columbus and the Mattapan Post of the American Legion.

Whereas Mattapan Council, No. 1538, of the Knights of Columbus, and Mattapan Post, No. 128, of the American Legion, have

joined together to fittingly celebrate the one hundred and sixty-third anniversary of the signing of the Declaration of Independence;

Whereas it has come to the attention of the general public that the insidious, subversive forces to the alien "isms" are actively at work in this country, seeking to undermine and destroy the American democratic philosophy of government: Be it

Resolved, That Mattapan Council, No. 1538, of the Knights of Columbus, and Mattapan Post, No. 128, of the American Legion, repledge themselves to the rights of man and the principles of Government guaranteed by the Declaration of Independence and preserved by the Constitution of the United States; be it further

Resolved, That we are steadfastly opposed to fascism, nazi-ism, and communism; be it further

Resolved, That we solidly support the amendment now pending before the Senate of the United States, proposed by Congressman JOHN W. MCCORMACK, and passed by the House of Representatives, "making it a crime for a person to willfully or knowingly advocate the overthrow of government by force and violence."

Passed by acclamation at a public gathering July 1, 1939.

James J. Sullivan, commander, Mattapan Post, No. 128, A. L., chairman; William J. Hassan, P. G. K., Mattapan Council, No. 1538, K. of C., secretary; Committee: American Legion—James J. Sullivan (commander), Bart Lee (S. V. C.), Harold Alexander (J. V. C.), Maxwell Cohen (P. C.), Joseph Breger (sergeant at arms); Knights of Columbus—Joseph Alves (G. K.), Michael J. Patts (P. G. K., P. D. D. S. K.), William J. Hassan (P. G. K.), John Horigan (P. G. K.), Thomas McCarthy.

Analysis of Operations of the United States Housing Act

EXTENSION OF REMARKS

OF

HON. FREDERICK C. SMITH

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Monday, July 24, 1939

Mr. SMITH of Ohio. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following testimony given by me before the Banking and Currency Committee of the House:

WHAT ARE THE LOCAL HOUSING AUTHORITIES?

To comprehend fully the operations of the United States housing program, it is essential that we understand just what constitutes the so-called local housing authority. We must know how it comes into being, its actual functions, and its real authority.

Mr. Straus and his staff are apparently obsessed with the desire to create the impression that the local housing authority is an independent body, and responsible only to the community in which it is located; that the construction of the housing project is initiated, completed, and operated by it; that the Federal Government has little interest in the matter other than that of a lending agency.

Mr. Straus, before the House Appropriations Committee and other places, repeated over and over that this is the case. "* * * This program is the Nation's first non-Federal low-rent housing program," he said.

In a pamphlet put out by Mr. Straus we also read, "Ours is a decentralized program in which the responsibility for carrying out housing programs rests not with the United States Housing Authority but with the communities themselves. * * * The United States Housing Authority program is entirely decentralized. The United States Housing Authority cannot turn a single spadeful of dirt or lay a single brick. It is purely a financial-assistance agency, which makes loans and subsidies to local public-housing authorities."

Nothing, of course, could be further from the truth. The United States Housing Authority program is a purely Federal and completely centralized program. The Government houses built by the United States Housing Authority are as completely owned and operated by the Federal Government for 60 years, which may be considered the life of these structures, as post offices or any other federally owned buildings. The local public-housing authorities, though creatures de jure of the States, the same as municipalities, are entirely creatures de facto of the United States Housing Authority, hence of the Federal Government, and serve merely as agents for the United States Housing Authority to carry on its activities.

The United States Housing Authority is the instigator and promoter of the State laws which set up the State housing bodies, which in turn enable it to create its local housing agencies.

"The preparation of original and amendatory legislation is an important function of the Authority and requires considerable studies of State constitutions, laws, and decisions," said Mr. Straus in the hearings before the subcommittee on appropriations. He went on to say: "But legislation is not enough; it is necessary, if there is to be a program within that State, for housing authorities to be created. This means furnishing information with reference to the need for such an authority and the preparation of a suggested transcript which, if followed, will result in the legal existence of a local housing authority."

From the initial propaganda in a municipality for the creation of a local Federal housing authority to its completion, the Federal Housing Authority is the guiding and directing spirit. It supplies the interested parties in the local communities with a "suggested transcript for organization." From this it is seen that the United States Housing Authority directs every step from the making of a local survey to the completion of the so-called local metropolitan housing authority, providing even the completed forms for the State housing authority's approval and need for a local authority; for the appointment of the members of the local authority, minutes of resolutions necessary to be adopted by the appointing officer or officers, minutes of organization of the local housing authority, etc. Indeed, every detail is prescribed by the United States Housing Authority.

Once the local housing authority is established it becomes a body "corporate and politic," over which the municipality has absolutely no authority, any more than one city has control over another city. Five members usually compose the local authority. Except in the case of four of the first appointees, the terms are for 5 years. They are usually appointed by the mayor. In Ohio they are appointed by the mayor, common pleas judge, probate judge, and county commissioners.

The State laws creating the local housing authorities are in substance all alike. The Ohio housing law reads in part, as follows:

Section 1078-34-A, of Ohio General Code: "the governing body, chairman, and counsel of the housing authority shall perform the duties of the municipal council, mayor, and solicitor respectively, * * * and the members of the housing authority shall, and are hereby authorized, to exercise and carry out all other powers and duties conferred upon officers of municipal corporations by the laws providing for such appropriation proceedings."

Section 1078-34: "An authority created under this act shall constitute a body corporate and politic, * * * shall have the following powers in addition to others herein specifically granted:

"b. To determine what areas constitute slum areas * * * and to prepare plans for housing projects in such areas; to purchase, lease, sell, exchange, transfer, assign, or mortgage any property, real or personal, or any interest therein, or acquire the same by gift, bequest, or eminent domain."

Practically all the State laws make the local housing authority a "body corporate and politic," so that it becomes a distinct and independent municipality or political subdivision within a municipality or a political subdivision. The Illinois law specifically provides—

"An authority shall be a municipal corporation, and shall constitute a body both corporate and politic, exercising public and essential governmental functions."

Upon the establishment of the local housing authority, it enters into a contract with the municipality containing the following clause:

"The city consents to the assignment of this agreement for the protection of the holders of any bonds issued to aid in financing the development of the projects."

A reading of this contract indicates it is a wholly one-sided affair wherein the municipality agrees to exempt the project from taxation and grant other concessions and services without any rights of cancelation or authority over the housing project whatever.

Following is agreement between city and local housing authority:

"The city agrees to complete the elimination of unsafe and insanitary dwelling units required hereunder at such a rate that, in connection with each project, a number at least equal to the number of new dwelling units constructed in each project shall be eliminated within 1 year from the date of the physical completion of that project.

"The city agrees that, during the period commencing with the date of the acquisition of any part of the site or sites for each project and continuing throughout the useful life of such project, it will not levy, impose, or charge any taxes, special assessments, * * * service fees, charges, or tolls against the project or against the authority, and will furnish, without cost or charge to the authority or the tenants thereof, municipal services and facilities for such project and the tenants thereof, of the same character as those furnished without cost or charge for other dwellings and inhabitants in the city, including but not limited to: * * * fire, police, and health protection and services, street maintenance, snow removal, garbage, trash, and ash collection and disposal, street lighting on public streets within any project and on the boundaries thereof, and sewer services; that it will maintain in good repair and working order any and all municipal utilities and facilities, provided by it for the use and benefit of each project and the tenants thereof; and that it will maintain in good repair, streets, roads, and alleys which are within, adjacent, or leading to the boundaries of each project."

The complete subjugation of the local housing authority to the U. S. H. A. is consummated the moment a contract has been entered into between them for the construction of a housing project. Since the local housing authority has no resources of its own and since the Federal Government furnishes 100 percent of the development cost, how could it be otherwise? The claim made that it supplies only 90 percent of the cost is false and will be explained later under another heading.

The housing law itself virtually holds the United States Housing Authority responsible for the acquisition and detailed construction and operation of the housing projects. It places a limit on the cost of the project. It prescribes standards of wages to be paid in their construction. In substance, it together with the contract, fixes the rental charges which shall be no more nor less than the amount required (not to retire any loan because in reality, as I shall show later, no such loan is actually made) but merely to cover maintenance and operating costs.

Mr. Straus in the hearings referred to goes into great detail in explaining the duties of the U. S. H. A. with respect to the development of the projects. Following are some of them:

1. "Assisting in the establishment of local housing authorities."
2. "Preliminary examinations to determine the need for housing projects."
3. "Place fair values on land in order to determine equitable purchase price."
4. "Preparation of and reviews of all contracts relative to acquisition of sites."
5. "Preparation of forms for and proposals for surveys * * *."
6. "Furnish title certificates, proposals for appraisals, proposals for procuring options, appraisal forms and offers for sale of land. Planning experts, engineers, lawyers, architects, personnel well qualified in large-scale housing construction work * * * sociologists * * * project plans and specifications."
7. "* * * Advising local authorities during local project construction."
8. "Assisting local authorities in management and operation of the projects."
9. "Aid the local authorities in the preparation of bid documents and contracts, concurs in awards, and approves the contracts in final form."

Says Mr. Straus: "It must be kept in mind that those local authorities are using money loaned to them by the Federal Government through the United States Housing Authority. The Authority must therefore see to it that the money is used to achieve decent housing. * * *

"Final approval of the plans and specifications by its architectural staff is the authorities' assurance that the proposed projects are in keeping with the proper building standards and with the limitations prescribed by the act.

"These newly created agencies have had absolutely no experience in the housing field. This means it is necessary for the United States Housing Authority constantly to be rendering advice and assistance on all aspects of the program undertaken by the local housing authority."

He says further:

"The U. S. H. A. must prescribe regulations governing eligibility of tenants, * * * eliminating slum conditions, * * * thorough comprehensive auditing and checking of tenant rent rolls."

Also, "the local authorities must comply with regulations pertaining to management. * * * Assist local bodies in coping with such problems; for example, relocation of occupants of slum sites on which projects are to be built, surveys of housing conditions, authorization of eligibles, and education of tenants in dwelling facilities."

The trust indenture which secures the bonds is, of course, dictated entirely by the United States Housing Authority and it leaves no question about who is boss over the local housing project.

The local housing authority is in law not responsible to the communities in which it is located for anything pertaining to the housing project. In some States it is required to make annual reports to the mayor, council, or city clerk, but no action may be taken by any of these except to accept the report, nor is it specified in any of the laws as to what these reports shall consist of. These reports can, therefore, be nothing but an empty gesture. There can be no question that the State laws specifically provide that the municipality or county shall not have any control or jurisdiction over the local housing authority as such. The contracts which it signs with the United States Housing Authority do legally bind it completely to the will of the United States Housing Authority, and therefore, to the Federal Government. In reality, the local housing authority is merely an agent of the United States Housing Authority and acts as a dummy for it to carry on its financial transactions.

THE FEDERAL GOVERNMENT MAKES AN OUTRIGHT GRANT OF MORE THAN 100 PERCENT OF THE COST OF THE GOVERNMENT HOUSES BUILT UNDER THE UNITED STATES HOUSING ACT

The general impression is that the Federal Government makes a loan to a municipality of 90 percent of the development cost of the Government houses; that the interest on such loan and its retirement is met out of the rent income. It is also believed that the remaining 10 percent of the development cost is supplied, somehow, by the local community. The Housing Authority deliberately makes the public believe these things. They are, however, wholly untrue.

The Federal Government does not lend one red cent to any local community to build any of these Government houses; nor does the local community, as such, contribute one cent to help pay for their cost. The bare truth is the Federal Government furnishes the full 100 percent of the development cost of these projects. What really takes place is the taxpayers of the United States are forced, under the Housing Act, to make an outright gift of the full development cost of these houses, not to any local community, because, as I shall show, the local community is receiving a heavy liability, not an asset. Nor does the local community share in any of the benefits, as I shall also show. These houses are built to subsidize the rent of a small middle-class income group, who are already able to pay their rent. None of the rent income goes to pay interest or to retire any part of any loan. That is used to pay operating and maintenance costs of the project and janitor services of the renters.

The United States housing law provides that Congress shall make simultaneously two separate and distinct appropriations, both for the same purpose, that of financing the construction of Federal Government houses. In the final analysis, the one appropriation is largely a duplication of the other.

Under chapter 1402 of the United States Housing Act, Congress authorized the United States Housing Authority to borrow against its own obligations $800,000,000, ostensibly to be loaned to local housing authorities to construct housing projects. No time limit is set in which this money is to be borrowed, but the presumption is it is to be made available within a year or so. This is, therefore, so to speak, a lump-sum appropriation.

Under chapter 1410 (e) the Congress appropriated no less than $1,652,000,000, to be paid in annual contributions of $28,000,000 over the next 59 years to the Government housing projects. It must be understood that the $28,000,000 for annual contributions is not an appropriation that Congress makes each year. Congress has made this annual appropriation for 59 years. That is now the law. However, as Mr. WOLCOTT pointed out to the committee, future Congresses are not necessarily bound to continue these appropriations. But if they should be stopped the contractual obligations involved in the program would be broken. It is seen that this is not a lump-sum appropriation, but what might properly be called an annual installment appropriation.

Now, the United States Housing Authority writes two contracts with its dummy, the local housing authority. The one is called the "loan contract," and the other the "annual contributions contract." These "contracts" are so interrelated and interwoven that in the end they are but one. Let us consider the so-called "loan contract" first.

The law provides for the Federal Government to "make loans to public housing agencies to assist the development * * * or administration of low-rent housing or slum-clearance projects by such agencies. The total of such loans outstanding on any one project * * * shall not exceed 90 percent of the development * * * cost of such project. * * * Such loans shall bear interest at such rate not less than the going Federal rate at the time the loan is made, plus one-half of 1 percent, * * * shall be repaid within such period not exceeding 60 years."

The going Federal rate of interest as defined in the law "means, at any time, the annual rate of interest specified in the then most recently issued bonds of the Federal Government having a maturity of 10 years or more."

In the loan contract the dummy is made to agree to borrow from the United States Housing Authority 90 percent of the development cost of the project, to issue bonds to secure this loan, and to pay it all back with interest over a period of 59 years. It is further ostensibly made to agree to somehow supply the remaining 10 percent of the development cost against its own bonds by local subscription.

Accordingly, the money for the development cost, presumably 90 percent, is advanced by the United States Housing Authority, to its local agency, and the latter presumably supplies the remaining 10 percent.

On its face these particulars have the appearance of being genuine, but upon final analysis they are not found to be so. This becomes apparent as we examine the contributions contract.

The Housing Act provides that the Federal Government, through its agency, the United States Housing Authority, "may make annual contributions to public housing agencies to assist in achieving and maintaining the low-rent character of their housing projects. The annual contributions for any such project shall be fixed in uniform amounts, and shall be paid in such amounts * * * in no case shall any contract for annual contributions be made for a period exceeding 60 years."

How is the amount of these annual Federal contributions determined? The law reads as follows:

"The fixed contributions payable annually under any contract shall in no case exceed a sum equal to the annual yield, at the going Federal rate of interest at the time such contract is made, plus 1 percent, upon the development or acquisition cost of the * * * housing project."

Suppose the going Federal interest rate is 2½ percent. Then the United States Housing Authority makes a "loan" to its local housing agency at 3 percent and the annual Federal contribution is 3½ percent of the full cost of the housing project.

The statute specifically provides that the annual Federal contribution shall be used primarily to pay the interest and principal of the so-called loan. It reads as follows:

"All such annual contributions shall be used first to apply toward any payments of interest or principal on any loan due to the Authority from the public-housing agency."

The contract between the United States Housing Authority and its agency provides for the security of interest and principal payments on the so-called loan, "a pledge of any annual contributions to be made to the local authority by the United States Housing Authority under the annual contributions contract between the said parties of even date herewith (which pledge shall also secure any other obligations issued under said trust indenture to the extent permitted by the annual contributions contract)."

The trust indenture also provides as security for the payment of interest and principal on the loan "the pledge of the aforesaid annual contributions."

The phrase above, "which shall also secure other obligations," has reference to the 10-percent development cost which it is supposed the local community supplies. The Housing Act itself obligates the Federal Government to underwrite the "local" 10-percent loan. Chapter 1410 (f) of the Housing Act reads:

"Payments under annual contribution contracts shall be pledged as security for any loans obtained by a public housing agency to assist the development of the housing project to which annual contributions relate."

Since annual contributions relate in the act specifically to the "development cost of the housing project," this can mean nothing other than that the annual contributions underwrite the 10 percent of the development cost supposedly furnished by the local community, as well as the 90 percent supposedly borrowed by the local agency from the United States Housing Authority.

It may be well at this point to explain just how the local Federal housing agency actually raises its supposed share—10 percent of the cost. Many people are of the opinion the municipality or community somehow raises this amount. It is not done that way. After the local housing agency has driven its stakes setting off the area to be used for the Government project, it issues bonds for the 10-percent part of the development cost, not against its own resources, because it has none, but against the annual contributions; that is, against the credit of the Federal Government. These bonds are to be sold to local banks and anyone else who may care to buy them. They mature in about 15 years.

Now, the net effect of this whole business of the Federal Government lending money to build these housing projects and paying annual contributions to subsidize rents is simply this: The Federal Government lends to its dummy, the local housing authority, 90 percent of the cost. Through its dummy it borrows the other 10 percent from local banks and others. Then it turns around and gives its dummy enough money to pay back to itself all of the 90 percent it supposedly loaned, and it gives its dummy enough more to pay off the "local" 10-percent loan.

The Federal Government reaches into the right pocket of the taxpayers and takes out a lump sum of money with which it builds Government houses. Then it reaches into his left pocket and takes out a much larger sum, of which it pledges to put back into his right pocket in the next 59 years as much as it took out of said right pocket in the first place.

Note particularly that the Government does not intend to put into the right pocket as much as it took out of the left.

Why is the law written so as to make it appear that the Federal Government actually makes a loan when in reality it does nothing of the sort, but makes an outright grant of the full 100 percent of the cost of these Government houses? Why the propaganda that the interest and principal charges are met out of rents? Why are the people told the local community furnishes 10 percent of the cost when this is not true?

Hidden deep in the labyrinth of all this financial juggling is a transaction taking place which, when understood, will no doubt help us to answer some of the above questions.

The statement was made above that the Federal Government takes more out of the left pocket of the taxpayers than it does out of the right, but that it puts back into the right pocket no more than it took out of it. What becomes of the difference?

Perhaps we may better understand this whole procedure if we take an illustration of what is actually taking place. Let us assume a project costing $1,000,000.

ACT I

1. The U. S. H. A. borrows out of the right pocket of the taxpayers, at 1⅜-percent interest, the lump sum of	$900,000
2. Then the U. S. H. A. lends to its dummy, the local housing authority, at 3-percent interest for 59 years, the same	900,000
(Note that the U. S. H. A. "lends" this sum to its dummy at 1⅝-percent interest more than it pays. We shall come back to this later.)	
3. Through its dummy the U. S. H. A. borrows at 3-percent interest from local banks, etc., for 15 years an additional	100,000
Total borrowed by dummy	1,000,000
4. Total amortization charge (3-percent interest) of the $900,000 loan to dummy over the 59-year period ($0.036355928×$900,000×59 years)	1,930,500
5. Total amortization cost (3-percent interest) of $100,000 borrowed by dummy over 15 years $0.083766580×$100,000×15 years)	125,650
6. Total amortization cost of both	2,056,150

ACT II

The U. S. H. A. takes from the left pocket of the taxpayers annual Federal contributions in amounts of $35,000 each year for the next 59 years—or a total of	2,065,000

It is seen that the total amortization cost of the project is $2,056,150, whereas the annual contributions amount to $2,065,000. Therefore the annual contributions are more than sufficient to pay all interest charges and retire all of the capital cost of the project. The excess is $8,850. We are now getting a glimpse of the mysterious housing "profit," but only a glimpse.

The United States Housing Administration by a devious method splits these annual contributions into three ways. One part goes back into the right pocket of the taxpayer to replace the amount taken from it to build the Government houses. Another part goes to the dummy to pay off the "local 10-percent loan." Where does the third part go?

Be very careful at this point to keep in mind the fact that the interest rate at which the United States Housing Authority borrows money is 1⅜ percent and the rate at which it lends this same money to its dummy is 3 percent.

We stated the total amount of annual Federal contributions that is received by the dummy on a $1,000,000 project over 59 years is	$2,065,000
Dummy uses the first part of this subsidy to pay off the "local" 10-percent "loan," or $100,000 it borrowed, which with interest at 3 percent over the 15-year period is	125,650
Balance of subsidy to credit of dummy	1,939,350
Dummy uses second part of annual contribution subsidy to pay off the 90-percent loan, or $900,000, borrowed from the U. S. H. A. at 3 percent, which with interest in 59 years is	1,930,500
Balance of subsidy	8,850

Let us now consider the $1,930,500 which the dummy pays to the United States Housing Authority. As just stated, this is the amount required to amortize the supposed loan to the dummy of $900,000 at 3 percent interest by the United States Housing Authority over the 59-year period. But—and this is the crux of the Federal housing scheme—the United States Housing Authority is paying only 1⅜-percent interest on this same $900,000 it must pay back to the banks.

Dummy pays back to the United States Housing Authority over 59-year period $900,000, at 3-percent interest	$1,930,500
United States Housing Authority pays back to bank over period of 59 years $900,000 at 1⅜-percent interest (0.024853800 × $900,000 × 59 years)	1,319,736
Balance	610,764

This is the mysterious "profit" Mr. Straus and his staff talk so much about and claim is earned for the Government.

"* * * profit of United States Housing Authority resulting from difference between the interest cost of money to the United States Housing Authority and the interest it charges on loans to public housing agencies, * * *," says Mr. Straus, Administrator of the United States Housing Authority. And, strange as it may seem, the housing bureau actually credits the Federal Government with this $610,764 as a profit.

Says Mr. Straus again: "Remember, there is a saving that we make by interest profit, which is very substantial at the present time, the difference between borrowing at 1⅜ percent and lending at over 3 percent" (p. 150, subcommittee of the House Committee on Appropriations, Interior Department).

And still again in the Senate hearings (p. 109):

"These loans, therefore, represent a profitable transaction for the Government," says Mr. Straus.

Said the distinguished Senator ELLENDER on the Senate floor in a colloquy with Senator TYDINGS:

"There is something else the Senator from Maryland overlooked, namely, the savings on interest. The money loaned to the local housing authority at a rate fixed by statute, which is one-half percent in excess of the Federal going rate of interest. Money has been borrowed by the Housing Authority at 1⅜ percent and afterward loaned to local authorities at 3 percent and in some instances 3¾ percent. The United States Housing Authority has shown a profit on the bonds so far issued, and if all the bonds authorized under the 1937 act and those herein authorized were sold under like terms, a profit of $20,000,000 per year would be made on the transaction."

Then he adds this remarkable statement:

"In summing up these profits, thereby reducing the subsidy payments from a total of $73,000,000 to $53,000,000." (CONGRESSIONAL RECORD, p. 6664, June 6, 1939.)

Mr. Straus and others have repeated over and over again the same statement.

The above analysis shows how this "profit" is paid out of the annual Federal contribution. Therefore instead of it being a real profit and a credit to the Government, it is a wholly fabricated profit, indeed a dead loss to the Government and must be charged up against it. Aye, what is still worse is that it may become necessary for the Federal Government to borrow the money for the annual Federal contributions, and therefore this housing profit may become a double liability of the Government.

But not all the annual contribution contracts are written on the basis of 3½ percent interest rate of the development cost. Some have been written on the basis of 3¾ percent. In these cases this fabricated profit would amount to $892,736 on a million dollar project in 59 years.

It would appear if the United States Housing Authority could get the annual Federal contributions high enough it ought to make enough "profit" to pay off the national debt.

What does the Housing Authority do with this fabricated profit? It uses it to pay its own administrative expenses, to promote its own interests, to build its own bureaucracy.

Just a word more about the local 10-percent loan. Here is one of the strangest financial transactions that can be found anywhere. Why does the Federal Government pay 3 percent interest on the 10-percent part of the development cost when it can borrow the money at 1⅜ percent? Remember, this 3 percent interest is finally paid out of annual contributions. So that if the Federal Government were to finance directly the full 100 percent of the development cost instead of doing so indirectly, it could make a substantial saving to the taxpayers.

Continuing with our same illustration, if this were done the comparative figures on the 10 percent part of the development cost would be as follows:

Amortization charges under present plan on $100,000 at 3 percent interest for 15 years ($100,000 × $0.083766580 × 15 years)	$125,650
Amortization charges—if Government furnished same at 1⅜ percent instead of 3 percent—on $100,000 for 15 years	111,345
Saving	14,305

Yet Mr. Straus states: "* * * there is a possibility that we may be able to induce the local authorities to raise a greater share of the financial burden in the future."

To which Senator ELLENDER adds (CONGRESSIONAL RECORD, p. 6755, June 7): "In other words, it is hoped that by adopting this amendment the local housing authority, instead of raising only 10 percent of the development cost from private sources and calling upon the United States Housing Authority for the remaining 90 percent, will be able to raise say 20 percent or 30 percent or 50 percent from private capital, thus reducing the amount to be borrowed from the United States Housing Authority to 80 percent or 70 percent or 50 percent, as the case may be."

Why did the Senator stop at 50 percent? Why didn't he go right on and make it a hundred?

If the Federal Government is still operating at a deficit at the time the payments of the "local loans" fall due, it must borrow the money to meet them. Thus the Government may be compelled to pay interest on these loans for an indefinite period of time after the principal has been met.

It should be mentioned that the Federal Government is borrowing money for the United States Housing Authority at 1⅜-percent interest on short-term notes, running only 5 years.

I heard the statement made repeatedly by Mr. Straus that efforts are being made to attract more private capital to invest in the bonds sold by the local authorities, instead of the Government furnishing so much of the capital. I am wondering what private capital he is speaking of. Does not the money the Treasury borrows for the United States Housing Authority come from private capital, exactly the same as that borrowed from local banks? Is it not private capital in both cases? Does the Government have any capital of its own?

Aside from paying the 10 percent local borrowing and the housing profit, the remaining part of the annual Federal contributions become a matter of bookkeeping by the Treasury.

WHAT ARE THE FEDERAL GOVERNMENT HOUSES COSTING? WHAT IS THE AMOUNT OF THE RENT SUBSIDY?

The Annual Report of the United States Housing Authority dated January 30, 1939, on page 17, gives the total estimated cost of United States Housing Authority aided projects covered by approved loan contracts, as of December 31, 1938, of 64,451 dwelling units as $356,695,341. This would be $5,534 per house.

June 7, 1939, Senator ELLENDER had inserted in the RECORD, page 6753, a table of estimated costs for 48 United States Housing Authority aided projects for which main construction awards have been approved, which shows an average dwelling unit cost of $4,731.

June 3, 1939, I received what must be the same estimated total development cost for 48 United States Housing Authority projects for which construction awards have been approved, which shows an average dwelling unit cost of $5,270.

On June 7, 1939, Senator WAGNER, who should be informed (CONGRESSIONAL RECORD, p. 6752, June 7), stated:

"The net construction cost per dwelling unit of the United States Housing Authority project in Allentown, Pa., based on approved construction contracts, was $3,123."

The list I received on June 3 showed the cost of the Allentown housing units to be $4,955.

With figures varying in amount so widely as these do what dependence can be placed in them? Why can Congress not get from the United States Housing Authority dependable figures with respect to the cost of these houses? Certainly when it gives out almost on the same day a figure of $4,731 as the average cost per dwelling unit of 48 projects, and another figure of $5,270 as the average per dwelling unit of the same 48 projects, except 1, there must be something wrong. I should add a list of the number of dwelling units in these 48 projects was especially prepared for me at my request by the United States Housing Authority to be certain of their correctness. With such widely varying figures of construction costs as these coming directly from the United States Housing Authority on almost the same day, what possible dependence can be placed in Mr. Straus' figures showing the amount of rent subsidies the Federal Government is paying to each family housed? He gives the figure of $115.50 per family per year on the basis of an over-all cost of each unit of $4,507. By the way, note that here is still another unit cost, different from any mentioned heretofore, and also again by Mr. Straus himself. But even if the unit cost should be $4,507, 3½ percent of this is $158. And it must be remembered some annual contributions are 3¾ percent, in which case the figure would be $169. But with the fabricated housing profit he succeeds in reducing this to $155 per dwelling unit per annum.

However, until Mr. Straus denies the figures he sent me June 3, I shall use them as a basis for estimating the number of houses that can be built under the present and proposed program, and also the amount of annual rent subsidies the tenants of the Government houses will receive. As stated, the average dwelling unit cost of these 48 projects is $5,270.

Assuming the total available funds of the present and proposed appropriations to be $1,778,000,000, 337,571 dwelling units could be constructed, not 402,000, as Mr. Straus testified.

On the basis of 3½-percent annual Federal contributions the Federal Government will pay an average annual rent subsidy to each family in the 48 projects of $184.

On the basis of 80-percent tax valuation and 2-percent tax rate on the total development cost of the 48 projects the annual subsidy furnished by the local community for each unit would be $83.

Total annual rent subsidies, Federal and municipal, are $267 per dwelling unit, or $22.25 per month per family.

The United States Housing Authority prepared for me the actual rent charges that have been set up for several projects. The following will show the annual Federal rent subsidies, the local rent subsidies, and the actual rent charges per dwelling unit in each one of these projects.

Buffalo, N. Y., three projects: New York, 2–1; New York, 2–2; New York, 2–3; 1,613 dwelling units:	
Development cost	$9,202,814
Annual Federal rent subsidy per dwelling unit	193
Annual local rent subsidy	91
Total tax subsidized rent per dwelling unit per annum	284
Tax subsidized rent per dwelling unit per month	23.65
Rent paid by tenant	20.65
Total tax and earned rent	44.30
New York City: New York, 5–1; number of units, 2,583:	
Development cost	13,096,843
Annual Federal rent subsidy per dwelling unit	177
Annual local tax rent subsidy per dwelling unit	81
Total tax subsidized rent per dwelling unit per annum	258
Total tax subsidized rent per dwelling unit per month	21.50
Rent paid by tenant	24.04
Total tax and earned rent	45.54
Jacksonville, Fla.: Florida, 1–1: 230 dwelling units:	
Development cost	1,009,825
Annual Federal rent subsidy per dwelling unit	153
Annual local tax rent subsidy	70
Total tax-subsidized rent for dwelling unit per annum	223
Tax subsidized rent per dwelling unit per month	23.75
Rent paid by tenant	24.04
Total tax and earned rent per month	47.79
Austin, Tex.: 3 projects: 186 dwelling units:	
Total development cost	739,538
Annual Federal rent subsidy per dwelling unit	139
Annual local tax rent subsidy	63
Total tax-subsidized rent for dwelling unit per annum	223
Tax-subsidized rent per dwelling unit per month	16.83
Rent paid by tenant	12.03
Total tax and earned rent	28.86

Following is a table of the 48 projects for which main construction awards have been made by the United States Housing Authority, furnished me June 3, 1939, by the United States Housing Authority, which show the annual Federal contribution subsidy per dwelling unit, as well as the annual municipal tax subsidy.

This table shows the Federal Government is paying annual rent subsidies to the families renting the Government houses ranging from $100 in Daytona Beach, Fla., to $231 in Syracuse, N. Y.

Estimated total development cost for 48 U. S. Housing Authority aided projects for which main construction awards have been approved

Location	Project No.	Total estimated development cost	Annual Federal subsidy per dwelling unit	Annual municipal tax subsidy per dwelling unit
Florida:				
Daytona Beach	FLA-7-1	$481,863	$100	$46
Jacksonville	FLA-1-1	1,009,825	153	70
Miami	FLA-5-1	1,459,412	148	67
St. Petersburg	FLA-2-1	977,961	141	64
Tampa	FLA-3-1	1,578,081	157	72
Georgia:				
Augusta	GA-1-1	682,792	143	65
Do	GA-1-2	703,968	146	67
Columbus	GA-4-2	1,048,931	127	58
Indiana:				
Kokomo	IND-7-1	707,551	140	64
Vincennes	IND-2-1	295,888	124	57
Kentucky:				
Louisville	KY-1-1	4,565,635	203	92
Do	KY-1-2	4,518,167	209	89
Louisiana:				
New Orleans	LA-1-1	5,825,711	210	96
Do	LA-1-2	4,212,999	203	93
Michigan: Detroit	MICH-1-1	938,387	221	101
Nebraska: Omaha	NEBR-1-1	2,642,241	189	80
New Jersey:				
Elizabeth	NJ-3-1	2,119,429	175	80
Newark	NJ-2-2	1,260,972	187	84
North Bergen	NJ-4-1	1,001,145	203	93
New York:				
Buffalo	NY-2-1	3,868,986	202	92
Do	NY-2-2	919,909	186	85
Do	NY-2-3	4,413,919	200	90
New York	NY-5-1	13,096,843	177	81
Do	NY-5-2	15,393,000	170	77
Syracuse	NY-1-1	4,549,656	234	107
Utica	NY-6-1	966,000	108	49
Yonkers	NY-3-1	3,481,274	220	104
Ohio:				
Columbus	OHIO-1-1	2,158,781	177	81
Cleveland	OHIO-3-1	3,554,643	213	97
Dayton	OHIO-5-2	955,315	179	76
Toledo	OHIO-6-1	1,939,055	176	80
Youngstown	OHIO-2-1	3,170,618	179	80
Pennsylvania:				
Allentown	PA-4-1	1,595,582	173	79
Philadelphia	PA-2-1	3,268,355	231	97
South Carolina: Charleston	SC-1-1	780,413	195	89
Tennessee:				
Chattanooga	TENN-4-1	2,438,758	171	78
Knoxville	TENN-3-2	1,547,036	184	77
Memphis	TENN-1-1	2,516,952	184	84
Texas:				
Austin	TEX-1-1	370,907	150	69
Do	TEX-1-2	220,367	128	58
Do	TEX-1-3	146,264	127	58
Corpus Christi	TEX-8-1	521,299	136	61
Fort Worth	TEX-4-1	1,203,514	167	76
Do	TEX-4-2	1,053,568	147	67
West Virginia:				
Charleston	W. VA-1-2	871,828	179	82
Huntington	W. VA-4-1	425,258	186	85
Do	W. VA-4-2	622,083	160	73
Do	W. VA-4-3	1,288,398	158	72

FEDERAL COST AND DEBT RESULTING FROM THE PRESENT HOUSING PROGRAM AND THAT WHICH WOULD ACCRUE IF THE PROPOSED EXPANSION AS CONTEMPLATED IN THE BILL BEFORE US IS CARRIED THROUGH

On page 74, question 36, of Questions and Answers of the United States House Authority, Administrator Straus asks: "What is the total cost of the United States Housing Authority program over the next 60 years?"

Answer. "In the first place," he says, "the cost to the Federal Government so far as the loans are concerned, is absolutely nothing. These loans are fully repayable, with interest. In fact, as has been indicated in the answer to question 29, there is a profit."

Congress appropriated directly, by authorizing the Federal Government to borrow in the name of the United States Housing Authority 90 percent of the development cost of the Government housing projects $800,000,000

Adding 10 percent to the above would bring the full development cost up to 100 percent 889,000,000

On the basis of 3½ percent of the development cost the amount of annual Federal contributions appropriated, $28,000,000, is insufficient to pay the interest and retire the capital on $889,000,000. The annual Federal contributions are just about sufficient to service $800,000,000.

Hence the United States Housing Authority is at present able to use only $720,000,000 of the $800,000,000 appropriated. It states it is able to use only $650,000,000 claiming it must allow 10 percent as a margin of safety. It sets up the following figures:

$650,000,000 loans available from present loan authorization, plus 10 percent local loan participation and 10 percent margin of safety $794,000,000

Since it is possible, however, for the Federal Government to spend $720,000,000 of the $800,000,000, I shall take this figure as representing the amount actually available for supplying 90 percent of the development cost of the Government houses. This amount being borrowed by the Federal Treasury it must of necessity be added immediately to the Federal debt.

But we have seen that through the annual Federal contributions the remaining 10 percent, $80,000,000, is also assumed by the Federal Government. Hence it, too, becomes a part of the Federal debt, making the total addition to the debt of $800,000,000.

Since the "loan" made by the United States Housing Authority to its dummy is a purely fictitious loan, it being really a loan by itself to itself, a mere internal manipulation of funds, this part of the financial transaction will here be ignored, except as may be necessary to show up the fictitious housing profit.

90 percent of the above amount, or $720,000,000, is now being borrowed by the Federal Government at 1⅜-percent interest. Assuming the Government will be able to continue to borrow for the full 59-year period at this rate of interest, the $720,000,000 will amortize over this period at ($0.024853800 x $720,000,000 x 59 years), at $1,055,789,424

10 percent of the cost, $80,000,000, borrowed by the dummy from local banks and others at 3 percent for 15 years' amortization cost ($0.083766580 x $80,000,000 x 15 years) 100,519,890

1,156,309,314

To which must be added the fabricated housing profit—the difference between the amortization of $720,000,000 at 1⅜ percent at which the United States Housing Authority borrows same, and the amortization of $720,000,000 at 3 percent, at which it lends the same back to itself over the next 59 years 495,690,686

Total present housing program adds to Federal debt 1,652,000,000

This amount must unqualifiedly be added immediately to the Federal debt, as the principal is already borrowed and the interest pledged by the Federal Government through annual Federal contributions.

Proposed appropriations will add $800,000,000 to amortize in 59 years at 1⅜ percent and $178,000,000 available local loans to amortize at 3 percent in 15 years at $1,396,756,128

Plus fabricated housing profit 552,501,000

To which must be added $4,305,000 annual Federal contributions over next 59 years for P. W. A. houses 253,995,000

To which add $5,040,000 annual Federal contributions for the next 59 years, which apparently is being asked for in the $45,000,000 annual Federal contributions requested, to pay for $144,000,000 demolition costs, which Mr. Straus and Mr. Keyserling both told the Banking and Currency Committee is neither a problem of the U. S. H. A. nor the local housing authority, and does not cost the Federal Government one cent 297,360,000

To which add $1,425,000 annual Federal contributions for the next 59 years, apparently to service extra costs entailed where annual Federal contributions are 3¾ percent of development cost instead of 3½ percent 84,075,000

To which add debt of present program $1,652,000,000

Grand total Federal debt of present and proposed program which must be met over the next 59 years 4,236,687,128

The above figures are predicated on the basis that the Federal Government will be able to continue to borrow money at the rate af 1⅜-percent interest over the full 59-year period. It certainly is unlikely the rate will be lower and judging from the history of past interest rates, will in all likelihood be higher. In that event the amount of the annual Federal contributions must be raised, which will increase the debt or obligation proportionately.

It must also be considered that this being a political institution, all costs to the Federal Government will tend to increase, which will raise the debt still further.

Much protest has been made by Mr. Straus and others that these are astronomical figures—that they are not justified. The argument has been made, especially by Mr. Straus and his attorney, Mr. Keyserling, that it would be just as logical to add up the costs of education, roads, etc., over the next 60 years, and speak of the costs of these services in the same astronomical terms. That line of argument begs the question. It misses the point entirely. When did Congress or any other legislative body in this country ever obligate itself for any road or education program for a period of 60 years? Where would we be today in road building if our forefathers had planned our roads for us 60 years ago, and bound the Nation firmly to such a politically planned program? Where would we be in home building today if we were compelled to construct our houses according to the plans and specifications as laid down by the Congress of 60 years ago?

Whether the rents repay the construction costs of the Government houses and the annual Federal contributions pay the maintenance and operating costs, or the reverse, has no bearing on the amount the housing program adds to the Federal debt.

It cannot be denied that the rent is insufficient to meet both. The statute itself states substantially what this difference is when it says, "the fixed contribution payable annually under any contract shall in no case exceed a sum equal to the annual yield, at the going Federal rate of interest at the time such contract is made plus 1 percent, upon the development * * * cost * * *."

This difference is simply the development cost including United States Housing Authority administrative costs, plus service charges. Both are met by the Federal Government.

Should there be any lingering doubt in the minds of any members of this committee that Mr. Straus and his staff are fully aware that the rent to be charged in the Government houses under the United States Housing Authority in strict compliance with the Housing Act, does not pay their development costs, that the annual Federal contributions together with the money appropriated directly for housing construction do bear all those costs, the following should once and for all put an end to such doubt.

On page 43 of Questions and Answers (No. 13)—United States Housing Authority, Department of the Interior, we read:

Question: "Why did the United States Housing Authority have only about $656,000,000 actually available for loans under the present program, although $800,000,000 was authorized?"

Answer: "The act authorizes U. S. H. A. to enter into annual contributions contracts calling for payments not in excess of $28,000,000 a year. Since the annual contributions contract and the loan contracts are entered into simultaneously, it follows that the total development cost of projects covered in loan contracts cannot be greater than the amount which can be served by $28,000,000."

Clearly and unmistakably Mr. Straus here admits that the one and only purpose of the annual Federal contributions is to "serve" the development costs.

Furthermore, Mr. Leon H. Keyserling, general counsel for Administrator Straus, in a letter to me dated May 19, 1938, in reply to a letter written by me to him, says:

"You are correct in assuming that the fixed charges on capital are almost met by the annual contributions and the latter consists substantially of the annual costs of operation and maintenance."

Why Mr. Keyserling says "almost met" is strange, to say the least, since he surely is aware that the annual contributions pay more than the interest and capital cost.

The question has been raised by members of the Banking and Currency Committee as to the actual amount of contribution a city makes to these housing projects in the form of tax exemptions. It has been questioned whether a city actually contributes a substantial sum by this exemption. One point should not be overlooked here, which is that the renters who will occupy these Government houses will either be those who were the best rent payers formerly living in the so-called slum area, or they will be a high class of rent payers drawn from other sections of the city. They will all be persons with a steady income and only the cream of good rent payers. Hence the city will lose of its best taxpayers. How could it be otherwise but that the remaining citizens of a municipality would be compelled to make up what they thus lose? I should, therefore, be inclined to think it fair to state that the local real-estate tax exemption of the project represents a contribution by the city in an amount substantially equal to full taxes on the completed housing project.

Assume total development cost of present and proposed program to be $1,778,000,000, to which add $123,000,000 for P. W. A. houses taken over, we have a total value of $1,901,000,000. Assume assessed value to be 80 percent of this amount and the tax rate 2 percent, the total amount of taxes local communities must pay over the next 59 years for street and sewer maintenance, police and fire service, janitor service, and schools for the families renting the Government houses, present and proposed program, $1,794,544,000.

Grand total, Federal and municipal debt over next 59 years, $6,055,609,000.

There are still other material costs, such as office-space costs for housing the United States Housing Authority, costs of State housing boards, court costs which have resulted from the inauguration of this program, etc.

WHITHER IS THE UNITED STATES HOUSING AUTHORITY PROGRAM LEADING THE NATION?

At this point we may appropriately ask, What is the ultimate goal of this Government housing program?

How many families in the United States are to become tenants of the Federal Government? Who knows? Does anyone know? Surely we should not expect Mr. Straus to give us an unbiased answer to this question. Is it not natural that he should be inclined to promote the program in his own interest? We Congressmen should know where we are going. It is our duty and responsibility to know for it is we who are spending the taxpayers' money that pays for these Government houses, and it is we who are responsible for any injustice that may be involved in the scheme, and any failures that may result from it.

Apparently, however, Mr. Straus and his staff are being relied upon to no inconsiderable extent for information as to the ultimate Federal Government housing goal. But is there anything to indicate Mr. Straus knows what it is all about or that he has any definite figures upon which to base any estimate? Before the Senate committee recently he said:

"If you rehoused about 15 percent, certainly not over 20 percent, of the whole population, over the next generation, you would be wiping out the slums, * * * that an ultimate goal would possibly be about 4,500,000 families."

Before the Banking and Currency Committee, Mr. Straus testified that the very outside limit of the housing goal would be $500,000,000 expenditure per annum. At present costs this would build about 2,483,000 Government houses. However, a few days later, July 5, he reversed himself again and made it 4,500,000.

Assume 4,500,000 dwelling units are built, on the basis of present costs, $5,270 per unit, that program would obligate the Federal Government in the amount of $48,000,000,000, and the municipalities in an additional amount of $22,000,000,000, or a total national and municipal debt of more than $71,000,000,000.

Suppose the goal were set at 4,500,000 Government houses over the "next generation" or in the "next 20 to 30 years." Are there 4,500,000 families now to be supplied with Government houses? What about new ones that would develop in the "next 20 to 30 years"? The population of the United States increased about 44 percent in the last 30 years. Assume it increases in the same proportion in the next 30 years; could it not be expected there would be an increase of a proportionate number of so-called substandard homes which would be in the same category as the ones existing now? If so, certainly it would not be denied that the families living in them would be entitled to Government subsidies to give them cheap rents the same as these now so entitled. In that event, 6,480,000 Government houses would be needed and would cost the Federal Government $70,000,000,000 and the municipalities $33,000,000,000, or a total obligation by the Federal Government and the cities of $103,000,000,000. Can it really be the United States Government has committed itself to a colossal obligation like this?

This begins to bring us to the really serious part of this Federal housing scheme. Suppose the goal is 4,500,000 Government houses in the "next 20 or 30 years." Let us now see just who and where the families are that would make up this number. The housing advocates, especially Mr. Straus and his staff, are so fond of telling Congress and the public that the lower third of our population are being placed in these houses. "Rehousing slum dwellers" has become a veritable fetish with Mr. Straus and his staff. If this were true, we should expect to find the 4,500,000 families in the lowest income third, and should confine our search for them to this group.

Of course, there is nothing in the United States Housing Act that says these Government houses are to be built for the people who live in what are designated as slums. It says specifically in chapter 1401 under "Declaration of policy," that these houses are to be built for "families of low income." The statute defines a "slum" which it says "means any area where dwellings predominate which, by reason of dilapidation, overcrowding, faulty arrangement or design, lack of ventilation, light, or sanitation facilities, or any combination of these factors are detrimental to safety, health, or morals." It defines "slum clearance" as "the demolition and removal of buildings from any slum area."

The point I wish to make is that the act nowhere states that these Government houses are to be built for the people now living in the areas designated as slums. It is very important to keep this in mind. As stated, it specifically provides for "low-rent housing." Nowhere, however, does it define what is meant by "low-rent housing," except that it "means decent, safe, and sanitary dwellings within the financial reach of families of low income, and developed and administered to promote service ability, efficiency, economy, and stability, and embraces all the appurtenances thereto. The dwellings in low-rent housing, as defined in this chapter, shall be available solely for families whose net income at the time of admission does not exceed five times the rental (including the value or cost to them of heat, light, water, and cooking fuel) of the dwellings to be furnished such families, except that in the case of families with three or more minor dependents, such ratio shall not exceed six to one."

Note that the law specifically makes the income dependent upon the rent. It does not make the rent dependent upon the income.

Since the housing bureau has the authority to arbitrarily fix the amount of the rent it also has unlimited latitude to determine the meaning of "low-income families."

The Housing Act leaves a wide range within which may be defined the amount that it considers as "low income." Notwithstanding, Mr. Straus testified before the House Subcommittee on Appropriations last January "the law does impose upon us the responsibility of rehousing the lowest-income groups."

So we have no way of knowing what the housing bureau considers as low income until we actually examine the rent schedule of the houses to be occupied by their so-called slum dwellers.

You remember the P. W. A. houses. They, too, were to be built for "slum dwellers." You know the story. Only families within the higher income brackets can rent them. But the United States Housing Authority is different, so different from the old P. W. A., says Mr. Straus. The old P. W. A. houses were federally built, federally owned, federally operated, centralized right here in Washington. United States Housing Authority houses are locally built, owned, operated, decentralized. Well, let us see.

Let us assume the program embraces the building of 4,500,000 Government houses to be rented to "low-income families." Who are these families and where are they located? Who knows? Does anyone know?

In order to present this problem more realistically and to show the implications it involves, I have prepared a graphic chart, I, which classifies all of the families and single persons in the United States into several groups, with special reference to (a) incomes; (b) place of abode, whether living in the larger cities, smaller cities, or rural communities; (c) being engaged in farming; and (d) being on relief.

This chart was developed by myself from a statistical work put out by the "National Resources Committee," known as "Consumer Income in the United States."

There are about 29,000,000 family units. Beginning to your right and passing to your left, we have in their order, 6,166,558 nonrelief farm families; 4,585,665 nonrelief nonfarm families living in rural communities; 4,079,741 nonrelief families living in cities under 25,000 population; 10,058,035 single persons; 2,503,791 rural relief families; 1,983,289 relief families living in cities; and last, 10,081,213 nonrelief families, at least 3,000,000 of whom own their own homes, which would leave about 7,000,000 nonrelief city families living in metropolitan centers and cities of more than 25,000 population.

These groups are then subdivided into three definite income groups, the upper, middle, and lower third.

The lower third comprises all families and single persons earning $750 or less; the middle third all earning between $750 and $1,500; the upper third earning more than $1,500.

Superimposed upon this classification the National Resources Committee makes a second classification which is shown on the chart. This places the several groups into slightly different income levels. It includes in the lower third all families and single persons earning up to $780 instead of $750; all in the middle third earning between $780 and $1,450, instead of $750 to $1,500; and in the upper third, all earning more than $1,450, instead of $1,500.

However, there being fewer than 500,000 families earning between $750 and $780, we may for the purposes of our present study consider the two classifications as being the same.

The National Resources Committee places 8,465,000 families and 4,687,677 single persons in the lower income third.

Since the Housing Act specifically states that these Government houses are to be built to furnish rent to families of low income, that it defines a slum and slum clearance, and inasmuch as the housing bureaucracy definitely claims it is building these Government houses only for "slum dwellers" and the lowest income group, certainly we must be warranted in the assumption that we should confine our search for the 4,500,000 families to the lower third income group. If slums exist anywhere, it must be here. Furthermore, we should expect to find the number of "slum dwellers" increasing as we descend to the lowest income level.

The National Resources Committee subdivides each of the three main income groups into other income levels. The lower third is divided into the following groups: (1) Those at the extreme bottom earning $250 or less; (2) those just above earning between $250 and $500; (3) the topmost group of the lower third earning between $500 and $780. Let us keep this last income classification in mind, as we shall return to it in a few moments.

Beginning with the farm group and passing to the other end of the chart, let us examine in their order each one of the groups to determine in as reasonable a manner as we can how many families there are in it the housing bureau can mold to fit into its 4,500,000 Government housing scheme.

I do not believe we need to spend much time with the farm group. Congress is hardly considering seriously the amendment in the Senate bill which provides for an extension of the program to include this group. I listened with considerable interest to Mr. Straus' testimony with respect to this amendment. I was not impressed that he had given the matter any serious consideration, and much less that he had thought it through. It must not be overlooked that title to any land upon which these Federal houses are built, as well as that of the building, passes de facto if not de jure, into the hands of the Federal Government in the name of its agency, the local housing authority, and that it becomes exempt from all taxation, Federal, State, and local. Now, it is quite a different matter to apply these provisions to a single plat of ground upon which apartment houses are built and individual farmhouse lots. Questions like the following arise:

(1) Would State laws permit the exemption from taxation of individual parcels of property of this kind?

(2) How much land would be exempted from taxation? Would the entire farm be exempted? Would only the land actually covered by the house be exempted?

(3) Would there be limits to the value of a farmer's possessions to make him fit into the housing scheme? If so, what would be the maximum? What would be the minimum?

(4) Suppose after a farmer had the Government house built he decided to sell off a part of his farm. Would he be allowed to do so?

(5) Suppose he failed to make his rent payments. What would become of him? Would he be thrown out of the Government house and another farmer placed in it? Where would the second farmer farm?

(6) About 40 percent of the farms are mortgaged. How would such Government housing projects affect those mortgages?

Mr. Straus testified before the Banking and Currency Committee that he thought it would enhance the value of a mortgage now held against a farm if an old and rickety house upon it were torn down and replaced with a new Government house, but he failed to explain how this would be done. Certainly a mortgage on a farm with a so-called substandard house upon it is of greater value than a farm without any house upon it. Remember the Government house would not set on the farm, but upon ground located entirely outside the farm. Mr. Straus also stated that the houses would be unfinished, that the farmer could do his own painting, lawn grading, etc. Thus he would spend the income of his farm, upon which there is a mortgage, on a house that did not belong to him, and was not covered by the mortgage, but which he was merely renting. Just how would that enhance the value of the mortgage?

What about the fair-wages standard? Would the farmer be given credit for the painting of his house and other finishing work that he would do on it at the prevailing rate of pay for skilled labor in the community? What would become of the skilled mechanic?

Many more questions of a similar nature could be asked here, but why pursue the matter any further? The questions asked should throw enough doubt upon the merits of the proposal to extend the housing scheme to include the farms that it should not be necessary to further discuss it. Should the farmer group be included, then certainly Mr. Straus must change his figure of 4,500,000 families. He himself made the statement before the Banking and Currency Committee that one-half of the farm homes in the country are substandard. He also stated the cost of new farm homes would be between $2,000 and $3,000. Parenthetically one wonders why city "slum dwellers" should have $5,000 houses at the taxpayers' expense and country "slum dwellers" should have $2,500 houses at the taxpayers' expense. One-half of the farm families would be about 3,500,000. The total initial cost to the Federal Government would be $3,750,000,000, and if financed along the same lines as the present Government houses, the total cost over the 59-year period would be about $18,000,000,000.

I believe we may safely eliminate the entire farm group from our consideration. This takes over 2,316,488 families from the lower third.

Nor is it necessary to give much consideration to the rural nonfarm group. The Housing Authority has itself indicated the answer we are here seeking. Of the $800,000,000 appropriated to it, all of which has been allocated or earmarked, none has been used for rural government housing. Of course, the act provides for the inclusion of the rural nonfarm population, but it has never been so applied. The housing bureau should know the reason why. Anyone familiar, however, with the housing conditions of rural nonfarm families can have a pretty good idea as to why this group does not fit very well into the housing scheme. Rents are so exceedingly low here that the Government would have trouble competing. Many other factors are against it.

Since the Federal Housing Bureau has itself failed to apply the plan to the rural nonfarm families, we may justly eliminate this group from our consideration. There are 1,165,481 families in this group in the lower third.

Let us for the present pass over the next group, the families living in cities under 25,000.

Single persons can of course be eliminated as the program cannot apply to them.

We now come to the relief group. Mr. Straus testified before the Banking and Currency Committee that these homes are to be rented to relief families. The record should show that in one statement he asserted half the families renting these Government houses would be relief families. I think that was unfortunate, to say the least One of the iron-clad requirements of all renters of these Government houses is that they must show that they have steady jobs, that they have been employed steadily for a full year previous to making application for rent, that they have earned and are earning a certain minimum income, that they have a gilt-edge reputation as rent payers. How many families on relief could possibly qualify in all of these requirements? Certainly few. Furthermore, if relief families are to be included, then the entire Housing Act is upset. This would involve two rent subsidies by the Federal Government—one in the form of annual contributions and the other relief.

The evil of such an arrangement should be so apparent as to require no argument. Would Mr. Straus and his staff then appear before the Appropriations Committees to urge for bigger and better relief appropriations to drum up their Government-housing business? I am not saying these houses should not be rented to relief people. If they should be built at all, relief families should have preference. That is not the point. I am merely showing the implications of the program if it were extended to include these groups.

Furthermore, Mr. Straus gave this testimony knowing, as he must, that the last W. P. A. relief appropriation measure contains a provision which may require persons who have been on W. P. A. for 18 months or more to lay off for 2 months to give others an opportunity to work. Certainly this would affect seriously the matter in question.

Nor do I believe Mr. Straus hopes to rent many of these houses to relief families. Therefore, I believe we are safe in eliminating this group from our consideration.

Rural and city relief families, in the lower third, together number 2,611,681 families. Adding this number to the farm families and rural nonfarm families we have a total of 6,093,650 families out of the 8,465,000 families in the lower-income third who do not fit into the housing scheme, and who, therefore, must be eliminated. This leaves only 2,371,437 from which to select 4,500,000 low-income families, or slum dwellers, as Mr. Straus prefers to call them, for whom Government houses could be built and rented in the next 20 or 30 years. But can the housing bureau make its program fit all of these 2,500,000 families? By no means. Indeed, the process of elimination has now just begun, as I shall show you.

At this juncture I wish to call your attention to a point which has a decided bearing not only on the matter we are now studying, but upon the entire Federal housing policy and plan. These Government houses must bring in enough rent to pay operating, maintenance, and local administrative costs. It might be well to set up an example showing this. Fortunately, the housing bureau itself supplies this for us.

In a propaganda pamphlet entitled, "What the Housing Act Can Do for Your City," page 20, is given an illustration showing the amount of rent that must be charged to meet these costs. The project is in Louisville, Ky. The total development cost is given as $4,734,000, upon which the estimated annual operating cost is given as $150,000. That would represent an annual charge against the project of 3.17 percent of the development cost. The illustration here referred to gives the number of dwelling units as 814. Therefore, the average annual rent that would have to be charged per unit would be $184.53. Multiplying this by 4, we have the figure $738.12, as representing the average annual income of tenants renting the Louisville project. Multiplying the figure by 5, we have the statutory income allowed, which is $922.65.

The first thing to be noted here is that the average annual income on the basis of the income being only four times the rent, $738.12, is almost at the top of the lower third income group. True, this is the average, and some with lower incomes than this may possibly qualify, but for every dollar that may be taken off the annual rent to reach the lower income groups, a dollar must be added to the rent of another family which brings it into a higher income level. In any event, on the basis of the United States Housing Authority's own figures, the Louisville project cannot reach families with incomes much under $738.12.

It must not be thought from this illustration that this represents the general run of projects, as regards the income level reached, as we shall in a moment show. The point I desire to make here is that the rent must be high enough to meet operating costs, which in itself eliminates practically all families earning $650 annually or less, or about 6,350,000 families in the lower income third. The housing bureau cannot get around this fact.

By this process of elimination, we have left only about 655,000 in the large and small cities in the lower of the three income groups—and these are to be found in the upper part of this income group—to be considered as possibly fitting into this Federal housing plan. Could all of these qualify? By no means. At least 20 or 25 percent of these families own their own homes or are families of seven or more individuals which would eliminate them from consideration. There are many families in this group who are paying lower rents than those furnished by the Government houses, who could not afford to move into them. Others could not qualify because they have, since the depression, not had steady employment and whose incomes, though perhaps averaging the required amount, nevertheless have been irregular, which might disqualify them. Others owing to numerous causes, though having the necessary income, may not have been able always to meet their rent and other bills promptly, who are considerably in debt, which would militate against their qualifying for one of these Government houses.

Certain it is, there are at the outside limit not more than one-half million families of the 8,465,000 families of the lower-income third who could possibly be made to fit into this Federal Government housing scheme. And, these families, as stated, are not of the lowermost part of the lower-income third, but of the topmost part of it. This alone condemns this entire housing scheme.

Let us now see what income groups will likely be placed into these United States Housing Authority houses.

Here we will show just what groups can be served from the costs and data that are available. In the United States Housing Authority annual report for 1938 there appears a tentative rent schedule for 140 approved projects consisting of 64,451 dwelling units. Chart II is a list of these units distributed under the different rent levels and showing the percentage of units at each level. The rent given in the report is shelter rent. To this shelter rent we have added 31 percent for utilities. The 31 percent is used to compute this charge because it is the actual average cost of utilities in the P. W. A. houses now being operated by the United States Housing Authority, as given in 1938 report. Considering then the shelter rent plus this utility charge as the occupancy rent, we have this figure to estimate the income level of the families to be served at the various rent levels.

The United States Housing Act does not limit or specify the income of the families to be housed except that the income shall not exceed five times the annual occupancy rent, except in the case of larger families where the ratio may be 1 to 6.

Obviously then, the families to be selected will be those whose incomes are at or near this level. Various factors will contribute to force the selection of families whose incomes are as high as the law will allow. There will be competition with private interests, desirability and credit rating of prospective renters, together with the fact that the maintenance and operating costs of the projects must come out of rents collected. Doubtless other factors will develop later.

Using the occupancy rent at the various levels, multiplying by 12 to get the annual rent, and then by 5 gives us the annual income allowed by law for the different rental levels. We have also shown what the income would be in a 1-to-4 ratio, or in those cases where income is four times the occupancy rent. It is doubtful if self-sustaining families in low-income levels can spend more than 25 percent for rent. There would be too little left for food, clothing, and other necessities. The Federal Home Loan Bank Board estimates the 1-to-4 ratio as being reasonable.

A glance at the chart is sufficient to show that the vast majority of the units will be made available to families with incomes above $1,000. Not more than 10 percent of these units will reach the lower third, for whom the United States Housing Authority is supposed to exist, even at the ratio of 1 to 4; even these few will come from the highest salary group of the lower third. The statutory income would allow 17 percent in the upper third to be served by these projects.

As a means of comparison, we have taken the rent schedules reported by the United States Housing Authority on June 6–7, 1939, for eight complete projects consisting of 4,568 units, and set up chart III. Rents given in this report were occupancy rents. We have computed the annual rents under the various levels and figured the income levels in both the ratios, 1 to 5 and 1 to 4.

A comparison of chart III with chart II will reveal that even a higher percent of the units are at the higher income levels. Even at 1 to 4 not more than 9 percent could serve families in the lower third, while the statutory income will allow 33 percent in the upper third.

Annual income	Families in cities	Relief		Single persons	Small cities	Rural nonfarm	Farm	Percent	
		City	Rural						
$3,000	1,381,902			366,534	342,197	358,377	295,907	6.94	
2,500	710,207			161,275	214,524	201,352	177,927	3.74	
2,250	536,571			210,099	162,249	155,439	152,309	3.18	
2,000	701,637			283,652	238,273	233,157	188,336	4.32	33⅓
1,750	917,236			398,985	319,119	296,259	297,221	5.82	
1,500	1,020,615			546,546	384,661	416,492	433,590	7.32	
1,450									
1,250	1,106,662	77,720	98,118	877,956	451,406	529,995	601,571	9.49	
1,070	1,244,045	267,225	337,357	1,108,551	596,027	644,540	793,250	12.65	
1,000								50	33⅓
780	1,084,686	415,430	524,458	1,599,030	565,640	659,790	1,027,044	14.90	
750									
500	747,350	433,407	547,154	1,972,745	419,513	543,391	1,108,400	14.63	33⅓
250	424,147	470,663	594,186	1,571,983	258,129	409,306	858,963	11.63	
	206,155	202,889	256,136	960,644	128,003	137,567	232,040	5.38	

Total large cities	[1] 10,081,213
Total small cities	[2] 2,079,741
Total rural nonfarm	[2] 4,585,665
Total farm	[2] 6,166,558
Total city relief	[3] 1,983,289
Total rural relief	[3] 2,503,791
Total	[3] 29,400,257
Lower third:	
Large cities	[2] 1,501,308
Small cities	[2] 870,129
Rural nonfarm	[2] 1,165,481
Farm	2,316,488
Relief:	
City	[3] 1,154,363
Rural	[3] 1,457,318
Total	[3] 8,465,087

[1] Nonrelief families (3,000,000 home owners).
[2] Nonrelief families.
[3] Families.

CHART 2.[1]—*Estimated rent schedules, United States Housing Authority, 140 approved projects*

Shelter, rent	Utilities, 31 percent	Occupancy rent	Number of units	Percent of units	Cumulative percent of units	Income, statutory 1:5	Income, 1:4
$20.50	$6.36	$26.86	2,643	4.1	4.10	$1,612	$1,289
20.00	6.20	26.20	2,551	3.95	8.05	1,572	1,258
19.75	6.12	25.87	444	.6	8.74	1,552	1,242
19.50	6.05	25.55	2,644	4.1	12.85	1,533	1,226
19.00	5.89	24.89	610	.9	13.79	1,493	1,195
18.50	5.74	24.24	2,262	3.5	17.30	1,454	1,164

[1] Shelter rent was converted into occupancy rent by adding 31 percent of the shelter rent—31 percent being the difference in the shelter rent of 23 Public Works Administration houses being operated by the United States Housing Authority.

Annual report, United States Housing Authority, December 1938.

CHART 2.—*Estimated rent schedules, United States Housing Authority, 140 approved projects*—Continued

Shelter, rent	Utilities, 31 per-cent	Occu-pancy rent	Number of units	Per-cent of units	Cumula-tive percent of units	Income, statu-tory 1:5	Income, 1:4
$18.25	$5.66	$23.91	803	1.24	18.55	$1,435	$1,148
18.00	5.58	23.58	380	.5	19.14	1,415	1,132
17.75	5.50	23.25	3,258	5.0	24.19	1,395	1,116
17.50	5.43	22.93	3,672	5.6	29.89	1,376	1,101
17.25	5.35	22.60	862	1.3	31.23	1,356	1,085
17.00	5.27	22.27	332	.5	31.73	1,336	1,069
16.75	5.19	21.94	2,746	4.2	35.99	1,316	1,053
16.50	5.12	21.62	3,389	5.2	41.24	1,297	1,038
16.25	5.04	21.29	1,797	2.7	44.03	1,277	1,022
16.00	4.96	20.96	4,875	7.5	51.60	1,258	1,006
15.75	4.88	20.63	7,256	11.2	62.86	1,238	990
15.50	4.81	20.31	1,214	1.8	64.74	1,219	974
15.25	4.73	19.98	1,375	2.1	66.87	1,199	959
15.00	4.65	19.65	1,211	1.8	68.75	1,179	943
14.75	4.57	19.32	1,378	2.1	70.89	1,159	927
14.50	4.50	19.00	2,281	3.5	74.43	1,140	912
14.25	4.42	18.67	888	1.3	75.81	1,120	896
14.00	4.34	18.34	907	1.4	77.21	1,100	880
13.75	4.26	18.01	663	1.0	78.24	1,081	865
13.50	4.19	17.69	1,158	1.7	80.04	1,061	849
13.25	4.11	17.36	624	.9	81.01	1,042	833
13.00	4.03	17.03	3,296	5.1	86.12	1,022	817
12.75	3.95	16.70	1,241	1.9	88.05	1,002	802
12.50	3.88	16.38	482	.7	88.79	983	786
12.25	3.80	16.05	449	.6	89.49	963	770
11.75	3.64	15.39	1,492	2.3	91.81	923	739
11.50	3.57	15.07	136	.2	92.02	904	723
11.25	3.49	14.74	753	1.1	93.19	884	708
11.00	3.41	14.41	318	.4	93.68	865	692
10.75	3.33	14.08	660	1.1	94.70	845	676
10.25	3.18	13.43	854	1.3	96.03	806	645
10.00	3.10	13.10	882	1.3	97.40	786	629
9.25	2.87	12.12	91	.1	97.54	727	582
9.00	2.79	11.79	86	.1	97.67	707	566
8.25	2.56	10.81	188	.2	97.96	649	518
7.75	2.40	10.15	60	.1	98.06	609	487
7.25	2.25	9.50	1,250	1.9	100.0	570	456
			64,451				

CHART 3.[1]—*Final approval (June 6–7, 1939)*

[Projects: NY–2–1, NY–2–2, NY–2–3, Tex–1–1, Tex–1–2, Tex–1–3, Fla–1–1, NY–5–1]

Occu-pancy rent	Number of units	Percent of units	Cumula-tive per-cent of units	Income, statu-tory, 1:5	Income, 1:4
$26.75	42	0.9	0.90	$1,605	$1,284
26.00	338	7.3	8.31	1,560	1,248
24.75	1,127	24.6	32.99	1,485	1,188
22.75	848	18.5	51.55	1,365	1,092
22.50	226	4.9	56.50	1,350	1,080
22.00	60	1.3	57.81	1,320	1,056
21.50	392	8.5	66.39	1,290	1,032
21.25	87	1.9	68.30	1,275	1,020
21.00	414	9.0	77.36	1,260	1,008
20.50	114	2.4	79.85	1,230	984
19.50	60	1.3	81.17	1,170	936
19.00	355	7.7	88.94	1,140	912
18.50	87	1.9	90.84	1,110	888
18.00	4	.09	90.93	1,080	864
14.20	4	.09	91.02	852	682
14.00	80	1.7	92.77	840	672
13.70	6	.1	92.90	822	658
13.50	16	.3	93.25	810	648
13.45	18	.4	93.65	807	646
13.25	92	2.0	95.66	795	636
13.20	6	.1	95.79	792	634
12.70	38	.8	96.62	762	609
12.50	22	.4	97.11	750	600
12.45	12	.2	97.37	747	598
12.25	20	.5	97.81	735	588
12.15	4	.09	97.89	729	583
11.70	6	.1	98.02	702	562
11.65	18	.4	98.42	699	559
11.20	13	.2	98.70	672	538
11.15	28	.6	99.32	669	535
10.70	18	.4	99.71	642	513
10.65	10	.2	99.93	639	511
10.20	3	.06	100	612	490
	4,568				

[1] A comparison of the income levels reached when the rent is actually established shows them to be higher than the estimated rents of the United States Housing Authority's annual report.

But the acid test as to whether these Government houses are really being built for the lower-income third is clearly revealed in chart IV. Here we have the actual individual annual incomes of 148 families now renting or certified for occupancy in the Red Hook project in New York and in Willert Park and Lakeview projects in Buffalo. This data was supplied to me by the New York and Buffalo Housing Authorities.

CHART IV

Income	Number of units	Percent	Cumula-tive percent
$1,606 to $1,260	11	8.1	8.1
$1,249 to $1,215	6	4.0	12.1
$1,197 to $1,150	17	10.8	22.9
$1,145 to $1,100	13	8.7	31.75
$1,096 to $1,070	8	5.4	37.16
$1,065 to $1,000	28	18.9	56.08
$977 to $900	22	14.8	70.94
$889 to $780	17	11.4	82.43
$773 to $665	18	12.1	94.59
$591 to $550	4	2.7	97.29
$491 to $480	2	1.35	98.64
$288 to $259	2	1.35	100.00
	148		

It will be noted that 56 percent of the families have incomes above $1,000; 82 percent will have incomes above $780, which is above the lower third income group, according to the classification of the National Resources Committee. Thus only 17-plus percent of the families eligible to rent these houses are taken from the lower income third.

Then note that of this 17 percent all but 2.70 percent reaches families only in the very uppermost part of the lower income third.

Taking into consideration also the fact that all families eligible to rent these Government houses must have steady incomes and must have a reputation of being first-class rent payers, it is clearly seen that this housing program cannot possibly serve many families in the lower income third. It cannot possibly abolish any slums.

Congress, however, should consider the so-called statutory income allowed only, as we are dealing with the actual provisions of the law alone. The United States Housing Authority is free to follow the law. It will be natural for it to select, as much as possible, families of the highest incomes permitted by law. At present, to be sure, it will make a desperate effort to keep these incomes as low as possible, because it needs to make a showing to Congress to get the necessary appropriations for the continuation of its program. The above figures show, however, how miserably it has failed even in this.

The statutory incomes as shown in chart III should perhaps be the ones to serve as a guide for Congress in legislating with respect to the United States Housing Act of 1937.

It should be mentioned that in some instances in chart IV the annual rent paid represents from 34 to 56 percent of the annual income. In one case the annual rent charged is given as $273 while the annual income is only $259.

Thus it is seen that the United States Housing Authority program, even with annual Federal rent subsidies averaging $184 per family, is not supplying houses for the lower-income third but for the middle-income third.

No one has said it better than Thomas A. Danahey, president of the Detroit Housing Commission. In a strong plea defending the United States Housing Authority program he said:

"In the first place, it must be made clear that they will not be rented to slum residents or welfare clients. The tenants in these buildings will be people with definite minimum incomes and to be eligible to move in they must prove that their incomes are steady. There seems to be an impression that the slum residents are going to take the buildings over. Such is not the case."

This Federal housing scheme is being held up as a humanitarian act. What is the justification for arbitrarily taxing the whole population to subsidize the rent of an arbitrarily selected middle class income group who are already able to pay their rent? There are several million families with incomes above those for whom these $5,000 houses are built, who cannot afford homes costing more than three or four thousand dollars. Where is the justice in arbitrarily taxing these people to build for another group more expensive houses than they themselves can afford? Where is the fairness in arbitrarily taxing a part of the middle-income group, who cannot afford to own or rent houses costing more than two or three thousand dollars, to maintain in luxury families of their own income class in $5,000 homes?

There are six or seven million families and some three or four million single persons in the lower third of our population, whose incomes are too low to rent these houses. Many of these people by toil and sacrifice have laid by enough to provide themselves with the comforts of humble little homes they can call their own. Where, in the name of God, is there any humanitarianism in arbitrarily taxing these, His own poor, to provide free rents for families whose incomes are from two to five times those of their own?

In my opinion the wrong of this Government housing scheme is so great that no words can be found to describe it. I experienced an attempt by the United States Housing Authority to place one of these Government houses in my own city—Marion, Ohio. There I saw in the areas where it was proposed to build the project a bewildered and terrified people. A giant Government bureaucracy, armed with the cruel power of eminent domain, was about to descend upon them, dispossess them of their homes, and drive them

onto the streets. These unfortunate people were abused and slandered by a few self-styled uplifters who were being urged by persons in high Government authority to force the project into Marion.

"Slum dwellers" was the designation given the people living in these areas. It should not be overlooked that the term "slum" has reference to character more than to physical environment. Webster's dictionary defines a slum as:

"A foul back street of a city, especially one filled with poor, dirty, degraded and often vicious population; any low neighborhood or dark retreat; usually in the plural; as Westminster's slums are haunts of thieves."

The residents living in the falsely designated slums picked up their daily paper one evening and saw in large headlines: "Slum survey for Marion filed with the State board."

Reading on they came to this: "Points brought out in discussing these data are: 'Social diseases of various forms found in these areas. Desirable tenants have gradually withdrawn from the areas until a low class of occupants have almost destroyed the livability of the structures.'"

"Among the comments made in the introduction to the survey were that * * * persons are living below decent levels in regard to sanitation and moral environment * * * A low standard of living has been continuing for many years * * * and will, without a doubt, to the detriment of the city and community in general unless action is taken."

Think of the residents where on some streets 55 percent of the families owned their homes free of debt, reading this scurrilous insult against them, and when the persons who were responsible for this malicious attack were driven by a self-respecting and righteously indignant people into a position of defense, what do you suppose was their answer? "We just followed instructions from Washington."

In an overwhelming majority the people of my city rose up against any Federal Government houses being placed there. Our city council passed an ordinance rejecting it. Nor was the opposition led by any real-estate men. Quite the contrary. The real-estate board sponsored the project.

The proposal in Marion was defeated principally by the people living in the areas where the project was to be built. They organized, held meetings, appointed a committee, which in no uncertain terms demanded of their mayor to stop what they designated as an "ungodly outrage" against them. Nor was this movement manufactured. It was wholly spontaneous and sprang out of what these people believe to be their God-given right to live their own lives, in their own way, in homes of their own choosing.

It certainly is common knowledge that all over the country opposition is growing to this Federal housing program. The fact that cities are rejecting it by action of council and by popular vote should be sufficient to cause Congress to hesitate in extending it any further. Flint, Mich., Burlington, Vt., and Portland, Oreg., rejected it by vote.

I am confident not a single city in the United States would permit any United States housing project to be placed in it if that city really understood it.

The very idea of placing a municipality within a municipality, and exempting it from taxation, will not be tolerated once the people understand the full significance of this revolutionary special-privilege grant. Think of it! The people living in these Government houses are exempted from paying real-estate taxes. They have their own solicitor, council, and mayor. They are an independent municipality, yet they have the right to vote on all questions relating to real-estate taxes in the community and State where the project is located. They may take part in the election of city officials, help to select a mayor, the council, etc. On the other hand, the people living in the city are estopped from voting on any questions pertaining to the housing project as such. Who can, or will try to, defend this immoral and un-American thing?

It violates every equitable and just principle of taxation.

It will not abolish any slums, however many slum buildings it may eradicate.

It will destroy more employment than it will create.

It will not rehouse the lower third.

It is financially wholly unsound.

It is committing us to a monstrous program which has possibilities of expansion beyond the reasoning powers of any man or group of men to foresee.

It destroys the ancient and time-honored virtues industry, frugality, and discretion.

It is communism outright.

It is the most fertile soil for the growth of a gigantic lecherous political bureaucracy.

No more appropriations should be made for the United States Housing Authority. It should be stopped immediately from carrying on any more propaganda activities for an extension of this housing program, and its affairs wound up as quickly as possible.

Works Financing Act of 1939

EXTENSION OF REMARKS

OF

HON. ROBERT F. WAGNER

OF NEW YORK

IN THE SENATE OF THE UNITED STATES

Tuesday, July 25, 1939

ROUND-TABLE DISCUSSION

Mr. WAGNER. Mr. President, I ask unanimous consent to have printed in the Appendix of the RECORD the round-table radio discussion on the Works Financing Act of 1939, which was broadcast on Monday night, July 24, 1939.

There being no objection, the round-table discussion was ordered to be printed in the RECORD, as follows:

Senator WAGNER. The United States Senate will begin debate tomorrow afternoon on legislation to carry out the works-financing program recommended by President Roosevelt. For about 10 days the Senate Committee on Banking and Currency worked intensively in open hearings and executive sessions, gathering information and perfecting the terms of the bill.

Tonight, through the courtesy of the National Broadcasting Co., we are able to bring to this national radio audience some of the high lights of the hearings in Washington. Senator BARKLEY, as the sponsor of the legislation, won't you please describe briefly its purposes and provisions?

Senator BARKLEY. The object of this legislation which has been the result of very careful cooperation and consideration, not only by the Banking and Currency Committee of the Senate—of which you are chairman and of which I am a member—but also by the executive heads of various departments involved is to utilize more fully than is now being utilized, idle money, idle men, and idle resources throughout the United States. It has been estimated in testimony before the Joint Committee of the House, Senate, and the executive departments looking into economy conditions with particular reference to monopolies that there are something like $8,000,000,000 of savings in the United States. The Federal Reserve Board has recently issued a statement in which it is shown that the reserve credit of the country is at almost a high peak at this time. Notwithstanding this, notwithstanding the need for greater services and more commodities, notwithstanding the fact that if purchasing power existed in this country, this idle money might be utilized in new resources for the development of our wealth and our prosperity might be discovered. But as a result of this some 10,000,000 men are still idle in the United States of America.

The object of this program is to draw from private sources through the channel of the Reconstruction Finance Corporation some two and one-half billion dollars of idle money in this country now, and utilize that idle money in the employment of idle men in the manufacture of commodities, in the increase in purchasing power among the people so that they may buy those commodities and thus start into motion the endless chain of production and purchase and consumption so necessary to the prosperity of all of our people.

This money is not to be secured through taxation, it is not to be secured through the Treasury of the United States. It is not intended and will not bring about an increase in the national debt. This money is to be secured through the issue of bonds by the Reconstruction Finance Corporation. Those bonds to be purchased by private individuals throughout the Nation who now have idle money in the banks, and trust companies of the Nation. And when the Reconstruction Finance Corporation secures these bonds under the direction of the President and the cooperation of the Secretary of the Treasury they are to be distributed among existing agencies of the Government in the following fashion:

For Public Roads Administration, $500,000,000, to inaugurate a program of road construction through the cooperation of various highway authorities in the States, counties, and cities, to bring about not only employment, not only the use of materials, but to bring about a less congested situation in the thickly populated centers of our country, as well as throughout the countryside, for the enjoyment of highways both for pleasure and for commercial purposes, and looking forward also to national defense.

For the Public Works Administration, $350,000,000, for non-Federal projects similar to those which the Public Works Administration has heretofore to the extent of about $4,000,000,000 sponsored throughout the United States. This money is not to be

granted, but it is to be loaned at a low rate of interest which will be sufficiently attractive to induce States, cities, and counties, and other public bodies to use this money for these non-Federal projects.

The Reconstruction Finance Corporation itself is to use $350,000,000 to bring about the manufacture, lease, and use of railway equipment which is so sorely needed by many of the railroads in the United States. This is to be brought about by loans or by leases or by contracts made by the R. F. C. with the railroad companies in the country for the manufacture and use of railway equipment. Much of the railway equipment in use now is old. Forty-five percent of all engines and cars are more than 20 years old and less than 3 percent have been manufactured within the last 10 years. Also there is to be an allocation of $500,000,000 for rural electrification throughout the country. Today there is less than one farm out of every five that enjoys the convenience of electrification, electrical appliances, and conveniences in the rural sections of this country. Congress authorized a 10-year program of $40,000,000 a year, 3 years of which has gone by and 7 years of which remain. Congress is increasing the amount to be expended for this purpose so as to make a $500,000,000 program covering, if necessary, the next 7 years or if it can be expended in a shorter time to bring about the utilization of electric power for the benefit of our rural sections.

Six hundred million dollars will be allocated to the Agricultural Department, under the jurisdiction of Secretary Wallace, for land tenancy and for rehabilitation among the farmers of the United States. This program is intended to enable tenants to own their farms under a long-term payment plan by which they can become owners of farms and not tenants upon them. It is also designed to help owners of farms in stocking their farms, providing necessary machinery and enabling them more successfully to cultivate the soil and thus not become tenants.

Ninety million dollars will be allocated to the Reclamation Service under the Department of the Interior for the purpose of expediting programs of reclamation of arid lands throughout the West and the Import-Export Bank, which was created under the Reconstruction Finance Corporation by an act of Congress, will have its complete stock or its authority increased from $100,000,000 to $200,000,000 to enable it to finance exportation of American products, both agricultural and industrial.

This makes a program of $2,490,000,000. This program, when carried out, in cooperation with States, counties, municipalities, and other public bodies throughout the Nation will mean the employment of more than 500,000 men on direct projects, in addition to the indirect employment brought about by the manufacture of materials, in factories, plants, and everywhere else throughout the United States.

This program is conservative. It is sound, because it contemplates the complete repayment of this entire sum to the United States Government; and, when it has been repaid and the people have enjoyed the use of these facilities which will be brought to them through its use, it is my judgment that employment will materially increase, purchasing power will be multiplied, and that we will be even on a road to more rapid recovery and prosperity than we are at the present time. These are in general the purposes of this legislation which will be taken up tomorrow in the Senate, and I hope passed within the next few days.

Senator WAGNER. Thank you, Senator BARKLEY. Now, Secretary Wallace, you will supervise the lending of funds authorized in the pending bill as they affect the great agricultural sections of the country. Will you explain first the rural-electrification program?

Secretary WALLACE. Gladly, Senator WAGNER. We know there is an urgent demand for rural-electrification loans. Four years of experience with programs under the present legislation have made it plain that farm people want electric service—and want it now. In the 30 years up to 1935 when the R. E. A. started its work, 1 farm in each 10 had been connected with power lines. In the 4 years of the R. E. A., the number has doubled. Now 1 farm in each 5 is connected—but for each 1 connected, 4 are not—and the farm people are impatient to have electric service.

Naturally, the demand for R. E. A. loans has been greater than the supply of funds. At some periods the R. E. A. has had to discourage applicants. Nevertheless, this evening there are on hand or in preparation, applications for one hundred millions in loans, which is the amount contemplated for lending this year by the act as your committee reported it to the Senate.

Now, as to the prospects for repayment of loans, while it is too early to pass final judgment on these loans individually, the prospects are promising. The Rural Electrification Act itself provides that these loans shall be self-liquidating, and that they shall not be made until the Administrator of the R. E. A. certifies that in his judgment the security is reasonably adequate and that the loans will be repaid in the time agreed. The experience to date has been very encouraging.

Senator WAGNER. Next, Secretary Wallace, may we have some facts about the employment that will be provided by loans for rural electrification?

Secretary WALLACE. That is a very interesting and important point, Senator WAGNER. Let me explain that most of the loans will go into line construction. A small part will go to finance house and farmstead wiring and plumbing. But about as much more will be spent out of pocket for wiring and appliances by the farmers who get electric service. For each $100,000,000 lent it is estimated that another $100,000,000, or close to it, will be spent by farm families for wiring and electrical appliances.

In the first 6 months of service after the new lines financed by the entire $500,000,000 program are put into operation farmers would buy about a million radios, 950,000 hand irons, 550,000 washing machines, 300,000 refrigerators, 275,000 toasters, 200,000 water pumps, 200,000 vacuum cleaners, 100,000 small motors. You can easily visualize the millions of hours of work needed to make and transport and sell that many appliances. Also the hours of work required to turn out the materials for the lines and to set the poles, string the wire, and put in substations and transformers. In all, for each $100,000,000 lent in the program there would be created about 34,000,000 hours of work in the country districts where the lines go in and 47,000,000 hours of work in mines, forests, factories, and on transportation systems.

Senator WAGNER. Mr. Secretary, as Senator BARKLEY reported earlier, $600,000,000 would be loaned during the next 2 years by the Farm Security Administration—half to tenant farmers to enable them to become land owners, and the rest to help needy, low-income farm families make a new start on the land.

Secretary WALLACE. Let me say, Senator that these are among the most worthy public investments that could be made. Take the tenant purchase loans. At present nearly one-half of the Nation's soil is tilled by tenants. On the average, communities made up largely of farm tenants are less stable and prosperous, have lower buying power than communities of farm owners. Furthermore, ownership tends to preserve the soil—the Nation's greatest natural resource.

Experience indicates that through a loan program, tenants can become succeessful farm owners. Two years ago, in the Bankhead-Jones Farm Tenant Act, Congress authorized an experimental lending program. So far, we have made loans to about 7,000 tenant farmers. Of course, only a small amount has fallen due for repayment, but more has been repaid than has fallen due.

Increased funds could be displaced with little delay. So far, we have accepted applications in one-fourth of the farming counties. From those counties alone we have received 20 certified applications for every loan we have been able to grant. Under the new program, we shall make loans in additional counties, and we shall still be unable to grant loans to any except the best applicants.

Senator WAGNER. Mr. Wallace, what about rehabilitation loans to needy farm families?

Secretary WALLACE. These loans, Senator, will be similar to loans we have been making through the Farm Security Administration in recent years to farm families who have been knocked financially flat and can't get credit anywhere else.

Given a start again, these families have the skill and the determination to be self-supporting. Without a new start, they will be forced on relief either in the farm communities or in nearby cities. This is a continuing problem. Even in the boom years, almost 2,000,000 families living on the land had such low incomes that they were close to being charges on the communities where they lived.

Since 1935, we have made loans to some 750,000 needy farm families. Most of these loans are not yet due. But already more than 87,000 families have paid in full.

Under the expanded program, this fund will be used only for loans made to standard rehabilitation borrowers, and the loans will be based on the use by the borrowers of sound farm management plans drafted with the advice of the extension service and State Agricultural College specialists. There is every prospect that the typical rehabilitation loan will be self-liquidating. In many ways these loans will be very much like the character loans which before the war were made in nearly every small town by the local banker.

Senator WAGNER. There is great need and demand for these loans by farm families, is there not, Mr. Secretary?

Secretary WALLACE. Emphatically, Senator. During the past year the Farm Security Administration has had to refuse this assistance to 400,000 qualified farm families. Many others didn't even apply because they knew it was useless. The contemplated amount—and more—could be wisely and prudently used in making the rehabilitation type of loan.

One of the best ways to measure the national gain is to determine the increase in the net worth of the borrowers. In a recent survey of 230,000 typical borrowers, we found that $62,000,000 in new wealth and purchasing power had been created by these borrowers alone. The net gain to the Nation of making the loans to them will be even greater, of course. The loans enable the families to retain their human dignity by continuing as self-supporting units of society; and they save the fellow citizens of the borrowers the cost of maintaining them as relief clients.

But these loans do more than merely maintain the dignity of these farmers. They make them active consumers of the goods and services of the cities. Under this legislation the Government proposes to do for these farmers what our credit institutions have characteristically done in the past to stimulate the creation of wealth and jobs, but which for various reasons those institutions

are not doing or cannot do effectively at present. To this extent the granting of this credit will be a contribution to better business.

One of the basic needs of recovery is greater expenditures by both producers and consumers that create jobs. The measures included in this proposed legislation are of that nature.

Senator WAGNER. Thank you, Secretary Wallace. Now, as Senator BARKLEY has explained, a major part of the program consists of loans for public works, roads, bridges, and the like. I want to ask Mr. John M. Carmody about that program. Mr. Carmody is Administrator of the Federal Works Agency, recently established by the President and bringing under a single administration P. W. A., W. P. A., the United States Housing Authority, the Public Roads Administration, and the Public Buildings Administration. Mr. Carmody, will you tell us how the Federal Works Agency will be affected by this bill?

Mr. CARMODY. There are two aspects of the Federal Works Agency, Senator WAGNER, that will be vitally affected by this bill—public works, or P. W. A., and public roads. The Senate bill provides an investment of $350,000,000 in public works and $500,000,000 in public roads.

If I may, Senator, I'd like at this point to state the fundamental objectives of this whole program as I see them. We talk a great deal about large amounts of money and so many miles of roads, so many buildings, and so on. But it seems to me the chief aim of the President's program is to bring together idle money and idle men and put them to work constructing useful public projects which will contribute for many years to a higher standard of living for the American people. Constructive use of these funds will bring about an increased national income and provide needed jobs in industry for American workmen.

As you know, Senator, Commissioner MacDonald, of the Public Roads Administration, has been before the committees of both Houses of Congress and told in great detail his constructive plans for the highway program this bill will make possible. This program of express highways, new bridges and tunnels, and the other phases going along with this work, will materially improve the Nation's transportation system. Commissioner MacDonald's long years of experience with the problems involved in such a program and the wealth of factual data on which it is based provided a firm basis for confidence in its social and financial success. This program, by facilitating the movement of men and materials in what are now highly congested areas, also will make an important contribution to our national defense.

The second item in this bill affecting the Federal Works Agency is that providing for public works.

For the past 6 years the effects of the depression on private industry have crippled the construction industry and have penalized those industries which are dependent upon the construction industry. During these years the programs of the Public Works Administration, by enabling thousands of municipalities to construct a great variety of needed and useful projects, have supported construction and industries allied with it.

The current program of the Public Works Administration will be at its peak during the next 3 months, and by next summer there will be only a small trickle of money going out for construction.

Contrasted with total estimated cost for P. W. A. non-Federal projects of nearly $4,000,000,000, the proposed 2-year program totaling $350,000,000 is one of very modest proportions.

Senator WAGNER. Mr. Carmody, what has been the experience of P. W. A. in obtaining public financing for the loans it has made for projects?

Mr. CARMODY. I think P. W. A. has a remarkable record in that connection, Senator WAGNER. Out of $730,000,000 in loans by P. W. A., the Government has sold more than $500,000,000 to the public, and on these sales has realized a profit of approximately $13,500,000.

Right here, Senator, I'd like to refer again to the national importance of the program that is proposed. I don't believe there is any doubt that our national economy would benefit from new legislation providing for projects to be financed by loans at "sufficiently low rates of interest to stimulate borrowing" for such non-Federal works as waterworks, sewage-disposal plants, hospitals, and a wide range of other municipal projects, including public garages to free our city streets from uneconomic and dangerous congestion.

To date the interest rate on loans made by the Public Works Administration has been 4 percent. The inducement to borrow for the construction of projects under the Public Works Administration's program to date has been a grant which, since the summer of 1935, has been 45 percent of the cost of a project.

Under the proposed new program it is probable that loans for approved non-Federal public works could be made at an interest rate which would not much exceed 2 percent. It is pertinent to note that the annual debt service on a 40-year loan, covering the entire cost of a project, at 2 percent is less than that on a 20-year loan covering 55 percent of a project when the interest rate is 4 percent.

We are confident that the problem will be one of satisfying applicants rather than one of finding a sufficient volume of approved projects to absorb the new funds.

Senator WAGNER. I quite agree, Mr. Carmody. Isn't your conclusion borne out by the experience of P. W. A. in the past when Congress provided new programs for public works?

Mr. CARMODY. Yes, Senator; each new program of the Public Works Administration has resulted in a flood of new applications from every part of the United States. Since the inception of the P. W. A. in 1933, over 37,000 applications have been filed by sponsors of non-Federal public works projects. These projects had an estimated cost of more than $12,000,000,000. Such a demand was by far in excess of funds appropriated by Congress for such work and as a result less than 24 percent of the funds requested were allotted.

During the 4 months of the year 1938 when P. W. A. was permitted to receive applications, 12,814 were filed for projects costing over $4,000,000,000. Funds were made available to P. W. A. for the 1938 P. W. A. program permitted allotments to less than 29 percent of the projects which represented only 24 percent of the total cost of the program requested. The majority of the remaining applications filed under the 1938 program are now pending before the administration.

Senator WAGNER. You said a moment ago that the important consideration was putting men to work, providing employment on jobs that will create better conditions in American communities. As I recall, the Department of Labor has made careful studies showing in detail the jobs created and the material orders placed, as a result of past P. W. A. programs. Do you have those figures, Mr. Carmody?

Mr. CARMODY. Yes, Senator WAGNER; and they make it possible for me to foretell with surprising accuracy the effect of this new $350,000,000 program, made up of projects comparable to those undertaken in the past. It will provide a total of approximately 420,000,000 man-hours of employment. Of the total employment 120,000,000 man-hours will be provided to skilled and unskilled laborers at the construction sites, and 300,000,000 man-hours will be provided to workers away from the construction sites, in the forests, mines, mills, and factories, and transportation systems engaged in producing, manufacturing, and transporting construction materials.

This does not take into account employment afforded to workers engaged in supplying the increased demands of the site and off-site workers for consumers' goods and services; nor does it include the engineers, architects, draftsmen, clerks, and other office employees working on details of the projects in private offices, and the supervisory and administrative forces of the projects.

Construction materials costing approximately $200,000,000 will be required for such a program of non-Federal projects. These materials, to be purchased from the heavy-goods industries, will consist mainly of iron and steel and their products, machinery, cement, stone, clay, and glass products, and lumber products.

Senator WAGNER. Mr. Carmody, your figures on jobs and material orders would be greatly increased, would they not, when you take into account the $500,000,000 highway program authorized by the bill under your supervision?

Mr. CARMODY. Yes, Senator. Highway improvements meet especially well the President's demand for self-liquidating projects furnishing a "maximum of employment per dollar of investment."

The public-roads and the public-works programs of the Federal Government, worked out in cooperation with State and local authorities, have helped to sustain the economic life of the United States during the past 6 years. This legislation will put private capital to work. As Administrator of the new Federal Works Agency, I assure you that if this legislation is enacted, the Public Roads Administration and the Public Works Administration will make every effort to expedite these programs and not only assure the selection of projects which will be financially sound and socially useful, but integrate its planning with industry in such fashion as to assist business to work out its own employment problem intelligently.

Senator WAGNER. One last question, Mr. Carmody. Your agency also embraces the United States Housing Authority, under the direction of Mr. Nathan Straus, does it not?

Mr. CARMODY. Yes, Senator; I should have elaborated on that.

Senator WAGNER. As you know, earlier in the session the Senate adopted a bill I had introduced, to increase by $800,000,000 the loan authorization of that agency for public-housing projects. I was happy to note that in connection with the general works financing program, the President reiterated his strong support of the slum-clearance bill, which is expected to come up for a vote in the House in a day or two. That bill, I may say, also carries good news to the families in rural areas. It earmarks $200,000,000 for loans to begin the tremendous job of meeting their long-neglected housing needs.

Mr. CARMODY. I believe there is well-nigh universal agreement that this slum-clearance and low-rent housing program should be expanded.

Senator WAGNER. Thank you, Mr. Carmody. We turn now to the railroad-equipment program, to be administered by the R. F. C. Mr. Emil Schram, the newly elected chairman of the Corporation, is here to discuss that phase of the bill. The Federal Loan Administrator, Mr. Jesse Jones, who has been called out of the city, has asked me to state that Mr. Schram speaks for him as well as for the R. F. C. Mr. Schram.

Mr. SCHRAM. Thank you, Senator WAGNER. A great deal of railroad equipment now in use is quite old. While the R. F. C. now has the power to aid in financing the purchase of new equipment by railroads and has made numerous loans for this purpose with excellent results, the bill will give us further powers that should stimulate the use of new equipment by the roads. For example, it will enable us to purchase old equipment, rebuild or dispose of it, giving the roads what may be termed a "trade-in" allowance which will enable them to finance the purchase of new equipment when otherwise they could not do so.

Furthermore, under the proposed law we could, upon the request of railroads, arrange with them for the construction of equipment and lease it to them with or without an option to purchase, on

a long- or a short-term basis, and thus enable them to have the immediate use of modern equipment even if they would not feel able financially to assume the debt involved in financing such equipment themselves. The program is so constituted that it may be adapted to meet the requirements of individual railroads both in respect to the character of the leases negotiated and the rates to be charged. As the Federal Loan Administrator, Mr. Jesse Jones, said last week, the Government would seek no advantage in negotiating leases except the advantage that would flow from the stimulation of business generally and the increase in productive employment. In addition let me say that the proposed bill makes needful provision for aiding railroads in financing shop equipment as distinguished from rolling stock.

Senator WAGNER. As I understand it, Mr. Schram, the new bill provides that the R. F. C. itself takes title to the new railroad equipment constructed for lease or sale, and to the old equipment purchased for rebuilding. You could not do that under existing law, could you?

Mr. SCHRAM. No; we could not, Senator Wagner. Under existing law the Corporation can make only loans to finance the purchase of equipment and cannot itself take title. This latter method is, of course, a more direct way of doing what we have in mind since the Corporation can then make leases under such conditions as will insure easy repossession in the event of default in meeting monthly rentals.

Senator WAGNER. You speak of monthly rental payments. Do you expect through the collection of rents, and through the repayment of loans, when you finance such equipment, to be entirely reimbursed for the cost of the program?

Mr. SCHRAM. Yes, Senator WAGNER. It is expected that the cost of the locomotives, cars, and other equipment when purchased by the R. F. C. and leased to railroads, on a long-term basis, will be entirely repaid through rentals over the term of the lease and that our loans for such purposes will be fully paid.

Senator WAGNER. In the case of a lease, Mr. Schram, to whom does the equipment belong when the lease expires, assuming, of course, that all the rentals have been paid?

Mr. SCHRAM. Well, of course, if it were a short-term lease the title would remain with the Corporation at the end of the period and the equipment could then become the subject of a new lease to the same or another railroad. If, on the other hand, the lease were for a long term, the contract would be so arranged that at its expiration the cost to the Government having been entirely repaid the title to the equipment would pass to the railroad.

Senator WAGNER. The Senate and the country are especially interested in the fact that this railroad-equipment program will materially increase employment in certain industries which have long been depressed. Do you have any data on that, Mr. Schram?

Mr. SCHRAM. Yes, Senator WAGNER. By giving greater flexibility in financing methods the program will encourage and enable railroads to do today many needful things they are forced or inclined to postpone because of lack of proper financing facilities. Doing away with obsolete and inefficient equipment will result in a desirable economy of operation.

It has been estimated that for every $1,000 spent on railroad equipment 10 men will be put to work for about 2 weeks each on actual construction and in related fields. You can see, therefore, the advantages to be derived from an expenditure of the $350,000,000 allocated to the railroad-equipment program. And yet, as we have said before, this money will ultimately be returned to the Government. In addition to increasing employment in this way the general stimulus to business should encourage private investment in allied fields, besides giving a boost to business that cannot be reduced to actual figures. But aside from these benefits, we must not overlook the cumulative effect of the entire program contemplated by the pending bill.

Senator WAGNER. You have said, Mr. Schram, that the pending bill will give you desirable powers with respect to railroad equipment that you do not already possess. The other provisions of the bill, about which Senator Barkley, Secretary Wallace, and Mr. Carmody have spoken, also add new and desirable powers, do they not?

Mr. SCHRAM. That is correct. The R. F. C. has broad and varied powers, but as Mr. Jones has testified before the Banking and Currency Committee of the Senate, the R. F. C. cannot under existing law do what is contemplated by this bill, since neither the Secretary of Agriculture nor the Rural Electrification Administration are authorized to borrow from it and neither is the Commissioner of Public Roads. Moreover, you realize that under existing law the R. F. C. cannot issue notes with maturities exceeding 5 years. Since it is called upon by the pending bill to finance all the loans and undertakings provided for in the bill, many of which will be repaid over a considerably longer period, it is very desirable to give the Corporation the power to issue its notes with longer maturities.

Senator WAGNER. Now, Mr. Schram, the proposed bill also increases by $100,000,000 the amount of loans which the Export-Import Bank of Washington may have outstanding at any one time. I should like you to explain the relation between your Corporation and the bank, and something of its organizations and policies.

Mr. SCHRAM. Senator WAGNER, the bank is in the Federal Loan Agency, of which Mr. Jones was recently named Administrator by President Roosevelt. Mr. Warren Lee Pierson is the president and a director of the bank, and, in addition to the R. F. C., the Departments of State, of the Treasury, and of Agriculture, and Commerce are represented on the Board of Directors.

The bank is primarily interested in assisting citizens of this country in developing a sound foreign trade and in stimulating exports when this cannot otherwise be done. At present, the bank has exhausted its funds by loans and commitments and the increase in its funds contemplated by the pending bill is necessary to enable it to continue its functions as heretofore. The bank has, in the past, been able to facilitate the sale abroad of surplus agricultural commodities, such as cotton and tobacco, and has stimulated business and employment in the United States generally by providing new markets for American goods. Practically all the proceeds of loans being spent in this country, they will contribute to the same objectives as the other provisions of the proposed bill. The bank has demonstrated that credit can be extended in this way on a sound basis.

In closing, Senator WAGNER, I should like to say that we have had a wide and successful experience with many self-liquidating projects of the sort covered by the pending bill. For example, we have made loans for public works projects ourselves and in cooperation with the Public Works Administration. We have further acted as the sales agent in marketing many securities acquired by the Public Works Administration and have succeeded in doing so at a considerable profit to the Government.

Accordingly, based on that experience, I can endorse not only the objectives of the bill but the character of projects contemplated.

Senator WAGNER. Thank you, Mr. Schram.

Friends of the radio audience, testimony such as you have been hearing tonight convinced the Senate Banking and Currency Committee that the new works-financing program should be speeded to enactment. I am confident that the Senate and the House will concur.

This program is a major advance in our unceasing efforts toward full employment of idle machines, idle money, and idle men. Without competing with private enterprise, it would provide a profitable investment for almost two and a half billion dollars in private funds. Without increasing the public debt, it would stimulate a tremendous volume of orders for private industry. Without authorizing any outright expenditures from the Federal Treasury, it would make deep inroads in the ranks of the unemployed and in the public relief rolls.

Through this wise use of public credit, we will vastly increase our permanent national wealth, while promoting the most fundamental human needs of the American people, on the farm and in the cities.

The United States is blessed with material advantages unequaled by any other nation in the history of man. Our resources are greater than those of all the countries of Europe from the Irish coast to the Russian border. We are happily free of the external wars and internal disorders that mark the economic rivalries of the Old World. Our monetary system is safe from any attack. The credit of our Government is the soundest in the world.

Blessed with all these material assets, we have developed on this continent an industrial machine superlative in its efficiency and magnitude. The American people possess spiritual resources no less vital—the firm determination to make our system succeed, the full faith in America's future. The aggressive leadership of their Government toward the solution of pressing economic problems is an accurate reflection of their determination and their faith. By approving the works-financing program, Congress will win their overwhelming approval and hasten the day of their complete economic and spiritual victory.

Rise in Trade Index

EXTENSION OF REMARKS

OF

HON. SHERMAN MINTON

OF INDIANA

IN THE SENATE OF THE UNITED STATES

Tuesday, July 25, 1939

ARTICLE FROM THE WASHINGTON POST OF JULY 24, 1939

Mr. MINTON. Mr. President, I ask leave to have printed in the RECORD an article from the Washington Post of July 24, 1939, dealing with the increase in the trade index during the past 12 months.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

[From the Washington Post of July 24, 1939]

TRADE INDEX UP 20 POINTS IN 12 MONTHS—SUBSTANTIAL GAINS IN JUNE CONTINUE IN JULY, FEDERAL RESERVE BOARD FINDS

American business, in marked contrast with the steadily slumping trend of a year ago, is maintaining in July substantial gains recorded in June, it was shown by Federal Reserve Board data made public yesterday.

The Board reported its index of industrial production rose to 97 in June, compared to 92 in April and May and 77 in June of last year.

The output of factories and mines increased in June, the report said, reflecting mainly a sharp expansion at steel mills and bituminous-coal mines.

STEEL PRODUCTION GAINS

Steel production rose from 45 percent of capacity in the third week of May to 54 at the end of June and to 56 in the third week of July, the report added.

Motor production, which had fallen in May, swung upward in June, a month when a drop is customary. In the first 3 weeks of July automobile output was lower, reflecting in part slower operations preparatory to the change-over to new models.

The report, coupled with repeated gains in the stock market recently, served to emphasize anew the great difference between present business conditions and those of last year, when, for months, there had been a steady recession laid to overinventoried conditions that followed 1937 business increases.

In June, plate-glass output rose considerably, while production of lumber, which usually gains over May, was unchanged.

In the non-durable-goods industries, woolen mills scored higher activity in June, and activity at cotton and silk mills was maintained against the usual seasonal trend. Meat packing was lower than in May.

CAR LOADINGS SHOW RISE

A number of important industrial centers reported increased factory employment and pay rolls from the middle of May to the middle of June. There was a sharp expansion in employment at bituminous-coal centers following the reopening of mines in mid May, and the number of persons employed on railroads increased more than seasonally from May to June.

A less than seasonal decline was recorded by department-store sales from May to June.

The more than seasonal upturn in freight-car loadings in June bore witness to a sharp rise in shipments of coal and smaller gains in movements of grain and miscellaneous freight, the report said.

Prices of hides, silk, steel scrap, copper, and some other industrial materials advanced from the middle of June to the third week of July, while some farm products, particularly grains, declined. Prices of most other commodities showed little change.

Preliminary Report of Temporary National Economic Committee

EXTENSION OF REMARKS

OF

HON. JOSEPH C. O'MAHONEY

OF WYOMING

IN THE SENATE OF THE UNITED STATES

Tuesday, July 25, 1939

RADIO ADDRESS BY HON. JOSEPH C. O'MAHONEY, OF WYOMING, AND CERTAIN NEWSPAPER ARTICLES

Mr. O'MAHONEY. Mr. President, the preliminary report of the Temporary National Economic Committee was filed with the President, the Vice President, and with the Speaker of the House of Representatives on Monday last. It is now Senate Document No. 95. Last night, at the invitation of the Washington Star, I discussed this report on the National Radio Forum.

I ask unanimous consent that my address over the National Radio Forum be printed in the Appendix of the RECORD, together with newspaper articles by John T. Flynn, Hugh S. Johnson, and David Lawrence.

There being no objection, the matters referred to were ordered to be printed in the RECORD, as follows:

THE PRELIMINARY REPORT OF THE "MONOPOLY" COMMITTEE

(Address by Hon. JOSEPH C. O'MAHONEY, of Wyoming)

One year ago, when the management of the Washington Star invited me to talk on the National Radio Forum on the work of the Temporary National Economic Committee, which had then just come into existence, it was freely predicted that this committee would indulge in a far-reaching punitive probe of business. So general were these predictions that I took occasion in my broadcast on the evening of July 11, 1938, to say:

"Though this has been called a monopoly investigation and a monopoly probe, it is definitely not to be thought of as a grand-jury hunt for law violators. It is rather to be a careful, serious, objective, and constructive study of the causes which have brought about the concentration of economic power, the existence of which has been so generally recognized."

Tonight, as I come back to you to discuss the preliminary report of this committee, filed with the President and with both Houses of Congress last Monday, I am glad to be able to say that my predictions of last year have been justified; that the committee has not looked for victims; that it has studiously avoided doing anything that might disturb business and that it has confined itself to an objective search for the answer to the economic question which is everywhere disturbing mankind.

SYSTEM OF PRIVATE PROPERTY DEFENDED

The preliminary report now available to Congress and to the public does not, of course, supply the answer sought by all. Nor does it foreshadow the final recommendations which may be submitted to the next regular session of Congress. It does, however, clearly enunciate the faith of the committee in the democratic system of private property:

"Private enterprise, the profit motive, the free utilization of capital, the full employment of labor—the maintenance of these," says the report, "is the objective of the study" which the committee has undertaken.

A vast amount of material, some of it in the files of the Government, some of it supplied by business, has been examined and analyzed. A portion of it was presented at public hearings through the answers given by a wide range of witnesses to the questions propounded by the members of the committee and its staff. It would be quite impossible in a broadcast of 20 minutes to give an adequate summary of this evidence. Those who are interested in the details of the hearings may procure printed copies from the Superintendent of Documents at the Government Printing Office here in Washington or from the committee itself. For this evening's purposes it will be sufficient to point out only a few of the highlights which are reviewed in the report. For example:

EVIDENCE OF CONCENTRATION

Less than 3 percent of all the families in the United States have annual incomes of $5,000 or more.

Scarcely 10 percent of all of the families in the United States have annual incomes ranging from $5,000 down to $2,500.

At the other end of the scale, 54 percent of all of the families in the United States have annual incomes of $1,250 or less.

Comparable to this distribution of family income is the distribution of employment. Concerns which employ more than 250 workers each, though they constitute only about 1 percent of all the employers in the country, employ one-half of all the workers, while 50 percent of all employers hire only 4 percent of all the workers.

Hand in hand with this concentration of the opportunities for industrial employment goes a concentration of industrial assets. The evidence presented to the committee shows that less than one-half of 1 percent of all the corporations in the United States own 62 percent of the total assets of all corporations, while 55 percent of the corporations, with assets of $50,000 or less each, own only 1.4 percent of all corporate assets.

Concentration has also appeared in the financial field. The 25 largest legal reserve life insurance companies own 87 percent of all the assets of all the legal reserve life insurance companies. Sixteen of these companies own 80 percent of all the assets and the five largest own 54 percent. Sixteen with home offices in New York or New England own 74 percent of all the assets of all companies.

What this means in terms of concentrated control of the national capital reservoir is to be illustrated by the fact that the 49 largest of these companies, on December 31, 1938, owned 11 percent of the direct and guaranteed debt of the Government of the United States, almost 10 percent of the debt of all States, cities, and political subdivisions of the United States; 22.9 percent of all railroad bonds; 22 percent of the entire public utility debt; 15 percent of the entire industrial debt; 11 percent of all farm mortgages, and 14 percent of all city mortgages.

These resources were contributed by 64,000,000 policyholders. They represent, it is true, a fund held in trust by the insurance companies which are managed in accordance with State law and under public examination by State authority. I recite the facts without any intimation of criticism, but merely to illustrate one of the many amazing features of the complex system which has produced at one and the same time great poverty for millions of men and great prosperity for a few organizations of men.

STUDY OF PATENT LAW

Monopoly is a word of many meanings. All monopoly is not necessarily bad. Sometimes it is unavoidable. Sometimes it is beneficial and desirable. Sometimes it is authorized by Government to encourage business enterprise. Such is the case with patent monopolies created by law in execution of the power granted to Congress by the Constitution of the United States to grant to inventors an exclusive right to their discoveries for a limited time in order "to promote the progress of science and the useful arts."

The study of the patent laws was one of the most revealing and interesting of those carried on by the committee. It disclosed that the laws enacted by Congress to extend to inventors the monopoly intended by the framers of the Constitution to be a personal reward for their genius is sometimes used to harass inventors, to deprive them of the use of their discoveries, to control and direct industry, to restrict production, and to fix prices.

Finally, the Federal Trade Commission, which was created by Congress in 1914 in the effort to keep business free, presented to the committee the story of its experience during the last 7 years with the practices which have been used to suppress competition and to

build up concentrated control of American business. Instances were marshaled to describe 45 different monopolistic practices, all of them recognized to be unfair and unethical as well as illegal, all of them obviously founded in fraud, force, and sharp practices, and all of them also practices which were used by some businessmen to crush other businessmen.

PROTECTION OF PRIVATE BUSINESS

Additional evidence presented by the Trade Commission told the stories of formal complaints filed with the Federal Trade Commission by business executives seeking the aid of Government to protect them from what they alleged to be the predatory practices of other business executives. This was not the story of voluntary Government interference with business, but, rather, the story of Government protecting business from aggressive attacks by other business which was not content to observe the law intended to prevent unreasonable restraints of trade.

If you seek the first cause of unemployment and economic distress, you will find it in the adoption by men in economic warfare of those devices which the law defines as unreasonable restraints of trade. When men resort to coercion, fraud, misrepresentation, and manipulation to prevent other men from succeeding, they inevitably close the door to opportunity. That trade has been restrained no one can doubt who has reviewed the testimony presented to this committee. That trade must be kept free if it is to be kept private is to me, after 12 months' work with this committee, an inescapable conclusion. Moreover, to keep it free is an objective to the attainment of which all the patience and ability of the people of America must be directed in the interests of all alike if the America we love is to be preserved. All distinctions of property, of education, social standing, ability, skill, or geographical location vanish before the primary and essential necessity of keeping the door of opportunity open to all. There is no worker, no employer, no executive, no investor who does not have a vital stake in making certain that private enterprise shall not be controlled by any form of arbitrary power, either private or public.

RECOMMENDATIONS OF T. N. E. C.

The preliminary recommendations which are to be found in this report are all directed toward this end. The first group have to do with matters of patent-law procedure. Amendments have been suggested to reduce the possibility of the perversion of the spirit of the patent laws by legalistic manipulation of the letter of the law. These recommendations are already in the form of bills now pending in Congress, five of them having been passed by the House of Representatives are now upon the calendar of the Senate. Accompanying them are several other suggestions for legislation in the field of patents, all designed to prevent patents from being used for the purpose of suppressing competition, controlling or restricting production and fixing prices, or to sum it up in a phrase, to make it more difficult for any person to use the public grant of a patent as a device for restraining trade and thereby reducing the opportunity for private profit and free employment.

Two more recommendations are made. One, which was advanced by the Federal Trade Commission, has been urged in its reports to Congress every year since 1930. It is to amend the so-called Clayton Antitrust Act so as to prohibit corporations from acquiring the assets as well as the stock of competing corporations. In 1914, when Congress passed the Clayton Act, it intended by that law to prohibit the merger of competing corporations because it believed that mergers and combinations have a baneful effect upon free, private enterprise. The language of the law prohibited the acquisition by one corporation of the capital stock of a competing corporation. What Congress overlooked was that a merger could be effected without the purchase of the stock by merely purchasing the assets instead; and so for almost 25 years that simple law against monopolies has been a dead letter.

CIVIL REMEDIES TO ENFORCE ANTITRUST LAWS

Hand in hand with this suggestion, the Temporary National Economic Committee has put forward another recommendation, namely, that for the enforcement of the Sherman Antitrust Law, as well as of the Clayton Act, civil remedies should be provided to supplement the criminal remedies now authorized. Curiously enough, this recommendation which would provide a certain and efficient means of preventing monopolistic practices before they are put into effect is the one recommendation of the committee that has not been received with approval on the part of business leaders and editorial writers. This failure, I am convinced, proceeds from a complete misunderstanding of the purpose and effect of the suggestion.

"The antitrust laws are too vague," it is said, and it would be "too drastic" to provide by law that the individuals who devise the monopolistic practices of some corporations should be held personally responsible in money damages for the violations of the law they have themselves planned. The answer to that argument is perfectly plain. Wherever the antitrust laws are, in fact, vague it would be quite impossible to induce any jury to bring in a verdict against any defendant, if, indeed, any court should allow the case to go to the jury.

The truth, however, is that in their more serious aspects the antitrust laws are clear and explicit. It is, for example, a plain violation of law for two competing corporations to agree with one another to sell their commodities at cut prices for a time and in a particular location in order to drive a particular competitor out of business. Agreements to pool earnings, to divide territory, to control prices, to crush competitors, are all not only clear violations of the law but obvious monopolistic devices which not only promote the concentration of economic power and wealth but also create unemployment.

When business executives wanted to secure congressional exemption in certain fields from the operation of the antitrust laws, they were not troubled by any belief that the laws were vague. Back in 1916, when the Shipping Act was passed and shipping corporations desired to be relieved of the prohibitions of the antitrust laws, they had no difficulty in helping Congress to write a law, which in ocean-going foreign commerce declared that agreements to fix rates, apportion traffic, pool earnings, allot ports, and regulate sailings were exempt from the antitrust laws.

In 1920, when it was desired to allow combinations among the railroads, the authors of the Transportation Act of 1920 knew exactly what they had to do in order to permit competing railroad lines to consolidate.

HOW PRESIDENT TAFT DESCRIBED ANTITRUST LAWS

As long ago as January 7, 1910, President William Howard Taft, in a special message to Congress, wrote a succinct and clear definition of what is prohibited by the antitrust laws. Said he:

"It is possible for the owners of a business of manufacturing and selling useful articles of merchandise so to conduct their business as not to violate the inhibitions of the antitrust law and yet to secure to themselves the benefit of the economies of management and of production due to the concentration under one control of large capital and many plants. If they use no other inducement than the constant low price of their product and its good quality to attract custom, and their business is a profitable one, they violate no law. If their actual competitors are small in comparison with the total capital invested, the prospect of new investments of capital by others in such a profitable business is sufficiently near and potential to restrain them in the prices at which they sell their product. But if they attempt by a use of their preponderating capital and by a sale of their goods temporarily at unduly low prices to drive out of business their competitors, or if they attempt, by exclusive contracts with their patrons and threats of nondealing except upon such contracts, or by other methods of a similar character, to use the largeness of their resources and the extent of their output compared with the total output as a means of compelling custom and frightening off competition, then they disclose a purpose to restrain trade and to establish a monopoly and violate the act."

Make no mistake about it, these violations of business ethics and of law, thus described by a former Chief Justice, are the primary cause of all our economic troubles. They have not been and they cannot be effectively prevented because, under the law as it stands, the Government has only two remedies worth mentioning—a suit for an injunction to prohibit a threatened violation of the law and a criminal indictment after an offense has been committed.

It is obviously impossible for the Federal Government to foresee violations, so that this remedy has never been effective. The criminal remedy has been no less futile and for an equally plain reason. Offenses against the antitrust law are, for the most part, economic offenses. They do not, like murder, highway robbery, and similar crimes, necessarily involve moral turpitude. They cannot be prevented by the criminal remedy, they can only be prosecuted, and the penalty provided in the law is only a $5,000 fine, which is surely not a deterrent to a predatory executive who can hide behind the artificial personality of the corporation he directs.

The civil remedy proposed by the Temporary National Economic Committee and embodied in a bill which I have introduced in the Senate and which has been introduced in the House of Representatives by Congress SAM HOBBS, of Alabama, would authorize the United States to bring suit for damages against the offending corporations and their responsible officers and directors—damages which would not exceed twice the total net income received by the corporation while it was violating the law or by the offending officer or director. By this provision the penalty is automatically adjusted to the economic importance of the offender and the offense. I venture to say, however, that it would seldom be necessary for the Department of Justice to bring such an action, because officers and directors who knew themselves to be personally responsible in money damages for a violation of the economic law would be careful not to commit such violations.

REASON FOR NONENFORCEMENT OF LAWS

The great defect of the antitrust laws, exemplified during the 49 years which have elapsed since the Sherman law was enacted in 1890, is that in their present form they depend for their effect upon active policing by Government agents. A law thus framed is almost certain to be a nullity, because it is impossible in a country like this for government ever to become so big that it can watch all offenders, apprehend, and punish them.

The successful law is one that is automatic in its application, that depends for results, not upon the punishment it inflicts after the fact but in the degree of respect it inspires in a prospective violator when the violation is contemplated. It is my firm conviction that one of the principal reasons for the steady growth of government during the past two generations is to be found in the fact that the antitrust laws as they are now written require policing. Their enforcement is measured, first, by the energy and ability of the individual who for the time being directs the Department of Justice, and, second, by the amount of the appropriations granted by Congress to enforce the law.

The great virtue of the civil-damages recommendation of the Temporary National Economic Committee is that it would depend upon neither congressional appropriations nor administrative energy or discretion for its success, but upon the unwillingness of business

executives to lay themselves personally open to a plain liability for the commission of an offense clearly understood.

ROAD TO PROSPERITY

I can foresee that with the adoption of these simple recommendations and with the adjustment of existing tax and other Government policies, it would be easily possible for American business to enter upon the most prosperous era the world has ever imagined. Government expenditures to prime the pump, deficit financing, self-liquidating projects, supported by Government drafts upon the future earnings of the people—all of these would be unnecessary. Opportunity for the expansion of production, the development of new industries, the gainful employment of all of the idle, and the building up of home markets for all the produce of the farm are easily possible, if only we make up our mind as a united people to put an end to the restraints of trade which the conscience of the Nation denounces and then adopt a policy of government taxation designed to hold out rewards to those who have the energy, the brains, and the capital to develop the unmeasured resources of America.

[From the Washington Daily News of July 5, 1939]

PLAIN ECONOMICS

(By John T. Flynn)

NEW YORK.—Senator O'MAHONEY, chairman of the Monopoly Investigating Committee, has introduced a bill to make the anti-monopoly laws work. Of course this has excited criticism. What the Senator has done is hardly cricket. Monopoly is a word to play politics with, not an abuse to do anything about.

Under our antitrust laws if a corporation violates the law it may be sued civilly and may be prosecuted criminally. But a corporation is not a human being—only a legal being. It does not do its own thinking. Some individual in the president's office or some individual in the board of directors' room does the thinking for the corporation.

Senator O'MAHONEY proposes to be realistic about this. He says that not only should the corporation be punished but that the individuals who do its thinking and guide it and make its decisions and actually carry out its violations of the law should also be held guilty. It would be difficult to imagine anything more reasonable than this.

Senator O'MAHONEY proposes that when a corporation violates the antitrust laws the president or the chairman of the board or any other officers or the members of the board of directors who actually take part in the violation may be sued for a sum equal to twice their compensation from the corporation during every month that the violation occurs. In addition to that they may be enjoined from rendering any service to the corporation permanently or for a period not less than 90 days in the discretion of the court, or from receiving any compensation from the corporation in that time and they may be enjoined from engaging in competition with the company which they are enjoined from serving.

Put it this way: Corporation XYZ violates the antitrust laws. If it does, the violation is doubtless arranged and carried out by the chairman of the board, the president, the vice president of the corporation. As a rule, the stockholders who own the corporation know nothing about it and would be powerless to do anything about it if they did.

Nevertheless, they own the corporation and under the law as it exists, if the corporation is fined by a court it is the stockholders who must pay. But Senator O'MAHONEY thinks that in the corporation imagined—the XYZ Corporation—the president, the chairman of the board, and the vice president may also be sued.

If the corporation is guilty, certainly they are the ones guilty in fact and if found guilty each one may be compelled to pay a fine equal to twice his salary during the period of the violation. More important, however, all of these gentlemen may be removed from holding office in this corporation for anywhere from 90 days to life and cannot engage in competition with it thereafter.

Enforcement of the antitrust laws has been made difficult by reason of the criminal penalties. Here are penalties which are not criminal but will certainly be effective. Either we should enforce the law or get rid of it. This is one reasonable way to enforce it.

ONE MAN'S OPINION

(By Hugh S. Johnson)

The recommendations of Senator JOE (Monopoly) O'MAHONEY's committee on revision of patent law and procedure are all good. They boil down to this—that, while an owner of a patent still will be entitled to deny or sell the right to others to use it, he can't couple with any license, restrictions fixing price or regulating production by the people he licenses.

The proposed procedural changes are for economy, speed, simplicity, and clarity. Anybody who has had broad experience with this particular field of business knows that the present patent laws are sometimes used not merely to protect invention, but to fix prices, restrict progress and production, and do many other monopolistic things clearly never intended by the patent clause in the Constitution.

But the Senator's proposals for strengthening the antitrust laws by a new procedure and penalties for their violation are down a very different alley. The sanctions now are criminal penalties—fine and imprisonment. There have been few convictions. Why? Because before you can convict a man of a crime you must show that he knowingly and willfully broke some law that so clearly prohibited and punished what he did that there could be no question of the lawlessness of his act. Also, you have to prove his crime beyond a reasonable doubt.

The antitrust acts never have set up any such standards. They broadly prohibit "combinations in restraint of trade." What does that mean? Nobody knows. There are certain extreme acts about which there can be no doubt. But few businessmen are fools enough to do them. Every contract or agreement in commerce is in some measure a restraint of trade. What restraints are permitted and what are lawless in the vast intermediate field is absolutely uncertain. This Government, in its Congress, in its courts, its Federal Trade Commission, and other regulatory bodies has stubbornly and, I think, stupidly and arbitrarily refused to state the rules of the game except to condemn particular acts in particular cases. Their principle is admittedly: "Act at your peril in this unknown field. If you guess one way and we guess another after you have acted, you are guilty."

That, and that alone, is why there have been so few convictions. It violates the most essential principles of Anglo-Saxon law and turns the clock back to Draco, who is sometimes said to have obscured his laws to get violations and convictions.

The brilliant new proposed solution is solely to provide new penalties to be imposed by civil and not by criminal proceedings. The "offending" company is to forfeit twice its income during all the time the violation is (later) determined to have continued and all its responsible officers and directors are similarly to forfeit all their compensation. These penalties are so severe that even for a trifling, unintended, and obscure offense long continued, they could amount to sentences of economic death.

The objective here is obviously not the real evil. It is not to clarify the law, but to avoid the duty to clarify it. It is to get away from having to show some intent to violate the law and from having to prove the violation beyond a reasonable doubt. It is a shocking revelation of the increasing tendency of a bureaucratic administration to ride ruthlessly down any freedom in business from fear of a regimentation by a Nazilike personalized arbitrary control in Washington.

Chief Trust-Buster Professor Arnold flippantly suggests that a business has no more right to know whether what it is doing will be later held legal than a runner to third to know whether the umpire will rule the ball has beaten him to the base. That is exactly the philosophy of this whole business-baiting crowd. And yet Senator O'MAHONEY is trying to find out why our economic system is not working. All he needs to do is to look at some of the people and ideas working in his own committee—and he might also look in a mirror.

PROBE OF COST OF BUILDING IS HAILED—OBSERVER WONDERS AT DELAY IN ANTITRUST QUIZ

(By David Lawrence)

The biggest news in the National Capital—biggest so far as economic recovery is concerned—is the evolution of the policy just announced by Thurman Arnold, Assistant Attorney General in charge of antitrust suits. It is that the Federal Government at last will tackle building costs both with respect to labor and management in an effort to rid America of rackets, price fixing, monopolies, and other restraints that for several years have held up a construction boom.

If the Arnold plan of attack is carried out impartially and without regard to political or economic pressure groups, it will mean that America will have found in a system of free competition the answer to the debates on the "isms" of Europe as they relate to a planned or controlled economy.

There have been two schools of thought in the last 6 years of economic disturbance—those who have felt that in a centralized government more and more of the activities of the business of America should be controlled, and those who have felt that by removing restraints of trade involving fraud, dishonesty, and monopoly America could retain her liberties and show the world that the competitive system can function.

But every time the antitrust problem has been tackled, obstacles have been placed in the path of those who favored strict enforcement. Thurman Arnold himself became zealous about criminal indictments as a means of securing respect for the antitrust laws, but the complex economic life of the country together with the lack of specific knowledge on what the laws really required made it unfair to use criminal punishment.

PROVIDES CIVIL PENALTIES

Now, instead, Mr. Arnold is supporting the bill recently introduced by Senator O'MAHONEY, of Wyoming, to provide severe civil penalties. These, too, will act to some extent as a deterrent, but there is much more to be said for a policy of vigorous enforcement by the injunction method of existing laws than for the introduction of new penalties. What is vital at the moment is that the antitrust laws should be enforced and Mr. Arnold significantly revealed last week that for the first time in history the antitrust division of the Department of Justice now had adequate staff and personnel to do the job.

Mr. Arnold has made mistakes in judgment in some of his speeches and in his policy of consent decrees on the antitrust problem, but certainly nobody in recent years has stirred up more interest or revealed himself as more genuinely desirous of getting free competition going than has the Assistant Attorney General.

In the hands of a man who believes as sincerely in free competition as does Thurman Arnold there can be no doubt that a start will be made at last to enforce the law as it should have been enforced years ago.

The building industry, moreover, furnishes an excellent proving ground. It has in it more ramifications and more real impediments to progress than any other industry that has ever come before the Department of Justice for investigation. Mr. Arnold's sensational statement outlining the malicious practices which prevent the people from getting lower building costs may be startling to the public, but it summarizes what has been gossip in governmental circles, Federal, State, and local, for a generation.

WONDER AT DELAY

When some building contractors and some raw-material makers get together with labor unions to exclude rival products, when city governments at the behest of unions and contractors pass ordinances that prevent the public from getting good plumbing fixtures at low costs and when all sorts of monopolies are collusively undertaken in efforts to gyp the public, then the wonder is that the long arm of government has been so long in protecting the people against these injustices.

The new attack may touch labor as definitely, if not more so, than management, and the administration will be put to the test of whether the labor vote here and there will cause it to soft-pedal the prosecutions.

There is another side to the picture. These efforts to keep out competitors and to hold up labor costs have had behind them in most instances no real criminal purpose. There are many persons in the building industry, as in other lines of business, who feel that they can use political government—Federal, State, and local—to insure monopolistic benefits. There are States where auto dealers have combined to get laws passed to keep out other dealers or to require buyers of cars to pay a heavy inspection tax if they purchase autos outside the State.

STATE TARIFF BARRIERS

There are all kinds of tariff barriers within America camouflaged under inspection laws or tax laws. All this proceeds from the theory of "isolation," which has been preached far and wide, as well as from the doctrine of protection in our tariff history. While, however, there is justification for protecting home industry against foreign competition, there is logically no reason why the power of State or Federal Government should be used to favor one geographical division of the United States against another or the producers of one State as against another.

The antitrust suit in the building industry will run up against the doctrine that unions and employers in self-protection ask for and obtain monopolies irrespective of the effect on other groups of citizens. Unfortunately for those who think they need the monopoly, a system of free competition properly organized will increase the volume of transactions and increase wages. The idea of a guaranteed annual wage in the building trades has, for instance, long been discussed as a desirable way of reducing building costs, but the existence of rigid levels of cost and other restraints of trade have prevented any progress being made toward meeting the consumer demand for lower-cost housing. The construction industry, stimulated naturally, is big enough to help the Nation back to recovery. Hence the attack on barriers to free interchange of services and money by removal of artificial impediments is a step in the right direction.

Social Security

REMARKS

OF

HON. GEORGE J. BATES

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 25, 1939

Mr. BATES of Massachusetts. Mr. Speaker, in connection with the present legislation in conference at the present time relative to the social-security set-up, and particularly in relation to the effort being made by individual Members of both Houses to increase the old-age contribution by the Federal Government, I have prepared a tabulation of the expenses that are already borne by the Federal Government in the various States of the Union, together with a tabulation of internal-revenue collections from each State.

Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD and to include therein a tabulation of figures from the Treasury Department and also the census of manufactures from the Department of Commerce.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts [Mr. BATES]?

There was no objection.

GRANTS-IN-AID AND THE DISTRIBUTION OF INCOME

Mr. BATES of Massachusetts. Mr. Speaker, since the origin of the New Deal one of the main functions of Government has supposedly been the redistribution of wealth. The new dealers have contended that one function of the state is to take money away from those who have exercised their intelligence, initiative, and daring in order to make money, and distribute it to those persons who did not have the capacity, the initiative, and the daring necessary to add to the national income.

This redistribution of income on the part of the Government of course involves assumptions. It can be done either by direct payments to certain groups or areas of the country or through the creation of certain Government services devised primarily to benefit certain groups in the community. This redistribution of wealth can occur as between different classes of society. It can also occur as between different geographical regions of the Nation.

Certain areas of the country are better situated for trade and commerce than others because they have better ports and harbors. Other areas have mineral resources. Still others have rich and fertile soil. Some agricultural areas have the good fortune of being situated close to large consuming centers; others are not. It is such industrial areas as these that produce most of the income of the country. On the other hand, there are areas that have poor or worn-out soil, that are deserts, that are mountainous, and generally inhospitable to development by human economic institutions. In these inhospitable areas, under our form of a free capitalistic economic society, it is apparent that there will not be a general free flow of private capital for investment purposes. People will want to invest their money where it will secure the greatest proportional return. Inevitably the marginal productivity of certain areas will be less than that of other areas. Unless there is a great surplus of capital because of economic stagnation, these less fortunate areas will not secure the benefits of agricultural, industrial, or general commercial development.

Such regions will feel slighted. They then start a clamor for the expenditure of public money to develop their alleged resources. When such clamor became loud enough, the legislative branch has embarked upon vast programs of Federal expenditure, either directly or indirectly, in order to develop these areas that do not prove to be a profitable sphere of capitalistic investment.

What standards does the Government have for investing its money in unproductive areas? The capitalist has an automatic standard. He invests his money where it will yield to him the greatest potential return commensurate with the risks involved. The lure of profit automatically determines where capital will flow. But what will determine whether the Government will spend money in New York or Tennessee, Massachusetts, or Alabama? The only thing that will determine it will be political pressures and not the national advantage. What is to determine the form that such Government investments are to take? Is the Federal Government going to spend its money on building public roads in the backward areas? Or are we going to have reclamation projects, schools, or public-utility undertakings? In a free capitalistic system, once again, these questions are answered automatically. Capital will flow into those uses which will yield the greatest return commensurate with the risks involved. But when it comes to Government spending for the development of certain backward areas or for the benefit of certain unfortunate classes in the community, there are no criteria to determine whether the expenditure is to be for schools, roads, reclamation projects, hydroelectric plants, or for reforestation. There is no clearly defined basis for determining what are the advantages of one type of Government expenditure over another. In fact, there is presented at this point the most crucial problem of State planning in the economic sphere—how to weight alternative uses for a limited amount of economic resources. When you leave the determination of this problem to the Government, these questions are resolved not according to any scientific principles but according to political influence.

Concerning the undesirability of the redistribution of income through Government action, the following quotation from Andrew Jackson's eighth annual message to Congress (December 5, 1836) is a very clear statement:

> The shortest reflection must satisfy everyone that to require the people to pay taxes to the Government merely that they may be paid back again is sporting with the substantial interests of the country, and no system which produces such a result can be expected to receive the public countenance * * *.
>
> A distribution to the people is impracticable and unjust in other respects. It would be taking one man's property and giving it to another. Such would be the unavoidable result of a rule of equality (and none other is spoken of or would be likely to be adopted), inasmuch as there is no mode by which the amount of the individual contributions of our citizens to the public revenue can be ascertained. We know that they contribute unequally, and a rule, therefore, that would distribute to them equally would be liable to all the objections which apply to the principle of an equal division of property. To make the General Government the instrument of carrying this odious principle into effect would be at once to destroy the means of its usefulness and change the character designed for it by the framers of the Constitution.

Under the New Deal we have had a tremendous wave of expenditure of public money in many of the States of the Union and at the expense of impoverishing others. Such expenditures have taken the form of either grants-in-aid from the Federal Government, supposedly to be paid to all States of the Union but really intended for the poorer regions, or, on the other hand, the form of the direct assumption of functions by the Federal Government.

First, let us view the development of the present system of Federal grants-in-aid. All Federal grants-in-aid to the States in 1938, according to the reports of the Secretary of the Treasury, amounted to the astonishing figure of $2,952,068,622. The program of Federal grants-in-aid to the States is not a novelty. If I attempted to tell you that it was something new, I would be misrepresenting facts. But, as I will show you, an old device established for a most legitimate purpose has been perverted by certain influences in the community to serve the cause of a most illegitimate and undesirable purpose. A program of grants-in-aid is, in fact, older than the Federal Government. The confederation commenced the program of grants-in-aid in 1787. It made land grants in the old Northwest Territory primarily for educational and religious purposes. From this beginning a general system of land grants to the States developed for education, roads, and other forms of public works and the development of agriculture.

Through cession by older States, through purchase, and by conquest, the Government of the United States acquired titles, from 1787 to 1853, to a vast public domain amounting, after the satisfaction of all claims against it, to nearly a billion and a half acres. Approximately one-sixth of this total, or close to 400,000 square miles, has been given to the States in the form of grants for roads, canals, railroads, schools, and colleges, and for reclamation and public buildings. These grants were, in effect, both the means of securing certain essential public services and a subsidy to private enterprise. Nevertheless, they served at the same time a most useful purpose. They increased the value of the land remaining in the hands of the Federal Government. Underlying these various grants there were numerous theoretical considerations, basic among which was an assumption of responsibility on the part of the Federal Government for providing the initial means for the development of education and communication. The reasoning on which this was based was entirely realistic. Unless this new territory could be reached, it would not be settled. Consequently, land grants for transportation facilities were in order, and unless educational facilities were provided the new public land would not attract settlers of the better types of families from the older States. Until this public domain was settled it was more of a liability than an asset. Consequently, in order to increase the value of the public domain remaining in the hands of the Government, it was advantageous for the Government to give away part of it. A very large part of these grants of the public domain to States and their political subdivisions was for the purpose of education. In all, a total of 15,483,000 acres was devoted to this purpose. For the purpose of construction of internal improvements, for instance, roads, railroads, canals, and public buildings, 65,430,000 acres were disposed of. The Federal Government gave to the States approximately 65,000,000 acres of swamps and salt-spring land that could be drained and subjected to tillage. Thus, all told, the Federal Government gave away more than 246,400,000 acres of the public domain. Once again let it be pointed out that the purpose of these grants to the States and their political subdivisions was to increase the value of the remaining assets of the Federal Government; that is, the public domain still in its possession.

The whole scheme of grants-in-aid that had developed before 1862 had been of the nature of nonrecurring grants, but with the establishment of the land-grant colleges and agricultural experiment stations, a system of annual grants to the States ultimately was undertaken. The grants for experiment stations and colleges of mechanical and agricultural arts do not have to be matched by the States. They are for the purpose of stimulating agriculture. In theory, at least, the funds were derived from the sale of the public land. In practice it was immaterial where the money came from.

The present system of matched grants not related to the public lands was really commenced when Congress, in 1911, by the Weeks Act, commenced the distribution of funds to the States for the purpose of forest-fire prevention. This Federal money had to be matched by State funds. Of course, the grant for forest-fire prevention had a distinct Federal interest, especially in the Western States, where there is a large amount of public land on which forests still stand. It is highly desirable that the States take adequate steps for the prevention of forest fires on land that is not subject to the Federal Government for such fires have no regard for land boundaries.

In 1917 the Federal Government commenced to grant funds to the several States for the construction of public roads. The grants have increased from $5,000,000 to $125,000,000 annually. The money granted for this purpose has to be matched by State funds and is allocated among the several States on the basis of population, area, rural free delivery, and mileage. The national interest in the development of a system of public roads is evident. The roads are necessary for the postal service. If the States were left to their own devices in the construction of highways, some States would fail to construct an adequate system. Some of these needed funds; others merely needed a stimulus. Other States would build roads, but they would not be part of any kind of a pattern of usable interstate roads. Consequently, it is quite evident that the development of a system of grants-in-aid for the construction of public roads has some legitimate basis. The basis for apportionment is open to question, however. There is a question also as to just how far we should go in expenditures along this line at this particular time when the country is having an annual deficit of over $3,000,000,000.

At approximately the same time grants-in-aid for vocational education, agricultural extension, and vocational rehabilitation were inaugurated. With the exception of vocational rehabilitation for our veterans the justification for many of such Federal grants is much more difficult. Early in the twenties grants to the States for maternal welfare were undertaken but they were allowed to expire about 1926. Thus there is some basis for believing that under the Republican regime of the twenties a movement for decentralization of government and the revival of State rights was developing.

With the emergence of the New Deal, Federal grants-in-aid for various new purposes not readily connected with the apparent national interest began to make their appearance, and with the New Deal there began to develop the idea of the use of grants-in-aid for the purpose of equalization, that is, the distribution of larger proportionate grants to so-called poorer areas than to other areas. This, of course, is the redistribution of income. With the enactment of the Federal Emer-

gency Relief Act on May 12, 1933, this change became apparent. This act and subsequent acts provided for a scheme of Federal grants-in-aid to the States for the purpose of financing relief. The amounts of grants to each State were not fixed by any standards set forth in the law and the ratio of Federal funds to State and local funds was not determined. The Administrator of the Federal Emergency Relief Administration could, at his own free will without any preexisting standards, determine how much money was to be given to each State. In some cases the States and their subdivisions were required to raise only approximately 2 percent of the total cost of relief during the period from 1933 to 1938, and in others the State and its political subdivisions were required to raise more than 35 percent of the cost of the relief. During the whole period the Federal contribution was probably more than 65 percent of the total cost of relief.

Grants-in-aid for the construction of public works through the Public Works Administration were commenced in the same year. In this case the Federal Government contributed 30 percent and the State or locality contributed 70 percent, which was loaned to the borrower by the Federal Government. In 1935 the amount of the Federal grant for public works was increased from 30 to 45 percent because the demand for such funds with only a 30-percent grant was slacking.

A scheme of grants for State employment services was also inaugurated in 1933. During the war a half-hearted attempt at Federal assistance to State employment services was developed, and this was carried on in a desultory fashion during the twenties. But with the enactment of the Wagner-Peyser Act in 1933 this endeavor was established on a firm basis with an appropriation of $4,000,000. Here again Federal funds had to be met by State or local funds.

In many ways the Social Security Act of 1935 was the greatest step in the development of the present system of Federal grants-in-aid. Grants to the States for old-age assistance were provided and a larger Federal grant than that now given, is being sought in the present Congress. This is another obvious attempt to shift the burden of taxation from those States that refuse to bear a just share of the cost of old-age assistance. The billions of dollars of public funds that have been distributed to the States through the Works Progress Administration as grants-in-aid to States and localities need no recital here. Many States and communities are required to contribute but a small part of the cost of the relief undertaking, while others, a much more substantial contribution. Of course, without any published standards it is quite possible for the Administrator to play political favorites in allocating funds and this is just what has happened under the relief program previously carried on.

In 1937 we entered upon a program of Federal grants-in-aid to municipalities and public-housing authorities to subsidize low-cost housing. The grants and loans used for this program are the most complicated ever devised. The system is complicated so as to conceal the full amount of the subsidy. In reality the Federal contributions will amount to more than the fully amortized cost of each project. The program that has already been undertaken will probably cost billions to complete.

We have witnessed during the last few years a persistent public lobby, paid for at the expense of the Federal Government, for the passage of legislation by this Congress for grants-in-aid to the States for the purpose of general education. I refer to the Thomas bill. In 1936 the President set up an Advisory Committee on Vocational Education. The task of this committee was broadened in 1937 to include all education and was supported through funds from the W. P. A. This organization was extremely active in lobbying for the passage of the Harrison-Thomas bill authorizing extensive grants to the States to assist primary and secondary education. Such grants are to be distributed on a basis of equalization. This would inaugurate a most extensive scheme of grants-in-aid for an entirely new purpose and solely for the purpose of the redistribution of the national income.

The scheme of Federal grants-in-aid has been growing more and more costly year by year. In 1920 Federal grants-in-aid to the States cost but $42,500,000. By 1925 it had jumped to $159,000,000. By 1930 they amounted to $147,000,000. By 1932 they were $269,425,000. In 1935 they were $2,201,313,000, of which $234,137,000 was regular grants and $1,967,176,000 was grants derived from emergency funds. In 1938 a total of $2,952,000,000 was distributed to the States as grants-in-aid; $472,318,000 of this was normal regular grants, whereas $2,479,730,000 were grants of emergency funds. These figures do not include any loans. They are direct grants to the States or their political subdivisions. Thus in less than 20 years Federal grants-in-aid have risen from $42,000,000 to $2,952,000,000, or 6,928 percent. If this continues during the next score of years, it is hard to imagine what portion of the national income will be used for this purpose.

In addition to direct Federal grants-in-aid to the States as a method of redistributing the national income, the Federal Government has taken upon itself the performance of various functions throughout the whole country and in certain areas. The natural result is a further redistribution of the national income through the use of Government expenditures. Throughout the past 100 years the functions of the Federal Government have been expanding steadily. We all know of the great development of the Department of Agriculture, the rise of the Departments of Commerce and Labor, the various services embodied in the Department of Interior, and a host of independent establishments. Under the New Deal the expansion of the functions of the National Government has been at a much accelerated pace.

In addition the New Deal has felt impelled to make available Federal funds in certain backward areas through the direct expenditure of public money. Probably the largest undertaking of this kind with this avowed purpose is the Tennessee Valley Authority. For various obvious reasons, private capital has not flowed into the valley of the Tennessee River to produce the development of a tremendous industrial area there. The complete development of the T. V. A. as at present envisaged by the Board, will cost $500,000,000. We have all had experience with New Deal estimates of costs, and it is quite likely that to complete the present program and to execute such additional programs as might mature in the dreams of the members of the Board, many times this figure will be required. Not only is the T. V. A. building dams, powerhouses, and transmission lines; it is stimulating the farmers to a wider use of electricity through research on new electrical equipment on farms.

At the taxpayers' expense it has also entered the fertilizer business, notwithstanding the fact that the Department of Agriculture is experimenting constantly along this line. It is assisting the farmers in the terracing of their fields, in reforesting their lands, and in many other ways. It has even gone into the cattle business. Model herds of cattle were maintained to improve the breeds in this area. Through the investment of this large sum of Federal money in this area, are we not subsidizing people to stay in an area that is not economically productive? If such a subsidy is not given to them, would not people in this area who possess the most initiative attempt to move to areas where they could make better use of their talents? What are we doing? We are stultifying this natural flow of population from the impoverished to the more wealthy sections of the country. We are investing the national capital in areas that will not yield to the national economy the greatest return per dollar invested.

The South is not the only region into which the Federal Government is putting large sums of money in order to develop areas where private capital does not find it profitable to go. In the Columbia River Valley we have two large projects—Bonneville Dam on the lower river and Grand Coulee in Washington. The complete development of these two projects with necessary transmission lines and other appurtenances will probably cost close to $1,000,000,000. These two projects will produce several times the amount

of electricity that the area is now consuming. Grand Coulee will bring into cultivation large areas of land that are not now subject to the plow. In a similar manner the Federal Government is investing large sums of money to resurrect agriculture in other parts of the country, while at the same time the Agricultural Adjustment Administration is spending hundreds of millions of dollars annually attempting to reduce agricultural production in other areas.

Let us now see how this process of redistribution has really worked out. From the Annual Report of the Secretary of the Treasury we are able to get certain very interesting information concerning the relationship of the sources of Government income to the areas where such funds are expended by the Federal Government in the form of direct grants-in-aid to the States and their political subdivisions. The total amount of internal-revenue-tax collections of the Federal Government in 1938 was $4,917,105,078, and it distributed to the States, in one form or another, $2,952,068,622.

In certain States of the South and West the expenditures of the Federal Government were many times the amount of internal-revenue collections in the State. For example, in the State of Arkansas the direct expenditures of the Federal Government in the forms of grants-in-aid were 683 percent of the total revenue collections in the State; in Mississippi, they were 806 percent; in Alabama, 312 percent; and in South Dakota, 3,035 percent. On the other hand, there are some States where the expenditures of the Federal Government are much less than the revenue collections derived in such areas. In Delaware the expenditures of the Federal Government were less than 6 percent of the revenue collections; in New York, they were 27 percent; in New Jersey, 43 percent; in Connecticut, 33 percent; in Illinois, 41 percent. I am submitting herewith a tabulation showing Federal internal-revenue collections in each State in the fiscal year 1938 and also the Federal expenditures in each State for the same period. Thus it is quite apparent that through the system of Federal grants-in-aid the revenue of the Federal Government is being drained from the more wealthy sections of the country and those sections best able to produce the national income into the poor sections of the country which produce practically nothing. This public money is being expended in such areas in a relatively unproductive manner, and in order to have such large sums of money to spend in such areas a continually increasing burden must be placed upon the wealthier areas.

Under the Federal Emergency Relief Administration during 1933 and 1934 we had some phenomenal happenings relative to the distribution of Federal funds. During 1933 and 1934 there was derived from Federal sources 65 percent of the total cost of the maintenance of relief throughout the entire United States but in some States in the South, State and local authorities contributed practically nothing. In Alabama, 96 percent was derived from the Federal Government; in Louisiana, 98 percent; in Georgia, 95 percent; on the other hand, in Connecticut but 34 percent was derived from the Federal Government; in Delaware, 34 percent; in New York, 49 percent; and in New Jersey, 55 percent. The same high percentage of relief grants to these Southern States still exist today.

It is hard to see how the relief problem is actually so pressing in the South. In Alabama, Georgia, North Carolina, South Carolina, and Tennessee, according to the census of manufactures, the average number of persons employed in industrial pursuits was higher in 1929 than in 1919, and, what is more to the point, higher in 1937 than in the boom year of 1929. A number of other States, too, show a like improvement during this 18-year period as the table submitted herewith will show. In most instances, pay rolls had increased in a similar manner. How can the South have a more pressing relief problem than the Northeast where industrial employment and pay rolls are declining?

Southern States continually contend that they do not have the revenue to meet such services as relief; that they cannot raise from their own funds sufficient money to pay for the services that we now believe desirable. But why is it that these States do not have the money? It is because they do not care to tax their inhabitants sufficiently to do this. They exempt large parts of both industrial and residential properties in the State from taxation. For example, in Florida in order to encourage industrial development, factory buildings are exempt from taxation for 15 years. In Arkansas textile mills are exempt for 7 years. Georgia frees manufacturing establishments from taxation for 5 years. In Louisiana, Alabama, and Mississippi all industries are exempt for 10 years after the date of establishment and South Carolina exempts for 5 years.

In addition, practically all of these States and many others levy no taxes on homes and farms. Exemptions are provided for under the homestead laws on properties assessed from $1,000 to $5,000. Assessed values in many States are very low; in such cases, fairly valuable property is tax exempt altogether. When they were asked to impose new and increased taxes by the Administrator of the F. E. R. A., they protested that this could not be done under the existing constitutions. When these States have freed such a large part of their tax base from the impositions of the tax collector, it is no wonder that they allege that they cannot raise sufficient revenue to meet their relief needs and other public purposes.

But let me point out to you that this policy of tax exemption in most instances is solely for the purpose of attracting new industries to such areas. And where do those industries move from? They move from the northern and eastern parts of the country. And it is from the northern and eastern parts of the country that the largest part of the Federal revenue is derived. It is this revenue derived from such sources that is diverted into these southern areas so as to enable them to exempt industry and residential property from taxation. I will demonstrate to you forthwith that what I am talking about is not merely a theoretical proposition.

Such exemptions and other inducements have apparently been instrumental in attracting industry from the North and East to the South. From 1919 to 1937 the amount of industrial pay rolls in Massachusetts declined 27.5 percent; in Pennsylvania, 16.3 percent; in New York, 15.3 percent; in New Jersey, 12.9 percent, and in Rhode Island, 18 percent. On the other hand, did the amount of industrial pay rolls in the South decline during this period? Most certainly it did not. In North Carolina during this period there was an increase of 49.4 percent in the amount of industrial pay rolls; in South Carolina, 30.7 percent; in Georgia, 9.2 percent; in Texas, 13.8 percent, and Tennessee, 34.2 percent. The President a short while ago called the South the No. 1 economic problem of the country. In view of the above facts, how can that be so?

True, there are some parts of the South in quite a depressed state, but this is also true in many northern States as a result of the tremendous decline in their industrial activities. No wonder industry has a tendency to move to the South. With the development of the T. V. A. and Government-subsidized electric-power production—a subsidy which is being paid for out of the pocket of the taxpayers of the rest of the country—more and more industries will be attracted to the South.

What is the natural result of this? In order to redistribute the national income and raise the standards of living in certain areas, namely, the South and the Far West, the wealth and industry of the northern and eastern areas are being taxed. But it is alleged that these backward areas do not have the funds to meet the ordinary services of government. Why is that? Because they are not willing to tax themselves not even for relief. And why? Because they are attracting new industries by such tax exemptions. Because of these tax exemptions, grants-in-aid, and other subsidies, industry is attracted from the North. By this very process of Government subsidy, freedom from taxation in certain areas, and grants-in-aid, the tax base in the North and

East, the very source of the income of the whole Nation, is being destroyed.

President Roosevelt, in a speech at Pittsburgh, October 19, 1932, stated:

Taxes are paid in the sweat of every man who labors because they are a burden on production and are paid through production. If these taxes are excessive, they are reflected in idle factories, in tax-sold farms, and in hordes of hungry people tramping the streets and seeking jobs in vain.

Are not the excessive taxes on the industrial States of the Nation today reflected in the unemployment situation, tax-sold properties and idle factories that we see everywhere in the northeastern section of the United States?

Census of manufactures

[Source: Bureau of Census, Department of Commerce]

State and census year	Number of establishments [1]	Wage earners (average for the year)	Wages	Value of products
Alabama:				
1919	3,654	107,159	$99,065,800	$492,730,895
1929	2,848	119,559	102,004,881	660,378,132
1935	1,711	94,345	60,643,479	357,226,162
1937	1,874	120,301	96,058,401	573,763,522
Arkansas:				
1919	3,123	49,954	47,186,189	200,312,858
1929	1,697	39,860	33,398,380	195,938,667
1935	1,066	29,076	17,327,951	119,340,868
1937	1,048	37,280	24,734,112	164,676,277
California:				
1919	11,942	243,692	305,207,389	1,981,204,701
1929	11,771	271,109	393,702,818	2,971,236,819
1935	10,345	239,101	265,645,233	2,141,989,850
1937	10,861	302,189	389,132,068	2,899,865,426
Connecticut:				
1919	4,872	292,672	324,682,251	1,392,431,620
1929	3,129	251,861	328,865,412	1,471,875,604
1935	2,820	223,041	226,253,427	899,401,096
1937	2,892	262,620	312,269,732	1,261,788,693
Delaware:				
1919	668	29,035	37,265,319	165,073,009
1929	450	21,476	25,404,906	142,141,353
1935	339	16,532	15,259,295	83,015,313
1937	359	21,052	22,991,808	124,383,887
Florida:				
1919	2,582	74,415	67,433,229	213,326,811
1929	2,135	60,938	48,675,234	212,021,913
1935	1,889	51,412	30,961,300	154,929,726
1937	1,835	52,005	36,501,359	217,044,982
Georgia:				
1919	4,803	123,441	101,180,339	693,237,096
1929	4,179	158,774	110,435,015	722,453,803
1935	2,834	139,650	81,495,168	514,655,015
1937	2,875	159,496	110,501,344	708,652,241
Illinois:				
1919	18,593	653,114	801,087,359	5,425,244,094
1929	15,060	653,106	962,303,710	6,065,579,987
1935	12,018	525,945	581,388,171	3,743,099,217
1937	11,764	668,841	862,793,453	5,304,282,629
Indiana:				
1919	7,916	277,580	317,042,997	1,898,753,387
1929	4,919	297,333	390,622,639	2,468,524,903
1935	3,917	248,196	257,802,311	1,649,530,092
1937	3,939	313,342	402,116,998	2,497,547,946
Kansas:				
1919	3,474	61,049	73,060,019	913,667,094
1929	1,856	38,456	49,343,894	722,470,364
1935	1,492	30,481	31,517,670	457,674,618
1937	1,526	34,128	40,513,398	543,807,190
Kentucky:				
1919	3,957	69,340	67,033,546	395,660,417
1929	2,188	64,708	68,846,705	465,422,871
1935	1,621	60,809	53,058,233	450,675,686
1937	1,624	68,998	66,248,664	504,897,342
Louisiana:				
1919	2,617	98,265	94,405,732	676,189,770
1929	1,989	87,345	83,867,448	685,036,857
1935	1,611	61,664	44,981,789	433,519,717
1937	1,684	76,057	60,203,023	580,839,828
Maine:				
1919	2,995	88,651	94,225,346	456,821,783
1929	1,568	70,159	74,199,961	391,751,334
1935	1,189	68,603	58,026,987	271,730,779
1937	1,171	75,464	72,263,133	348,636,096
Maryland:				
1919	4,937	140,342	147,866,545	873,944,774
1929	3,175	122,327	134,800,314	1,068,016,342
1935	2,679	117,245	108,281,552	741,607,981
1937	2,683	145,932	156,995,227	1,095,862,972
Massachusetts:				
1919	11,906	713,836	766,623,337	4,011,181,532
1929	9,872	557,494	694,805,312	3,392,162,237
1935	8,266	437,459	438,416,128	2,060,045,208
1937	8,619	496,036	556,076,897	2,620,788,793

[1] The figures for 1919 include data for establishments with products valued at $500 or more. The corresponding limit for subsequent census years was $5,000. This change resulted in a considerable reduction in the number of establishments covered but did not otherwise materially affect the comparableness of the statistics.

Census of manufactures—Continued

State and census year	Number of establishments	Wage earners (average for the year)	Wages	Value of products
Michigan:				
1919	8,305	471,242	$639,708,093	$3,466,188,483
1929	6,555	518,560	822,231,555	4,584,402,928
1935	5,544	531,658	691,666,406	3,986,178,348
1937	5,614	660,676	986,840,523	5,296,100,960
Minnesota:				
1919	6,225	115,623	127,106,505	1,218,129,735
1929	4,209	90,490	112,719,306	1,120,559,357
1935	3,701	76,241	77,974,350	746,350,564
1937	3,718	89,925	107,393,009	937,462,797
Mississippi:				
1919	2,455	57,560	51,225,716	197,746,987
1929	1,870	49,655	38,603,948	213,185,820
1935	1,059	36,367	19,334,105	120,330,001
1937	1,100	46,040	26,383,931	190,670,510
Missouri:				
1919	8,592	195,037	196,515,353	1,594,208,338
1929	5,631	187,278	220,061,996	1,834,343,691
1935	4,379	157,683	153,734,808	1,183,637,068
1937	4,291	186,831	202,585,847	1,505,383,002
New Hampshire:				
1919	1,499	83,074	79,326,341	407,204,934
1929	1,075	65,511	70,513,919	332,534,753
1935	775	53,833	47,812,060	207,090,501
1937	794	56,517	55,234,545	249,631,724
New Jersey:				
1919	11,057	508,686	600,658,348	3,672,064,987
1929	8,291	432,525	594,489,484	3,861,065,466
1935	7,425	373,522	391,923,700	2,407,323,488
1937	7,064	436,745	523,504,132	3,253,246,218
New York:				
1919	49,330	1,228,130	1,458,206,805	8,867,004,906
1929	39,046	1,063,707	1,582,044,303	9,682,056,679
1935	33,569	878,592	991,677,618	5,963,850,154
1937	29,749	995,658	1,236,048,186	7,314,446,524
North Carolina:				
1919	5,999	157,659	126,680,099	943,807,949
1929	3,797	209,826	160,867,988	1,311,924,352
1935	2,599	227,100	148,922,367	1,103,910,930
1937	2,896	258,771	189,265,474	1,384,737,686
Ohio:				
1919	16,125	730,733	944,651,734	5,100,308,728
1929	11,610	712,635	1,052,792,790	5,899,718,984
1935	9,142	579,522	665,855,146	3,660,903,592
1937	9,138	694,205	957,650,237	5,099,816,893
Oregon:				
1919	2,707	58,559	81,093,784	366,782,627
1929	2,422	62,231	81,767,209	393,199,444
1935	1,710	51,007	51,414,772	259,344,964
1937	2,107	65,982	79,492,397	363,142,053
Pennsylvania:				
1919	27,973	1,135,837	1,406,066,138	7,315,702,867
1929	16,576	954,697	1,282,262,229	7,169,545,061
1935	12,926	814,670	816,022,112	4,191,368,642
1937	13,084	954,340	1,176,957,270	6,032,083,005
Rhode Island:				
1919	2,466	139,665	137,495,377	747,322,858
1929	1,701	126,068	144,196,934	666,368,210
1935	1,420	100,852	94,321,904	411,885,779
1937	1,409	108,031	112,933,084	517,196,193
South Carolina:				
1919	2,004	79,450	62,565,413	381,452,984
1929	1,659	108,777	73,223,327	385,892,252
1935	1,121	108,558	65,946,031	297,156,408
1937	1,193	129,748	91,791,692	409,911,517
Tennessee:				
1919	4,589	95,167	81,355,256	556,253,162
1929	2,855	128,400	115,877,077	730,508,612
1935	1,991	112,434	81,245,588	520,968,985
1937	2,083	135,073	109,247,514	707,986,784
Texas:				
1919	5,724	107,522	116,403,800	999,995,796
1929	5,198	134,498	151,827,257	1,450,246,431
1935	4,167	99,124	90,202,214	1,059,245,252
1937	4,422	129,501	132,505,115	1,581,422,401
Vermont:				
1919	1,790	33,491	34,083,935	168,108,072
1929	927	27,421	33,809,987	143,522,547
1935	660	18,870	17,597,752	80,847,121
1937	683	23,682	24,614,697	111,876,051
Virginia:				
1919	6,503	119,352	120,006,452	643,511,621
1929	3,185	106,193	98,167,198	691,127,823
1935	2,241	113,654	86,376,752	697,529,672
1936	2,384	132,643	112,773,796	908,222,316
Washington:				
1919	4,918	132,928	194,968,222	809,622,984
1929	3,592	108,734	151,047,120	766,868,346
1935	2,840	79,589	83,969,592	470,122,615
1937	3,057	101,260	128,471,946	675,639,592
West Virginia:				
1919	2,785	83,036	101,840,420	471,970,877
1929	1,427	75,153	99,444,205	477,840,999
1935	1,027	74,180	76,649,944	366,574,067
1937	1,057	83,464	102,511,473	480,526,030
Wisconsin:				
1919	10,393	263,949	290,440,561	1,846,984,307
1929	7,326	253,815	335,866,558	2,108,581,345
1935	6,286	196,972	204,200,564	1,313,814,794
1937	6,318	234,067	296,365,346	1,772,310,417

From the Annual Report of the Secretary of the Treasury for the fiscal year ended June 30, 1938

States, Territories, and possessions	Internal-revenue receipts, by States and Territories, fiscal year 1938 (exclusive of Social Security and Carriers Act taxes)	Direct payments to States and Territories under cooperative arrangements, and grants to and expenditures within States and Territories, providing direct relief, work relief, and other aid (exclusive of loans)	
		Amount	Percent
Alabama	$12,055,197.49	$37,680,821.31	312.6
Alaska	684,065.55	2,382,601.96	348.3
Arizona	4,519,847.56	22,214,787.17	491.5
Arkansas	6,323,731.74	43,202,611.41	683.2
California	273,078,851.19	148,122,700.93	54.2
Colorado	29,388,208.52	46,246,935.43	157.4
Connecticut	82,734,449.12	27,812,672.37	33.6
Delaware	77,325,714.65	4,597,318.63	5.9
District of Columbia	27,660,524.07	21,175,227.43	76.6
Florida	38,351,522.95	30,737,857.71	80.1
Georgia	26,200,183.26	43,017,774.55	164.2
Hawaii	13,157,409.30	6,019,214.13	45.7
Idaho	3,245,713.84	26,662,978.14	821.5
Illinois	414,298,392.03	172,501,384.61	41.6
Indiana	104,241,275.95	76,783,139.79	73.7
Iowa	19,460,233.29	56,188,544.19	288.7
Kansas	16,644,023.88	48,582,593.05	291.9
Kentucky	114,603,062.77	51,090,744.66	44.6
Louisiana	41,314,661.51	39,170,785.76	94.8
Maine	12,021,951.21	12,275,777.83	102.1
Maryland	96,431,495.25	26,949,005.95	27.9
Massachusetts	158,889,933.30	100,654,754.13	63.3
Michigan	271,775,332.34	102,284,942.58	37.6
Minnesota	55,113,572.45	86,800,021.20	157.5
Mississippi	5,178,247.40	41,774,962.23	806.7
Missouri	109,104,616.95	84,044,028.98	77.0
Montana	4,803,171.25	38,723,193.84	806.2
Nebraska	13,407,136.06	44,808,510.13	334.2
Nevada	4,212,830.98	10,149,751.85	240.9
New Hampshire	7,732,452.89	10,342,533.59	133.8
New Jersey	188,609,501.71	82,571,012.04	43.8
New Mexico	2,363,391.06	23,265,176.50	984.4
New York	1,085,607,964.67	293,929,774.94	27.1
North Carolina	318,623,516.76	46,438,540.06	14.6
North Dakota	1,065,846.00	39,900,148.07	3,743.5
Ohio	287,289,233.88	165,072,954.85	57.5
Oklahoma	56,875,922.60	60,493,636.47	106.4
Oregon	10,872,542.55	38,517,673.35	354.3
Pennsylvania	398,061,733.20	229,984,645.33	57.8
Philippine Islands	406,004.94	1,497.85	.4
Rhode Island	28,643,038.28	15,399,239.28	53.8
Puerto Rico	852,295.35	5,419,848.19	635.9
South Carolina	9,426,155.62	34,084,112.19	361.6
South Dakota	1,424,987.11	43,257,440.75	3,035.6
Tennessee	26,002,292.08	42,229,590.12	162.4
Texas	120,227,312.12	113,749,174.64	94.6
Utah	6,638,975.36	21,155,391.70	318.7
Vermont	3,556,414.15	10,758,790.83	302.5
Virginia	192,154,081.89	36,386,989.16	18.9
Virgin Islands		184,408.97	
Washington	27,256,433.95	55,004,429.66	201.8
West Virginia	19,273,908.66	35,761,614.89	185.5
Wisconsin	85,127,604.44	80,918,347.94	95.1
Wyoming	2,788,113.24	14,626,009.67	524.6
Total	4,917,105,078.37	2,952,068,622.00	60.0

Slum Clearance

EXTENSION OF REMARKS

OF

HON. ROBERT F. WAGNER

OF NEW YORK

IN THE SENATE OF THE UNITED STATES

Tuesday, July 25, 1939

LIST OF ORGANIZATIONS AND INDIVIDUALS ENDORSING S. 591

Mr. WAGNER. Mr. President, I ask to have printed in the RECORD a list of the organizations and individuals who have endorsed Senate bill 591, which would authorize the expansion of the slum-clearance and low-rent housing program.

There being no objection, the list was ordered to be printed in the RECORD, as follows:

LIST OF ORGANIZATIONS AND INDIVIDUALS WHO HAVE ENDORSED S. 591, AUTHORIZING THE EXPANSION OF THE SLUM-CLEARANCE AND LOW-RENT HOUSING PROGRAM UNDER THE UNITED STATES HOUSING ACT

National organizations: Amalgamated Association of Iron, Steel, and Tin Workers Union; Amalgamated Clothing Workers of America; American Association for Social Security; American Association of Social Workers; American Federation of Hosiery Workers; American Federation of Housing Authorities, Inc.; American Federation of Labor; American Federation of Musicians; American Federation of State, County, and Municipal Employees; American Federation of Teachers; American Home Economics Association; American Institute of Architects; American Planning and Civic Association; American Society of Planning Officials; Bricklayers, Masons, and Plasterers; Cigar Makers' International Union of America; Congress of Industrial Organizations; Construction League of the United States; Federal Council of the Churches of Christ in America; Federation of Architects, Engineers, Chemists, and Technicians; Federation of Flat Glass Workers; Glass Blowers Association; Hotel and Restaurant Employees' International Alliance; International Alliance of Theatrical Stage Employees and Moving Picture Operators; International Association of Bridge Structural and Ornamental Iron Workers; International Association of Machinists; International Association of Marble, Stone, and Slate Polishers and Sawyers, Tile and Marble Setters, Helpers, and Terrazzo Helpers; International Broom and Whisk Makers Union; International Brotherhood of Blacksmiths, Drop Forgers, and Helpers; International Brotherhood of Boilermakers and Iron Shop Builders and Helpers; International Brotherhood of Electrical Workers; International Federation of Technical Engineers', Architects', and Draftsmen's Unions; International Fur Workers' Union; International Hod Carriers, Building and Common Laborers Union; International Ladies Garment Workers; International Union of Elevator Constructors; International Union Federation of Architects, Engineers, Chemists, and Technicians; International Union of Operating Engineers; Joint Board of the Cloak, Suit, Skirt, and Reefer Makers Union; Knights of Columbus, Educational Bureau; Labor Housing Conference; Labor's Non-Partisan League; Municipal Law Officers' Institute; National Association of Letter Carriers; National Chapter, Society of Designing Engineers; National Council of Catholic Men; National Council of Catholic Women; National Women's Trade Union League of America; National Federation of Post Office Clerks; National Federation of Settlements; National Lawyers Guild; National Organization Masters, Mates, and Pilots of America; National Public Housing Conference; National Women's Trade Union League of America; Operative Plasterers and Cement Finishers International Association; Presbyterian Church in the United States, Board of Christian Education; Public Ownership League of America; Social Service Employees Union; Transport Workers Union of America; United Association of Journeymen Plumbers and Steam Fitters; United Hatters, Cap, and Millinery Workers; United Rubber Workers of America; United Wall Paper Craftsmen and Workers of North America; United Mine Workers of America; Women's International League for Peace and Freedom; Y. W. C. A. National Board.

Alabama: Birmingham Pastor's Union; Central Trades Council, Mobile; Muscle Shoals Building Trades Council; Tri-Cities Central Labor Union.

Arizona: City of Phoenix.

Arkansas: Pine Bluff Central Trades & Labor Council.

California: Alameda County Industrial Union Council; Brotherhood of Railway Carmen of America, Pacific Lodge, No. 1381, Los Angeles; Building and Construction Trades Council of Santa Clara County; Building and Construction Trades Council, San Mateo; Central Labor Union of Monterey County; Chemical Workers, Local No. 266; City Council, Santa Barbara, Calif.; Central Trades Council; Consolidated Building and Metal Trades Central Labor Council; Contra Costa County, Industrial Union Council; Council of Social Agencies of Los Angeles; Federation of Architects, Engineers, Chemists and Technicians, chapter 25; Federation of Architects, Engineers, Chemists and Technicians, chapter 28; Fresno Central Labor Council; Los Angeles Building Trades Council; Marine Cooks and Stewards' Association of San Pedro, Calif.; Oil Workers Union, Local No. 326; Rodeo Ladies Auxiliary, Local 326A; San Francisco District Industrial Union Council; San Francisco-Oakland Newspaper Guild; San Mateo Central Labor Council; San Mateo Painters', Local Union, No. 913; Steel Workers, No. 1440; Textile Workers Organizing Committee, No. 146; U. C. A. P. A. W. A., No. 15, C. I. O.; United Auto Workers, Local No. 76; United Electrical, Radio and Machine Workers, Local No. 1412; United Fishermen's Union of the Pacific; Warehousemen's Union, Local 1-6, I. L. W. U.; United Rubber Workers of America, Local No. 60; Vallejo Carpenters, Local No. 180; Walter A. Gordon, attorney-at-law, Berkeley.

Colorado: Colorado State Federation of Labor.

Connecticut: Connecticut Federation of Labor: Central Labor Union of New Britain; Danbury Central Labor Union; Hartford Central Labor Union; Meriden Central Labor Union; Slovak Alliance of Bridgeport; Stamford Painters' Union; Sts. Cyril and Methodius Roman Catholic Church, Bridgeport; St. Mary's Roman Catholic Church, Bridgeport.

District of Columbia: United Association of Journeymen Plumbers and Steam Fitters Local Union, No. 255.

Georgia: Executive Committee of Techwood Homes; Georgia Federation of Labor; Macon Federation of Trades; Mr. C. F. Palmer, Atlanta; Savannah Building and Construction Council; Trades and Labor Assembly.

Illinois: Belleville Trades and Labor Assembly; Belleville Building Trades Council; Child and Family Service, of Peoria, Ill.; Central Trades and Labor Council of Joliet; Cervin & Stuhr, architects, Rock Island; Chicago Federation of Settlement; City Council of the City of Chicago; City Council of the City of Peoria; Department of Public Health and Safety; Distillery Workers' Union, No. 19538, Pekin; Illinois State Federation of Labor; International Ladies Garment Workers' Union, Local 39, Chicago;

International Metal Engravers' Union, Local No. 1; International Union of Operating Engineers, Locals Nos. 965 and 965A; United Cement Workers' Union, No. 20066; Progress Club of Peoria; Social Service Employees' Union, Local 39, Chicago; Springfield Federation of Labor; Mr. R. Clyde White, Chicago.

Indiana: Bloomington Central Labor Union; Conference Continuations Conference; Fort Wayne Federation of Labor; Indiana State Federation of Labor; Kokomo Trades and Labor Council; United Brotherhood of Carpenters and Joiners of America, Local Union No. 90; Vigo County Workers Alliance; Workers Alliance, Local G-279; Workers Alliance of Indiana; Carpenters' Local No. 565; International Ladies Garment Workers' Union, No. 116, Fort Wayne.

Iowa: Cedar Rapids Federation of Labor; Central Labor Union; Tri-City Labor Congress.

Kansas: Coffeyville Central Labor Union; Hutchinson Central Trades and Labor Council; Pittsburg United Trades and Labor Council; Wichita Trade and Labor Assembly.

Kentucky: City of Lexington; Louisville Central Labor Union; State Federation of Labor.

Louisiana: Rev. Roger W. Coleman, First African Baptist Church, New Orleans; New Orleans Association of Commerce; Eva Smill, Family Service Society, New Orleans.

Massachusetts: Cambridge Central Labor Union; Central Labor Union; Federation of Architects, Engineers, Chemists, and Technicians, Boston Chapter; Federal Labor Union, 18518; Rev. Charles G. Girelius, Wayland; Massachusetts Department of Public Welfare; mayor and Council of the city of Lowell, Mass.; Norwood Central Labor Union.

Michigan: City Council of the city of Detroit, city Council of the city of Lansing; Council of Social Agencies of Kalamazoo; Mr. Barton P. Jenks, Jr., Walled Lake; M. & M. Trades Council, Menominee; Society of Designing Engineers; United Brotherhood of Carpenters and Joiners of America, Local No. 297.

Minnesota: Minneapolis Building Trades Council; Minnesota State Employees Local Union, No. 10.

Missouri: Building and Construction Trades Council, Kansas City; Building Trades Council, Springfield; Central Labor Body, Carthage; city of St. Louis; Moberley Central Labor Union, Moberley.

Montana: Cascade County Trades and Labor Assembly, Great Falls; Miles City Trades and Labor Council.

Nebraska: Miss Edith Carse, head of housing equipment division, University of Nebraska; Urban League of Lincoln.

New Hampshire: Manchester Building Trades Council.

New Jersey: Board of commissioners of the city of Camden; Catholic Daughters of America, South Orange; city council of East Orange; city of Camden; International Brotherhood of Electrical Workers, No. 102; International Ladies' Garment Workers' Union, No. 149; Newark Newspaper Guild; New Jersey Housing League, Inc.; Public Service Corporation of New Jersey; Trenton Chamber of Commerce; Union County Central Labor Union, Elizabeth.

New York: Aluminum Workers Union, No. 19256; Amalgamated Ladies' Garment Cutters' Union, Local 10, International Ladies' Garment Workers' Union; American Committee for the Protection of Foreign Born; American Federation of Musicians, Local No. 802; American Society of Sanitary Engineering; Benjamin Andrews, Columbia University, N. Y.; Mrs. James Russell Bourne, Rhinebeck; Bricklayers' Union, No. 1, Brooklyn; Bricklayers' Union, No. 34; Brooklyn Committee for Better Housing; Building Trades Council; Central Labor Council of Buffalo; Central Labor Union; Central Trades and Labor Council; Citizens' Housing Committee; Citizens' Housing Council of New York, Inc.; city of New Rochelle; Community Service Society; Consolidated Tenants' League, Inc., New York City; Consumers' Union of United States, Inc.; Dental Technicians Equity; Dressmakers' Union, Local 22, International Ladies' Garment Workers' Union; Federation of Architects, Engineers, Chemists, and Technicians, Chapter 14; Federation of Architects, Engineers, Chemists, and Technicians, Chapter 23; Federation of Jewish Women's Organizations, Inc.; Federation of Labor; Furriers' Joint Council of New York; First Presbyterian Church, Rev. Howard B. Haines; Greenwich House Settlement, New York City; International Union of Operating Engineers, Locals 138 and 138A, Hempstead, Long Island; International Union of Operating Engineers, Rochester, Local 71; Jewish Social Service Association, Inc.; Lewis Street Center, Rochester; Lower East Side Public Housing Conference, New York City; Manhasset Health Association; New York City Division of Housing; New York State Industrial Union Council, Congress of Industrial Organizations; New York Typographical Union, Local No. 6; Plumbers' Local, No. 36; Mr. Heber Smith, New York City; Rev. H. Otheman Smith, Baptist Church of the Redeemer; Mr. J. J. Sturgh, Buffalo; Union of Marine Draftsmen and Technicians, Chapter 24; United Brotherhood of Carpenters and Joiners of America, Bronx; United Electrical, Radio and Machine Workers, Local No. 1237; United Scenic Artists of America, Local No. 829; Utica Trades Assembly; Washable Clothing, Sportswear, and Novelty Workers, Local 169, Amalgamated Clothing Workers of America; Welfare Council of the City of New York; Westminster Community House; Women's City Club of New York; Yorkville Tenants' League; Yoruba Literary and Debating Club, New York City.

North Carolina: City of Wilmington, Department of Public Safety; Durham Central Labor Union.

Ohio: Amalgamated Clothing Workers of America, Coat, Suit, and Dressmakers Union, No. 63; Barberton Central Labor Union; C. J. Bushnell, University of Toledo, Toledo; Rabbi Barnett R. Brickner; Citizens' Committee on Slum Clearance and Low Rent Housing, Cincinnati; Council of the city of Cleveland; Council of the city of Toledo; Prof. Abraham Cronbach; First Presbyterian Church on Walnut Hills; Central Labor Council, Cincinnati; Marion Central Labor Union; Bleecker Marquette, Cincinnati; Operative Plasterers and Cement Finishers' International Association, Middletown, Ohio; L. A. Pechstein, president of the University of Cincinnati; W. W. Ryall, commissioner of health; Toledo Central Labor Union; Toledo, Ohio, Chapter of the National Association of Social Workers; Trades and Labor Assembly of Tuscarawas County; United Labor Congress of Mahoning County; Young Women's Christian Association, Cincinnati; Clifford R. Wright, Cincinnati.

Oklahoma: Enid City Planning and Zoning Commission; Oklahoma City Building and Construction Trades Department.

Oregon: Building and Construction Trades Council; Oregon State Federation of Labor; Portland District Council of Lumber and Sawmill Workers, Local Union No. 2532.

Pennsylvania: American Federation of Hosiery Workers, Branch No. 10; American Federation of Teachers, Local 474; Association of Philadelphia Settlements; Carbondale Central Labor Union; Central Labor Union, Philadelphia; city of Bethlehem; City Council of the city of Bethlehem; Civic Club of South Philadelphia; Council of Social Agencies; Erie Central Labor Union; L. G. Heinle, city clerk, New Kensington; Lancaster Central Labor Union; Northern Cambria Central Labor Union; Pennsylvania Federation of Labor; Pennsylvania Industrial Union Council; Philadelphia Housing Association; Philadelphia Industrial Union Council; Society for Ethical Culture, Housing Study and Discussion Group; Steel City Industrial Union Council.

South Carolina: Spartanburg Central Labor Union.

Tennessee: Knoxville Central Labor Union; S. L. Smith, director of public relations, George Peabody College for Teachers, Nashville.

Texas: Bricklayers, Masons, Plasterers International Union of America, Local No. 23, of Texas; Brotherhood of Painters, Decorators, and Paperhangers of America, Union No. 585; Brotherhood Railway Carmen of America, Local 89; Rabbi Ephriam Frisch; Houston Labor and Trades Council; International Hod Carriers' Building and Common Laborers' Union of America, Local No. 93; Pecan Workers Union of San Antonio, Local No. 172; Texas Federation of Labor.

Utah: Building Trades Council; Utah Federation of Labor.

Washington: Bellingham Building and Construction Trades Council; Board of County Commissioners, King County, Seattle; Shelton Central Trades and Labor Council; Yakima Central Labor Council.

West Virginia: American Federation of Hosiery Workers, Branch 92; Building and Construction Trades Council; Martinsburg Industrial Union Council.

Wisconsin: Aluminum Workers' Union, 19649; American Federation of State, County, and Municipal Employees, Local 58, A. F. S. C. M. E.

Brass and Copper Workers' Federal Labor Union, Local No. 19322; Central Cooperative Wholesale; Cooperative Consumers of Milwaukee, Inc; Department of Outdoor Relief; Federal Labor Union, No. 18545; Federated Trades Council of Milwaukee; Green Bay Federated Trades Council; Mayor Daniel W. Hoan, Milwaukee; Office Workers' Union, No. 16456; Waukesha Trades and Labor Council.

LOCAL HOUSING AUTHORITIES AND STATE BOARDS OF HOUSING WHO HAVE INSTRUCTED THE AMERICAN FEDERATION OF HOUSING AUTHORITIES TO RECORD THEIR ENDORSEMENT OF S. 591

Alabama: Anniston Housing Authority, Housing Authority of the Birmingham district, Mobile Housing Board.

Arizona: Phoenix Housing Authority.

California: Housing Authority of the city of Los Angeles, Housing Authority of the city of Oakland; Housing Authority of the city and county of San Francisco.

Florida: Miami Housing Authority, the Housing Authority of the city of Orlando, Housing Authority of the city of St. Petersburg.

Georgia: Atlanta Housing Authority, Augusta Housing Authority, Brunswick Housing Authority, Columbus Housing Authority, Housing Authority of the city of Rome, Housing Authority of Savannah.

Illinois: Peoria Housing Authority.

Indiana: Richmond Housing Authority, Housing Authority of the city of Vincennes.

Kentucky: City of Covington Municipal Housing Commission, the city of Frankfort Municipal Housing Commission, the city of Lexington Municipal Housing Commission, Paducah Municipal Housing Commission.

Louisiana: Housing Authority of New Orleans.

Maryland: Housing Authority of Baltimore City.

Massachusetts: Boston Housing Authority, Cambridge Housing Authority, Chicopee Housing Authority, the Holyoke Housing Authority, Lowell Housing Authority, and Massachusetts State Board of Housing.

Michigan: Dearborn Housing Commission and Detroit Housing Commission.

Mississippi: The Housing Authority of Hattiesburg, the Housing Authority of Laurel, and McComb Housing Authority.

Montana: Billings Housing Authority and Great Falls Housing Authority.

Nebraska: Housing Authority of the City of Omaha.

New Jersey: Housing Authority of Atlantic City, Housing Authority of the city of Elizabeth, Housing Authority of the city of Long Branch, Newark Housing Authority, New Jersey State Housing Authority, Housing Authority of Perth Amboy, and Housing Authority of the city of Trenton.

New York: New York City Housing Authority, New York State Housing Board, the Municipal Housing Authority for the city of Yonkers, and Tuckahoe Housing Authority.

North Carolina: Housing Authority of the city of Charlotte; Housing Authority of the city of Wilmington.

Ohio: Cincinnati Metropolitan Housing Authority; Cleveland Metropolitan Housing Authority; Portsmouth Metropolitan Housing Authority; Toledo Metropolitan Housing Authority; Youngstown Metropolitan Housing Authority; Zanesville Metropolitan Housing Authority.

Pennsylvania: McKeesport Housing Authority; Pennsylvania State Board of Housing; Philadelphia Housing Authority; Housing Authority of the city of Pittsburgh.

Tennessee: Chattanooga Housing Authority; Kingsport Housing Authority; Knoxville Housing Authority; Memphis Housing Authority; Nashville Housing Authority.

Texas: Housing Authority of the city of Brownsville; Housing Authority of the city of Dallas; Housing Authority of the city of El Paso; Housing Authority of the city of Houston; Housing Authority of the city of San Antonio.

Vermont: Burlington Housing Authority.

Washington: King County Housing Authority; Seattle Housing Authority.

West Virginia: Housing Authority of the city of Charleston; Wheeling Housing Authority; Housing Authority of the city of Williamson.

Puerto Rico: Puerto Rico Housing Authority; Ponce Housing Authority.

Amendment of Patent Laws

EXTENSION OF REMARKS

OF

HON. BURTON K. WHEELER

OF MONTANA

IN THE SENATE OF THE UNITED STATES

Tuesday, July 25, 1939

STATEMENT BY PARKER, CARLSON, PITZNER & HUBBARD

Mr. WHEELER. Mr. President, I ask unanimous consent to have printed in the RECORD a statement prepared by Parker, Carlson, Pitzner & Hubbard, of Chicago, relative to Senate bill 2688, to amend section 4884 of the Revised Statutes (U. S. C., title 35, sec. 40).

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

Senate bill 2688, introduced by Senator BONE on June 23, 1939, and understood to be one of the series of bills for the amendment of patent laws recommended by Mr. Coe, Commissioner of Patents, provides for the amendment of section 4884, Revised Statutes, first, by substituting for the words "for the term of 17 years" the words "for the term of the patent", and, secondly, by inserting between the first and second sentences of the statute the following: "The term of the patent shall begin with the issuance thereof and shall terminate at a date not more than 20 years from the date of filing by the applicant in the United States of his earliest application disclosing the invention covered by any of the claims of said patent; but in no case shall the term of any patent be more than 17 years."

The proposed change in the existing law is based upon an alleged extension of the term of patent protection beyond the 17 years now provided, resulting from undue delays in the prosecution of applications for patent. At the outset it should be noted that long pendency of a patent application does not in itself result in an extension of the term of protection granted. It does, it is true, postpone the date of expiration of the patent, but during the time the application is pending the patentee is merely in the position of one asking for patent protection and has no actual protection enabling him to proceed against infringers. Not until his patent is actually granted can the inventor proceed against others for infringement.

In recommending the change, the Commissioner of Patents has cited various instances in which patents have issued many years after the applications were filed. Quite naturally he selected extreme cases. In these cases, as well as in practically all instances of long pendency of patent applications, the delay is traceable in large measure to proceedings in the Patent Office and more especially to what are known as interference proceedings. An interference is a litigation between two rival applicants for patent. It involves pleadings and motions based on pleadings which must be briefed and argued before the examiner at the time fixed by him, with attending delay until the examiner's decision is rendered. Next it is necessary to take testimony by depositions, which may be taken in various parts of the country; next the briefs and arguments of counsel at a time fixed in advance by the examiner of interferences; consideration and decision by the examiner; an appeal to the board of appeals, with a delay until the case is reached before the board and a further delay until the board renders its decision; and, finally, an appeal to the Court of Customs and Patent Appeals, which may require 2 years before it can be heard and decided. The loss of this time—often from 3 to 5 years—sometimes, in cases of successive interferences, 10 to 15 years—is manifestly not the fault of the applicant; and it would be a rank injustice to charge it against the term of his patent.

Recognizing the fact that interference proceedings are responsible for long delays in the Patent Office, the Commissioner of Patents has included among his various recommendations the proposed change in the patent laws to shorten such proceedings. But changes in these proceedings, without endangering the rights of the applicants involved, is an exceedingly difficult problem, and so the change proposed by the Commissioner is confined to the elimination of one appeal with a saving in time of probably not to exceed 1 year. Such a saving is far too small to warrant a substantial reduction in the term of patent protection granted to a meritorious inventor, and unless and until some way is found to eliminate delays for which the applicant is not responsible, the proposed cure is worse than the difficulty sought to be remedied. Thus, it is inconceivable that this bill should be passed without some adequate provision for eliminating the time consumed in interference proceedings instituted by the Patent Office.

Even if the interference practice were to be radically amended, it would still cause delay, unavoidable by the applicant, in the proceedings to obtain a patent; and the principle is the same—the inventor should not bear the loss.

The bill under consideration provides for a change in the term of a patent from the present 17 years from the date of its issuance to 20 years from the date of filing of the application, apparently on the theory that 3 years is sufficient time for the prosecution of patent applications. It may be true that in the average case 3 years' time is adequate, provided no interference is declared. But in many cases more than 3 years is required for securing for the inventor adequate protection. As anyone familiar with Patent Office practice well knows, a large part of the delay is attributable to the Patent Office, and this is so more especially in the case of important inventions where the grant of a patent might seriously affect an established industry; for experience has shown that in such cases the patent examiner is hesitant about granting protection with the result that it is necessary to resort to appeals to higher tribunals. Thus after prosecution of such application before the examiner, consuming in the average case about 3 years' time, further delays of from 1 to 3 years may ensue because of the necessity of filing successive appeals, and this through no fault of the applicant.

Again it happens not infrequently that to the delays incident to a prolonged ex parte prosecution of an application must be added delays incident to the declaration of an interference. Not until the patent application has been found to contain allowable subject matter can an interference be declared. Thus it may and does frequently happen that the applications of two rival inventors are copending in the Patent Office and after long prosecution of both applications, including perhaps appeals to higher tribunals, an interference may then be declared by the Patent Office between the two applicants. Under such circumstances the true and first inventor would receive his patent many years after his application had been filed and having had no actual protection during the pendency of the application, the duration of the term of his protection must necessarily be shortened by several years should the proposed bill become law.

The proposed bill is also objectionable for another and important reason. If enacted, it would result in great hardship to many meritorious inventors and would in many cases wholly withdraw the benefits of the patent laws in the case of inventions of the highest order conferring the greatest benefits upon the public. In this connection the proposed bill provides that the term of a patent shall begin with the date of filing by the applicant of his earliest application disclosing the invention.

No one who is familiar with the history of the development of important inventions will dispute the fact that in many instances years are required after the first concept of the broad idea, and even after reduction to practice has demonstrated its value, before the invention can be put into commercial use. The initial construction and testing of a complicated machine or apparatus involves the expenditure of a great deal of time and money. Seldom is the initial construction suitable for marketing and many changes must be made tending to simplify the construction and improving it to the point of commercial practicability. It may be that the invention forms only a part of a complete system requiring the production of many other inventions in preparation for profitable commercial operation of the primary invention. Also it may be necessary to resort to long experimentation and extended research in discovering the best materials. All or any of these matters frequently delay the actual commercial adoption of the inventors' ideas for many years. Under the present laws the inventor is permitted to file an application for patent on his original and perhaps basic concept and it is important to his protection that he do so. After filing such original application he can proceed with his developments and after he has succeeded in producing a commercially acceptable structure embodying the invention, he may file a new application on the new construction while the original

application is still pending and ultimately abandon the original application.

In the case of such important inventions requiring a long period of years for development before the invention is ready for the market, the inventor can, under the existing law, protect himself against rivals on the basis of his original concept and still have time to make such improvements or additions as may be necessary and without which the invention is of little value. To enact that the term of the patent shall begin to run with the date of the filing of the first application would serve to discourage the filing of applications based on the original concept and to take from him the protection to which he is rightfully entitled while engaged in perfecting his invention to a point where it can be placed on the market.

Most everyone is familiar with important or basic inventions of the type above referred which require long period of years and the expenditure of a great deal of money before they are perfected for use. Even under the existing law, basic inventions are made and patents issued long before commercial exploitation is possible, and an instance of this sort is found in the development of television. Farnsworth had the conception in 1922. He was in an interference in the Patent Office in 1927 and he had patents issued in 1929; 10 years have passed since then, and television, though now perfected physically at great expense and having promise of creating a great and profitable industry, has not returned one penny to its inventor or its promoters. The time when it will become profitable is still conjectural.

This is by no means an extreme case. Many developments have required much longer time. The television history is referred to here because it is set forth at length in the proceedings of the Temporary National Economic Committee, volume I, pages 489–499.

Sometimes the conception is complete but the best material is difficult to find or produce. The Sawyer-Man incandescent electric-light patent was issued in 1885 on an application filed in January 1880. The patent claims called for the use of a carbonized filament of fibrous or textile material, but the specific substance suggested by the inventors as the best embodiment of their invention was carbonized paper—which turned out to be impracticable commercially. During the same period, Edison, working on the same subject, examined more than 6,000 different vegetable growths without success and finally found a particular species of bamboo in Japan, which had walls of three-eighths of an inch in thickness but which yielded a strip of only twenty-thousandths of an inch that was suitable for the purpose; and this bamboo fiber was the basis of the first commercially successful incandescent light.

Sometimes the poverty of the inventor delays commercial exploitation for years.

In very many instances, the present term of 17 years is all too short for the protection of the inventor. That the system has worked well is undeniable. Any proposals to shorten the term of protection should be supported by stronger arguments than have yet been advanced in behalf of this bill.

In his testimony before the Temporary National Economic Committee, the Commissioner of Patents submitted a chart, No. 30, showing that in the year 1938, 116,041 applications were pending and of these 1,924 had been pending more than 5 years and 5,994 from 3 to 5 years. When it is considered that in practically all cases where a long delay occurs such delay is due to interferences and appeals and therefore to no fault of the inventors; that even in such cases the proportion to all applications filed is very small; and that in the case of many inventions of the highest order the commencement of the term of the patent with the date of filing of the first application disclosing the invention claimed would work a severe hardship and tend to discourage inventive effort, it must be evident that the change proposed in Senate bill 2668 has no adequate foundation.

Equity Financing

EXTENSION OF REMARKS

OF

HON. STYLES BRIDGES

OF NEW HAMPSHIRE

IN THE SENATE OF THE UNITED STATES

Tuesday, July 25, 1939

ARTICLE BY H. I. PHILLIPS

Mr. BRIDGES. Mr. President, I ask to have printed in the RECORD an article entitled "Equity Financing," by H. I. Phillips, reprinted from the New York Sun.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

[From the New York Sun]

EQUITY FINANCING

(By H. I. Phillips)

(Henry Ford started the Ford Motor Co. 26 years ago with $2,800.—News item.)

THEN

A man demonstrates a horseless carriage and asks financial backing. He says his name is Henry Ford.

Nobody knows him.

He says he needs about $2,800.

He gets it.

The business starts.

TODAY

A man demonstrates a horseless carriage and asks financial backing. He says his name is Ford.

Nobody even asks his first name after he mentions $2,800.

He goes to some wealthy men but they tell him this is no time to take chances.

He goes to a banker. The banker says a horseless carriage might go all right, but the bank is putting all its money into Government bonds.

He goes to a close friend, who expresses the belief a horseless carriage might have a future, but that on account of the economic set-up, the unbalanced Budget, the inflation scare, etc., it is no time to launch a new project.

He goes to another close friend, who is quite delighted with the horseless buggy, but who "isn't putting any money into anything now on account of the European situation."

He goes to a politician. The politician says a horseless carriage looks O. K. on paper and might be profitable through replacing the horse and buggy; but that to replace the horse and buggy would be to throw blacksmiths, hack drivers, feed-store workers, harnessmakers, etc., out of work.

He finally locates a couple of capitalists who have imagination enough to see a future for the automobile, but he drives them out by predicting that "they will make millions." The thought of what they will pay in taxes scares them so much they order Mr. Ford to forget all about it.

He decided to try Wall Street.

The S. E. C. demands a demonstration. The car works perfectly, but the Commission cautions Mr. Ford against undue optimism, overstatement, or the use of superlatives. It holds up everything while it makes a 6-month inquiry to see if his right name is Henry Ford.

A broker agrees to float stock.

The flotation is rendered a little difficult by S. E. C. rules that lines in the advertisements such as "may ultimately become as popular as the horse and surrey" and "likely some day to take its place as a pleasure vehicle" be deleted in the interests of honesty.

Ford quits Wall Street, finally gets $2,800 from a group of friends—Heaven knows how—and starts a small shop.

Labor delegates warn him that for every man he hires to make an auto he must hire at least one livery stable worker.

There are a series of strikes. They are referred to the N. L. R. B. The N. L. R. B. investigates for a year and a half and files a report charging that a horseless carriage industry is unfair to whip makers.

Mr. Ford appeals to Washington and explains, rather pathetically, "All I am trying to do is to make some horseless carriages."

There are frenzied speeches in the Senate and House in denunciation of the new invention by orators who speak as "a friend of that noble animal, the horse."

The President names a commission "to inquire into the aspects of the horseless carriage with a view to possible effects on the economic and social system."

The committee announces it will have a report ready in 3 years.

Graduation Exercises at the University of Vermont

EXTENSION OF REMARKS

OF

HON. WARREN R. AUSTIN

OF VERMONT

IN THE SENATE OF THE UNITED STATES

Tuesday, July 25, 1939

ADDRESS BY REV. ZEBARNEY THORNE PHILLIPS

Mr. AUSTIN. Mr. President, at the commencement exercises at the University of Vermont, the distinguished and beloved Chaplain of the United States Senate delivered the commencement address which was entitled "The Momentous Decisions of Life." From the standpoint of scholarship,

patriotism, and national interest it has great merit, and I ask unanimous consent that it be printed in the Appendix of the RECORD, together with the introduction of the speaker by Dean J. L. Hills.

There being no objection, the addresses were ordered to be printed in the RECORD, as follows:

INTRODUCTION BY DEAN J. L. HILLS

The Reverend ZeBarney Thorne Phillips, of Washington, D. C., was brought up in a village environment. Following graduation from the General Theological Seminary, he has successfully been rector of parishes in five of the great cities of our land and for 2 years was a student of Semitic languages, Biblical literature, and comparative religions at the University of Oxford, England. During the last 15 years he has officiated as rector of a downtown church in Washington, D. C., which, in a way, is the analog of Trinity in New York and St. Paul's in Boston. For 12 years he has been Chaplain of the Senate of the United States. Unusual opportunities have come to an unusual man. I am sure that the graduates who will listen to his address this morning, dealing with life's momentus decisions, will find what he has to say of help, every one of them, when they individually come to their crossroads. It is a great privilege to welcome the orator of the day, Dr. Phillips.

ADDRESS BY REV. Z'BARNEY THORNE PHILLIPS

Mr. Chairman, Dean Hills, I am exceedingly grateful for these most gracious words, even though most of them be quite undeserved, but I want you all to know what a great pleasure it is to be in this beautiful State, with almost every mile of which I am familiar, for many summers I have spent in New England and the crossings from New Hampshire to Vermont have brought a very rapt sense of joy not only of the beauties of nature but of the delightfulness of the people. I am extremely sorry that illness prevents your president from being here. I am sure that all of us remember in our hearts and minds at this hour that man who has presided so beautifully over the destiny of this university for so many years.

I would be recreant to a friendship and a sense of appreciation that is mine were I not to mention the joy that has come to me at being on the same platform with my beloved friend, the senior Senator from this rock-ribbed State of Vermont. Were I to say to you that the appreciation from the Capitol of the Nation, the appreciation of the majority now in the Senate, of him and of his work is a thing that has constantly been increasing, you would understand the importance of the position that he occupies in that very honorable body. So, Mr. Dean, members of the faculty, ladies, and gentlemen, and most particularly members of this graduating class, I want to address myself as briefly as possible under the circumstances to a title which, in view of nothing better, I have been pleased to call "The Momentous Decisions of Life."

I quite realize that in addressing an audience of this kind, on an occasion like this, one of the difficult things is to enlist attention, but, even more than that, a sympathetic interest on the part of those hearing, and I want to recall what was told to me within less than 2 years as a true story. I want to recall a situation that transpired at a commencement day at a little country crossroad schoolhouse not a great many miles from where we are gathered today. After the spring season had been inaugurated but a few days the commencement exercises of this school were held and there were three farmers, members of the board of trustees, present on that occasion in their jumpers, trousers, and boots, their beards brushed down and combed, and their hair brushed back. The young woman presiding over the school was extremely proud of her scholars, and after the opening exercises, consisting largely of music, she placed a chair on the platform and said to one of the boys who had the record and the enviable position of being one of the leaders, "George, come up here and sit down." George came and sat down and she asked him this question: "George, who signed the Magna Carta?" Looking blankly ahead, he finally turned to her and said, "I don't know, teacher; I didn't do it"; and then in some confusion resumed his seat. The chairman of the board of the three looked rather wise, stroked his beard, and said, "Teacher, I don't like that boy's looks. Call him back. I believe he did it." Happily we are not bound by anything of that kind this morning; and I greet you with the spirit of a fellow searcher after truth, for that is all that education means and that is all that life really means. One of the most sacred rights, if not the most sacred, is the right of free choice as it belongs to man, by which not only his reason but his heart as well stands pledged.

No one has the right to trespass on another's power to decide for himself what he will do or what attitude he will take on certain questions in life and it must ever be remembered that character is not the product of arguments but of choices. It is not my purpose to develop this thought further than to state its importance, as it is exercised by the individual, at times when a decision for or against a certain thing may have momentous consequences in one's life—and this is the subject to which, in the time allotted, we wish to address ourselves.

I think it may be agreed that all who are about to leave these halls are doing it to take up the problems of life where you must consider a number of things which demand of you a choice, and I want to ask first of all, What is your attitude to America, to your Government?" Are you determined to make it better, yea, the best that it can be made, or are you going to take everything for granted, even its support of you? It must be one or the other; either your hands are placed in the attitude to receive or the attitude to bestow. At a recent conference, I am informed, sponsored by the youth of this country, a resolution was passed advocating for youth a social-security act. God knows, young men, if anything is farther from the thought of youth than that, I shall be disappointed. What place has it with all the spirit of adventure, with all the lure of life holding out its beckoning hand to you? What could a social-security act bring but—in regard to material things—a sort of colorless mediocrity where spiritual ideals would not even be considered? You must decide—and I want you to listen to this pretty carefully—you must decide what you mean by "the more abundant life."

You have got to decide what it will mean to you and your generation. Does it or could it mean life without struggle, without pain, without selflessness, without the sacrament of understanding? Surely, young men and young women, this is one of the most important questions confronting you as you leave these university halls and come to grips with the real problems of life. In the first place you are bound to decide what direction you are to take, for, surely, many have lost their way. Listen to an intelligence test which we would all do well to ponder. Suppose you come to four crossroads—which is not unusual—you are without a map and the signpost is lying in a ditch, how are you to tell where the different roads lead? The answer given is that since, presumably, you know where you came from, you have only to raise the signpost and point the finger having the name of the place that you have come from in the same direction and all the other three fingers, automatically, will come into place. This is a parable of human life. If men would only pause to think where they have come from, they need never lose their sense of direction.

There is another momentous decision which you must make and that is in regard to the use to which you will put your education. This world is a cosmos, a beautiful world laid out with majesty, dignity, and ordered law. Nature, so-called, with its added charm of beauty. The lilies of the field with which Solomon, in all his magnificence, could not compare. This was the perfection denoted by that Greek word "kosmos"; and I want to say what a thrill was mine this morning when I learned for the first time that this university still believes in teaching the Greek language and in clinging to classical ideals. I have two books in my library for which I would take absolutely no price could I not duplicate them. They are of comparatively modern origin, but they are complete, suggestive, reminiscent, and they are challenging.

One book, The Legacy of Greece, the other The Legacy of Rome—and I want to address myself as well as you to that which is betokened by an age—which is only revealed by this culture, the age of Pericles, of less than 40 years' duration, that brought not only the great dramatists but the great sculptors, the great artists, the great poets, as well as the great philosophers. It began in 434 and ended with the death of Socrates in 399, but what of the world; what of the culture and the learning that has been disseminated throughout the world; what of the language by which all the sacred lore of ancient days was handed down; what of the character of thought and the precision thereof? The Greeks piled Ossa on Pelion, trying to reach unto heaven. They took their gods and placed them on Mount Olympus with all their human qualities, for the Greeks were so human. One of the great decisions of today concerns the molding of humanity into the perfect pattern of idealism begun in this age of Pericles and completed or in the process of completion in us by the incarnate Son of God. Yes, classical ideals are those to which we must cling.

I want to call your attention for one moment to an ascending scale of values, and all this grows out of the concept of that beauty of the cosmos. You are stimulated, some of you, by the challenge of architecture. It is a beautiful thing, a wondrous thing, to find those temples rearing their heads Godward. A great thing it is, but let me tell you it is the furthest of the arts from the infinite heart of the eternal. Next there comes sculpture, and you say, "Isn't it a marvelous thing; isn't it the perfection of art and beauty to stand on the Acropolis," as some of us I know have done, and see the Erechtheum, the porch of which is supported by the caryatids, one of which has never been touched since it came from the chisel of Phidias. Then to see the statue of Pallas Athena, which is one of the great gems of sculpture in the world, which seems at the same time to be in motion and at rest, and to behold the exquisite bits of sculpture, for one of which the British Museum and the Museum of Natural History have offered a fabulous sum, but which still remain in the Museum of the Acropolis.

To have seen all these, causes many to say that "the chisel of Phidias has such charm and glory that nothing can transcend sculpture." But how about the beauty of the human figure and the beauties of the earth, the sky, and the curve of the ground as it meets the distant horizon? How about color? Does not painting take us just a little nearer to the infinite heart of God? Yes, but it is not the last word of art. And you answer again, "the sound of the human voice, is that not the perfection of art, and the study of literature and poetry, for poetry is the attempt of man to bridge over the great chasm between the actual and the ideal. Isn't that the quintescence of art? It is closer to the infinite heart, it is true, but music is divinest of all, for on its wings the soul is borne upward and onward and somehow mounts up beyond Olympus, mounts up to the eternal chamber of God where the door has been left ajar by poetry. Yes, by music and

music's inspiration one goes in and touches the hem of the garments of the living God. Even Job exclaims "when the foundations of the earth were laid, the morning stars sang together and all the sons of God shouted for joy." Listen to John Dryden in his Ode to St. Cecelia's Day:

"As from the power of sacred lays
"The spheres began to move,
"And sung the great Creator's praise
"To all the blessed above;
"So when the last and dreadful hour
"This crumbling pageant shall devour,
"The trumpet shall be heard on high,
"The dead shall live, the living die,
"And music shall untune the sky."

But what of the effect of the impact of music, its charm, its lure, its challenge? Is your education merely to store up knowledge for yourself or is it to be used for the benefit of mankind and the whole world?

Under the influence of Hebrew thought, this Greek word "Kosmos" had taken on a new and sadder meaning; and in going forth to meet this world, to bring it back to its pristine glory, you must decide whether you will give to your service a completer manliness, a truer joy in your dependence upon God; and if you do, you will learn to enjoy the luxury of doing good. Remember the thrilling appeal of the modern poet, R. W. Dixon:

"Thou hast thy way to go; thou hast thy day
To live; thou hast thy need of thee to make
In the hearts of others; do thy thing: yes, slake
The world's great thirst for yet another man!
And be thou sure of this: no other can
Do for thee that appointed thee of God."

But decisions always involve temptations, and perhaps the greatest temptation that you will encounter as you leave these sacred halls is the temptation to return, or a challenge to return, to paganism. Let me give you an illustration from history itself. There were two former attempts to bring the world back to paganism. The first, under Julian the apostate, who vowed he would restore at all the pagan shrines devotees of heathen practices and issued a decree making paganism the official religion. On his deathbed, however, he said, "O Galilean, thou hast conquered"; and the world returned to Christianity. Once more, in 1453, Constantinople, the Christian capital of the east, was captured by the Moslem hosts. When I stood at the north wall of the city of Constantinople some years ago and saw the holes made by the cannon of the Moslem hosts and realized the implications of the capture of the city, it brought back a flood of memories, for all the ancient manuscripts that had been preserved from an early time had been brought to Constantinople, and after its capture scholars spread them all through the southern part of Europe, particularly Italy.

And now, young people, I want you to listen carefully for just a moment because there are certain dates in history that to an American stand only for certain things. Within 50 years after the fall of Constantinople, four events of supreme importance happened in Europe. Fourteen hundred and ninety-two is the date to which I call your attention, and you know how we commemorate that. The lure of the western world, the discovery of America—that stands out—but in the reign of Alexander VI, which began in 1492, we see all the worst side of the papacy. We note the death of Lorenzo de Medici in the same year. He had splashed beauty and blood from one end of Italy to the other, but had he not made possible the growth of the Pitti and the Uffizi galleries, thus making a permanent contribution to the spread of art, while at the same time his cruelties were unrestrained? He died in the year 1492. In that same year Savonarola condemned the awful practices in secular life. He, too, began his great reforming crusade in Florence in the year 1492. It is interesting to note that with the rise of humanism there were many things which lured men back to paganism, but again the tide was stemmed.

But today no imperial edict has been issued, no impact of an outside force like Islam threatens our modern world. It is rather the result of a very rapid extension of our knowledge of the universe and an immense growth of the means of enjoyment, together with the mechanical contrivances for the convenience of life that has numbed the souls of the present generation to the disciplinary things of life, to the things of God, and to the ways of the Christ.

I want to quote an allegory which I hope you will never forget: The spirit of modern progress one day called up a human being, and said, "I perceive that you are discontented with your life, you long for things beyond your power. Tell me, now, what it is that will make you happy and I will give it to you." The human being stopped to reflect before he replied, "If you have such wonderful power at your command, then make my life more comfortable, for I am weary of it." "You ask what is easy", replied the spirit, and thereupon he gave the human being beautiful cities, with streets that were sometimes clean and police departments that were occasionally efficient. He gave him handsome houses with modern plumbing and electric lights, and a thousand other things that made life comfortable. "Now," said the spirit, "do you wish for anything more, for you have but to ask and I will give it to you?" The man replied, "I should wish that my business life were more comfortable." "That, too," said the spirit, "is easy." And thereupon he gave him telephones and telegraphs, railroads and steamships; and then the human being asked that his pleasures be made more comfortable, so he was given motor cars, radios, airplanes, etc. Then again the spirit asked, "Do you still desire more?" And the human being replied, "Yes; make my religion more comfortable." "That," replied the spirit, "is simplicity itself." And thereupon he gave him magnificent churches, glorious choirs, and 20-minute sermons. "And now," asked the spirit, "are you satisfied at last; or is there something yet lacking to your personal happiness?" "Yes," answered the human being, "my conscience troubles me. Make that comfortable." Said the spirit, "That is the easiest thing of all." And thereupon he did away with a personal devil and gave him an easy-going summer and a hell that made a comfortable winter resort. At that the human being fell back in his easy chair and said, "Really, my dear spirit, you have made religion so comfortable that I shall hardly need to think of it," and be buried himself in his Sunday newspaper. As for the spirit, he began to float out of the window. "Where are you going?" asked the human being. "To see my father," said the spirit, "for he is dying." "Who is your father?" "The spirit of nobility," replied the spirit of modern progress, "and he is on his last legs." Address yourselves young men and women, to the recovery of the spirit of nobility, belief in those things which alone will build the ideal of one's life—that is, to restore the spirit of nobility.

Now I want to ask you a very telling question, students of the university about to receive your diplomas: Earlier in this address I asked what would be your attitude and what was your attitude to your country? I want to ask now something that is more heart-searching than that. I want to ask, "What is your attitude concerning war? Is it not the worst thing in the world?" "Just about that," you say. But is there not something just a little worse? Yes, dishonor. Even with all its horrors, the right to defend one's country, one's fireside, one's ideals, remains an inalienable right, and although I am disappointed that only last month I was retired from the Chaplains' Corps of the Naval Reserve with the rank of lieutenant commander, I have placed myself in readiness to respond to the service of my country when that country calls and that country needs me. Do not be ashamed to be a patriot. This State years ago gave to this country great and glorious souls who preserved not only Vermont but the Nation. I am not ashamed to say that I would rather, if I had to, give my life for my country than anything else. I say this, conscious of all that is involved, conscious of the terror, of the risk, of the heartaches, of the separations, of the going down. I say it in view of all that, but for God's sake, young men, let us get back to the spirit of our fathers, and if necessary let us not eschew war—for aggression—never; but for defense—always.

Life as you and I view it, if we view it properly, cannot be measured by length of days but life can be measured only by intensity. You must live to your finger tips and you must strive for those things which will bring to you and through you the highest and finest things that men may know.

Listen to the words of one who, after he wrote them, yielded up his life for his country:

"For all emotions that are tense and strong,
And utmost knowledge I have lived for these:
Lived deep, and let the lesser things live long,
The everlasting hills, the lakes, the trees,
Who'd give their thousand years to sing this song
Of life and man's high sensibilities, which I
Alone, into the face of death, can sing,
O death! thou poor and disappointed thing!
Strike if thou wilt and soon, strike breast and brow,
For I have lived: And thou cans't rob me now
Only of some long life that ne'er has been;
The life that I have lived, so full, so keen,
Is mine; I hold it firm beneath thy blow,
And dying, take it with me where I go."

And last of all, we must come to the valley of decision in regard to the greatest thing in the world. That which chooses us in order that we ourselves may welcome it to our hearts. You know already what it is. It stands for God. It stands for the highest attributes of personal conduct. It stands for selflessness, for the spirit of self-sacrifice. It welcomes, if need be, pain, sorrow, suffering. It yields to the symphony of life the major and the minor key, but it is a thing to which you must dedicate yourselves and make every other choice subservient—it must be that consideration of your fellow men, which will not only bind you closer to them but bind you both closer about the feet of God, and that thing is love.

"If Love should count you worthy, and should deign
One day to seek your door and be your guest,
Pause! ere you draw the bolt and bid him rest,
If in your old content you would remain;
For not alone he enters; in his train
Are angels of the mist, the lonely quest
Dreams of the unfulfilled and unpossessed,
And sorrow, and Life's immemorial pain.
He wakes desires you never may forget;
He shows you stars you never saw before;
He makes you share with him, forevermore,
The burden of the world's divine regret;
How wise you were to open not! and yet
How poor if you should turn him from your door."

Almighty God, who hast given the dawn its inalienable glory, midnight its quenchless stars, noonday its potentialities, and the westering sun its vesper hymn, speak to these hearts of ours, woven

as they are of human joys and cares, washed with sorrow, swift to mirth, like waters blown by changing winds to laughter, that dawn and sunset and all colors of the earth may yield to us their richest store through the kindness of the years. Light Thou our way with flaming love along the viewless streams that bear us down the dark of life, that we may beacon the world's night and set to pulsing music the unthinking silence men call death.

So in the hush of this our tryst with Thee,
Speak to our hearts, dear Lord, and set them free.

Amen.

The National Dairy Problem

EXTENSION OF REMARKS

OF

HON. ROBERT M. LA FOLLETTE, JR.

OF WISCONSIN

IN THE SENATE OF THE UNITED STATES

Tuesday, July 25, 1939

ADDRESS BY HON. ROBERT M. LA FOLLETTE, JR., OF WISCONSIN, MAY 4, 1939

Mr. LA FOLLETTE. Mr. President, I ask unanimous consent to have printed in the RECORD a radio address by me broadcast by transcription over station WHA, Madison, Wis., on May 4, 1939, on the subject of the National Dairy Problem.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

Fellow citizens of Wisconsin, in the brief time I have on this broadcast I shall not attempt to discuss the comprehensive legislative proposals now being advocated for future treatment of the problems of the dairy industry. Instead I want to call attention to the critical situation in which this vital part of agriculture finds itself.

The economic status of the dairy farmer is of great importance to the Nation as a whole. The dairy industry produces about one-fifth of the total farm income. There are 3,000,000 farmers engaged in the production of dairy products. It is now generally admitted that buying power on the farms and in the cities is essential to an orderly functioning of our economic system. It will be seen that a drastic reduction of purchasing power on the dairy farms of the country is certain to have an adverse effect on the whole business situation.

The Bureau of Agricultural Economics reports that the number of milk cows increased in all areas during 1939. This growth in cow population will naturally increase milk production, which reached a new peak last year. The production of all dairy products in 1938 was 10 percent more than in 1937, and this trend has continued in the first part of the current year, with February showing a 5-percent increase over the same month in 1938.

The factor of increased production would be serious enough taken alone, but it is even more critical because of the excessively high storage stocks of both butter and cheese. On April 1 of this year there were 78,000,000 pounds of butter in storage, compared with only 14,000,000 pounds on the same date last year, and only 9,500,000 pounds for the 5-year average, 1934–38. Thus, surplus butter stocks were on the 1st of this month 63,000,000 pounds more than last year and 69,000,000 pounds more than the average of the past 5 years.

The butter price situation is alarming; the average price for 92-score butter in the Chicago market for the first 3 weeks of this month was 22.1 cents a pound, as compared with 26.9 cents a pound in April 1938, 31.2 cents in 1937, 29.7 cents in 1936, 32.8 cents in 1935, and 22.4 cents a pound in 1934. This month's prices are the lowest average price since 1933.

The price of cheese is equally deplorable. The average price of American cheese twins, for example, was 11.2 cents per pound for the first 3 weeks of this month. This is the lowest average price since 1934.

What the present decreases in prices mean to Wisconsin dairy farmers can be seen from the following figures:

One cent a hundred pounds on the average price of milk means a million dollars to our farmers. The average price for the State is 38 cents below that of a year ago.

One cent a pound on the price of cheese at the factory means $3,500,000 to Wisconsin producers. The price this winter and spring is 4 cents below last year. This means a loss of $14,000,000 in farmers' buying power.

These disastrously low prices prevail just as the dairy farmers are entering their period of flush production. It is too late to enact comprehensive legislation which will meet the immediate problem of surplus products and bankrupt prices for the balance of 1939. There is only one way to avert the present dairy crisis right now. Under section 32 of the Agricultural Adjustment Act the Federal Surplus Commodities Corporation has authority to purchase surplus commodities for distribution to needy persons on relief. This section provides that 30 percent of the customs receipts shall be available for this purpose and for the export of surplus commodities. During the last fiscal year the Corporation had available for all purposes $144,000,000, but because of a decline in the customs receipts only $90,000,000 will be provided for the fiscal year beginning on July 1. It is clear that this smaller sum will be woefully inadequate to meet the problem of the dairy farmer and also to deal with the impending surpluses in poultry, eggs, meat, and meat products, fruits, nuts, and truck crops, and for the export of surpluses.

The agricultural appropriation bill passed the House of Representatives without appropriating one dollar for parity payments to the five basic commodities designated in existing law—namely, cotton, corn, wheat, tobacco, and rice. Likewise the bill did not contain any appropriation for additional funds to be used under section 32 to purchase surplus commodities for distribution to those on relief and for the export of surplus commodities.

Soon after the agricultural appropriation bill passed the House a group of Senators representing States which produce dairy products, corn, and wheat met to discuss the measure. It was clear that unless some comprehensive program of appropriations was worked out and a determined fight made in the Senate, a repetition of what happened in the House would take place in the Senate. As a result of this meeting I was appointed with Senators CLARK of Missouri and LUCAS of Illinois to meet with the Senators who come from cotton-producing States in an effort to work out a unified program of appropriations which would provide adequate funds for section 32 and for parity payments.

Following this meeting and realizing that a disastrous situation confronts farmers who are not receiving parity payments under the present farm law, Senator LUCAS, Senator CLARK, and I introduced an amendment to the agricultural appropriation bill, now pending in the Senate Appropriations Committee, to provide $150,000,000 additional for the purposes of section 32. The adoption of this amendment would make a total of $240,000,000 which would be available to inaugurate and carry on projects for surplus purchase and relief distribution. It would help to prevent disastrously low prices for dairy farmers and for producers of crops other than cotton, wheat, corn, rice, and tobacco. It would also provide funds to finance the export of wheat and cotton if cotton producers desire such a program.

This amendment will remove surpluses which are driving farm products to low levels. It will distribute those surpluses to men, women, and children who are in dire need of an improved dietary standard. It will help to maintain the buying power of millions of farmers whose welfare is absolutely essential for prosperity in the cities.

Since Congress has enacted the Agricultural Adjustment Act of 1938, Congress is duty bound to make appropriations for parity payments on the basic products designated in the act. I want to make it clear that I favor adequate appropriations for that purpose, but it would be grossly unfair not to provide assistance to the farmers who produce commodities other than corn, wheat, cotton, rice, and tobacco. In short, I am urging a program of appropriations which will, in some measure at least, meet the serious situation confronting the farmers in all sections of the country.

It will be said that these large sums are not provided for in the Budget. I grant that but hasten to point out that Congress has been making huge increases in the appropriations for national defense. I do not oppose them, but no one has objected on the grounds that taxes were not levied to pay for these extraordinary expenditures.

I have consistently advocated increased taxes in accordance with ability to pay, and I stand ready to support increased revenue legislation.

I contend that large agricultural appropriations are essential at this time to meet an increasingly critical situation which is facing dairy and other farmers. More important still, a sharp decrease in farm buying power will mean a sharp decline in business activity, which in turn will depress farm markets still more and thus precipitate another vicious downward spiral in our whole economic life.

We face a situation and not a theory. Only by providing adequate appropriations for the purposes of section 32 and for parity payments can we avert a most critical situation for the dairy farmers and the producers of other agricultural crops.

The gravest danger which threatens appropriations for agriculture in the long run is the drive being made to divide the farmers and those who live in the cities and towns. This effort has manifested itself in many States including Wisconsin. It is in large measure responsible for the failure of the House of Representatives to provide the money which is needed to meet the critical problem of farmers. I close this talk with an appeal to farmers and workers to resist this effort to divide and thus to defeat them. Only by uniting and pulling together can the struggle to increase buying power on the farms and in the cities be won.

Increase in Government Agencies

EXTENSION OF REMARKS

OF

HON. STYLES BRIDGES

OF NEW HAMPSHIRE

IN THE SENATE OF THE UNITED STATES

Tuesday, July 25, 1939

ARTICLE FROM THE NATION'S BUSINESS

Mr. BRIDGES. Mr. President, I ask unanimous consent to have printed in the RECORD an article from The Nation's Business for August 1939, under the title "The State Versus the Citizen. Tragic Chronicle of the Quickening Pace of Political Control."

There being no objection, the article was ordered to be printed in the RECORD, as follows:

[From The Nation's Business for August 1939]

THE STATE VERSUS THE CITIZEN—TRAGIC CHRONICLE OF THE QUICKENING PACE OF POLITICAL CONTROL

"The mind of man is fond of power; increase his prospects and you enlarge his desires."—Gouverneur Morris, lawyer, merchant, urging limitation of Executive powers, as a delegate from Pennsylvania to the Constitutional Convention in 1787.

143 YEARS—1789–1932

1887—Interstate Commerce Commisison.
1910—Postal Savings System.
1913—Federal Reserve System.
1914—Federal Trade Commission.
1915—National Advisory Commission for Aeronautics.
1916—United States Tariff Commission.
The Aeronautical Board.
1920—Federal Power Commission.
1923—Federal Intermediate Credit Bank.
1924—War Finance Corporation (in liquidation).
Inland Waterways Corporation.

7 YEARS—1932–1938

1932—Reconstruction Finance Corporation.
1933—Farm Credit Administration.
Civilian Conservation Corps.
Federal Emergency Relief Administration.
Tennessee Valley Authority.
Agricultural Adjustment Administration.
Home Owners' Loan Corporation.
Federal Home Loan Bank Board.
Public Works Administration.
Federal Deposit Insurance Corporation.
Export-Import Bank of Washington.
Federal Surplus Commodities Corporation.
Executive Committee on Commercial Policy.
National Emergency Council.
Central Bank for Cooperatives.
1934—Federal Farm Mortgage Corporation.
Securities and Exchange Commission.
The Commission on Trade Agreements.
Foreign Trade Zones Board.
Federal Communications Commission.
National Mediation Board.
The Committee for Reciprocity Information.
Federal Housing Administration.
Federal Committee on Apprentice Training.
Federal Savings & Loan Insurance Corporation.
National Power Policy Committee.
Federal Prison Industries, Inc.
Federal Savings and Loan System.
Railroad Adjustment Board.
1935—RFC Mortgage Co.
Resettlement Administration.
Works Progress Administration.
National Resources Committee.
National Youth Administration.
Rural Electrification Administration.
National Park Trust Fund Board.
National Labor Relations Board.
Social Security Board.
Electric Home and Farm Authority.
Prison Industries Reorganization Administration.
Federal Alcohol Administration.
National Munitions Control Board.
1936—United States Maritime Commission.
1937—Disaster Loan Corporation.
Railroad Retirement Board.
1938—Civil Aeronautics Authority.
Maritime Labor Board.
Federal Crop Insurance Corporation.
Federal National Mortgage Association.
United States Film Service.
Radio Division of the National Emergency Council.

Unemployed Citizens' League, Unit No. 239, Santa Monica, Calif.

REMARKS

OF

HON. LELAND M. FORD

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 25, 1939

Mr. LELAND M. FORD. Mr. Speaker, this is a statement from a group of people who, in my opinion, are exemplifying all of the standards of American fortitude, American right-thinking, and real Americanism. This group of people have been too proud to go on relief and have consistently kept off of it, choosing to help themselves rather than to become charges of the Government.

I think that every Congressman should read this statement which I am putting into the RECORD, showing what can be done where people are really sincere and willing to help themselves.

I could say a great deal in this connection, but will just give you one or two illustrations as to what they are doing: These people, for instance, will go into the orchard country, get surplus fruit, bring it into their small cannery, and can it. They do all of the work, transportation, and so forth, and for their work are given certain credits in the association. These credits, of course, are exchangeable for any of the commodities, all of which commodities, including barber shop, medical-dental aid, recreation and entertainment, clothing, housing, and so forth, go only to their own people or others who might be stranded. I think that this group of people deserve the congratulations and commendation of every Member of this House.

The statement is as follows:

CUMULATIVE STATEMENT OF THE UNEMPLOYED CITIZENS' LEAGUE, UNIT NO. 239, J. H. HARNLY, AUDITOR

An examination of the official records of the league from July 1932 to July 1, 1939, reveals the following statistical information, under the respective captions:

	Cash received	Cash disbursed
1932	$588.25	$295.06
1933	1,823.21	1,981.72
1934	1,121.46	1,198.87
1935	1,692.61	1,730.73
1936	1,920.86	1,867.09
1937	2,441.66	2,249.31
1938	3,152.78	2,811.88
1939, July 1	1,352.50	1,558.81
Total	14,093.33	13,693.47
July 1, 1939, balance	399.86	

Relative distribution of bread and milk from July 1932 to July 1, 1939, 500,000 loaves of bread and 70,000 gallons of milk.

Food production

	Pounds
July 1, 1932 to Dec. 1, 1932	525,000
1933	1,100,000
1934	775,000
1935	650,000
1936	515,000
1937	600,000
1938	835,000
Jan. 1, 1939 to July 1, 1939	700,000
Total	5,700,000

DISTRIBUTION

This 7 years' cooperative, coordinated, conservation of surplus food—bread, milk, vegetables, and fruit, and its relative distribution—involved over four thousand members, with more than

12,000 dependents, who are enrolled regardless of age, race, creed, or citizenship. During these 7 years this self-help organization also served about 250,000 meals, including thousands of meals to transients, free.

RELATED PROJECTS

Administration and management: Coordinated division of employment, and executive integrity.

Auditing and publicity: Systematic accounts, statistics, and reports, office integrity.

Employment service: Periodic, short, and permanent pay jobs secured for members.

Barber shop: Serves about 200 men, women, and children each month.

Dormitories: Living and sleeping quarters for 50 men, and several families.

Professional aid: Medical, dental, legal, educational, vocational, and social.

Library and reading: Three thousands books and periodicals circulating.

Recreation and entertainment: Weekly assembly, reports, music, dancing, pictures, and games.

Rehabilitation: Free supply of fuel, shoes, hats, clothing, furniture, etc.

Commissary: Supplies an adequate variety and abundance of food for all.

Fish, fresh and smoked: A fleet of boats bring in tons. The surplus is smoked—75 tons.

Cannery: 100,000 quarts of vegetables and fruit; 100 barrels of kraut.

Salvage department: Collects old clothing, papers, furniture, bottles, junk, etc.

Sewing room: Repairs old clothing; made 200 rugs, 300 quilts and comforts, etc.

Wrecking equipment: Salvaged 100,000 feet of lumber and 1,500 loads of kindling.

Wood yard: Equipped with hand and power saws, axes, wedges, etc., 1,000 cords cut.

Garage and repair shops: Care for a fleet of trucks, repair shoes, radios, furniture, etc.

INDIVIDUAL DEPENDENCE VERSUS COLLECTIVE INDEPENDENCE

Individually we were economic liabilities, impotent, helpless, dependent victims of sophisticated paternalism through subversive sycophants. Collectively we are an economic asset, potent, helpful, independent, commending coordination with industrial enterprise, commercial ingenuity and professional integrity, which propels our world of culture and affairs, the inevitable factors and invaluable benefactors in a united endeavor to achieve economic, social security.

Public-spirited modern bakeries exchange their surplus bread for the coordinated labor of collective self-help; the dairies, milk; the gardens, vegetables; the orchards, fruit; and wardrobes supply shoes, hats, and clothing; buildings, shelter; and utilities, gas, light, water, and transportation.

It is coordinated enterprise that educates our children, pensions the aged, and cares for the indigent. It builds our roads, gives us fire, police, and sanitary protection, and maintains our public beneficent institutions as collective self-help blazes the economic way to rehabilitation in every community of the American Commonwealth. The jobless who can and ought to work are our greatest potential resource, and local helf-help industry the logical solution for unemployment and rehabilitation—blazing the "Santa Monica way" in the economy of God for the kingdom prepared from the foundation of the world. Our creed is service; our faith, work. Let the 300,000 employables, on relief in California, do what the 300 unemployable, but experienced leaders of the U. C. D. A. are doing to keep off of relief, and the cumulative failure of subversive paternalism will end, saving the taxpayers of our State millions of dollars every month.

Just pure horse sense places all who ought to work in reach of jobs where each for all and all for each can do their best for all. All to get a fair share of all there is is done, and all need that they may be free, pure, bright, lives full of light and health, of joy and peace, with love and good will for all. The will to do the will, will know Jesus.

J. H. HARNLY, *Publicist.*

1604 Seventh Street, Santa Monica, Calif.

Independence Day Address

EXTENSION OF REMARKS

OF

HON. B. FRANK WHELCHEL

OF GEORGIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 25, 1939

ADDRESS BY HON. EDGAR B. DUNLAP, OF GAINESVILLE, GA.

Mr. WHELCHEL. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following address by Hon. Edgar B. Dunlap, of Gainesville, Ga., which was delivered to the Legion of my State on July 4:

Mr. Chairman, comrades of the Legion and auxiliary, fellow citizens of north Georgia, I gratefully acknowledge the kind introduction. When I received the special-delivery letter from Judge Frank Allison requesting me to be your speaker on this Independence Day program, my mind immediately turned back to that time when it was my great pleasure, in company with my comrades of Hall County, to help you organize the Ira Weaver Post, No. 121, at Blairsville. I was introduced by the friend of my school days, one of the distinguished citizens and representatives of Union County as "Maj. Edgar B. Dunlap, candidate for Congress from the Ninth District." I disclaimed the introduction then, and do so now, in order to state that aside from not being a major in the Army, I have never been and don't expect to be a candidate for Congress. My visit then and my visit today is without personal political significance. The memories of my introduction on the occasion of the organization of this post recalls an unusual presentation, which has always appealed to my sense of humor. In the year 1924, when I was department commander of the Legion, the national commander, John R. Quinn, of California, paid the State a visit. Since he was coming into the State at Augusta, it was fit and proper that we extend him a welcome in keeping with the high position which he held. Accordingly the then Governor of the State, Hon. Clifford Walker, and the then chief justice of the State, Hon. Richard B. Russell, accompanied me to Augusta to welcome him to Georgia. The citizens of Augusta, wishing to do proper honor to these dignitaries, gave a beautiful banquet, attended by more than 700 citizens, at which an eloquent speaker, versed in all the traditions and history of the State, presided as toastmaster.

On this occasion, he seemed to have been inspired and his eloquent language and musical voice held his audience spellbound. He first introduced that "distinguished citizen of Walton County, who had served his State so well as solicitor general of his circuit, later as attorney general of the State, and now as Governor of the State, the Honorable Clifford Walker." He then introduced the "distinguished son of Barrow County, who has been raised in the County of Clarke and educated at the University of Georgia, one who had served his State in various capacities and was now the supreme court chief justice, the Honorable Richard B. Russell." And then he introduced that "distinguished son of California who had travelled 3,000 miles to pay his respects to his comrades in the Legion in Georgia, one whose brilliant record as captain of artillery, Ninety-first Division, American Expeditionary Forces in France, assured his future as a leader of men in the Nation, the Honorable John R. Quinn." And then his fancy seemed to take flight and his eloquence became shaded as if by the rose-tipped fingers of the early dawn; in this atmosphere of height and color, he said, "last but not least, I want to introduce to you one whose name is known from Rabun Gap to Tybee Light, one whose name is a household word in this State of Georgia, one whose name is known to every ex-service man of the World War, one whose name is known particularly to those disabled soldiers of the World War in whose behalf he has been working night and day, week in and week out since the days of the Armistice, one whose name, we in Augusta particularly know, love, and cherish, the commander of the Georgia department of the American Legion, the Honorable 'Edgar B. Burlap,' of Gainesville, Georgia."

And so today, although I may be literally as unknown as was indicated by the introduction of the toastmaster, and although I hold no public office or policy-announcing position with any organization, either lay or church, I speak to you humbly from the ranks of the people as a plain but free citizen of this State. The exercise of my right of free speech may be offensive to some, but it is a right guaranteed me and also guaranteed all other citizens by the Constitution of the United States under which we live, under which we progress, and which as soldiers of the United States we did swear to "uphold and defend," and as Legionnaires, we have pledged ourselves to "uphold and maintain." The words that my mouth utter today come from my heart as well as my mind—they are not prompted by political considerations, they are not prompted by "fear of punishment or hope of reward," but they are and will be the expressions of my sincere and honest opinion which I have a right to hold and the courage to defend. I sincerely hope that these thoughts will find a resting place in your own minds and influence your future actions as citizens of this great State.

Within the last month, I stood at the Natural Bridge in the mountains of Virginia and noticed a tablet there inscribed with the historical fact that the lands upon which this great natural wonder stands was granted by the King of England to Thomas Jefferson on July 4, 1774. It was only 2 years later that the same Thomas Jefferson was the author of that Declaration of Independence to the people of the Thirteen Colonies, officially announced on July 4, 1776. It was this great Declaration which enunciated the hopes and the aspirations of the people of the Thirteen Colonies for independence that became the announced bridge from a monarchial form of government to a democratic form of government. It became the firm foundation of transition from dictatorial government to free expressions of the people, and it finally became the foundation of the Constitution of the United States and its accompanying Bill of Rights under which we now live and have our being and exercise our Government.

It is in celebration of the proclamation of this great human document that we are gathered here on this mountain top which overlooks the thirteenth colony, which later became the great State of Georgia, that we are gathered here today, as a free people

under laws that recognize the right of the free exercise of any religion of our choosing, the right to keep and bear arms, the right of life, liberty, and private property, the right of free speech and peaceful assemblage, and all the other rights not specifically delegated or prohibited which are reserved in the State or in the people.

Today there is engraven in our hearts those immortal words, "We hold these truths to be self-evident, that all men ar created equal, that they are endowed by their Creator with certain inalienable rights, that among these life, liberty, and the pursuit of happiness, that to secure these rights governments are instituted among men deriving their just powers from the consent of the governed" * * * and so, on and on, to the end of that great, magnificent Declaration of Independence that stands as our guiding light throughout the years, preserving our democratic institutions and our integrity as free men. It is in sacred memory of that great Declaration that we, today, as free Americans, assemble to do honor and pay respectful tribute to the Government which has been, is, and may God grant, ever remain, "a government of the people, by the people, and for the people" concerned "with equal justice to all and special privileges to none." A Government of principles and laws and not a government of men.

The reiteration of these phrases learned so long ago, but held so closely to our hearts, may subject me to the criticism that I have indulged in bromides, platitudes, and trite phrases that are commonly known to all men, but if it is wrong to declare again the universal truths of the foundation of our country, then I am a wrongdoer; if it is wrong to refresh your memory as to the inalienable rights that we possess under the written and unwritten laws of this country, then I am a wrongdoer, but at the same time, in this day of change and transition, in this day of communism and fascism, the day of corporate states and totalitarian states, I must recall the simple self-evident truths that guided the formation of our Government, the plain factual sayings that have marked the preservation of our freedom.

In order to illustrate this desire to go back to the fundamental self-evident truths of our Government I suggested in a recent speech that the time had come in the government of Georgia when we should go back to a simple governmental diet of "turnip greens, corn bread, and fat meat," something that our State pocketbook could afford; and that the State itself should be supported by all the people according to their ability, without exemption to any man from doing his duty, either in peace or in war; this statement of mine was construed in certain circles to mean that I was advocating literally a simple diet for our people. Far be it from me to advocate the lowering of the standards of living or the lowering of the educational opportunities of our children or the lessening of proper State care of our sick, aged, or insane, but I do say that our State program should be so shaped and confined to those things that we are able to pay for without undue hardships on the taxpayer; I do say that every citizen should pay taxes according to his ability and do his duty as a citizen in support of his Government and its ideals, without exception and without exemption.

There is a lot of loose talk throughout this country, particularly in the East and in the centers of foreign immigration concerning a change in our form of government and in the traditions of our Government. Our democratic form of government may not be the strongest form, but it is the freest form; it may not be the most efficient form, but it is the happiest form of government, and regardless of what the benevolent, if they be benevolent, tyrants of Europe, Stalin, Hitler, and Mussolini may do or say regarding our system of government and the conditions of our people under our democratic government, regardless of the fact that our national debt stands at $40,000,000,000 and our unemployed more than 11,000,000 persons, and our situation does not promise immediate future relief from this intolerable situation, I cannot help but recall that old story of my own home town, Gainesville, which boasts of a very beautiful and impressive statue of a soldier of the Confederacy, with his face toward the North, standing in the public square.

On one occasion, one of those large ornate automobiles with a northern license tag stopped at a corner of the square and called our local policeman to the side of the car, and with pronounced brogue, asked him the question, "I say, my man, whose statute is that in the park?" The policeman answered, "What?" and the automobilist again asked, "I asked, whose statue was that in the park?" and the policeman replied with assurance and with pride, "By gad, it's ourn." And now, it matters not to me or to you, what the dictators or kings or the potentates of the world may ask or say regarding the Government of these United States, we say to them, with pride and assurance, whether they like it or not, "By gad, it's ourn"; and furthermore, we are going to keep, uphold, and maintain the laws that preserve our rights and the traditions that protect our privileges now and forevermore.

In this celebration of the declaration of rights and purposes of a free people which have now become the statute laws of the land, I call your attention to two traditions of this country and State. These traditions, or precedents, by continued observance, are as sacred to our people as the written laws of our country. They should have been crystallized into written laws and ought now to be on the statute books. They are political in their significance but they affect the rights of the people and our loyal adherence to them and all they imply is unquestioned, regardless of the efforts of certain politicians to violate them to their own ends.

I first want to talk to you about the "no third term" tradition in this country. In this, our day and time, when leaders take such delight in destroying customs and precedents, when they interfere with their personal selfish motives or stand in the way of their self-chosen objectives, it is fit and proper to go back to the early days of the Republic and take advice from him, who was first in war, first in peace, first in the hearts of his countrymen—its first President—George Washington. What did he say regarding a third term? I quote you from his Farewell Address, delivered September 17, 1796: "The period for a new election of a citizen to administer the executive Government of the United States being not far distant, and the time actually arrived when your thoughts must be employed in designating the person who is to be clothed with that important trust, it appears to me proper, especially as it may conduce to a more distinct expression of the public voice, that I should now apprise you of the resolution I have formed to decline being considered among the number of those out of whom a choice is to be made.

"I beg you at the same time to do me the justice to be assured that this resolution has not been taken without strict regard to all the considerations appertaining to the relation which binds a dutiful citizen to his country; and that in withdrawing the tender of service, which silence in my situation might imply, I am influenced by no diminution of zeal for your future interest, no deficiency of grateful respect for your past kindness, but am supported by a full conviction that the step is compatible with both."

And so it was that Washington prepared the foundation upon which Jefferson later builded the definite tradition or third-term prohibition which is now considered as a definite custom and usage which experience has shown to be good and useful.

Thomas Jefferson, the friend of the people, the founder of the Democratic Party, followed Washington in refusing to run for a third term. Long before the end of his second administration, Jefferson informed his friends of his determination to retire. By the mere nodding of his head, by silence even, he could have been elected for a third term. But it was more natural for Jefferson to think of retiring than of breaking the precedent set by Washington. He had strongly regretted the absence of a constitutional prohibition of reelection to the Presidency, fearing that ambitious and unscrupulous men, once entrenched in power, might continue themselves indefinitely, but Washington's voluntary retirement at the end of a second term had reconciled him to the absence of a clause of limitation. Jefferson wrote a friend, "If the principle of rotation is a sound one, as I conscientiously believe it to be in respect to this office, no pretext should ever be permitted to dispense with it." I have quoted Claude Bowers, one of the ranking diplomats of the present administration and the ranking Democratic political historian of America.

In the declining years of Jefferson's life, this patron saint of the Democratic Party wrote in his autobiography "The example of four Presidents voluntarily retiring at the end of their eighth year, and the progress of public opinion that the principle is salutary, have given it in practice the form of precedent and usage; insomuch that should a President consent to be a candidate for a third election, I trust he would be rejected on this demonstration of ambitious views."

The principle of rotation in the Executive Office was repeatedly before the people from the days of Jefferson, for 60 years, but never during that time as to a particular man until the second administration of Grant when it became a serious political question and then after the Democrats and Republicans in New York joined in the sentiment of unalterable opposition to the election of any President for a third term—Congress in 1875 adopted a resolution which reads:

"*Resolved*, That in the opinion of this House, the precedent established by Washington and other President of the United States in retiring from the Presidential office after their second term, has become by universal concurrence, a part of our republican system of government, and that any departure from this time-honored custom would be unwise, unpatriotic, and fraught with peril to our free institutions."

This no-third-term tradition is now the unwritten law of the land and I am confident that the people of the United States will preserve it, regardless of the efforts of self-seeking politicians to retain themselves in office. No President of the United States has tried to serve more than two terms, save and except Theodore Roosevelt (who, in fact was only elected President one time), but he utterly failed and destroyed his party for that time being in making the attempt. Two terms—8 years—is long enough for the people to ask any President to serve and long enough for any President to ask to govern the people. The people know this and the President knows it—it is now after 150 years a tradition and precedent which must be, ought to be, and will be respected.

Any deviation from this tradition is dangerous to our form of government and in this day of centralization of power in the executive, it is particularly dangerous. May I quote Senator BURKE of Nebraska: "The temptation toward a perpetuation of the power of an existing administration never was so great as at present. Never has a comparable bureaucracy existed or its members had more reason to pull political wires to insure the security of their jobs. At no time in our history has an administration had such tremendous political powers through the distribution of public works, agricultural and other benefits, and jobs. No political organization likes to relinquish power. In the light of prevailing

trends, should the third-term tradition be broken in 1940, no man can safely predict the fate of our form of government."

Be not afraid—a majority of the people of the United States will not vote for any man for a third term and if the Democratic Party is so controlled as to nominate the President for a third term, he will be defeated. The people of the United States will no more violate the third-term tradition than they will perimt the violation of our Monroe Doctrine. Our traditions and our doctrines are our policies, and will be defended to the utmost.

For emphasis, I repeat, no third term for any President is an established national custom, precedent and tradition for more than a hundred and fifty years in the minds and hearts of all citizens, as sacred as law, whether it be written or unwritten, and will be enforced by the people at the ballot box.

Secondly, I want to talk to you about the tradition that has existed in this State for more than three decades—of the right of the people to express themselves in a Presidential preferential primary as to the nominee of the Democratic Party. Within the past 2 weeks Hon. Zach Arnold, the vice chairman of the Democratic committee, also an articulate and brilliant official of the State government, for whom I have the greatest personal esteem, reportedly made the statement before the banquet at the women's division of the Democratic Party in Atlanta, "We don't want anything to worry us. We want to go to the national convention uninstructed." In other words, the executive committee of the Democratic Party, appointed by the Governor of this State, desires not to be worried, not to be disturbed, not to be interferred with, but desires to appoint their own delegation to the national convention and vote for any man they see fit as the nominee of the Democratic Party in 1940 without referendum to and without reference to the wishes of the people of this State. The following morning the Atlanta Constitution, in an editorial regarding this speech, stated that "such a proposal is repugnant to the theory of Democratic practices as understood in Georgia. The Democratic Party has never been willing to delegate the authority to any select group, hand-picked or otherwise." And another distinguished public servant, Hon. John B. Wilson, secretary of state, immediately wrote in commendation of that editorial: "In the nomination and election of a President of the United States the Democrats of Georgia exercise the highest privilege which carries with it the greatest responsibility in our entire system of government. There should always be a free, full expression, and that expression cannot be had except through a direct primary. If the Democrats of Georgia want it, they should have it—and they will."

Senator WALTER F. GEORGE, who defeated both Talmadge and Roosevelt in the last general election for Senate, stated, "The people are certainly entitled to a preferential primary to say who shall receive the delegates * * * nothing else will satisfy the people of the State." And so, the various public leaders will announce themselves and the people will demand, of a right, a presidential preferential primary in 1940 regardless of the obedience of the present State administration to the demands of the New Dealers in Washington.

In order that we may know the history of the presidential preferential primary in Georgia upon which the primary tradition is founded, I give you as briefly as possible, the facts which have been unearthed and exposed in the public print by Hon. Charles J. Bloch, of Macon, and Hon. W. T. Anderson, of the Macon Telegraph, to whom I give full credit for their intelligent and patriotic efforts.

Under the present law of Georgia, the State Democratic Executive Committee is the only body that has a right or a voice in determination of the person to be nominated as the nominee of the Democratic Party. Under the present law, the State Democratic Committee can name the delegates to the National Convention without reference to the people and without giving the people an opportunity to express their free choice. The right of a primary, the rules of the primary, under the present law, are all in the control of the State Executive Committee, which committee is appointed by the Governor, therefore, it is possible under the present law in Georgia, for the Governor of this State to dictate who are the delegates from the State of Georgia and who they vote for as the nominee of the Democratic Party in 1940, and since we are historically and traditionally a Democratic State, it is thus possible, under the present law, for the Governor of Georgia to vote the Democratic Party in Georgia in the general election for the nominee of his own personal choice.

This is not as it should or ought to be. This fact was recognized at the last session of the general assembly, when senate bill No. 167 was introduced on March 3, 1939, by Senator Palmour of the thirty-third district and 27 other senators (being a majority of the senate) "to require the holding of a Presidential preference primary, fixing the time of such primary, providing the machinery therefor, and for other purposes." This bill was never called for a vote and it was rumored and reported in the press of the State that word from "above" had come to the senate to the effect that nothing was to be done about that bill. The Macon Telegraph asked, "Upon what meat does any political Caesar feed, if it be true that he thinks himself strong enough to obstruct the fair and honest will of the people." The bill, as written, would make it mandatory to hold a Presidential preferential primary in Georgia in 1940, and every 4 years thereafter, and that the candidate receiving a plurality of the popular vote shall be allowed to name the delegates to the national convention. It is a fair bill, a Democratic bill, and it should have been passed because it guarantees and crystallizes into law the traditional right of the people of Georgia to vote for their choice for the Democratic leadership in 1940—such a bill should be passed at the next assembly convened, whether special, extraordinary, or regular session of the general assembly, and if not included in the call, then certainly the general assembly may demand of, by resolution, the executive committee to call a primary, and thus preserve this tradition; but whether or no the general assembly enacts such a bill or passes such a resolution, the people of Georgia will demand and will exercise their right to vote whether such a primary be called by the executive committee or by the Democrats of Georgia as individuals—the will of the people will be served. In order to more clearly set forth the factual matters that established this tradition and demand its enactment into law, I must take you back through the pages of history for more than 6 Presidential years covering a period of more than three decades in this State.

In 1912 a Democratic Presidential preferential primary was held in Georgia because the State Democratic executive committee saw fit to call it. The candidates in that primary were Oscar Underwood, of Alabama, and Woodrow Wilson, of New Jersey; it was held under a rule of the State committee that the candidate receiving a plurality of the popular vote should be Georgia's choice for the Presidential nominee of the Democratic Party. It so happened that Oscar Underwood received a plurality of popular votes as well as a majority of the county-unit votes. Delegates were selected to the national convention at Baltimore, instructed to vote for Oscar Underwood, which they did. Woodrow Wilson was nominated and elected, as you well know.

In 1916 no primary was held, for the fact that President Wilson was the unanimous choice of the Democratic Party to succeed himself.

In 1920 the committee called a primary and provided: "The State delegation shall be selected from among the friends and supporters of the candidate receiving the plurality of the county-unit vote in the State." The primary was held on April 20; the candidates were Senator Thomas E. Watson and Senator Hoke Smith, of Georgia, and Attorney General A. Mitchell Palmer, of the State of Pennsylvania. Senator Watson received 49,420 popular votes, Palmer received 46,710 popular votes, and Senator Smith received 43,244 popular votes; but Palmer received 136 county-unit votes, Watson 70 county-unit votes, and Smith 63 county-unit votes; under the rules of the committee, Palmer received the plurality of the county-unit votes and was clearly entitle to the State delegation, but in the convention Senators Watson and Smith combined and elected delegates to the convention uninstructed as to candidates and unfavorable to the principles of the administration of Woodrow Wilson. After the convention had adjourned, the Palmer supporters elected a delegation instructed to vote for Palmer, the winner of the Georgia primary, and on June 28, in San Francisco, Calif., the Georgia delegation pledged to Attorney General Palmer were seated without a dissenting vote; however, that delegation, although legally elected and legally seated, received in round numbers only 46,000 popular votes as against 92,000 popular votes for those opposed to him, and by reason of the rule of the State committee the will of the people was defeated.

In 1924 the State committee provided for a primary and fixed the rule that the candidate receiving the majority of the popular vote should be entitled to the delegates from Georgia. The candidates were William G. McAdoo, of California, and Oscar Underwood, of Alabama. McAdoo received 91,682 votes and Underwood received 49,945 votes, and the will of the people was, as expressed in the primary, carried out by the selection of the delegates instructed to vote for McAdoo.

In 1928 Senator WALTER F. GEORGE was the favorite son and the only candidate filing his name with the State executive committee. However, Senator GEORGE insisted that if the name of any other person was presented to the committee by a date fixed that a primary must be held. The delegates were selected from his friends by the State committee without a vote by the people, and the Georgia delegation presented the name of our distinguished Senator to the convention at Houston, where he received the entire vote of Georgia, Florida, and a portion of the vote of Alabama and West Virginia.

In 1932 the State committee called a Presidential primary and fixed an entrance fee of $1,000. Governor Roosevelt, of New York, and Judge Gus Howard, of Georgia, qualified in that primary. Governor Roosevelt was selected as Georgia's choice by a tremendous popular majority. A convention was held and elected delegates, friends of Governor Roosevelt. These went to the convention in Chicago and voted for Governor Roosevelt, and he was nominated.

In 1936 the State committee, headed by Hon. Hugh Howell, after much talk and after the entire Georgia delegation in Congress demanded a primary of the State committee, they finally called a Presidential primary and fixed the entrance fee at the exorbitant sum of $10,000; the $10,000 was raised; the primary was not held, as President Roosevelt's name was the only one submitted to the committee and therefore he was declared the nominee and permitted to name the delegation to the Philadelphia convention; the $10,000 was returned.

The history of these Presidential years show the haphazard operation under our present system. The State committee can call, or not call, a primary. It can fix an entrance fee at $500 or $50,000. It can determine whether the results shall be governed by popular vote or county-unit vote. It may or may not, select its own delegates. There is too much left to chance and politics.

There is too much opportunity to defeat the will of the people, and a law should be written upon the statute books as heretofore suggested, which would assure the people of the rights of free expression, fix reasonable rules of the primary, assure the candidate of a reasonable entrance fee and remove the peoples' right from the whim of politics or politicians. Regardless of the legality of the committee's powers, the tradition and custom as followed over this long period of years, is that we have a Presidential preferential primary, that the popular will of the people shall decide who the nominee shall be. It is up to you and to me and to the other citizens of this State that we make our demand that our rights be observed.

In conclusion, permit me a personal reference which perhaps will clarify my statement here today. I am a Democrat and my record of loyal service to the party is known, but be it said, I am a free Democrat and, above all else, a free American. I have followed Democratic doctrines and expect to follow them, but I have respect for and obedience to the traditions, as well as the rules of the party, and I expect to do all in my power to uphold and maintain them.

I call upon all loyal Americans to attend the standards of democracy, for there are forces foreign and unfriendly, domestic, and self-seeking, that desire to tear down our traditions and deny us our privileges. You men of the mountains, attend the standards of our Government and hold high those banners of our rights, both written and unwritten, and these privileges and customs that have become the established precedent and instinctive procedure of our democracy. As I stand here today, inspired by the panorama which extends from the Great Smokies on and on to the sea, in this home of purebred Anglo-Saxon people, where the mountains in their purple majesty rise high above the fruited plain, where the people have maintained the purity of democratic principles of government, as well as their race, I paraphrase and quote that beautiful poem by Ernest Neal:

"In this rhythmical land of the Cherokees,
With its wonderful streams and beautiful trees,
In music shall roll the Indian's proud soul
As long as its rivers flow into the seas.

"In the laughing of the ripples of the sweet Salacoa,
In the falling of the current of the silvery Toccoa,
In the roarings of Tallulah, and the splashings of Yahoola
Are the wild and varied volumes of a never-written lore."

Now, in saying good-bye and expressing my thanks for this privilege, may this land of the Cherokees always be the home of and maintain a people who are patriotic, democratic, brave, and free. I thank you.

Pensions for Dependents of Deceased World War Veterans

EXTENSION OF REMARKS

OF

HON. JAMES E. VAN ZANDT

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 25, 1939

Mr. VAN ZANDT. Mr. Speaker, there now is pending before the Committee on World War Veterans' Legislation of the House a bill (H. R. 2726) providing pensions for the dependent widows, orphans, and parents of all deceased World War veterans. I wish to present for the RECORD a compilation showing the number of such children, widows, and parents in all the States and the amount of money which would go to each State during the first year under the provisions of H. R. 2726. This information, compiled by Mr. Millard W. Rice, legislative representative of the Veterans of Foreign Wars of the United States, follows:

Estimated number of dependents of deceased World War veterans who would be entitled to pensions during first year under the provisions of H. R. 2726

State	Children	Widows	Parents	Total	Annual cost
United States	376,400	193,400	43,000	612,800	$111,390,000
Alabama	5,490	2,745	765	9,000	1,629,000
Arizona	1,165	585	160	1,910	345,710
Arkansas	4,660	2,330	650	7,640	1,382,840
California	22,000	11,000	3,000	36,000	6,516,000
Colorado	3,550	1,750	600	5,900	1,067,900
Connecticut	4,700	2,350	650	7,700	1,393,700
Delaware	530	265	75	870	157,470

Estimated number of dependents of deceased World War veterans who would be entitled to pensions during first year under the provisions of H. R. 2726—Continued

State	Children	Widows	Parents	Total	Annual cost
District of Columbia	3,020	1,510	420	4,950	$895,950
Florida	4,370	2,130	600	7,100	1,285,100
Georgia	6,280	3,140	880	10,300	1,864,300
Idaho	1,460	730	210	2,400	194,400
Illinois	27,160	13,560	3,780	44,500	8,054,500
Indiana	10,035	5,015	1,400	16,450	2,977,450
Iowa	8,460	4,200	1,100	13,700	2,479,700
Kansas	6,100	3,050	850	10,000	1,810,000
Kentucky	5,980	2,990	830	9,800	1,773,800
Louisiana	5,850	2,930	820	9,600	1,737,600
Maine	2,290	1,140	320	3,750	678,750
Maryland	5,140	2,560	700	8,400	1,520,400
Massachusetts	14,500	7,200	2,000	23,700	4,289,700
Michigan	14,400	7,200	2,000	23,600	4,271,600
Minnesota	9,100	4,550	1,250	14,900	2,696,900
Mississippi	3,125	1,550	425	5,100	923,100
Missouri	11,600	5,900	1,500	19,000	3,439,000
Montana	1,950	980	270	3,200	579,200
Nebraska	4,270	2,135	595	7,000	1,267,000
Nevada	350	175	50	575	104,075
New Hampshire	1,300	655	185	2,140	387,340
New Jersey	12,500	6,000	1,500	20,000	3,620,000
New Mexico	10,800	5,400	1,500	17,700	3,203,700
New York	40,000	20,000	5,000	65,000	11,765,000
North Carolina	6,750	3,350	900	11,000	1,990,000
North Dakota	1,700	850	250	2,800	506,800
Ohio	18,500	9,000	2,500	30,000	5,430,000
Oklahoma	6,700	3,400	900	11,000	1,990,000
Oregon	3,875	1,935	540	6,350	1,149,350
Pennsylvania	33,590	17,650	3,850	55,000	9,955,000
Rhode Island	215	105	30	350	63,350
South Carolina	3,750	1,870	520	6,140	1,111,340
South Dakota	2,380	1,195	325	3,900	705,900
Tennessee	6,220	3,105	865	10,190	1,844,390
Texas	15,850	7,930	2,220	26,000	4,706,000
Utah	1,530	760	210	2,500	452,500
Vermont	875	485	70	1,430	258,830
Virginia	6,650	3,325	925	10,900	1,972,900
Washington	6,100	3,050	850	10,000	1,810,000
West Virginia	4,570	2,300	630	7,500	1,357,500
Wisconsin	9,100	4,600	1,200	14,900	2,693,900
Wyoming	1,190	595	165	1,950	352,950

May I call attention to the fact that if such pensions were granted to the dependent widows, orphans, and parents of deceased World War veterans, they would receive the same amount individually, whether they lived on farms, in villages, or in cities in Eastern or in Western States and in Northern or Southern States.

No matched funds would have to be paid out by the State governments, such as is the case as to public-assistance benefits under social-security benefits.

These widows, orphans, and parents are now more or less dependent upon their local communities and States—in effect, local liabilities. Such local human liabilities would be converted into local human assets by the adoption of such pension laws.

Moreover, even more important, by transferring the burden of the care of such dependent widows, orphans, and parents from their own States to the Federal Government through the Veterans' Administration, as provided in H. R. 2726, then State social-security funds would become available in larger sums for other destitute citizens, thereby curtailing such States to a greater amount of matched funds from the Social Security Board.

Exports and Imports of Agricultural Products

EXTENSION OF REMARKS

OF

HON. FRANK H. BUCK

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Friday, July 21, 1939

Mr. BUCK. Mr. Speaker, for some time past I have been watching with interest the insertion in the RECORD of various tables of agricultural imports, inserted by the minority Members. These tables have purported to show increases of

imports, and lists of agricultural exports have frequently been inserted as well, so grouped that for the most part declines are shown for the first 5 months of 1939 over 1938. Occasionally one or two decreases in the agricultural imports are shown in the select or picked list. The whole list is presented under the guise of products which have been affected by trade agreements.

It seems to me that for the sake of accuracy someone of us ought to insert what are the actual figures in connection with imports and exports of agricultural products, and therefore I am calling the attention of the Members of the House to what is the actual state of affairs, as far as our import and export trade is concerned.

Of course, for those who have no regard for accuracy, it does not matter that about half of the items in the inserted lists have not been the subject of concessions by the United States in trade agreements. Opponents of foreign trade have a weak case and therefore have to pad the list to make what they consider an unfavorable showing. In order to keep the record straight, I present a few of the agricultural imports which have decreased during the first 5 months of 1939 over 1938.

Product	Unit	1938	5 months, 1939
Butter	Pound	923,000	458,000
Swiss cheese	Pound	5,664,000	5,141,000
Eggs and egg products	Pound	903,000	383,000
Pork, fresh	Pound	2,169,000	843,000
Tallow	Pound	632,000	452,000
Corn	Bushel	227,000	164,000
Barley malt	Pound	45,746,000	43,988,000
Sugar	Ton	1,331,000	888,000
Molasses	Gallon	89,624,000	86,231,000
Tung oil	Pound	43,188,000	32,838,000

In giving the above list I want to say that in either year the quantity of imports of the products in comparison with the production in the United States was generally so small as to have little effect on the domestic producers. Shown alone without reference to production and prices the figures of imports mean very little except, as the opposition hopes, a political effect.

It is interesting to note the changes of the products from time to time. Formerly butter headed their list. Now that that product has shifted to an export basis it is omitted from the list.

I also want to complete the record and show a few agricultural products the exports of which increased for the first 5 months of 1939 over 1938.

Product	Unit	1938	1939
Bacon	Pound	3,237,000	3,543,000
Hams and shoulders	Pound	21,322,000	27,951,000
Lard	Pound	88,633,000	117,996,000
Milled rice	Pound	104,721,000	139,399,000
Wheat	Bushel	43,268,000	44,034,000
Flour of United States wheat	Barrel	1,595,000	2,464,000
Apples	Bushel	5,472,000	5,849,000
Oranges	Box	3,786,000	4,131,000
Grapefruit	Box	483,000	689,000
Apples, dried	Pound	5,483,000	12,542,000
Raisins	Pound	38,164,000	39,581,000

These increases are not as large as some of us, who are interested in export trade, would like to have them. There have been concessions obtained on all these items in trade agreements, but no one maintains that these increases in all cases were brought about as a result of trade agreements. This table merely presents a more favorable situation than the opponents of trade agreements show in their monthly presentation for the CONGRESSIONAL RECORD, and which go out over the country to misinform the farmers of the true situation.

Thomas A. Edison and Mrs. Mina M. Edison Hughes

EXTENSION OF REMARKS

OF

HON. W. WARREN BARBOUR

OF NEW JERSEY

IN THE SENATE OF THE UNITED STATES

Friday, July 21 (legislative day of Tuesday, July 18), 1939

ADDRESSES IN HONOR OF THOMAS A. EDISON AND MRS. MINA M. EDISON HUGHES

Mr. BARBOUR. Mr. President, I ask unanimous consent to have printed in the Appendix of the CONGRESSIONAL RECORD the remarks delivered by the honored guests at a dinner sponsored by the Livingston, North Newark, and West Hudson Kiawanis Clubs to honor the late Thomas A. Edison and Mrs. Mina M. Edison Hughes, held at the Newark Athletic Club Wednesday, May 31, 1939.

I point out the fact that mayors of 11 communities in northern New Jersey and Governors of 22 States of the Union issued proclamations proclaiming February 11 of this year as Edison Day in recognition of Mr. Edison's contribution to civilization. Mr. George E. Stringfellow, vice president of Thomas A. Edison, Inc., later collected the original proclamations, together with the autographed photographs of those issuing them, and had them bound and presented to Mr. Edison's widow at the dinner.

In view of the great contributions of the late Thomas A. Edison to mankind, and the significance of this particular occasion, I trust that the Senate will consent to the publication of this interesting material.

There being no objection, the addresses were ordered to be printed in the RECORD, as follows:

INVOCATION

Maj. RALPH MILLER, State Commander, Salvation Army. Our Father God, the giver of every good gift, we come to Thee tonight with a deep sense of gratitude in our hearts. We thank Thee for all Thy blessings to us, but this evening we are specially mindful of the gift of science and invention as personified in the life and achievements of Thomas Edison. We thank Thee for all he has been able to do to make the world brighter, both physically and spiritually, and the hard road easier for many feet. We pray that Thou shalt sensitize our hearts as well as our minds that we may be increasingly mindful of our blessings as manifest through Thy children.

We thank Thee for the presence at this gathering of her who was the inspiration of all his efforts and achievements for humanity, and beeseech Thy continued guidance for her and her loved ones.

Bless the food that has been provided for us, and may we spend the strength derived from it for Thy honor and in service to our fellow men. Amen.

WELCOME

ARTHUR E. BLUMENSCHINE. Honored guests, ladies, and gentlemen, on behalf of the Livingston, North Newark, and West Hudson Kiwanis Clubs, may I extend to each of you a sincere welcome on this occasion to honor one of America's greatest men, Thomas Alva Edison.

I take great pleasure in presenting to you the public relations chairman of the North Newark Kiwanis Club, a man of action, our toastmaster for the evening, Mr. Emil G. Meyer.

EMIL G. MEYER, toastmaster. President Blumenschine, President De Camp, President Diver, honored guests, ladies, and gentlemen, among the few enduring satisfactions of life is the attainment of the respect of one's fellow man. Tonight we are paying respect to the living, Mrs. Mina Edison Hughes, and respect to the departed, Mr. Thomas A. Edison.

Without mental reservation, these two are worthy of the respect that we are paying them tonight. What a strange coincidence. A few moments ago I heard that we are also adding our respect to Mr. Edison's daughter, Mrs. John E. Sloane, whose birthday is today.

There are upward of 530 people here tonight. Had we accommodations five times the size of this dining hall, we would have had 3,000 people paying tribute. The size of the room determined the capacity of the industrial cross-section of the community paying respect to the great inventor, Mr. Thomas A. Edison.

An additional purpose of the gathering here tonight is to know one another better. You know what the world needs today more than anything else is greater understanding, and greater understanding can only be obtained through contact. May I suggest that, at the conclusion of this gathering, we again reassemble in Duffield Hall and further fraternize?

We may not be able to do the things that Mr. Edison has done, but we can say a kind word to our neighbor, and, through that kindness, we can carry on by word of mouth the very thing that Mr. Edison has done. He has made and is still making people happy. Let us know each other better; and if we know each other better, I am sure we will love each other more.

In the words of the Honorable John W. Bricker, Governor of the State of Ohio: "What America needs is another Thomas A. Edison."

It may interest you to know that the entire proceedings of this evening are being automatically recorded on a device invented by Mr. Edison and later perfected by his engineers—the Ediphone. On these records, your singing and the spoken words of the people at the head table are being recorded—all to go down in the archives, a permanent record of the tribute we are paying Mr. Edison here tonight.

There are four messages printed in the program—one from the President of the United States—which reads as follows:

"MY DEAR MRS. HUGHES: It must be with a sense of triumph that you will receive the tribute in honor of your late husband which will be presented to you on May 31.

"It gives me great pleasure to join with those who would thus acclaim the memory of a man who devoted a long life so assiduously to the practical application of science to everyday needs. His claim upon our remembrance for the works he wrought is his best monument.

"Very sincerely yours,

"FRANKLIN D. ROOSEVELT."

One from past President Herbert Hoover, and this reads as follows:

"MY DEAR MRS. HUGHES: I am, indeed, glad to see the movement that has been gotten under way to honor Thomas Alva Edison. For this I am grateful. No man in any civilized part of this earth can live his day through without enjoying in some measure benefits created by Mr. Edison.

"It is fitting that a day be set aside in specific recognition of these benefactions. They are more than personal comforts. He added to the productivity of the earth. He added to human freedom from drudgery and toil. He created new provinces of human thought and human liberty.

"It is unfortunate that I have an engagement scheduled elsewhere, as I should like to be with the gathering that will honor your late husband on May 31.

"My warm personal regards to you,

"Yours faithfully,

HERBERT HOOVER.

A message from Alfred E. Smith, which I will read to you:

"MY DEAR MRS. HUGHES: I am delighted to know that the New Jersey State Legislature has petitioned Congress to proclaim an annual 'Edison Day,' and sincerely hope that favorable action will be granted in Washington. Certainly there is no honor too great for the memory of Thomas A. Edison, who left behind him so much that has contributed to the progress and comfort of present-day humanity.

"Rest assured that you can count me as one of those favoring every thought of respect and homage to the memory and achievements of Thomas A. Edison.

"I sincerely regret my inability to be with you and your many friends on the occasion of the presentation to you of the proclamations issued by the various mayors and governors.

"Sincerely yours,

"ALFRED E. SMITH."

I will also read this to you from Governor Bricker, of Ohio:

"DEAR MRS. HUGHES: As Governor of the State in which Thomas A. Edison was born, it gives me great pleasure to extend greetings in behalf of the citizens of Ohio to those in attendance at the dinner meeting at which you are to receive the proclamations issued by governors and mayors in connection with Edison Day.

"Thomas A. Edison was born Februry 11, 1847, in Milan, Ohio. He is rightly entitled to the title of the country's greatest inventor. The people of Ohio will always remember the greatness of Mr. Edison and the contributions he made to the advancement of this country.

"What America needs today is another Thomas A. Edison.

"Assuring you of my regret at not being able to attend the meeting, and with kind personal regards, I remain

"Cordially yours,

"JOHN W. BRICKER,
"Governor, State of Ohio."

I also have a telegram from Senator BARBOUR, which reads:

"Regret exceedingly will not be able to be with you, but important conferences of long standing in connection with legislative program demand my presence here in Washington. I assure you if the situation were otherwise Mrs. Barbour and I would not fail to attend. Please accept our respects and kind regards.

"W. WARREN BARBOUR."

In like manner I have a telegram of congratulation from Mr. Henry Ford, and I think you will all be interested in my reading this to you:

"It is very gratifying that so many of the Governors of States and mayors of cities are proclaiming February 11 as Edison Day. Mr. Edison's service to mankind will be remembered the world over wherever power and light and sound are made and used for human welfare. It is with much regret that Mrs. Ford and myself are unable to join in your celebration tonight, but we are glad to report that today, as every February 11 since Mr. Edison's passing, has been kept at Dearborn and by the Edison Institute of Technology. So that we are in reality joined with you in remembrance of that great man.

"Mr. and Mrs. HENRY FORD."

I also have one from Congressman VREELAND, in which he says:

"Regret congressional activities compel my absence. Hope Congress will officially recognize Edison Day next year."

Oh, how I wish we had the time to read all the letters and telegrams of tribute lying before me—tributes real, genuine, heartfelt in their expressions of Mr. Thomas A. Edison's greatness.

The printer has made an excellent formal presentation of our honored guests at the head table. I refer you to the printed program for their background and affiliations. A splendid group, don't you think so?

Genius as Mr. Edison was, you know he, too, had a very human side. He loved mankind. He loved flowers. He loved music. Would you like to hear some of Mr. Edison's favorite music?

(There follows the toastmaster's introduction of the musical program which included some of Thomas A. Edison's favorite selections.)

Mr. Herbert J. Pascoe has been a member of the New Jersey House of Assembly for 12 terms. In 1937 he was minority leader and at the present time he is speaker of the house. I take pleasure in presenting to you the Honorable Herbert J. Pascoe.

Hon. HERBERT J. PASCOE (speaker of the House of Assembly of New Jersey). Mr. Toastmaster, honored guests, ladies, and gentlemen, my few remarks are to be addressed chiefly to Mrs. Hughes.

Mrs. Hughes, history was made in the Legislature of the State of New Jersey when on May 17 it was my happy privilege to present you to the house of assembly while in session. I believe this is the first time that a distinguished lady citizen was so presented to the State legislature.

On that occasion your gracious manner and personal charm won the hearts of the members. They have commissioned me to bring to you tonight a message of deep appreciation and respect.

So many of the wonderful achievements of your distinguished husband, Thomas A. Edison, were accomplished on the soil of our beloved State of New Jersey that the legislature has felt it desirable that they should in some manner assist in commemorating his memory.

The first such occasion was during the legislative session in 1938, when the Honorable Edgar Williamson, Jr., assemblyman from Essex County, then sponsored a resolution calling on the Federal Congress to set aside February 11 as Edison Day. New Jersey thus initiated a movement which has since been generally adopted by the various States of the Union.

The second instance was this year when the Honorable Bernard W. Vogel, assemblyman from Middlesex County, sponsored a resolution naming the new bridge to be constructed across Raritan Bay, as the Thomas A. Edison Bridge. This resolution having been adopted, the bridge soon to be constructed will be a lasting memorial of the regard of the people of New Jersey for the memory of Thomas A. Edison.

Mr. Edison, always mindful of his fellow man, was just such a citizen as the poet had in mind when he penned his beautiful lines:

"Oh, God; give us men, determined, brave and strong,
Who dare to do the right and smite the wrong;
Wholehearted men, unselfish, fearless, bold,
Whose love of truth outweighs the greed for gold.
Devoted men, who think and pray and plan
How best to live and serve their fellow man."

They tell the story that when someone asked Mr. Edison whether he attributed his wonderfully successful achievements to inspiration or perspiration, he replied, "A full measure of both."

When he thought of inspiration, it must have been that patient encouragement that he received from you; your constant source of aid and help that inspired him to persist in his endeavors even when the outlook was most discouraging.

This audience tonight, in appreciation of the aid and inspiration that you gave to one of New Jersey's former outstanding citizens, has asked me to present to you and your daughter, Mrs. Sloane, these beautiful bouquets of red roses. As these roses are living manifestations of God's mysteries of creation, may they remind you tonight that it was from the same mysteries of creation that Thomas A. Edison brought forth his great accomplishments to lighten the burdens of humanity.

EMIL G. MEYER, toastmaster. Confidence downward begets confidence upward. Many years ago I heard Mr. Charles M. Schwab say: "My young partners do all the work and I do the laughing and I recommend to you that there is little success where there is little

laughing. In leading men there is more stimulus in a smile than in a thousand harsh words." Mr. Schwab is an internationally known captain of industry, whose advice and wisdom is sought by industrialists, financiers, and Government leaders. He is chairman of the board of the Bethlehem Steel Corporation. I present Mr. Charles M. Schwab.

CHARLES M. SCHWAB, chairman of the board, Bethlehem Steel Corporation, I tried to remember the names mentioned by Mr. Meyer of the various guests present here tonight, because I do not know all of them. But I've forgotten them, and I think at this time I can very well and appropriately say to you, in anticipation of the few words I may say, "My dear Mrs. Hughes, ladies, and gentlemen."

Now, when I saw this kindly and eloquent gentleman present the roses to Mrs. Hughes and her daughter, my mind turned back in reminiscence of years ago. This seems to me to be a night of reminiscences. And I remember one of my first experiences in life was with Mr. Carnegie, who gave his first library to the town of Braddock, Pa. We had a great celebration to honor Mr. and Mrs. Carnegie, and I thought it would please them both if I had some typical steelworker present Mrs. Carnegie with a bouquet of roses. And so, looking over our workmen, I finally selected one, John Noyes, a typical rugged steel man, to make the presentation speech to Mrs. Carnegie.

I had John on the carpet at my office for about 3 weeks until I had him letter perfect in the speech he was to make.

The auspicious moment arrived, and when John came to the stage to present the bouquet of flowers I saw him turn pale, and disaster appeared imminent. However, John started his speech and got as far as saying, "Mrs. Carnegie," and then stopped. He couldn't go any further, but with true American spirit he handed the roses to Mrs. Carnegie, and she accepted them with appropriate remarks. After Mrs. Carnegie had finished speaking the rest of John's speech came back to him. He then remembered what he was to have said in the first place. And he took the roses back from Mrs. Carnegie and started his speech again.

That's how I feel tonight. When your good president and others asked me to come over here to present the book to Mrs. Hughes, I thought that was all I had to do. I would present the book with the same sentiment, love, and esteem that I had for Mr. Edison and Mrs. Hughes during all these years, and that my duty would be ended. But I find that I have been asked to say a few words. Because the speeches have been so brief, and the music so good, I'm inclined to let my soul outpour tonight with reference to this great man, whom I first met in 1886, a long time ago, and have been his friend during all the years of his life. Yes; more than merely a friend. I had great affection for him. Perhaps few men in this country have known intimately more men, and great men, throughout the world than I've known. Circumstances of life placed me in that position, and I am glad in this, the home of Mr. Thomas Edison, to say frankly, and with the truth of age, that Mr. Thomas Edison, to my mind, was the greatest man I ever knew in my long life.

I worked on some problems with Mr. Edison, and as time went on I learned to admire him all the more. I even learned his language, and used it frequently. I remember one night in New York when I coaxed Mr. Edison to make a speech before the microphone; he wouldn't do it. We were recording speeches of the great men of our time, and I asked Mrs. Hughes to prevail upon her husband to make the speech, and we finally reached a compromise. Mr. Edison said, "Well, Charlie, I'll stand for the picture if you'll make the speech." I said all right. So we stood together, my arms about him. I suppose I was a little long, and he was a little nervous and he didn't hear very well what I said, and not being familiar with the fact that the radio was recording everything, he said, "Don't be so damned long, I'm tired." I said, "All right, Mr. Edison, we'll cut it short." And that's all in the record preserved at Columbia University.

I think I was the first to show Edison—Mr. Edison—the opinions of people by asking them instead of applauding with their hands to cheer with their handkerchiefs. The great universities of the United States gave a dinner to the pioneers of industry, of which Mr. Edison was, of course, head and shoulders above all; and he was the center of attraction. I said to the people, "Now, he can't hear your applause. Stand up and wave your handkerchiefs until you're tired, and I'll explain to him that that's your way of showing your appreciation of him."

Now, let me say a few things about these troublous times. I've been in industry 60 years. I have never seen times that are so inexplicable, so difficult, as today. We don't know where we stand. We don't know whether business is going to be successful or not. We don't know whether our lives are going to be successful; but there's one thing I'm sure, that if we had a few Thomas Edisons alive today we could be certain that we would be nearer the solution of our troubles. In my opinion, business does not depend upon legislation, but business depends upon the initiative of men, and the greatest example in this direction was Mr. Edison. Moreover, business requires that men be paid their due for unusual endeavor and service to their fellow man. Men who are leaders must be acknowledged as leaders, and our faith in men of this caliber will serve in great measure to put this country of ours in the position it well deserves.

There is no nation in the world that has the natural resources of this great United States of ours. Combine these resources with the unhampered initiative of our people, and you may be sure of wonderful results.

If I were writing a title for Mr. Thomas Edison, however, I would be reminded of what is said of the architect of St. Pauls in London, when they wrote above his tomb: "If you would see—if you would know this life—look about you." And so with Mr. Edison. We can use all the words we like in praise and admiration of Mr. Edison, but all you need to do when you think of this great man is look about you. Where would we be without the things that he has developed?

One of the proudest things at my time of life is to have the realization that in the earlier days I could call Mr. Edison my friend, and we were real friends, Mrs. Hughes, until the last, as you well know. I loved him as I loved a father. I admired him to such an extent that it would be indescribable. He was intuitively, and by nature, a great man. When President Butler introduced us to the heads of all the universities of America, he said, "Not one of the men we are honoring as pioneers of industry has ever been to a college. So you can imagine my embarrassment."

I could go on talking in this vein. I could talk forever about the virtues and the wonders of this great man. I would have you remember I came over from New York in 96 degrees of heat—but when you said that this was for Mr. Edison, I said, "If it's the last act I do in my life, I'll go and pour forth the admiration that I have for this great man."

Now, I haven't said much about Mrs. Hughes. Knowing her for many years, I have said a great deal more to her privately than I'm going to say to you people publicly. And after many years, we have both reached the age where we are rather insusceptible to flattery, but I do say that she must be remembered in this community as a great help and inspiration to this wonderful man, and with all that she's mighty good to look upon. I know Mr. Hughes is here, but when people said things like that about my wife I certainly took it to myself and said, "Well, you're a pretty good judge, after all." So when I say it to Mrs. Hughes publicly and privately, I admire her for what she's done and for her kindly disposition, and there's no greater pleasure that could come to me than to have been selected to present you, Mrs. Hughes, with this lovely volume that has been prepared by your friends with so much care, that contains the records of the messages of 27 or 28 Governors; of resolutions entered into in our own Congress; and the tributes of affection and admiration from the leading newspapers of the world. I've read them all with care. There's nothing very new about it. It doesn't half do the subject justice, but it's the best that human nature could do; and, therefore, at the request of the gentlemen who have compiled this beautiful book for your records of the years to come, it gives me untold pleasure, Mrs. Hughes, to be the medium for presenting you, before your various friends here tonight, this volume.

Mrs. HUGHES. Mr. Schwab, I thank you for coming to us tonight, as Mr. Edison always so greatly admired you, and I deeply appreciate your graciousness in presenting to me this valued book, which I shall ever treasure.

And I want you particularly, Mr. Stringfellow, to know that I am grateful to you for your loyal and untiring effort to bring about this well-deserved recognition.

I want to express my appreciation and thanks to you all who are instrumental in honoring Mr. Edison in this wonderful way.

I humbly accept this tribute in the name of my great and beloved departed one. No one knows so well as I the hours and tireless energy spent for the accomplishment of his desires to give the best to his fellow men. Nothing satisfied him but perfection. He was Nature's man in his simplicity, and I always felt that he was truly God's instrument, of whom He could say: "Well done thou good and faithful servant. Enter thou into the kingdom of heaven."

Mr. MEYER. We have many dignitaries gracing our head table who saw fit to break bread with us tonight, but I'm just going to take time out to introduce one who's traveled a considerable distance, and I take great pleasure in introducing the Honorable Richard C. McMullen, Governor of the State of Delaware.

In Delaware the Governors don't speak.

You know the great teacher is not the man or the woman that supplies the most facts, but the one in whose presence we become different. The next speaker is such a personality. He is capable, interesting, dynamic, long-visioned, and has a splendid national reputation. He will address you on The Pioneer Spirit. He needs no introduction. I present to you Gov. Harold G. Hoffman.

Governor HOFFMAN. Mr. Toastmaster, guest of honor, Mrs. Hughes, Mrs. Sloane, Governor McMullen, Mr. Schwab, distinguished guests, ladies, and gentlemen, I feel entirely inadequate in approaching the subject that has been assigned to me, The Pioneer Spirit—something that was woven so closely into the life and work of the man whose memory is being honored tonight. And I approach this task with some degree of humility, particularly in view of the fact that several people are here who have been so closely associated with the late Mr. Edison in his work that they could tell you much more capably than I of that work and of his beneficent influence upon humanity.

I am particularly appreciative of the fact that tonight we have with us the beloved daughter, and that woman, particularly, Mrs. Hughes, who for so many years shared the companionship of Thomas Alva Edison. It was Everard Jack Appleton who once expressed, in words far more appropriate than I could pass on to you, the thought that inspiration, courage, and incentive come to every man whose deeds are recorded in history, through a mother, a wife, a sister, a sweetheart, a daughter, or some good woman. He said:

"This is the story of ages—this is the woman's way;
Wiser than seer or sages—leading us day by day.
Facing all things with a courage nothing can daunt or dim,
Treading life's pathway wherever it leads;
Lined with flowers or choked with weeds.
Guide, comrade, golden spur; the men who win are helped by her."

I think that this occasion is particularly well timed. We pay tribute to the memory of this man immediately following that day which is set aside in the lives of all Americans—Memorial Day, dedicated to the past, a day rich in memory, a day when we pause and go back over the paths that America has traveled, enshrined in our memory as sweethearts preserve a flower, a rose perhaps, between the leaves of a beloved book.

And as we go back over the paths that America has traveled we find that long road of a century and a half filled with pictures. We think of the minutemen at Lexington, there upon the green; not yet defying their King, and yet insisting upon fighting for their rights. We think of Yorktown; we think of Saratoga. Those of us living here in New Jersey think of Princeton, of Trenton, of Monmouth, and Molly Pitcher. And then there are the pictures of flags, the pictures of pride, the pictures of freedom, of victory. There's a picture that comes to us of the old *Constitution* sailing its way between the British vessels, the *Cyane* and the *Levant*, the guns booming under the moon and with victory coming at dawn. Then there's the long epic struggle of the Civil War. The stone fence at Gettysburg, the long, skilled, cool fight of Robert Lee with a dying army, and finally the victory, with Lee sheathing his sword, and with Grant saying, "Go ye in peace, my brethren." And then just as in a crucible, the refined metal comes out pure and shining, separated from the dross, so, too, from the trials and the fire of battle and war a great new Nation emerged.

There are other pictures—Custer dying with his men of the Seventh Cavalry; with their noses filled with the acrid smell of gunpowder, of thick blood, and the dust of the hooves of the circling Sioux ponies. Then 1898—Dewey at Manila Bay, pausing in the middle of a battle as he was winning an empire 6,000 miles away from home, to have breakfast. The cry, "Remember the *Maine*," and old Spain, gallantly losing the fight for the golden Indies in the bright waters of the Spanish Main. And then there are the more recent memories of 1918 when we raised a fine young army, developed practically a new Navy, with the substantial aid of the men of industry, and this Navy carried the men overseas. Here at home again it was the mothers, wives, sisters, and sweethearts who made a great sacrifice. We know that in their hearts the fires of patriotism burned just as brightly as in the hearts of the most intrepid soldiers upon the far-flung battle lines.

But the thing I would like to impress upon you tonight is that the pictures enshrined in the minds and in the hearts of Americans are not all pictures of war; not all pictures of battle; because there also has been a long epic struggle of industry in the United States. We have pictures of the early founders, the pioneers who labored to wrest the grain from the reluctant soil, fighting against the beast, fighting against hardship, fighting against weather. There are pictures of men who were valiantly making an effort to build up America, whose spirits still live in the present day, captains of industry, some whose names have been mentioned and some seated at this very head table tonight. All have helped to build up America; the men who created the railroads that penetrated the wildernesses; the men who established the cities upon the prairie and made them grow.

When you consider the growth of America in times of peace you'll find, too, that most of these men have been inspired by that quality chosen as the subject for my talk to you tonight. And that is the pioneer spirit. We recognize, as Mr. Schwab has already said, that here in the United States we do have some troubles; conditions seem to be unsettled; and yet we recognize, too—and I'm sure he will agree with me in this statement—that here in the United States, as compared to the other countries of the world, we are standing at an advanced point on the high road of civilization. And you'll find that the initiative in striving to reach higher attainments was taken by our pioneer forbears, the ones who were willing to go out to do the things that hadn't been done before. They had that old passion to discover, the passion to explore. Joseph Husband tells us that it's that passion that's responsible not alone for the fact that today we are enabled to ride across the continent in fast trains, that we can now speed through the air, that we can go across the ocean on great steamships with palatial accommodations, but that it's responsible, too, for the skill that enables the surgeon to save the lives of countless thousands of people throughout the world. All these things arise out of that passion to discover, one of the earliest emotions, Husband says, that men experienced.

He gives us a picture of a cave boy, born and living in a quiet wooded valley that represented his entire universe. Each morning he would see the sun rise above the eastern hills and melt the night mist from the valley. During the day he hunted, fished, or swam the stream that came tumbling down from the mountains through cascades of white water and successions of dark, deep pools. Then at evening, as his mother cooked the meal over the embers of a wood fire, he squatted and watched the sun set in red and yellow flame behind the black wall of the mountains in the west. Those encircling mountains represented his world. He knew of nothing that existed beyond them the size of which would dwarf his surroundings into insignificance. Then, one day there came a new and a strange emotion, a desire to climb to the top of the mountains. When he reached the pinnacle he saw his home valley far below him on the right with the smoke from the fire before his father's cave rising like a tiny thread of gray against the green. But here on the other side was another valley, a new world that he had never glimpsed. For years he had lived in his own little world, ignorant of the existence of anything beyond. For the first time he felt the urge of the romance of exploration burning within him—he had heard the whisper calling him into strange and hidden lands.

In the years that followed, his children and their grandchildren went on and on, always the more venturesome ones climbing the highest mountains, finding some way to get across the deepest streams or nature's barriers.

Thus from small beginnings came civilization, the wonderful civilization of Greece, and Rome, and Europe, with its seaport towns and the challenge of the broad Atlantic as an avenue for new discoveries. Columbus dared to search the uncharted seas, yielding to the lure for all the mariners of his time, the northwest passage to India. In three tiny, unseaworthy vessels, as you know, he set sail into the vast unknown. Joaquin Miller pictures that last night in the triumph of Columbus, as follows:

"Then, pale and worn, he kept his deck
And peered through darkness. Ah, that night
Of all dark nights! And then a speck—
A light! A light! A light! A light!
It grew, a starlight flag unfurled!
It grew to be Time's burst of dawn.
He gained a world; he gave that world
Its grandest lesson: 'On! Sail on!'"

And so in the years that followed, other men went out upon the sea; other men went up the mountains, crossed the mountain passes, and discovered new lands, and finally there came a time when it seemed that geographical exploration had ended. Today we cannot imagine our boys and girls looking upon any part of the earth's surface that never before has been seen by man. In the past it was geographical exploration.

But it seems to me that it's a wonderful thing to know that there are still so many avenues open for exploration, and that for our boys and girls the land of romance lies just around the corner; that the urge to explore, to do things that are new, may come to them just the same as it came to Magellan, to Sir Francis Drake, or to young Byrd, who flew the American flag to the poles.

Perhaps there's nothing I could pass on to you that would better express the thought that I have in mind than Rudyard Kipling's poem, The Explorer:

"'There's no use in going further—it's the edge of cultivation,'
So they said, and I believed it—broke my land and sowed my crop,
Built my barns and strung my fences in the little border station,
Tucked away below the foothills, where the trails run out and stop.

"Till a voice, as bad as Conscience, rang interminable changes,
On one everlasting Whisper day and night repeated—so:
'Something hidden. Go and find it. Go and look behind the Ranges—
Something lost behind the Ranges. Lost and waiting for you. Go!'

"So I went, worn out of patience; never told my nearest neighbors—
Stole away with pack and ponies—left 'em drinking in the town;
And the faith that moveth mountains didn't seem to help my labors,
As I faced the sheer main-ranges, whipping up and leading down.

"March by march I puzzled through 'em, turning flanks and dodging shoulders,
Hurried on in hope of water, headed back for lack of grass;
Till I camped above the tree line—drifted snow and naked boulders—
Felt free air astir to windward—knew I'd stumbled on the Pass.

"Thought to name it for the finder; but that night the Norther found me—
Froze and killed my plains-bred ponies, so I named the camp Despair
(It's the Railroad Gap today, though); then my Whisper came to hound me—
'Something lost behind the Ranges. Over yonder. Go you there!'

"Then I knew the while I doubted—knew His hand was certain o'er me,
Still—it might be self-delusion—scores of better men had died—
I could reach the township living, but, He knows what terrors tore me,
But I didn't, but I didn't. I went down the other side.

"Till the snow ran out in flowers and the flowers turned to aloes,
And the aloes sprung to thickets and a brimming stream ran by;
But the thickets dwindled to thorn scrub, and the water drained to shallows—
And I dropped again on desert, blasted earth and blasting sky.

"I remember lighting fires; I remember sitting by them;
I remember seeing faces—hearing voices through the smoke;
I remember they were fancy, for I threw a stone to try 'em
'Something lost behind the Ranges,' was the only word they spoke.

"I remember going crazy, I remember that I knew it
When I heard myself hallooing to the funny folk I saw,
Very full of dreams that desert. But my two legs took me through it
And I used to watch 'em moving with my toes all black and raw.

"But at last the country altered—white man's land beyond disputing—
Rolling grass and open timber, with a hint of hills behind—
There I found me food and water, and I lay a week recruiting,
Got my strength and lost my nightmares, then I entered on my find.

"Thence I ran my first rough survey, chose my trees and blazed and ringed 'em
Week by week I pried and sampled, week by week my findings grew.
Saul he went to look for donkeys, and by God he found a kingdom!
But by God who sent his Whisper, I had found the worth of two!

"Up along the hostile mountains, where the hair-poised snowslide shivers—
Down and through the big fat marshes that the virgin ore-bed stains,
Till I heard the mile-wide mutterings of unimagined rivers
And beyond the nameless timber saw the wide and fertile plains.

"Plotted sites of future cities, traced the easy grades between 'em;
Watched unharnessed rapids wasting 50,000 head an hour;
Counted leagues of water frontage through the ax-ripe woods that screen 'em,
Saw a plant to feed a people—up and waiting for the power.

"Well I know who'll get the credit—all the clever chaps that followed—
Came a dozen men together—never knew my desert fears;
Tracked me by the camps I'd quitted, used the water holes I'd hollowed,
They'll go back and do the talking, they'll be called the pioneers!

"They will find my sites of townships, not the cities that I set there.
They will rediscover rivers, not my rivers heard at night,
By my own old trails and markings they will show me how to get there,
By the lonely cairns I builded they will guide my feet aright.

"Did I name a single river; did I claim a single acre,
Have I kept a single nugget (save for samples)? No, not I.
Because my price was paid me 10 times over by my Maker
But you wouldn't understand it. You go up and occupy.

"Ore you'll find there; wood and cattle; water transit sure and steady
(That should keep the railway rates down) coal and iron at your doors,
God took care to hide that country 'till he judged His people ready,
Then He chose me for His whisper, and I've found it, and it's yours!

"Yes, your 'never, never country'—yes, your 'edge of cultivation'
And 'no sense in going further'—'till I crossed the range to see.
God forgive me! No; I didn't. It's God's present to our Nation.
Anybody might have found it, but His whisper came to me!"

So it was, I think, that the whisper of God came to Thomas Alva Edison. It was that same whisper, perhaps, that came years before to the boy, Benjamin Franklin, who looked up at the lightning that perhaps might have terrified that cave boy centuries and centuries before, but with just a kite and a key and a bottle he brought down and gave to us the discovery of electricity. Mysterious and unknown was this undiscovered realm of electricity, but other pioneers in laboratories and in experiment stations toiled and directed it into courses useful to mankind. Today we can sit in our homes and turn little knobs and have brought to us news of war, and of peace, and music from distant lands. Wonderful thing, isn't it? Yet it is just one of countless results of this pioneer spirit, the urge of people to do the things that haven't been done before. And it was that urge that came, as I've said, to Thomas Alva Edison.

Tonight I couldn't attempt to tell you of all the things that have made mankind the beneficiary of Thomas Alva Edison. I've heard people who have been closely associated with him, such as George Stringfellow, tell of many of those things. One thing particularly impressed itself upon my memory, and that was the fact that when Mr. Edison died in 1931, in the industries arising from his inventions there was an investment of over $25,000,000,000, employing over 2,000,000 men, to say nothing of millions who had been employed in collateral lines. This vast army of wage earners found jobs, found happiness for their families, and are continuing to carry on that work because of this man who had believed in them. It would be hard today to envision, I think, a world without these inventions, without these blessings that have been given to us by Thomas Edison.

I like to think this, that it's a whisper, a divine whisper, that seems to come to men to urge them to get out of the beaten path, to do the things that haven't been done before.

Once God spoke to men through Moses, the Bible tells us, and through him gave us the Ten Rules for all human conduct.

Perhaps, after 4,000 years of silence, God spoke again—to Thomas Alva Edison. Maybe He said to him:

"My people are ready to live with miracles. So give them the miracles in My name.

"Let light flood their homes and their streets. Let invisible power perform their daily tasks. Let their words be carried, one to the other, to the ends of the earth in the twinkling of an eye.

"Let them preserve their voices on cylinders and plates of wax, so that the dead may be heard by the living, the spoken wisdom of yesterday be repeated tomorrow.

"Let all the events of the world be gathered together and fixed upon a film thinner than the thinnest parchment, and then let them be reenacted before the eyes of all men. Let men know the appearance of far places. Let landsmen see the waves of the ocean and seamen see mountain forests in the wind.

"Let there be great cities built in all the lands—cities which shall live and move and have meat and drink through unseen powers.

"Let these be common miracles. Let them not be put upon high altars and worshiped from afar in awe. Let them be for all men and for the uses of all men.

"Like Moses before you, you may see the beginning but not the end or even the beginning of the end, for I will gather you to My bosom before that comes to pass."

It seems to me that all Americans are beneficiaries of these wonderful things that came to Thomas Alva Edison through this divine inspiration. There is nothing that could give to us a greater urge to carry on, to do our part in this world of today, and in this Nation that he loved so well, than to follow this last message of Thomas Alva Edison to the American people. It was a message that he had written to be read over the radio. He said: "My message to you is to be courageous. I have lived a long time. I have seen history repeat itself over and over again. I have seen many depressions in business. Always America came through strong and more prosperous. Be brave, as your fathers were brave before you. Have faith. Go forward."

Thank you.

Mr. Meyer rose to conclude the program with a final musical selection.

Philippine Market

EXTENSION OF REMARKS

OF

HON. ERNEST W. GIBSON

OF VERMONT

IN THE SENATE OF THE UNITED STATES

Tuesday, July 25, 1939

ADDRESS BY HORACE M. POND

Mr. GIBSON. Mr. President, I ask unanimous consent to insert in the RECORD a speech delivered at Manila during the Foreign Trade Week, on May 27 of this year, by Mr. Horace M. Pond, president of the Pacific Commercial Co., the largest importer of American goods in the Philippines.

The speech is a clear, impartial, and brilliant exposition of the importance of the Philippines to the United States by an American who has earned the respect and admiration of both Americans and Filipinos during his stay of over a third of a century in the Philippines.

Mr. Pond's speech, together with the speech delivered by Hon. Paul V. McNutt at Charlottesville, Va., which has been inserted in the RECORD, constitute a most illuminating exposition of Philippine-American economic relations.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

The Philippine tariff door is open to the products of the United States, and the United States tariff door, with certain quantitative limitations as to some products, is open to the products of the Philippines. These open doors, I believe, are not only vital for the Philippines but are most advantageous to the United States. I believe, therefore, that they should not now be closed but, on the contrary, should be left open indefinitely.

In 1938 the United States passed through the Philippine open door goods to the value of about $90,000,000. Generally there are but about seven other countries in the world that buy more from the United States than does the Philippines; during the first quarter of 1939 there were but four countries that bought more—the United Kingdom, Canada, Japan, and France. During that quarter the United States shipped to the Philippines goods to the value of about $23,228,000, and this was more than the value of goods received in the United States from the Philippines during that quarter.

BUYS PROCESSED GOODS

The value of goods sold does not, however, tell the whole story. The Philippines is not an industrial country. Most goods purchased of the United States are, therefore, not raw products but goods which have been processed or manufactured. Instead of raw cotton, the Philippine purchases large quantities of cotton textiles, being the best customer of the United States. Instead of wheat, the Philippines purchases large quantities of wheat flour; and here again the Philippines is the best customer of the United States. Instead of scrap iron to be used for war purposes, the Philippines purchases large quantities of finished iron and steel products, hardware, machinery of all kinds, and automobiles and trucks. Of each dollar of sales to the Philippines far more United States labor and capital are employed than, generally speaking, is the case of exports to foreign countries.

United States agriculture, which from time to time has opposed Philippine-American trade preferences, is also a large beneficiary of the present trade preferences in the Philippines. The Philippines buys in the form of wheat flour each year the equivalent of about 6,000,000 bushels of wheat, the product of about 400,000 acres. On such of this wheat flour as is brought into the Philippines from the United States the Philippines gives to the wheat farmers of the United States a duty preference equal to about 10 cents (United States currency) a bushel.

OUTPUT OF 25,000 COWS

The Philippines buys from the United States each year cotton textiles which take the product of about 135,000 acres of southern cotton fields; and all of these cotton textiles have in the Philippines the advantage of a substantial duty preference over foreign textiles.

The Philippines consumes each year in the form of canned milk the equivalent of about 100,000,000 pounds of raw milk, or the product of about 25,000 cows. Such part of this canned milk as comes from the United States is admitted into the Philippines free of duty, while canned milk from foreign countries must pay duty.

These are but a few concrete examples of the value of the Philippines as a market for the agricultural and industrial products of the United States.

PAID IN DOLLARS

The sales which United States producers, manufacturers, and merchants make to the Philippines give them none of the headaches—none of the difficulties and problems which result from their trade with many other countries of the world. Philippine buyers generally either pay in the United States United States dollars for the goods purchased before they are shipped, or banks collect from the buyers in the Philippines and promptly remit United States dollars to the sellers. In the Philippines no bothersome quotas are imposed, there are no blocked currencies of doubtful value and more doubtful convertibility to contend with, no exchange controls, no barter problems, no delays in converting Philippine pesos into United States dollars, and no exchange fluctuations of any importance.

The Philippine peso is tied to the United States dollar and so backed by reserves of United States dollars that there is no question, under present conditions and currency laws, that for Philippine pesos United States dollars can be promptly secured at a fixed and stable rate of exchange. In much of South and Central America, and in such countries as Germany, Italy, Turkey, and Japan, it may be possible to find buyers who desire American goods but it is another matter to get an important permit or to secure exchange so that goods purchased and shipped can be paid for. Sellers in the United States well know from bitter experience that reichmarks in Germany, pesos in the Argentine, or yen in Japan may be of little or no value to them in the United States. What they want for the goods they sell is dollars in the United States; those dollars they get for the goods they sell to the Philippines.

INVESTMENT FIELD

Another advantage to the United States of Philippine-American trade preference is in the investment field. According to the United States Tariff Commission, investments by United States citizens in the Philippines totaled in 1935 about $200,000,000, of which about $32,000,000 was in government and semi-government bonds and about $165,000,000 was in Philippine business and industry. The depreciated book value at that time of the fixed assets of such business and industry was about $110,000,000.

Many of these investments were made because of the trade preferences in the trade relations between the Philippines and the United States, and particularly for such products as sugar, coconut oil, buttons, cigars, and pineapples and embroideries. These investments have generally brought substantial profits to those making them. Continued trade preferences, and especially if the uncertainties as to future Philippine-American trade relations were to be removed, would most likely make the Philippines a fertile field for investments of United States citizens.

ACT RESTORES TARIFF

The economic provisions of the Philippine Independence Act will change all this, for, beginning July 4, 1946, the date for the recognition of Philippine independence by the United States, not only will Philippine products be dutiable on entry into the United States, but United States products will be subject to the full Philippine duties. Investigations by representatives of the United States Tariff Commission, and studies made by a joint committee of Americans and Filipinos clearly show that these provisions of the independence law will be disastrous to the Philippines and most disadvantageous to the United States.

Recommendations were, therefore, made by the joint committee for an extension of trade preferences until 1961. Beginning July 4, 1946, it was recommended that Philippine products on entry into the United States pay 25 percent of the full United States duties, and United States products on entry into the Philippines pay 25 percent of the Philippine duties, in 1947, 30 percent in 1948, 35 percent, and so on until 1961 and thereafter when the committee recommended that they pay, in each case, the full duties. Thus, the termination of the trade preferences in the trade relations between the two countries was recommended. A bill to give effect to these recommendations was presented to Congress, but it has been tabled by the Senate Committee on Insular Affairs, and is now generally considered to be dead.

GLAD BILL KILLED

From the point of view of the United States, and of a citizen of the United States who cast his lot with that of the Filipino people and prospered as they have prospered, I am glad that that bill is dead. I am glad because I am convinced that its provisions would have been disastrous to the Philippines and disadvantageous to the United States. The application of the principle on which the provisions of that bill were based to the trade relations between the two countries was, I believe, unwise, unnecessary, and even disastrous.

That principle was set forth in the instructions to the joint committee. It is that "preferential trade relations between the United States and the Philippines are to be terminated at the earliest practicable date consistent with affording the Philippines a reasonable opportunity to adjust their national economy," and that thereafter "trade relations between the two countries will be regulated in accordance with a reciprocal-trade agreement on a nonpreferential basis." That made it impossible for the committee to present a sound and satisfactory program for Philippine-American trade relations after independence. The approval of the bill would have applied, by an act of Congress, that principle to future Philippine-American trade relations.

CONSISTENCY NOT JEWEL

There may be a reason for this principle: Trade preferences for one country constitute discriminations against all other countries, and it has long been the policy of the United States to treat alike the products of all countries (except Cuba) which do not discriminate against the products of the United States. This is known as the most-favored-nation principle. That reason I do not consider valid when applied to the trade relations between the Philippines and the United States. In this case consistency is by no means a jewel. Not only are there precedents for excepting the Philippines in the application of the principle, and especially considering that most commercial treaties between the United States and foreign nations contain exceptions, either regional or as to specific articles, but in practically every trade agreement entered into in recent years between the United States and foreign countries the Philippines has been specifically excepted from the operation of the most-favored-nation principle, and this regardless of the future political status of the Philippines.

The purpose of the present trade policy of the United States is not to destroy trade which already exists, but rather to increase trade and commerce throughout the world. Consistency surely does not dictate that the mutually advantageous trade between the Philippines and the United States shall be destroyed, and especially when its destruction may well bring disaster to the Filipino people, the loss of a large market for the United States, force the adoption of bilateralism by the Philippines, and further menace peace in the Far East.

WOULD HIT INVESTMENTS

Had this principle been applied to Philippine-American trade relations by the approval by Congress of the bill, the large and increasing trade with the Philippines, a trade laboriously built up over a period of more than a generation, would have been practically destroyed. It also would have wiped out a substantial part of the investments in the Philippines by United States citizens and the income from such investments. Investments of United States citizens in sugar and coconut oil mills and in a number of other industries would have been made practically valueless. By the termination of trade preferences others probably would have been much less valuable than they are today. It also would have destroyed the Philippines as a future field for investment. This was recognized by the Tariff Commission, which stated in its report that the "provisions of the Independence Act make it practically certain that the Philippines will become less attractive as a field for investment by United States citizens."

The reduction in trade with the Philippines, had the bill been approved, would have been accomplished in two ways. In the first place, the Philippines can buy only as it can sell, and, as the increasing export taxes or the decreasing export quotas would have reduced the total value of all Philippine exports, the total purchases by the Philippines would have decreased. While theoretically trade preferences in the trade relations would have continued until 1961, practically that would not have been the case, for long before 1961 the trade preferences would have been of little practical value to the Philippines. The increasing duties imposed on Philippine products by the United States probably would have destroyed, or at least greatly curtailed, the industries which have been dependent, either in full or in part, on duty preferences. It has been estimated that the total value of Philippine exports would, long before 1961, have been reduced by about 50 percent. This would have had the effect of reducing total Philippine imports by about 50 percent, for, as stated above, the Philippines can buy only as it can sell. Thus, instead of the United States selling to the Philippines goods to the value of about $90,000,000, as was the case last year, the United States would have been able to sell to the Philippines (disregarding for the moment the other factors which I shall next outline) goods to the value of but about $45,000,000 a year.

WOULD CUT EXPORTS

This, however, is but part of the story; other factors would have forced a much greater reduction in the sales by the United States to the Philippines. As stated above, beginning July 4, 1946, United States products would have been required to pay on entry

into the Philippines 25 percent of the Philippine duty in 1947; 30 percent in 1948; 35 percent and so on until 1961 there would have been no duty preferences whatever in the Philippines for the products of the United States.

UNITED STATES NEEDS PREFERENCES

Any person who does business with or in the Philippines knows that in spite of United States products being admitted into the Philippines free of duty, while foreign products are required to pay duty, United States producers and manufacturers find it difficult, and at times impossible, to compete with foreign producers and manufacturers. Before Japan became involved in China, United States textile manufacturers lost to Japan a considerable part of the Philippine textile market, and further encroachments were checked only by gentlemen's agreement to limit shipments of cotton textiles to the Philippines by Japan to a quantity equal to about one-half of total Philippine requirements. For a time the United States practically lost the Philippine market for wheat flour to Canada and Australia; and even today the United States is able to hold a fair share of the Philippine market for wheat flour, in spite of a duty preference of 42 cents (United States currency) a barrel over Canadian and Australian wheat flour, only by the payment of substantial subsidies.

Again, a considerable part of Philippine canned-milk requirements come from Europe in spite of the fact that canned milk from the United States has a duty preference of 10 percent over canned milk from foreign countries. Many other examples might be cited. It is, therefore, obvious that when in 1946 United States products would have been subject to but 25 percent of the Philippine duties, many United States products would have been almost immediately eliminated, and as the duties were progressively increased more and more United States products would have been eliminated. As in the case of Philippine products, long before 1961 the trade preferences for United States products probably would have been of little value to the United States, and long before 1961 the participation of the United States in the Philippine market would have been but a fraction of the present participation. Without duty preferences not only would United States producers and manufacturers have been unable to compete, but reduced Philippine purchasing power would have required a considerable shift by consumers from the high quality and high-priced goods from the United States to cheaper goods from foreign countries.

TRADE OR DOLES?

While it is almost impossible to estimate accurately what the effect would have been, for there are many factors to be considered, nevertheless, on the basis of the figures for 1938, it seems probable that the United States, instead of getting about 65 percent of the available Philippine business would have secured but about 20 percent of it. This 20 percent cannot be figured on the present value of Philippine imports for, as has been pointed out above, with the closing of the United States market to Philippine products, total Philippine imports probably would have been but about one-half of the present volume. Thus, instead of being able to sell to the Philippines in a single year goods to the value of about $90,000,000, total sales probably would have been not more than about $16,000,000, loss of $74,000,000 a year, or about 80 percent. Surely, therefore, no one can say that the Philippine trade preferences are not valuable to the United States, or deny that they are well worth retaining and should not be lightly sacrificed.

There are people who say that Philippine-American trade preferences are more valuable to the Philippines than they are to the United States. By sophistry and ingenious arguments and by learned discussions of economic theories, they make out a good case. They probably are right. But it seems to me idle to argue whether the United States or the Philippines is getting the better deal, for the cold fact remains that the Philippines need the United States market and the United States can ill-afford to sacrifice a market so valuable as is the Philippines. Which is better, for the United States to have $74,000,000 more trade a year—a trade which may well be much greater in the year to come, a trade which gives wide employment in all parts of the country to both capital and labor, and to both industry and agriculture—or to kick that trade over the United States tariff wall and then spend a like amount for doles to the unemployed and increased subsidies to farmers?

CAN FIND SOLUTION

Furthermore, even though it were to be admitted that the Philippines profits more than does the United States, there is no basis for believing that will always be so. If there is unfairness, or if the trade preferences are not mutually beneficial, there is no reason to believe that fair-minded men on both sides cannot find a solution. It must also be considered that the Philippines is rapidly increasing in population, and that the average level of living of the Filipino people is slowly but steadily increasing. Natural economic adjustments are quite likely to eliminate any present disadvantages, if any there be, which one country may have in relation to the other.

The bill which was based on the recommendations of the joint committee would, of course, have been an improvement over the economic provisions of the independence act, for, instead of all trade preferences in the trade relations between the two countries terminating on the recognition of Philippine independence on July 4, 1946, decreasing trade preferences would have continued for another 15 years. While this would have been slow death to the greater part of the Philippine-American trade, final disaster might have been, in some cases, postponed for a few years.

MIGHT HAVE BROUGHT GRIEF

The Philippine Independence Act contains a provision for a conference between representatives of the United States and of the Philippines within not less than 1 year before the date for the recognition of independence for the purpose of considering and submitting recommendations regarding the trade relations between the two countries after independence. This provision indicates that the authors of the Independence Act had in mind that some mutually satisfactory system of trade preferences might be worked out for the trade relations between the two countries after independence. Had the bill which was based on the recommendations of the joint committee been approved, it would in effect have repealed this provision for a conference for the purpose of considering trade relations after independence. Thus, the question of future Philippine-American trade relations would have definitely been determined now, and on a basis which in a few years would have completely eliminated all trade preferences.

I am, therefore, glad for this other reason that the bill has been killed, for to determine at this time, when international relations are unsettled and rival political and economic systems are fighting for domination, the termination of trade preferences in the trade relations between the Philippines and the United States in accordance with an arbitrary formula to be operative over a period of 20 years, is to ignore world conditions and to give more importance to a theory than to the facts. Such action might well have brought grief and disaster to the peoples of both countries.

MISCONCEPTIONS OF PHILIPPINE ISLANDS

A new bill, unanimously reported by the Senate Committee on Insular Affairs, is now before Congress. That bill makes the necessary amendments to the export-tax provisions of the Independence Act, which are to be effective from November 15, 1940. It does not, however, in any way cover the trade relations between the Philippines and the United States after independence; and it retains the provision of the Independence Act for a conference to be held not less than 1 year prior to the date for the recognition of independence regarding the trade relations between the two countries after independence.

As the law now stands, and as it will stand even though this new bill is approved, trade preferences in the trade relations between the two countries are to terminate on July 4, 1946. Again, as the law now stands, and as it will stand if this new bill is approved, a joint conference is to be held for the purpose of formulating and submitting to Congress recommendations as to the trade relations between the two countries after independence. While Congress must approve any plan for trade preferences after independence, nevertheless that question has been left open for future consideration.

I have endeavored to show that the indefinite continuation of Philippine-American trade preferences would be advantageous to the United States. We know that would be advantageous to the Philippines. Unfortunately, however, agriculture and industry, capital and labor, in the United States do not know, generally, that Philippine trade preferences are advantageous to them. This is not surprising, for the Philippines purchases such a wide range of products of the United States that business with the Philippines is widely scattered and any united thought or action is difficult to secure. Again, the producers, merchants, and manufacturers of the United States have been so absorbed in their own problems—labor, taxes, government control and reports, bad business—that they have had little time to give any thought to the Philippines. Still again, pressure and propaganda groups have tended to establish a widespread belief that the Philippines is a financial burden on the United States, that Philippine producers compete with the beet sugar and dairy farmers of the United States, and that any association with the Philippines, political or economic, is a menace to the peace of the United States. This misinformation and these misconceptions regarding the Philippines should be overcome.

STAND IDLE OR SELL IDEA

Cuba, Puerto Rico, and Hawaii have long carried on campaigns in the United States to win for themselves the sympathy and interest of the people of the United States. We have done nothing. Perhaps in recent years there was not much that we could have done. The executive agreement, which constituted the instructions of the joint preparatory committee providing for the termination of the trade preferences in the trade relations between the two countries at the earliest practicable date, was an effective bar to any campaign to sell the Philippines to the United States. It would have been suicidal to have tried to sell to the people of the United States a program which would have ruined us and have destroyed the Philippines as an important market for the products of the United States. But the bill which was based on the recommendations of the joint preparatory committee probably is dead, and let us hope that with it the executive agreement on which those recommendations were based will also be interred. The way apparently has been cleared—the door to a continuation of the mutually profitable Philippine-American trade has been left open—and the question for us now to decide is whether, as in the past, we shall stand idly by and do nothing, drifting toward economic disaster and social distress, or by appropriate action endeavor to sell the people of the United States the idea that the indefinite continuation of Philippine-American trade preference will be to their advantage. If we do the latter, when the time comes again for Congress to consider the future trade relations

between the two countries, there may be adequate support for a continuation of trade preferences.

WHAT TO DO?

At no time in recent years has the background for such a campaign been more favorable than it is today. Recent events in the world, and in the Far East in particular, have aroused the interest of the people of the United States in the problems of the Far East. The sentiment of the people of the United States is with the democracies and against the authoritarian governments because of their destruction of liberty, their racial persecution, their violation or repudiation of treaties, their economic policies, and their aggressions. That the interest of the people of the United States in the Philippines is aroused and is increasing is shown by the results of several Gallup polls. There is a growing belief that in the determination of future Philippine-American trade relations the United States should not, either by action or inaction, weaken the democracies or strengthen the authoritarian states. There is a growing belief in some quarters that the economic treatment of the Philippines should be such as to avoid social distress or the forcing of the Philippines to sustain its economy into bilateral trade or political agreements with the authoritarian states.

This does not mean that this increasing interest in the Philippines and in its problems has yet developed to a point where Congress will approve for the Philippines a satisfactory program for trade relations. It does, however, mean that interest has been aroused. To arouse interest is the first, and often the most difficult, step in any selling campaign. After interest has been aroused, desire must be created. Our problem is to implant in the minds of the people of the United States the fact that Philippine trade is valuable to them, and thus create a desire to retain it. If that can be done before the question of Philippine-American trade relations is again considered by Congress, it may be possible to secure an indefinite continuation of the present mutually profitable trade preferences in the trade relations between the two countries.

The question is, therefore, Are we going to do anything about it, and, if so, what?

The Executive—Tradition or Initiative

EXTENSION OF REMARKS

OF

HON. WILLIAM E. HESS

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 25, 1939

RADIO ADDRESS BY HON. ROBERT A. TAFT, OF OHIO

Mr. HESS. Mr. Speaker, under the leave to extend my remarks in the RECORD, I include the following radio address by the junior Senator from Ohio, Hon. ROBERT A. TAFT:

Citizens of the United States of America: "The Executive power shall be vested in a President of the United States of America. He shall hold his office during the term of 4 years." So says article II of the Constitution, after article I provides for a Congress and defines its powers. To this broad grant of power are added a very limited number of more specific powers, among which principally are the following:

"The President shall be Commander in Chief of the Army and Navy of the United States * * * and he shall have power to grant reprieves and pardons for offenses against the United States. * * * He shall have power by and with the advice and consent of the Senate to make treaties * * * and * * * by and with the advice and consent of the Senate shall [make appointments]." And then we come to initiative. "He shall from time to time give to the Congress information of the state of the Union, and recommend to their consideration such measures as he shall judge necessary and expedient." Finally, "He shall take care that the laws be faithfully executed."

The powers of the President are granted in such general terms that undoubtedly any President has a wide possible range of policy. As the title to this discussion suggests, he may be guided solely by tradition, and he may confine himself to the simplest possible administration of the laws passed by Congress, or he may display any amount of initiative, adopt many policies through his administrative powers under the Constitution or existing law, and recommend more important changes in policy to Congress.

There can be no doubt that the American people have approved the policy of initiative pursued to a greater or less extent by every President. The Presidency was created because under the Articles of Confederation the weakness of a government without an executive head had been revealed. It is clear that the founders of the Constitution expected the Executive to assume the initiative, or they would not have written the clause I have quoted, calling on the Executive to recommend to Congress a legislative program. Of course, this does not mean that Congress is in any way bound to follow the recommendations. Much of the criticism directed at the President in recent years, the charge that Congress had become his rubber stamp, was no criticism of the initiative of the President; it was a criticism of Congress itself for adopting his proposals without consideration, and a criticism of the President for his policy of "must" legislation, his insistence that his recommendations represented a mandate directly from the people which Congress must obey without discussion.

No one can question today the duty of the Executive to propose a definite program. The importance of a Presidential program has exceeded the importance of political platforms. The New Deal program of Franklin Roosevelt was developed in defiance of the Democratic Party platform of 1932, although he had run on that platform. In fact, the President's power to propose a program has changed the whole nature of the Democratic Party and caused it to abandon its tradition of State's rights, local self-government, and the freedom of the average man from Government interference. We may disagree with and criticize the program and initiative of any President, but we cannot doubt that the policy-making power of the Presidents has always been the most dynamic force in American progress.

But, after all, the principal duty of the President is to wield the executive power and execute the laws of the United States. This is a long way from mere tradition. It is a far more complicated task than it once was, and a much more important one. The Government's activities touch the ordinary citizen in 10 times as many places as they did in the days of Washington. It has become an elaborate problem of administering an institution costing $9,000,000,000 a year and of directing a force of more than 800,000 employees. Whereas it is reasonably easy to propose to Congress broad general policies, it is a much more difficult task to administer those policies so that they carry out their purposes without doing more harm than good in constant interference with every man's life and every man's affairs, and with the progress which has always sprung in America from individual enterprise. A failure in administration can do the country an infinite amount of harm. A combination of too much initiative and too little administration may be a good deal worse even than a simple following of tradition.

That, frankly, has been one of the main reasons for the growing criticism of the President. He proposes scheme after scheme intended for the ultimate benefit of the people, but he has no interest in the manner in which each scheme is worked out, no concern to see that it fits in with other schemes carried out by other departments. His interest is always flitting into new fields before the plowing of the old field is finished. Such is the present proposal to extend Federal activity into health and education, before we have begun solution of the problems of social security and relief. Good administration is still the paramount if humdrum duty of the Executive, but there is hardly a field of New Deal activity today where the administration of a policy is satisfactory. Often there is an overlapping of departments in the same field, each administrator operating in a water-tight compartment of his own. Often their policies are guided by radically opposed theories, and there seems to be no effort or interest on the part of the President to reconcile their views, surely a task for the Chief Executive.

For instance, consider social security, withdrawing from the productive enterprises of this country today, through pay-roll taxes, a billion and a half dollars a year. No persons are yet being paid from the old-age security fund; all those receiving pensions receive them under State laws. Unemployment-insurance benefits are still far below the taxes paid in to the Government, and are so inadequate that the recipients must still be given relief or put on W. P. A. Meanwhile the workers and the employers of the Nation are building up so-called reserves, sacrificing real purchasing power, and their cash is being used to pay the huge deficits of an extravagant national administration.

The problem of relief and unemployment is wholly unsolved. There are still more than 10,000,000 people unemployed, and the administration of W. P. A. became so involved in politics that it has utterly forfeited the confidence of the Nation. The administration of relief is intimately connected with social security, but it is administered by numerous independent departments, the W. P. A., the C. C. C., the N. Y. A., the Surplus Commodities Corporation, and various farm-security organizations; and now the Department of Agriculture is going to step into the field with a new kind of currency based on orange and green stamps. I believe that the whole relief problem should be turned back to the States and local governments, with a Federal grant and a supervision, probably by the Social Security Board, to see that State administration of relief is free from politics and coordinated with the social-security plan.

Take the problem of the control of credit and banking. The banks are supervised by the Federal Reserve Board, the Federal Deposit Insurance Corporation, and the Comptroller of the Currency, all with separate powers of inspection and control. In theory, the Federal Reserve Board is supposed to be a supreme court of credit to prevent the recurrence of depressions like that of 1929, and yet those powers may be completely nullified by the powers granted to the Secretary of the Treasury to buy and sell Government bonds, to control a secret stabilization fund, and change the value of the dollar. Surely it is part of the executive function to work out a coordinated plan of control in this field, which is so essential to business stability.

The administration of the Wagner Labor Relations Act has provoked almost universal condemnation, and it is generally agreed

that proper administration might have cured the difficulties produced by the law itself. Amendments are sought by business organizations and by the American Federation of Labor, but the President fails to make any recommendation and protects and defends the faulty administration of the law.

The confusion in the administration of farm policies is even more pronounced, and the policy intended to eliminate surpluses and raise the price of crops has resulted in starvation prices and a surplus of 11,000,000 bales of cotton, in effect owned by the Government. The present Farm Act confers on the President and the Secretary of Agriculture power to carry out almost any kind of farm plan, so that the problem is almost entirely one of administration. But no one has heard a word from the President with regard to any change in the administration of the law to solve the growing problems of the farmer.

Housing is another field where a thoughtful, comprehensive administration is impossible because of a confusion of hastily conceived policies. We have the Home Loan Bank Board financing homes through the building and loan associations and liquidating the old H. O. L. C. We have the F. H. A., guaranteeing mortgages on new homes up to 90 percent of their value and old homes up to 80 percent of their value. We have the U. S. H. A., eliminating slums and building great housing projects in our cities. We have the Resettlement Administration liquidating the old Tugwell projects.

Only this week representatives of these different organizations have presented to the Banking and Currency Committee of the Senate diametrically opposing views on Government policy. Certainly no one has sat down and thought out the problem of just where the Government is going in its housing program, what its ultimate purposes are, and which line of activity is the most effective to accomplish the ultimate objectives. That is the duty of the Executive.

Some of the problems I have suggested can be met by an improved administration; others can only be met by a reorganization of the Government departments. Through such a reorganization, properly done, expense can be reduced, overlapping and conflict eliminated. Everyone agrees on the necessity of reorganization, and it is unfortunate that it has become such a center of political controversy.

Last year the President demanded a reorganization bill which would have greatly increased his powers. It eliminated the office of Comptroller of the Currency, established by Congress to prevent the expenditure of public money by executive departments except in strict accordance with the appropriations made by Congress. It provided for a reorganization of the Civil Service Commission, which would have given the President much greater power in making civil-service appointments. It subjected many of the semilegislative and semijudicial commissions to the power of the President. It was not even claimed that it would reduce the expense of government. Congress objected violently to any increase in the already extraordinary powers granted to the President, and the bill was beaten.

This year reorganization bills have been proposed in both Houses eliminating the more controversial features. A bill has passed the House giving the President power to rearrange all of the departments unless Congress acts adversely on his proposals within 60 days. Anyone who knows the ease with which congressional action can be delayed will realize that this gives the President almost unlimited power to rearrange departments as he sees fit. The Byrd bill in the Senate, on the other hand, authorizes the President to submit complete or partial plans of reorganization, to go into effect if approved by Congress, and changes the rules of Congress so that the proposals submitted must be considered, and accepted or rejected, without becoming involved in all kinds of amendments.

The reorganization of Government departments is a legislative matter. It may change the whole character of certain Government activities, or combine them, or abolish them altogether. Logically there can be no question that Congress ought to debate and decide on reorganization proposals. Senator BURTON WHEELER, the able Democratic Senator from Montana, stated Saturday that these changes involve fundamental principles of government, and that Congress would be abdicating its powers by turning them over to the Executive if it adopts the House bill. If the President will accept the Byrd bill and submit plans for reorganizing the relief, social security, banking, housing, and other activities, he can count on the earnest support of Republicans as well as Democrats, in improving the economy and efficiency of the United States Government.

I do not intend tonight to discuss the wisdom of the objectives of those Government policies I have used for illustration. With some I heartily agree; for others I would substitute a different policy. But there is hardly one in which the administration is accomplishing its objectives. In discussing the character of the office of President of the United States, I have suggested these examples because they show so clearly how much today, perhaps more than ever before, we need in that office an executive who is a great administrator. He need not lack initiative, but that initiative must be directed far more to the solution of existing problems than to the suggestion of new kinds of Government activity. It is a tribute to Mr. Roosevelt that he has suggested methods of dealing with the most serious problems of American civilization, but he is not interested in performing that essential constitutional duty of seeing that the laws are properly executed.

The Governor of Michigan

REMARKS

OF

HON. FRANK E. HOOK

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Monday, July 24, 1939

Mr. HOOK. Mr. Speaker, the gentleman from Michigan [Mr. HOFFMAN] has indirectly promised to refute the truths that I am about to present. This Michigan Savanarola will find himself in the unsavory position of either admitting his errors or in lieu of that we must expect from him a tirade of the weasel words in which he will evade the subject completely.

Allow me to start with the beginning of the Murphy administration and point out to you how that able executive handled the problems of the State of Michigan. At the same time, let me draw the comparison between his administration and the bungling methods of the present Dickinson administration. From the facts that I will give you, I am certain of the conclusions that you will draw.

During his administration, Murphy alone was Governor. He was the duly elected executive performing the duties of that office forcefully enough, ably enough, and intelligently enough to rid the State of political gamblers and leeches. He was action personified. He did not just "pass, punt, and pray." He was Governor in the fullest sense of the word. Now, everyone knows, not only in Michigan, but throughout the entire country, that the present incumbent of the highest office in the State of Michigan is only a front for a vicious political machine—a man who owes his office not to the electorate but to a turn of fate and an untimely death. There is a very serious question whether Dickinson is legally Governor of Michigan.

However, leaving aside the legal question, we can safely say that he is not actually Governor in fact. The Governor's chair in the great State of Michigan may be said to be vacant both legally and in fact. There is no doubt in my mind that if Luren Dickinson had the ability he would break away from the Republican machine and stand on his own feet. He surely knows that this machine, streamlined as it is, has caused the downfall of many a good man and brought about the untimely death of others. Most of us believe that he is sincere and honest, but the Old Guard is so entrenched around him that a far more capable man would have great difficulty in extricating himself from the machine politics of the Republican Party. I cannot but believe that if he were acting in his own right, and if he had his own way, he would carry on in the best interests of humanity, following the program inaugurated by Frank Murphy. It seems he is just at the point in life, however, where he can be used and is used as the tool of self-seeking politicians. Any criticism of Dickinson must necessarily, therefore, be a criticism of the machine behind him and the men surrounding him. It is more than apparent to the most disinterested and casual observer that Murphy was a Governor, while Dickinson is a mere front, a tool. During Frank Murphy's term as Governor he looked at the human side of life in a practical way. He met the labor problems of the day in a manner that even his deepest enemies admit will go down in history as one of the greatest achievements in labor conciliation—one of the greatest achievements in protecting the interests of the common man while at the same time protecting and fortifying our democratic processes of government.

He met the health problem with all its intricacies, and especially he did not neglect the crippled children, the aged, and the blind. He recognized the acute prison problem and met it through the appointment of capable, honest men who, with the civil service, took politics out of the prisons.

He met the relief problem admirably, alleviating untold misery and suffering. Governor Dickinson and his coterie are responsible for a tremendous reduction in welfare relief—their reduction was to such an extent that human want and misery are rampant throughout the State. But let us be specific. Let us take each of the important State problems and examine them closely. Here are the cold, hard facts:

Civil service: Governor Murphy, upon taking office, immediately proposed sound civil-service legislation. Upon his strong insistence there was enacted a civil-service law that was perhaps the finest in the country. Proponents of sound, efficient government praised the law, calling it one of the greatest contributions to clean administration in State government that had ever been produced in the Nation. The huge task of putting this law into successful operation was a herculean undertaking in view of the entrenched greed and malpractice of the previous administration. Governor Murphy appointed as personnel director one of the leading personnel technicians in the United States to administer this merit system. He made no compromise or concession to politics. The result was the finest civil-service system in the country. This is not just a statement but a matter of record. Murphy's civil-service reforms were in themselves sufficient to bring to him the justly deserved title of "Michigan's greatest Governor."

Now, let us look at the present Governor and his actions in regard to the merit system. "Luren the Ripper," after conducting an investigation of the civil-service commission's work, could not partake of the communion of good government and promptly ground a model law under the heel of arbitrary spoilsmanship. "Luren the Ripper" removed approximately 11,000 qualified, capable employees from civil-service protection. In order to prevent a referendum on this move and to prevent the people from having a voice in this perfidious action, this law was given immediate effect. It is interesting to note that on the present civil-service commission there were two alleged public servants who were Republican district campaign managers in the last election. Dickinson not only destroyed the merit system in Michigan, but he turned the civil-service commission into a patronage headquarters. I ask you to draw your own conclusions as to the actions of these two men on this important question.

State purchasing: In all State governments the procurement and purchasing agencies are always open to evils. When Murphy assumed the governorship he brought State buying into the light of day by introducing open competitive bidding. The results were that 10,000 more invitations to bid were sent out annually than under the former Republican administration. Four times as many firms shared in State business. Under the Murphy administration the State bought from the lowest qualified bidder and not from political favorites. I ask you to contrast this record with the Dickinson clique operating now, where reports of grossly inefficient, wasteful squandering of public funds has resulted not only in improper buying but in a gladiatorial demonstration among members of the administration for the iniquitous honor of bleeding the State treasury. During this turmoil Dickinson removed the purchasing agent appointed by Fitzgerald. The blundering now goes on under a personal friend of Governor Dickinson, whose qualifications appear to be limited to the fact that he opposes alcoholic beverages. This Dickinson purchasing agent is also not averse to selling a little insurance now and then if the occasion presents itself.

Pay rolls: During the 1938 campaign the Republicans promised to cut pay rolls by eight and one-half million dollars a year, claiming the Murphy administration had built up a huge pay roll for patronage purposes. Yet during the first 3 months of 1939—the Republican administration—State pay rolls were nearly a million dollars higher for the same period of 1937. Allowing for new agencies, they were nearly $300,000 higher than in 1937. I again ask you to make the comparison—Murphy's economical and efficient government; the Republican administration, with false promises and notorious squandering.

Education: Likewise, during the 1938 campaign, Republicans charged that the Murphy administration had neglected schools even though in 1937 the Murphy administration provided $4,000,000 more for the schools than in any other year in the State's history. The Republicans, making promises with utter abandon, pledged themselves to provide $45,000,000 for educational purposes but again broke faith with the voters, providing $39,000,000 instead. There is one school, however, that the Republicans have not neglected, and that is the Michigan State College. They have bled that glorious old institution to the bone. I have called this to the attention of the Members of this House upon previous occasions. All of you by this time are surely familiar with our Michigan "Louisiana State College." Mr. Hoffman will do well to answer my charges as to the Republican administration of that institution.

Correction system: In the administration of the correction system Governor Murphy quickly sensed the need for reform. There was enacted during his term legislation creating a correction system recognized as one of the finest in the Nation. Governor Murphy cooperated with the Federal Government in conducting a complete and comprehensive survey of Michigan penal institutions and the administration of parole, pardons, and probation. Prison management in Michigan under the Murphy administration was heralded throughout the country as the most scientific and nonpolitical, excepting perhaps the long-established system in New York State. Hilmer Gellein was appointed by Governor Murphy as State correction director. This program was ably executed under his direction. Col. Joel Moore, recognized by penologists as one of the best qualified men in prison administration, was selected by Governor Murphy as warden for one of the State prisons. The other two wardens for the other two State prisons were recognized penologists, perhaps not of the fame or standing of Colonel Moore, but head and shoulders above the Dickinson politicians who replaced them. This fine, studied, well-conceived penal program, inaugurated by Governor Murphy has gone down under the grim onslaught of Dickinson and his political henchmen. Colonel Moore has long since been removed by the spoilsmen and in last week's paper I noticed that Mr. Gellein was dismissed. The progressive-corrections program of Governor Murphy has been completely wrecked.

Hospital program: The mental hospitals in the State were badly overcrowded, and the previous administration had made no attempt at correction. Four thousand mental patients were walking the streets, endangering the lives of others as well as their own, simply because adequate facilities for their hospitalization had never been provided. Governor Murphy launched an $11,000,000 hospital building program and appointed as director of the hospital commission one of the ablest specialists in the country. Under the present Republican administration this able director has resigned "at the wish of the Governor," and the administration has announced its intentions to abandon the building program. We must assume that the Dickinson administration will return to the medieval methods of treatment of the unfortunates who are mentally ill or mentally defective. I ask you in the name of humanity which of these two courses would you pursue?

Health program: Governor Murphy, after a wide search, obtained the best available man for health commissioner. He was an alert, progressive, highly trained expert. Murphy instructed him to do everything within his talents to energize and improve the State's health services. Work in this field under his direction moved forward rapidly. It is common knowledge throughout the Nation that Murphy sponsored the first State health conference ever held. This conference was undertaken with a view to finding ways of providing medical care for the poor. Other States quickly realized the importance of this conference and immediately took advantage of Governor Murphy's pioneering. Governor Dickinson has removed the able health commissioner and has appointed in his place his personal physician, an

old political adviser, a general practitioner utterly without training in public-health work. Under the political adviser's management the health program will return to its old reactionary status. If the poor or sick need medical attention, they will find that it is a luxury which they must forego. They simply are not supposed to get sick.

Appointments: Governor Murphy for key positions endeavored to obtain the best qualified man regardless of political affiliations. His able budget director, now United States Budget Director, was said to be a Republican as were both his appointees to the banking commission. He searched far and wide in order to get the best, ignoring political considerations at every turn. His selections of the hospital director and his civil-service director are only two examples indicating the caliber of his appointees. Without exception, all appointments were made solely on the basis of merit. Governor Dickinson's appointments have been made strictly along party lines and in accordance with Republican machine politics. Although he admits no responsibility to the Republican organization, I defy you to name a single instance in which a Dickinson appointee has any qualifications other than that he is a Republican vote getter. Republican newspapers throughout the State—all of which vigorously opposed Governor Murphy in the 1938 campaign—now report of Dickinson, "Only those who contributed money or time during the last campaign have been rewarded." The press is without a dissenting voice in admitting and in condemning the Dickinson methods of appointment.

Welfare: Governor Murphy fought relentlessly for a model welfare-reorganization program which had been recommended by a previous commission. Political scientists have said that this reorganization program was badly needed to effect any intelligent welfare administration. Republicans fought the plan down the line despite the fact that there was a group of their own number that were first to see the need of such a program. The leader in this fight was the Republican boss of the rural State supervisors who were against giving up their control of welfare money. Governor Dickinson told the legislature in May that as far as he was concerned it could scuttle the new reorganization bills unless a plan suitable to this Republican boss could be worked out. Welfare reorganization is badly needed in Michigan. Untold suffering and want is prevalent throughout the State. Despite Governor Dickinson's claims of devout adherence to the Bible he apparently has not considered this verse from Matthew: "Suffer little children to come unto me for such is the kingdom of God" as bringing within its spirit the crippled children of Michigan. His reduction of the fund for crippled children is brutally inadequate. When Governor Murphy said no one should suffer if the State could permit it, Dickinson said those on relief must cut down further even though their present rations were pitifully small.

Old-age assistance, aid to dependent children, and aid to the blind have been cut unmercifully by Dickinson. You cannot make me believe that the Governor via "his pipe line from God" received a command to perpetrate such human suffering and such misery. That kind of action is not the command of the God I know.

Strikes: The greatest strikes and some of the most dangerous labor difficulties in American history were settled by Governor Murphy without the loss of a single human life. At the termination of the crisis of the strike which followed the General Motors strike a spokesman of the Michigan Manufacturers' Association said, in a public address, "Perhaps history will say that Murphy was wise, that he was right. I think it will." It is ridiculous for anyone to attempt to compare the recent picketing engaged in at Pontiac with the huge industry-wide strike that Governor Murphy faced and so wisely settled. The Pontiac affair was a matter of a relatively small number of men engaged in picketing, while at Flint there were thousands of determined workers participating in a "sit down" strike—something which in itself was entirely different in our country. Where the State police alone were able to end the Pontiac disturbance the Flint situation was so critical that the military advised Governor Murphy against the use of force.

Gambling: Under the Murphy administration the gambling houses closed up shop, knowing that they could expect no protection. The attorney general and State police conducted a vigorous and unrelenting drive against slot machines. Contrast this with the fact that the moment the Republicans came into office the gamblers came back at the same time and the slot-machine racketeers flooded the highways with his trucks. The front pages of every Detroit paper were covered with stories of gambling houses opening up and resuming full operation as in the "good old days" before Murphy became Governor.

Murphy has proven himself worthy of the many high offices which it has been his privilege to serve. He is the enemy of corruption and a friend of good, clean government.

Our Interest in Paper-Mill Employees

EXTENSION OF REMARKS

OF

HON. REID F. MURRAY

OF WISCONSIN

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 25, 1939

Mr. MURRAY. Mr. Speaker, it is interesting to note that the South is beginning to extend itself into the manufacture of print paper. This infant industry may need the protecting hand of those who believe in the American market for American labor and American businessmen.

The labor unions of my district are writing, asking me to help them protect their jobs. There is a great opportunity for domestic production of our paper industry when we realize that in 1938 we imported over $101,000,000 worth of standard newsprint duty free.

The following article from the Washington Star of May 28 is evidence that we can supply a larger part of the domestic market:

PUBLISHERS DEDICATE PAPER MILL TO USE SOUTHERN PINE—50,000 TONS OF NEWSPRINT TO BE MADE ANNUALLY, STARTING ABOUT DECEMBER 1

LUFKIN, TEX., May 27.—East Texas saw today its pine forests cradle a new industry—one that brings fresh economic hope to the South and may revamp the newsprint industry of the world.

Southern newspaper publishers stood inside unfinished walls of a great paper mill and dedicated a plant that will convert native pine into newsprint.

Fifty thousand tons of newsprint annually will begin to roll from the $6,000,000 mill about December 1. The publishers, who now buy most of their paper from Canadian and Swedish markets, months ago signed contracts for the first year's output.

The softwood of the great Coastal Plain, which extends from Georgia westward to mid-Texas, in the future may furnish the United States much of the 4,000,000 tons of newsprint used annually.

The plant of Southland Paper Mills, Inc., is being built with funds subscribed by southern publishers and a $3,425,000 Reconstruction Finance Corporation loan.

E. L. Kurth, president, said east Texas alone grows enough yellow pine yearly to supply five or six mills the size of this one.

Publishers from six States said there was a strong possibility other mills would be built in Louisiana, Mississippi, Tennessee, Arkansas, Alabama, and Georgia.

However, the question arises as to the advisability, desirability, or fairness in having Federal funds used to start new paper plants in competition to the paper mills already in existence.

The labor unions in the established paper mills have every reason to be interested, first, in having jobs for American labor, and, second, to exercise concern as to what will happen to their own jobs if the Federal Treasury is going to be used for financing new paper mills in competition to the mills that are already employing them.

These are fundamental questions of governmental policy, and are of deep concern to every laboring man, every farmer, and every businessman in America.

Operations of Foreign Insurance Companies in the United States

EXTENSION OF REMARKS

OF

HON. EVERETT M. DIRKSEN

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 25, 1939

Mr. DIRKSEN. Mr. Speaker, the investigation of the whole field of insurance and insurance companies by the Temporary National Economic Committee very recently suggests that some attention be devoted to the activities and operations of foreign insurance companies in the United States to determine whether the income and assets of such companies are properly taxed and whether they enjoy competitive advantages over domestic companies.

This matter commended itself to my attention in the course of a perusal of a bulletin from the Department of Commerce relating to insurance transactions in the balance of international payments of the United States. It is interesting to note that in 1935 foreign insurance companies maintained 68 active branches in the United States. Thirty-six of these were British, 15 were from the continental European countries, 5 were Canadian, 1 was Cuban, 4 were Chinese, 2 were Indian, 3 were Japanese, and 2 were Australian. This, of course, is not so unusual in itself in view of the fact that United States companies also operate in the foreign field. United States companies must manifestly pay all taxes imposed by foreign countries and operate on a strictly competitive basis. It would, therefore, be proper and advisable that a survey be made to determine whether the same condition obtains in our own country; and if not, what remedial legislation would be necessary to effectuate that condition.

A brief comparative statement of operations of foreign companies in our country and of our companies in foreign countries is quite interesting. In 1937 the premium income of foreign companies doing business in the United States was $418,000,000, whereas the premium income of United States companies doing business in foreign countries was but $113,000,000. Admitted assets of foreign insurance companies in the United States for 1937 was $1,140,000,000, whereas the admitted assets of United States companies doing business in foreign lands was but $592,000,000.

It is to be assumed that the admitted licensed foreign insurance companies doing business in the United States are properly taxed and that all premium income and assets are taxable under existing Federal revenue laws. But I observe that there is listed in the bulletin issued by the Department of Commerce on this subject an item which is set down as "Nonadmitted foreign companies" and that the premium income of these companies is estimated at $38,000,000 for 1937 and $33,000,000 for 1938. Since these companies are nonadmitted and unlicensed, no assets are admitted and none is shown in the reports of the Commerce Department.

Insofar as my information extends, the so-called nonadmitted companies are admitted in only two States of the Union, namely Illinois and Kentucky. It would be both interesting and informative to know whether such companies pay all Federal and State taxes to the same degree as are imposed upon domestic companies including social-security taxes and why such a practice as the conduct of insurance business in this country by nonadmitted companies should obtain at all.

I merely suggest this problem to the attention of the Treasury Department, the Ways and Means Committee of the House, and the State insurance commissioners. Meanwhile, I hope to assemble some data on the subject and make such investigation of the matter as time will permit.

Coinage of Domestic Silver

EXTENSION OF REMARKS

OF

HON. JAMES G. SCRUGHAM

OF NEVADA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 25, 1939

Mr. SCRUGHAM. Mr. Speaker, by the Presidential proclamation of December 21, 1938, the coinage price to be paid by the Treasury for newly mined domestic silver was continued at 64.64 cents per fine ounce to midnight of June 30, 1939.

The Treasury regulations issued under this proclamation provided that to qualify for the 64.64-cent price, either the actual silver or a "duly executed instrument of transfer" covering such silver must be delivered to a United States coinage mint on or before June 30. The regulations also required that the "instruments of transfer" must be accompanied by the usual miner's affidavits, which, in the ordinary course, were not executed by the miner until after the silver-bearing ore had been received by the smelter, weighed, sampled, and assays agreed upon. Obviously a period of several days, or even weeks, was generally required following the actual mining of the silver-bearing ore, before the assays could be agreed upon and the miner's affidavits and instruments of transfer delivered to the mint; and this was particularly true in the case of many smaller mines located in remote sections.

As a result a substantial portion of the silver mined in the several weeks preceding midnight, June 30, could not be transferred to the mints before the June 30 deadline, and under the regulations such silver was not eligible for the 64.64-cent coinage price. It is estimated that there are 2,000,000 ounces of such silver awaiting acceptance for coinage.

The Treasury advises that under the powers contained in the old law, which expired at June 30 midnight, it could not accept this silver for coinage after June 30, even though it was mined on or before that date. Under the recently enacted monetary bill, however, extending various powers of the President, authority now exists to remove the existing discrimination by a further proclamation, making all domestic silver mined on or before June 30 eligible for coinage at the 64.64-cent rate, regardless of date of delivery to the mints.

Such proclamation should also provide a similar price for silver mined during the 24 hours of July 1, for which no specific provision was made in the monetary bill. The 71.11-cent statutory price provided in that bill applies only to silver mined from domestic deposits subsequent to July 1.

At the present writing the smelting companies have offered the miner the option of deferring settlement on silver-bearing ores produced up to June 30, and on July 1, until August 31, in the hope that before that date a suitable Presidential proclamation will be issued. If this relief by Presidential proclamation is not forthcoming, the silver producer will receive only the open-market price of approximately 35 cents per ounce; he will lose the difference between this price and the coinage price of 64.64 cents at a time when he badly needs all of his earnings for pay roll, powder, and supplies. Meanwhile, the uncertainty and delay in making settlement are seriously affecting the smaller producers throughout the West, and have already resulted in some shut-downs. The situation is not of serious concern to the smelters, who treat the silver-bearing ores on a smelter charge or toll basis, nor does it affect the larger producers, who were able to clear their full production through the mints.

Numerous representations have been made by the silver producers of the West to the President and to the Secretary of the Treasury and to their Senators and Representatives in Congress praying for the relief which the law authorizes and which the President and the Secretary of the Treasury can

give. With 2,000,000 ounces of silver involved, there should in all fairness be no discrimination against these producers who mined the ore and paid their workmen in good faith in the full expectation that a just administration would see to it that the proclaimed price of 64.64 cents per ounce was paid.

Federal Spending

EXTENSION OF REMARKS

OF

HON. ALLEN T. TREADWAY

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 25, 1939

ARTICLE FROM AMERICA'S FUTURE

Mr. TREADWAY. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following brief article on Federal spending:

[From America's Future, summer issue 1939]

THE FOLLY OF FEDERAL SPENDING

(By Franklin Delano Roosevelt)

[Extracts from four addresses and one message to Congress]

We are not getting an adequate return for the money we are spending in Washington, or to put it another way, we are spending altogether too much money for Government services that are neither practical nor necessary. And then, in addition to that, we are attempting too many functions. We need to simplify what the Federal Government is giving to the people.

I accuse the present administration of being the greatest spending administration in peacetimes in all our history. It is an administration that has piled bureau on bureau, commission on commission, and has failed to anticipate the dire needs and the reduced earning power of the people. Bureaus and bureaucrats, commissions and commissioners, have been retained at the expense of the taxpayer.

If we do not halt this steady process of building commissions and regulatory bodies and special legislation like huge inverted pyramids over every one of the simple constitutional provisions, we shall soon be spending many billions of dollars more.

The credit of the family depends chiefly upon whether that family is living within its income. And that is equally true of the Nation. If the Nation is living within its income, its credit is good.

If, in some crises, it lives beyond its income for a year or two, it can usually borrow temporarily at reasonable rates. But if, like a spendthrift, it throws discretion to the winds and is willing to make no sacrifice at all in spending; if it extends its taxing to the limit of the people's power to pay and continues to pile up deficits, then it is on the road to bankruptcy. * * *

And on my part I ask you very simply to assign to me the task of reducing the annual operating expenses of your National Government. We must move with a direct and resolute purpose now. The Members of Congress and I are pledged to immediate economy. When a great danger threatens our basic security it is my duty to advise Congress of the way to preserve it. In so doing I must be fair not only to the few but to the many. It is in this spirit that I appeal to you. If the Congress chooses to vest me with this responsibility it will be exercised in a spirit of justice to all, of sympathy to those who are in need, and of maintaining inviolate the basic welfare of the United States. * * *

Just one word or two on taxes, the taxes that all of us pay toward the cost of Government and all kinds.

Taxes are paid in the sweat of every man who labors because they are a burden on production and are paid through production. If those taxes are excessive, they are reflected in idle factories, in tax-sold farms, and in hordes of hungry people, tramping the streets and seeking jobs in vain.

I know something of taxes. For 3 long years I have been going up and down this country preaching that government—Federal and State and local—costs too much. I shall not stop that preaching.

And I propose to use this position of high responsibility to discuss up and down the country, in all seasons and at all times, the duty of reducing taxes, of increasing the efficiency of Government, of cutting out the underbrush around of governmental structure, of getting the most public service for every dollar paid in taxation. That I pledge you, and nothing I have said in the campaign transcends in importance this covenant with the taxpayers of the United States.

Another Career Man Recognized—Hon. William H. McReynolds Selected by the President as Special Secretary to Handle Administrative and Personnel Problems at the White House

EXTENSION OF REMARKS

OF

HON. JOHN J. COCHRAN

OF MISSOURI

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 25, 1939

Mr. COCHRAN. Mr. Speaker, William H. McReynolds was one of the three public servants recently selected by the President to occupy the very important assignment as assistant.

The reorganization bill provided for six additional assistants for the President. Mr. McReynolds was selected, because of his long experience in public affairs, to handle administrative and personnel problems which daily confront the President.

I have had the pleasure of knowing Mr. McReynolds for over 25 years. When I made his acquaintance he was an employee of the Post Office Department. He is a civil-service career man and has reached the highest grade that can be obtained under the Classification Act.

It might be of interest to mention at this time that five men who were associated with Mr. McReynolds in the Post Office Department during his period of employment there have attained similar recognition and occupy important positions with various Government agencies. They are Ebert K. Burlew, First Assistant Secretary of the Department of the Interior; Malcolm Kerlin, Assistant to the Secretary of Commerce; Harold N. Graves, Assistant Secretary of the Treasury and at the present time Acting Commissioner of Internal Revenue; Elmer L. Irey, Chief of the Intelligence Unit of the Bureau of Internal Revenue, and coordinator of the Treasury enforcement agencies; and W. H. Woolf, who is assistant to Mr. Irey.

Mr. Speaker, under leave to extend my remarks I include a very interesting article published in the Federal Employee concerning Mr. McReynolds. The article follows:

W. H. M'REYNOLDS GETS DEGREE AS "OUTSTANDING CIVIL SERVANT"

At its annual commencement exercises on Monday, June 5, the American University, Washington, D. C., conferred on William H. McReynolds, administrative assistant to the Secretary of the Treasury, the honorary degree of doctor of laws.

Approximately 40 outstanding leaders in the field of personnel administration and public administration were asked by the board of trustees of the American University to nominate for consideration by the board a "career civil servant" who has made an "outstanding contribution to sound governmental administration." Mr. McReynolds' selection is the result of the nominations which were received by the board.

In conferring the degree, Chancelor Gray used the following citation:

"A servant of the public in offices in which diverse procedures make unremitting demand upon responsibility; you have joined wide experience with precise knowledge, among personal leadership with scientific technique, and have won from those most competent to appraise your achievements an unqualified distinction. Accordingly, by authority of the Congress of the United States, vested in the trustees of the American University and by them delegated to me, I confer upon you the degree of doctor of laws, and admit you to all the rights, duties, and privileges to that degree appertaining."

Born in Wilson County, Kans., on January 24, 1880, Mr. McReynolds was appointed to the Federal service on July 16, 1906, in the office of the Chief Post Office Inspector, at Washington, coming from the law office of Hon. Jesse Arthur Smith, of Battle Creek, Mich.

He served on various investigating committees studying organization and procedure in the Post Office Department and Postal Service and acted as head of the Review Unit in the Chief Inspector's office, handling all inspectors' reports until May 1913.

Mr. McReynolds was detailed by the Postmaster General to work with the newly created Division of Efficiency which took over some

of the functions formerly delegated to the President's Commission on Efficiency and Economy, then being discontinued. In cooperation with other members of this group he made studies of the organization and procedure in all bureaus of the Post Office Department which were utilized by the Postmaster General in effecting improvements in administration. He subsequently was transferred to the rolls of the Bureau of Efficiency after it became an independent bureau and participated with other staff members of that Bureau in organization and procedure studies in all Government departments and practically all bureaus. These studies involved the development and installation not only of new procedure and methods of office routine and the elimination of duplication and the installation of modern equipment, but also the development and installation of new systems of accounting and fiscal procedure.

One of the incidents to the work on procedure was the development of equitable standards of compensation for employees. The first concrete evidence of the development of this idea is contained in the provisions of the appropriation act for the Post Office Department at the time when the studies were being conducted there. While salaries were then uniformly provided in specific amounts for a definite number of positions, the Congress authorized the Department to adjust such salaries $100 above or below the specified rate to conform to the earnings shown to be due on the basis of the standard set-up. Subsequently, this principle was carried into the Personnel Classification Act of 1923.

Mr. McReynolds acted as director of the staff of the Personnel Classification Board established by that act, having direct charge and responsibility for the installation of that system and the determination of the appropriate services and grades for all positions in the departmental service. After this installation he was made an active member of the Personnel Classification Board, representing the Bureau of Efficiency, and he conducted the classification survey of all positions in the field service of the Federal Government in pursuance of the amendment to the Classification Act of 1928.

He proposed and successfully supported the amendment to the Classification Act of 1930 which abolished the alternate members of the Personnel Classification Board and created the position of Director of Classification as the operating head of that organization. Mr. McReynolds was appointed Director of Classification and occupied that position until the work was consolidated with the functions of the Civil Service Commission and placed under its jurisdiction, and then was appointed as Special Assistant Director of the Bureau of the Budget with the primary duty of recommending what changes should be made in the organization of the executive branch of the Federal Government with a view to eliminating jurisdictional confusion, and overlapping and duplication of effort.

Directly after the present administration was inaugurated he was appointed by the then Governor Morgenthau, of the newly created Farm Credit Administration, as his administrative assistant and given the responsibility for developing this new unit, composed of several different bureaus and services taken from other departments, into a consistent and functioning organization. He came to the Treasury Department in November 1933 with Mr. Morgenthau when the latter became head of that Department, and since has functioned as his administrative assistant and budget officer. On January 31, 1939, Mr. McReynolds was appointed by President Roosevelt as a member of the President's Committee on Civil Service Improvement.

Veteran Relief Legislation

EXTENSION OF REMARKS

OF

HON. JOHN H. TOLAN

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 25, 1939

Mr. TOLAN. Mr. Speaker, I desire to call to the attention of the House that the President has signed the two veterans' bills passed by the House a few days ago, H. R. 2296, with reference to correction of misconduct restrictions, and H. R. 5452, with reference to additional care for disabled veterans and their dependents.

While these measures do not go as far as many of us would like to have them go, this is the very best we could do under the circumstances. The Senate amended the House bills in several respects, thereby limiting the benefits which the House bills provided.

For the benefit of the membership of the House I insert the following analysis prepared by the Veterans' Administration:

ANALYSIS PREPARED BY THE VETERANS' ADMINISTRATION

RANKIN BILL, H. R. 2296

(Act of July 19, 1939, Public, No. 196, 76th Cong.)

Public Law No. 196, Seventy-sixth Congress, "An act to restore certain benefits to World War veterans suffering with paralysis, paresis, or blindness, or who are helpless or bedridden, and for other purposes," was approved by the President July 19, 1939.

This act, with certain limitations, restored to the compensation rolls those World War veterans on the rolls March 19, 1933, under that part of section 200, World War Veterans' Act, 1924, as amended, which provides as follows:

"* * * no person suffering from paralysis, paresis, or blindness shall be denied compensation by reason of willful misconduct, nor shall any person who is helpless or bedridden as a result of any disability be denied compensation by reason of willful misconduct."

The act further provides death compensation for widows and children of such veterans who die or have died from disease or injury, service connection of which is or would have been established under the provisions of this act. These benefits are payable under Public Law No. 484, Seventy-third Congress, June 28, 1934, as amended, which act provides compensation at rates somewhat lower than war service-connected death rates where the veteran at time of death was suffering from World War service-connected disability.

The service-connected blind cases on the rolls March 19, 1933, were restored to the rolls by section 26 of Public Law No. 141, March 28, 1934.

The limitations heretofore referred to are: (1) The act restores only those veterans who were on the rolls March 19, 1933, and who entered the service prior to November 12, 1918; (2) the presumptively service-connected cases do not have the full amount of compensation restored but same must be reduced by 25 percent under the provisions of sections 27 and 28 of Public Law No. 141, Seventy-third Congress; (3) by making the restoration subject to sections 27 and 28 of Public Law No. 141, Seventy-third Congress, cases of fraud, misrepresentation of a material fact, or unmistakable error as to conclusions of fact or law are excluded and the act does not apply to persons as to whom clear and unmistakable evidence discloses that the disease, injury, or disability had inception before or after the period of active military or naval service, unless such injury, disease, or disability is shown to have been aggravated during such service; and in any review of the case of any veteran to whom compensation was being paid on March 19, 1933, for such service-connected disability reasonable doubts shall be resolved in favor of the veteran, the burden of proof being on the Government.

Payments to veterans restored to the rolls under the provisions of the act are effective the date of enactment of the act, and payments to widows and children are effective from the date of enactment or date of filing claim therefor, whichever is the later.

It is estimated that the act will restore approximately 1,100 veterans to the compensation rolls, at an estimated cost of $1,198,000 for the fiscal year 1940. It has not been possible to estimate the cost of providing death compensation benefits to widows and children under Public Law No. 484, Seventy-third Congress, as amended.

RANKIN BILL—H. R. 5452

(Act of July 19, 1939; Public, No. 198, 76th Cong.)

Public Law No. 198, Seventy-sixth Congress, "An act to provide certain benefits for World War veterans and their dependents, and for other purposes," was approved by the President July 19, 1939.

Section 1 of this act amends section 1 of Public Law No. 484, Seventy-third Congress, June 28, 1934, and pertains to payment of compensation to dependents of deceased World War veterans where the veteran's death is not shown to have been due to service.

Section 1 liberalizes the existing laws in those cases where the veteran was honorably discharged after having served 90 days or more, or having served less than 90 days, was discharged for disability incurred in service in line of duty, so that compensation is payable if at the time of the veteran's death he had a disability directly or presumptively incurred in or aggravated by service in the World War for which compensation would be payable if the disability were 10 percent or more in degree. In other words, in those cases where the veteran had 90 days' honorable service or was discharged for disability incurred in service in line of duty, it will not be necessary that he have a service-connected disability 10 percent or more disabling, but he must have a disability for which compensation would be payable if 10 percent or more in degree.

This section establishes a new income limitation providing that payment of compensation shall not be made to any widow without child or a child whose annual income exceeds $1,000, or to a widow with a child or children whose annual income exceeds $2,500 and exempts payments of war-risk term insurance, United States Government life (converted) insurance, and adjusted compensation from consideration as income. This income limitation is similar to that employed under existing law for non-service-connected benefits under Veterans Regulation No. 1 (a), as amended, part III. This new income limitation is substituted for the preexisting limitation of requirement for exemption from payment of a Federal income tax.

This section provides for payment of benefits of sections 1 to 3, inclusive, from the date of death where application is filed within

1 year thereafter and in other cases from the date of application, except that compensation authorized cannot be effective prior to the date of enactment.

Section 2 of the act provides for increased rates of death compensation to widows under Public Law No. 484, Seventy-third Congress, as amended. The prior rate to widow alone was $22 per month, and the rate to widow with one child was $30. Section 2 provides a rate of $30 per month for a widow but no child, and $38 per month for a widow with one child. No change was made in the rates for children. The total compensation limitation was changed from $56 to $64 in view of the increase for widows.

Section 3 of the act made formal changes in section 4 of Public Law No. 484, Seventy-third Congress, so as to conform with the amendments made by the act.

It is estimated that sections 1 to 3, inclusive, of the act will add 2,900 new cases to the rolls during the fiscal year 1940, at a cost of $1,268,000, and will provide increases for approximately 14,850 widows on the rolls at the date of enactment, at a cost of approximately $1,426,000 for the fiscal year 1940.

The total estimated cost for sections 1 to 3, inclusive, for the fiscal year 1940 is $2,694,000.

Section 4 of the act provides hospitalization and domiciliary care in Veterans' Administration facilities for retired officers and enlisted men of the Army, Navy, Marine Corps, and Coast Guard who served honorably during a war period as recognized by the Veterans' Administration on a parity with other war veterans.

Under Veterans Regulation No. 6 (c), paragraph 1 (f), in effect prior to date of enactment of this act, hospital treatment of retired officers and enlisted men was granted providing that part of the retired person's service was in wartime. That treatment was provided only in facilities under direct and exclusive jurisdiction of the Veterans' Administration and with due regard to available beds. A per diem rate was charged to such patients for treatment of tuberculosis—officers, $1.50; enlisted men, $1; general medical and surgical disorders or psychoses—officers, $1; enlisted men, $0.65.

Retired officers or enlisted men, except emergency officers of the World War, while being furnished hospital treatment were not formerly subject to reduction of retirement pay as provided by paragraph VI (A) of Veterans Regulation No. 6 series, which provides in effect that where any disabled veteran, who has neither wife, child, nor dependent parent, is being furnished hospital treatment, institutional, or domiciliary care by the United States or any political subdivision thereof, pension, compensation, or emergency officers' retirement pay shall not exceed $15 and the amount payable to such disabled veterans entitled to pensions for disability, non-service-connected, shall not exceed $6. Section 4 of the act makes the retired pay subject to the reductions heretofore explained under Veterans Regulation No. 6 (c), paragraph VI (A).

It is estimated that the cost to the Veterans' Administration will approximate $37,700 for the fiscal year 1940. It is expected that approximately 26 of the constant group of 140 officers and enlisted men will be subject to reduction.

Section 5 of the act provides increases of death compensation to the widows of veterans whose death was due to World War service. The prior rate of $30 per month for a widow under 50 years of age was increased to $38 per month. The prior rate of $37.50 for widows, age 50 to 65 years, was eliminated and those widows became entitled to $45 per month on a parity with widows, age 65 years or over. These increases are subject to the limitation contained in Public Law No. 304, Seventy-fifth Congress, that they cannot be paid in the event the monthly payment of compensation under Veterans Regulation No. 1 (g), and the monthly payment of yearly renewable term insurance or automatic insurance aggregates or exceeds the amount of compensation authorized by the act. United States Government life (converted) insurance has been eliminated from the limitation. It is to be noted that there is no change made in the rates for children or dependent parents, although by the removal of the United States Government life (converted) insurance limitation it is possible that some will become entitled to increased rates who were formerly barred.

It is estimated that this section will affect approximately 27,800 widows at a cost for the fiscal year 1940 of approximately $2,628,000.

Section 6 of the act contains an amendment to Veterans Regulation No. 1 (a), as amended, part I, paragraph II (k), which formerly provided that if a disabled person as the result of service-incurred disability had suffered the anatomical loss or the loss of the use of only one foot, or one hand, or one eye, the rate of pension would be increased by $25 per month. This section of the act increases the additional compensation from $25 to $35 per month. This provision applies to World War and Spanish-American War, including the Boxer Rebellion and Philippine Insurrection, service-connected cases. It also includes those Regular Establishment cases where the disability resulted from an injury received in line of duty in actual combat in a military expedition or military occupation.

It has been estimated that section 6 will provide increases for 9,000 World War veterans and 240 veterans of the Spanish-American War, including the Boxer Rebellion and Philippine Insurrection, at a cost for the fiscal year 1940 of approximately $1,113,000.

Section 7 of the act provides that on and after the date of enactment the rate of interest charged on any loan secured by a lien on United States Government life (converted) insurance shall not exceed 5 percent per annum. Under section 301 of the World War Veterans' Act, 1924, as amended, loan privileges under United States Government life-insurance policies are provided for, but the law does not provide for any specific rate of interest to be charged on any loan secured by a lien on such insurance. The determination of this rate is, therefore, made by the Administrator of Veterans' Affairs. Up to the passage of section 7 of this act the rate of interest on such loans was always 6 percent per annum. It was stated in regard to this section that the provision would not impose any cost on the Government immediately; however, that there would be a decreased amount of income to the United States Government life-insurance fund of $1,500,000 per year on outstanding loans and thus there would have to be a corresponding reduction in dividends payable to policyholders.

The total estimated cost of the act for the fiscal year 1940 is estimated at $6,472,700.

It seems to me that these measures constitute long steps toward correcting many of the injustices in the present laws concerning our disabled veterans and their dependents.

Pollution Problems Presented Along the Ohio River

EXTENSION OF REMARKS

OF

HON. GEORGE H. BENDER

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 25, 1939

Mr. BENDER. Mr. Speaker, for years the United States Public Health Service has been urgently requesting that some constructive action be taken to free the Ohio River and its tributaries from the dangers incident to extensive water pollution. They have pointed out the expensive nature of the processes which have created conditions highly dangerous to human health at many points. From the standpoint of public health, the presence of increasing concentrations of polluted water makes possible the passage of intestinal disease conditions. Intestinal irritants, too, increase in number as water pollution in our great streams goes unchecked.

The legislation now before Congress seeks to continue and improve the work now being done to check the progress of water-carried disease, and to avoid the difficulties created by nuisance conditions along water fronts. In 1937 it was declared at the opening sessions of the American Institute of Mining and Metallurgical Engineers that abandoned coal mines on the Ohio River headwater pour almost 20,000,000 tons of concentrated sulphuric acid into the stream. This vast deposit of acid affects docks, dams, locks, and even vessels themselves. Our Army engineers have estimated that the losses suffered by navigation interests from this one case is greater than the amount spent in sealing abandoned mines to prevent the seepage of these acids into the water.

Nor is this the only major source for pollution of the Ohio River. From Portsmouth to the mouth of the river, the pollution product is caused by the presence of tremendous quantities of untreated domestic sewage and manufacturing wastes. At Cincinnati the stream pollution of the Ohio River has at times reached so intense a concentration as to cause an actual depletion of oxygen. And any future increases in the pollution of the stream are regarded as certain to give rise to serious conditions along the water-front area.

The senior sanitary engineer of the United States Public Health Service, Mr. H. R. Crohurst, has presented these problems in complete detail in the course of a paper to the Ohio Valley Improvement Association. Mr. F. H. Waring, chief engineer of the Ohio State Department of Health, has made it evident in his researches that in spite of the fact that we have had State legislation regulating water pollution for 30 years and more our States have made relatively slow progress. Federal aids in the form of loans and grants-in-aid have been vitally important factors in stimulating the most modern treatment of sewage in the last few years. Here is a proper place for the expenditure of public funds.

In the interests of the public health few projects could be more easily justified than the present proposals. It is recognized by the Federal Government's highest officials that here is a sphere in which State health authorities should retain complete control. The supervision of stream pollution rests almost completely in the hands of the State health officials. They, in cooperation with Federal engineers, are in the best position to determine the use of funds made available by this legislation. Here is a perfect illustration of the type of harmonious action which should be the rule in the interrelationships of State and Federal authority.

In the last 12 years tremendous strides have been made in treating this important problem. Ohio has constructed 160 sewage-treatment plants in this brief period, costing approximately $40,000,000 and serving more than 3,000,000 people. But this is not a purely local matter.

It is one of the most pressing problems which has concerned a large group of States. Eight States are directly concerned with the treatment of the waters of the Ohio River. Five of these eight have already passed legislation which pledges their cooperation to control any further polluting of this great stream. An Ohio Valley Compact Commission has been working for 5 years to construct a practical problem which is to be achieved by the passage of compact legislation by each interested State.

A beginning has already been made on the problem of acid mine drainage. The sealing of abandoned mines has been going on in West Virginia and in eastern Ohio for some 5 years. Wherever this process has been started, streams which were formerly incapable of supporting life have made rapid recoveries. Indiana is already stocking some of its small lakes with fish as a result of its mine-sealing program.

The report of the Special Committee on Water Pollution declares on page 8 of House Document No. 155 that some 28,000 active and abandoned mines discharge 3,000,000 tons of acid mine drainage into the Ohio River Basin every year. The mine-sealing program has already eliminated 370,000 tons of this pollution.

Altogether, the 8 States in the Ohio River Basin, including 400 cities, have spent more than $100,000,000, including Federal assistance, in the battle to reduce noxious stream pollution.

There can be no let-up in the effort to combat this nuisance. As the Nation recovers industrially, more and more waste will be added to the existing pollution in our streams. The dangers to public health inherent in the perpetuation of vicious water pollution cannot be overestimated. It is always possible to overload the existing water-treating devices in many of our municipalities to the point where they break down. There are present equally grave dangers to property. Streams become affected by acids to the detriment of navigation and to the great loss of those who earn their livelihoods along their courses.

Under these circumstances the passage of legislation designed to safeguard health and property becomes a privilege rather than a duty. We have the assurance that the funds appropriated for this purpose will be wisely spent in the interests of true economy. Their use will make possible the employment of many men in a highly constructive task. Their results will furnish a convincing illustration of the possibility for perfect teamwork between Federal and State agencies within the framework of the Constitution. And the benefits to be derived from this legislation will spread themselves throughout the entire Ohio River Valley on a basis which will achieve notable results without creating hostilities. Unlike the developments of other valleys, the proposal before Congress offers no challenge to private industry; on the contrary it presents an opportunity for splendid and effective cooperation upon a vast and important industrial front.

In inviting the support of Congress for this measure, we are convinced that its passage will be a source of really constructive effort and a notable contribution to the development of the Ohio River Basin.

Father Gabriel Richard To Be Honored—Only Priest Ever Elected to Congress

EXTENSION OF REMARKS

OF

HON. LOUIS C. RABAUT

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Monday, July 24, 1939

Mr. RABAUT. Mr. Speaker, on March 4 of this year the Congress of the United States celebrated its one hundred and fiftieth anniversary. It is interesting to note that during all these years only one Catholic priest has ever occupied a seat in this body, and the Members from Michigan are his successors in office. This year, in the city of Detroit, there is to be dedicated a monument to the honor of this man—Father Gabriel Richard.

MONUMENT TO HIS MEMORY

It is little wonder that the occasion of this dedication should be a time for great celebration. It is little wonder that the Governor of our State and the mayor of our city will issue proclamations. Nor, when we consider the holy and valiant life of Father Richard, is it unusual that the Senators and Representatives, as well as the prominent clergy and laity, of the whole State of Michigan should join in paying tribute to the honor of a true soldier of God and country.

On October 14 of this year in Richard Park on the banks of the Detroit River at the approach to the beautiful Belle Isle Bridge there will be dedicated a monument to Father Richard. This is not the only token of esteem for his excellence of character. Among other manifestations of respect are the naming of a street, a library, a public school, a council of the Knights of Columbus, and his statue on the City Hall of Detroit.

HIS DIVERSIFIED INTERESTS

The life of Father Richard was one of the most picturesque and inspiring in the history of our Nation. First of all, he was a priest; but in addition to ministering to the spiritual needs of his people, he likewise worked for their social and economic betterment. In addition, knowing that men live not by bread alone, he concerned himself deeply with the intellectual needs of his fellow man. Like many of the other great leaders of our country, he used his talents in many and varied fields—religion, education, politics, charity, and publishing.

HIS EARLY LIFE

Concerning his earlier life and education before coming to Detroit, the Biographical Directory of the American Congress, 1774–1927, states the following:

> Father Richard was born in La Ville de Saintes, France, October 15, 1767; pursued classical studies; studied theology in the Seminary of Augers, France, and in Paris, and was ordained a priest on October 15, 1790; emigrated to the United States in 1792, and settled in Baltimore, Md.; professor of mathematics in St. Mary's College, Md.; sent by Bishop Carroll as a missionary to the Indians in the northwest territory and was stationed in what is now Kaskaskia, Ill.

Father Richard came to Detroit in 1798.

TEACHER AND CHAPLAIN

In 1804 he started a young ladies' academy and a seminary for young men studying for the priesthood, these being the first Catholic schools in Michigan. In 1805 he was appointed chaplain of the first regiment of Michigan militia. After fire had destroyed Detroit later in that same year, it was Father Richard who organized the relief work. In 1807, in response to a request of the Governor and other State officials, he delivered a series of religious lectures to non-Catholics, the first of the kind in the New World.

CHAMPION OF MUSIC AND EDUCATION

It was about this time that he brought the first organ and the first piano into Michigan. By 1808 he had half a dozen

schools in operation, teaching not only the ordinary studies but also knitting, sewing, spinning, and weaving. In this same year he established the first printing press in Michigan and printed the first newspaper in the State. From this same press likewise issued textbooks, religious tracts, and the Territorial laws. During the War of 1812 he was a prisoner of the British Government in Canada because he refused to take the oath of allegiance to the British. His great desire to spread education caused him to become one of the first ever to organize instruction for deaf-mutes.

COFOUNDER OF THE UNIVERSITY OF MICHIGAN

In 1817, with the Reverend John Monteith, a Presbyterian clergyman, he became cofounder of the University of Michigan. He was appointed vice president and professor for 6 of its 13 departments.

ELECTED TO CONGRESS

In 1823, Father Gabriel Richard became the third Delegate to the Congress of the United States from the Territory of Michigan, the first and only priest ever to be a Member of this body. In Congress he was silent but influential. Among other things he was responsible for an inquiry into the expense of constructing a post road from Mount Clemens to Fultonville. He secured passage of a bill that provided for the first of the territorial roads constructed in Michigan from the lower rapids of the Maumee to Detroit. Likewise he advocated the appropriation for opening the famed road from Detroit to Chicago and his name is permanently associated with this measure. Also he furthered the matter of establishing a district court in Michigan. The salary which he earned as a Member of Congress he devoted to the support of Detroit's first educational institutions.

VICTIM OF CHOLERA

In the summer of 1832 a cholera epidemic broke out in Detroit. Regardless of the consequences, Father Richard ministered to the sick and dying until he was stricken with the scourge himself. On September 13, 1832, he died, the victim of his own charity.

There have been many outstanding men in the history of the Nation, of Michigan, and of the city of Detroit. But there have been few who have devoted themselves so completely and so fearlessly to the cause of their fellow man. As a priest, he was a spiritual father; as an educator, an intellectual leader; and as a citizen, a progressive neighbor. Truly we are privileged to pay honor to the memory of this charitable, intelligent, patriotic, and energetic crusader—Father Gabriel Richard.

A Vast Development

EXTENSION OF REMARKS

OF

HON. OVERTON BROOKS

OF LOUISIANA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 25, 1939

Mr. BROOKS. Mr. Speaker, a few days ago, in Denison, Tex., there was great rejoicing. Bonfires were lighted and celebrations occurred. The occasion of all this merriment was the final adoption by Congress of appropriations sufficient to begin the $54,000,000 Red River Dam and Reservoir Project, to be located near Denison, Tex. It was entirely fitting and proper that such a celebration commemorating the outstanding achievement of all time for the town of Denison be held.

Two hundred and twenty-five miles further down Red River, in northwest Louisiana, there also was rejoicing. The people there were without display or celebration, but deep in their minds was the knowledge of what the Denison Dam meant to them. In their minds, they too realized, and attempted to fully appreciate, the true meaning of this outstanding accomplishment for the Red River Valley.

For years laborers, businessmen, farmers, engineers, and the people generally along the far reaches of the Red River Valley had been looking forward to the time when floods in this stream would be forever eliminated. They had been working, raising funds, and making plans, all to the purpose of keeping the Red River within its banks and protecting from the rushing floodwaters that fertile valley which stretches 1,000 miles through the great Southwest along Red River, as it meanders its course to the Mississippi River.

Now the hope of many years was about to be realized. The Denison Dam and Reservoir, with its possibilities of flood protection to all of the Red River Valley, was assured of being built. The people of Denison—yes, the people of the entire Red River Valley, from Denison to Angola, La., rejoiced and were entitled to celebrate this historic occasion.

I would like to say something regarding the size and scope of this monumental project. The dam itself will be built of rock toe, with its upstream face protected with riprap. At its base it will be 1,145 feet in height and at its crest 40 feet wide, and will have a length in all when complete of 21,800 feet and a height of 165 feet. An ordinary truck which carries about 1 cubic yard of dirt when loaded will have to make 15,475,000 trips in order to bear a like number of cubic yards of dirt into position to build this great earthen dam.

When built, the reservoir—below spillway crest—will contain 5,825,008 feet of water and will protect from the maximum flood 1,110,000 acres of land, both cleared and wooded. When in operation, this dam will be capable of producing 132,000 kilowatts of horsepower electric current, which may be distributed far and wide through neighboring States.

The most important feature of the dam is its return to the people of the United States, and, as nearly as can be estimated, in the language of the businessman, it will pay in actual returns to the farmer, the businessman, and the people generally of the great Southwest each year in excess of $3,000,000 in dividends.

The work on the Denison Dam project has not been a matter of days, but rather has been the work of many years. It has likewise not been the work of one single man but has required the cooperation of many people interested in flood control, navigation, and power development. It has required the cooperation of Congressmen from the States of Oklahoma, Texas, Arkansas, and Louisiana, presenting an almost united front, together with the cooperation of 3,000,000 people who dwell in this valley, to accomplish this purpose.

In the mind of one man, especially, it has been the goal toward which he has devoted his untiring and tremendous public effort. Long before it was my privilege to be a Member of this body, into the mind of our majority leader had come the realization of the possibilities of escaping the floods along the Red River by this project. He considered the values which such a project would create along the alluvial valley. He had contemplated the benefits which would result in giving homes and farms to thousands upon thousands of his fellow citizens. He had appreciated the blessing to humanity which would be derived from the building of a great dam, protecting the millions of people in the valleys from periodic overflow.

At this point, in the closing hours of this session of Congress, it is my desire to pay a tribute to the work of SAM RAYBURN, majority leader of the House of Representatives, Congressman from the Fourth Congressional District of Texas. It is not my desire to pay him a tribute in his capacity as majority leader, but, on the contrary, to remember him as an individual with the foresight and vision necessary to see the possibilities arising from the building of the Denison Dam with its beneficent influences to mankind. It is my purpose to pay high tribute to him as an individual with a steadfast purpose and the courage, who, after appreciating the value of such a project, followed it through the vicissitudes and discouragement attendant with a long-drawn-out legislative career, until it reached its final consummation in a substantial appropriation to begin the actual work of building the Denison Dam.

In the brief years during which I have served as a Member of the House of Representatives it has been my policy to

cooperate with Congressman RAYBURN in this project. While the great dam will be built in a section of Texas which is approximately 200 miles northwest of the State of Louisiana and will be far removed from the Fourth Congressional District which I represent in the House of Representatives, engineers predict that the benefits will be widespread. It is estimated that the benefits arising from the flood-control features of this dam will accrue one-fifth to Texas, one-fifth to Oklahoma, one-fifth to Arkansas, and two-fifths to the State of Louisiana. It has therefore been my privilege and pleasure to work in support of this dam and reservoir in the 3 years of my congressional service, rendering every aid and assistance within the scope of my abilities and energies and furthering this great work in the knowledge that in doing so I was benefiting the great State of Louisiana to an extent not now fully appreciated.

It is, therefore, entirely proper that the citizens of the little city of Denison, Tex., and the Red River Valley, at the conclusion of the legislative chapter of the Denison Dam, should celebrate it with bonfires and great rejoicing. Before long I hope to see the first spade of earth turned, insuring the beginning of actual construction, and before the snows fall on the plains of northeast Texas, it is my belief that construction will have begun on an extensive scale. Perhaps years may elapse before this project is finally completed. Then, too, it may not bring to all of us in the Southwest all of the advantages which some of the ardent exponents of this project have suggested, but we are sure that the advantages from the standpoint of flood control, navigation, and electric power will be such as to make the building of the project an epochal chapter in the development of the States of Oklahoma, Texas, Arkansas, and Louisiana. When the project is completed, the passing years will bring to a full fruition the work of eliminating floods on the river, the full possibilities of water commerce, and the development of power through excess water reservoirs. Then, in fact, will a true valuation be placed upon the gigantic possibilities of the Denison Dam and upon the outstanding efforts of those of our people who have devoted years of toil and effort in making this vast development possible.

Handling of Strike Situations in the State of Michigan

EXTENSION OF REMARKS

OF

HON. JOHN D. DINGELL

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 25, 1939

STATEMENT BY HON. FRANK MURPHY

Mr. DINGELL. Mr. Speaker, in reply to remarks by the gentleman from Michigan [Mr. HOFFMAN] regarding the handling of strikes by former Governor Murphy, now the Attorney General of the United States, I submit the following transcript of the testimony given by Mr. Murphy before the Senate Judiciary Committee when his nomination as Attorney General was submitted by the President:

STATEMENT OF HON. FRANK MURPHY

The General Motors strike which greeted me in office was not an isolated phenomenon. I inherited a general atmosphere of tense labor unrest. During 1936 there had been a number of other important strikes—some of them sit-downs—in Michigan and elsewhere and to the best of my recollection force had not been used by the public authorities to cure the situations.

Special conditions in Michigan made labor relations generally more difficult than anywhere else in the country.

Michigan industry—in the great automobile factories and parts plants—is more highly organized on a machine basis than anywhere else, and until very lately irregularity in employment was sharper there than in other parts of the Nation.

The depression had probably hit industrial labor harder in Michigan than anywhere else; I know that when I was mayor of Detroit the relief problem hit us much earlier than anywhere else.

The speed of operations in the automobile industry requires that its workers be comparatively young men. They are well educated and very conscious of what they consider their rights as American citizens. They are high-spirited and not easy to discipline. When I took office their union organizations were only a few months old, and the natural discipline problems of newly organized unions were accentuated by the fact that the employers had refused to recognize these unions.

That points up the most salient fact in the situation when I took office.

There was no operating legal machinery for settling labor disputes; the Wagner Act was at that time practically out of operation under decisions of lower Federal courts. As a Governor faced with the fact of unprecedented strikes which had to be handled, I had to devise ways and means of handling them as I went along.

Many employers, acting under advice of counsel, had refused to bargain collectively and had maintained that the Wagner Act was wholly unconstitutional, and a number of lower Federal courts had upheld their contentions. This created a keen feeling on the part of labor that the workers were being deprived of the benefits of the duly enacted National Labor Relations Act. Labor was further embittered by the feeling that their efforts at self-organization were being frustrated by industrial espionage.

In many industries organized labor was something new; it was not recognized, but was bitterly fought by the employers; in turn it had not fully acquired a sense of its own responsibility and was not readily amenable to the discipline of its more seasoned leaders. Misguided, inexperienced, and undisciplined workers were doubtlessly fascinated by the novelty of the sit-down as a new industrial weapon and seized upon it as a method of self-defense and reprisal against what they in many instances believed justifiably or unjustifiably were lawless tactics upon the part of employers.

Against this background thousands of otherwise peaceful, law-abiding, hard-working citizens went on strike in Flint, Detroit, and other cities. They had determined that their right to bargain collectively should be recognized. They were determined to occupy their employers' factories until their employers recognized their right to bargain collectively. They were not a handful of common criminals who might be dispersed by a few police. They were thousands of honest citizens.

Of course, they were guilty of violating the law. Their conduct was unlawful and unjustified. But in their own minds they believed that they were only defending their own rights against what they believed to be the lawless refusal of their employers to recognize their unions.

In that situation, with no recognized machinery to settle the dispute, I faced a condition and not a theory.

As the chief executive of the State of Michigan, it was my duty to see that the laws were faithfully executed. But I conceived it to be my duty as Governor to see that the laws are executed in the manner best calculated, in my judgment, to serve the original and the ultimate purpose of all laws—to preserve public order and insure public safety. To have executed the laws in a manner calculated to cause further breach thereof, further disorders, and even riot and bloodshed, would have been false to my own oath of office and to the law.

In the first instance, of course, law enforcement is a matter for the local authorities. If they require aid in addition to the regular police force, they may call upon the Governor for assistance or themselves swear in additional deputies.

Whenever the local authorities did call upon me for aid, not only were they authorized and directed to swear in additional deputies, but in many cases members of the State police were sent to aid them, and in one case a large detachment of the National Guard.

In only one case was I called upon by local authorities for assistance in the enforcement of a court writ. That was at Flint.

There the technical legal situation was badly complicated from the practical emotional viewpoint by the fact that counsel for General Motors obtained their first court order from a judge who was discovered to be a substantial stockholder of the company.

When this fact was disclosed the company promptly withdrew its application before that judge and sought its relief from another, and I am convinced that the company officials had no prior knowledge of the disqualifying interest of the first judge. But however innocent the mistake, it was difficult to eradicate the impression from the minds of the workers that the company had tried to secure a court order from a judge who was not disinterested.

When the writ of attachment was finally obtained, on a Friday, negotiations between the company's officials and the union representatives were progressing, and I had reason to believe that a settlement should be reached over the week end.

I did not ignore the writ of attachment. On the contrary, I warned the union representatives that I would enforce it. But I knew, as did the union representatives, and the company's officials, that the literal enforcement of the writ at that moment would not only disrupt negotiations, but could not be carried out without the gravest risk of property damage, riot, and even bloodshed which would leave bitterness and ill-feeling between the company and the men for years to come.

I realized that on the law of averages troops could not be turned loose in such a situation without taking the lives of some misguided, ordinarily peaceful citizens.

Having been a captain in the World War, I could not look upon young men of the age of these strikers against whom these troops would be sent and forget that there might come a time when we might be asking them to be troops themselves.

Consequently, when the sheriff asked for additional deputies to help execute the writ, I told him that I thought he would be wiser to delay action over the week end, as settlement appeared to be imminent.

On the one side, the company knew of my action and did not protest.

On the other side, the union representatives knew that if a settlement was not reached and the plants peacefully evacuated, the writ would be executed.

And at the plants I had a large detachment of the National Guard continuously on duty prepared to preserve order and ready for any emergency.

I believe that I did my duty to "see that the laws are faithfully executed" and to preserve the peace and dignity of the State of Michigan.

I believe that "faithful execution" by the Governor of a State includes wise administration of the law and not merely its literal instantaneous application at any cost.

I conceived it my duty as the Governor of the State not only to see that the writs of the courts were executed but also to see that peace and order were maintained.

I conceived it to be my duty as the Governor of the State not only to see that the law was enforced after it was broken but to see that the law was observed before it was broken.

To safeguard not only the enforcement of the law but its observance, I conceived it my duty to exert every effort to replace industrial strife and unrest, which would wreck the economy of my State, with industrial peace and order, which would preserve the economy of my State.

I have never condoned the sit-down strike or countenanced disobedience of a court order. From the very beginning of the labor trouble in Michigan I warned the union representatives that the sit-down strike was illegal and, further, that its use would alienate public opinion.

I believe in vigorous law enforcement. However, when there is widespread disobedience to law, it is not enough to enforce the law; it is also necessary to discover and eliminate the causes of that widespread disobedience.

So the Michigan labor situation with which I had to deal involved something more than law enforcement. I was dealing not with a few vicious lawbreakers but with thousands of self-respecting workers who felt that they had genuine grievances of long standing. It was my duty to enforce the law, but it was also my duty to hold their respect for the law. And that I could do only by making them feel that the State was not indifferent to what they honestly felt were their grievances.

When a settlement was finally reached the course I had followed was widely approved by the local press and by responsible spokesmen on either side.

In subsequent cases I pursued the same policy that had been followed with approval and wide satisfaction in the General Motors case. I think I prevented some strikes; I know I settled many. I am not saying that later developments were not sometimes disappointing to my hope that industrial peace had been permanently achieved. But I do feel sure that the sit-down strike has now been thoroughly discredited and I believe we have seen the end of it. Because it is an instrumentality that would undermine and destroy the vital right of the ownership and possession of private property, one of the main pillars upon which our form of economy and, indeed, our democracy is based.

In the meantime, what all of us in Michigan at that time—management, labor, and government—were trying to achieve by patience with each other has been achieved. The factories of Michigan are running full time, with workable relations between management and labor. Cars are coming off the assembly line, men and women are drawing down wages, investors are making profit, and orders for materials are going out through the rest of the country. In comparative terms, that is a peace which few people on the ground in Michigan in the first week of 1937 ever believed could be achieved. That is what I wanted—that is what we achieved—and that is a result of which no one who believes in the reign of law need be ashamed.

BAKER, HOSTETLER, SIDLO & PATTERSON,
Cleveland, February 12, 1937.

Hon. FRANK MURPHY,
Office of the Governor, Lansing, Mich.

MY DEAR GOVERNOR MURPHY: I beg leave to express my deep satisfaction at the result of your intervention in the so-called General Motors strike. The settlement of that tremendous controversy has afforded relief to a multitude of workers and their families who may or may not have been misled into an extra legal position about their rights, but that question can be debated and settled under circumstances involving less passion and less suffering than would have been entailed but for the happy adjustment brought about through your influence. No humane person could have desired to see the struggle harshly fought through, even though he believed, as I do believe, in the entire illegality of the sit-down strike.

But quite apart from the details of the settlement and the issues left to be worked out, I venture to rejoice that the settlement has been effected through the influence of a Governor of a great State. There was a time in our history when men resigned from the Senate, from Cabinet positions, and even from the Chief Justiceship of the Supreme Court of the United States to accept the responsible and dignified office of Governors of their States. No office could be more important. Both its influence and its authority in the maintenance of order and progress in society are impossible of exaggeration. The preservation of Michigan as an indestructible State in an indestructible Union is involved in the retention by the people of confidence in their form of local government and its efficiency to solve local and domestic problems. By your intervention and success you have heartened all of us who believe in the dignity of your office and in the necessity of preserving efficient and responsible State governments as indestructible components of a Federal Government dealing with Federal rather than local concerns.

With great respect,
Sincerely yours,

NEWTON D. BAKER.

LAW SCHOOL OF HARVARD UNIVERSITY,
Cambridge, Mass., February 12, 1937.

DEAR GOVERNOR MURPHY: I know enough about such major industrial controversies as the General Motors strike to know how little an outsider like me knows of the real complexities and difficulties that had to be resolved. But I also know enough to know what pertinacity, sagacity, and a profound sense of fairness were necessary to prevent an ugly situation from turning into open violence on a large scale, and finally to bring the parties to a peaceful adjustment. And, therefore, I express to you gratitude and admiration from the bottom of my heart.

Very sincerely yours,

FELIX FRANKFURTER.

[From the Detroit News of February 12, 1937]

THE STRIKE ENDS

Governor Murphy's wise and unrelenting insistence has brought the General Motors strike to an end without bloodshed. That is the salient fact to those who have faced in imagination what might have happened otherwise.

As for the details of the settlement, it is hard to see what has been accomplished by the 43-day tie-up of one of the country's largest industries. General Motors at long last has agreed to bargain with the United Automobile Workers on wages, hours, and conditions of work. But it has been ready to do exactly that almost from the outset of the strike.

So far as we can see the positions of the union and of the corporation remain virtually where they were 43 days ago. Nothing has been accomplished and nothing proved—unless it be that a handful of strikers can close up the largest mass-production industry as long as official forbearance allows them to remain in illegal possession of its plants. The forbearance of the corporation also has a good deal to do with the strike's "success" from that standpoint.

In saying that nothing has been accomplished by this strike, one exceedingly important exception must be noted. This is the provision in paragraph 7 of the agreement included at Governor Murphy's insistence for settlement by negotiation of future disputes. Once the corporation and union have come to terms on wages, hours, etc., they engage to exhaust "all opportunities to achieve a satisfactory settlement" of future demands or grievances before another strike is called.

The Governor's balanced handling of the strike situation and negotiations throughout has merited description as statesmanlike. His position as Governor of the State and embodiment of its legal sovereignty was far from an easy one under the circumstances. Yet he was able at the same time to refrain from recognition of the sit-down strikes and to insist that they be ended without the necessity of forcible ejection. He demanded above all that an end be reached without forfeiting in senseless violence the lives of Michigan citizens.

That was the humane and wise thing to do. But it required of the Governor a feat of balancing that scarcely can be expected of official authority every time a group of workers in the name of collective bargaining seizes possession of another's property.

[From the Detroit Free Press of February 12, 1937]

That the long-drawn-out blockade of industry in a vital field finally has reached a happy conclusion under conditions justifying such a hope, unquestionably is due in large degree to the part the Governor has played in the emergency.

Mr. Murphy made it clear at the start that he would tolerate neither violence nor disorder. Before all else, good order would be maintained and society given protection, he declared. The support of National Guard men, called out to make this stand effective, was costly; but the results have justified the expense.

There is no black tragedy to mourn over today; no bitter aftermath that will rankle.

At the same time the Governor showed neither bias nor passion. He manifested a good understanding of the situation and maintained a helpful attitude of impartiality between the parties to the controversy, which earned for him the confidence of both sides and made the good offices he tendered effective.

Governor Murphy labored hard and patiently, refusing to give up even when the prospect for success in bringing about a peaceful agreement appeared very small, and he won out. What he has done deserves recognition throughout Michigan and in the country generally.

If I Could But Speak

EXTENSION OF REMARKS

OF

HON. C. ARTHUR ANDERSON

OF MISSOURI

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 25, 1939

ARTICLE BY ELEANOR ANN JUDD

Mr. ANDERSON of Missouri. Mr. Speaker, the great tomb of the Unknown Soldier over in Arlington has evoked many a solemn and sublime thought, but none more inspiring than one set to words by a little 17-year-old girl, Miss Eleanor Ann Judd, whose father is a captain in the United States Army.

It is with a great sense of pride that I ask unanimous consent to extend Miss Judd's very brief but beautiful composition in the RECORD, and I commend it to the attention of every Member of Congress and to the Nation.

IF I COULD BUT SPEAK

They engraved "Known but to God" on my tomb, but, my buddies, that is not true, for I am the son, the husband, the brother who did not come back. I belong to each Gold Star mother; to each soldier's widow; to each soldier's sister, who waved a brave farewell as I marched away to the "war to end all wars," and with them I now raise my voice.

My comrades, buried alive in the hospitals, I remind you that He, too, suffered on the cross, and He will ease your pains, for to all you are a living symbol of the fallacy of unpreparedness and the unaccountable cost of war.

Oh, my buddies who returned to your loved ones, do not permit our glorious and free Nation to be lulled into a coma of false security; to neglect her trained fighting forces, or to tolerate any disloyal utterance within our fair shores.

Impress upon all that it is not necessary to go to war if our young men and young women are so well organized and trained that bigoted, unscrupulous, and greedy autocrats will not dare to even try to dismember our great country.

For you, my buddies, can vividly picture the days without food; the nights without sleep, the whine and the roar of the shells, the quaking earth, the staccato of machine guns, and the moans of the wounded.

So, do not let your children and the flower of our youth experience this, but rather insist that those elected to responsible offices prepare our Nation so efficiently that emperors and dictators will not risk sending their hordes to endeavor to disrupt this land of freedom, "and the government of the people, by the people, and for the people shall not perish from this earth."

ELEANOR ANN JUDD.

Shall We Send Our Youth to War?

EXTENSION OF REMARKS

OF

HON. GEORGE A. DONDERO

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 25, 1939

ARTICLE BY HON. HERBERT HOOVER

Mr. DONDERO. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following article by ex-President Hoover:

SHALL WE SEND OUR YOUTH TO WAR?

(By Herbert Hoover)

The American people are today tense with anxiety lest they be led into another great war.

And some of our people seem to be accepting glib talk of war as if it were something more good than evil. Truly many years have already gone by since we ceased to feed boys to the cannon. It seems difficult to believe that only about one-third of the living American people are old enough to remember the World War well.

We have urgent need today to recall the realities of modern war. And we have desperate need to take into our national thinking the gigantic yet invisible forces behind war which are again moving in Europe.

I am perhaps one of the few living Americans who had full opportunity to see intimately the moving tragedy of the World War from its beginnings down through the long years which have not yet ended. I saw it not only in its visible ghastliness, but I lived with the invisible forces which moved in its causes and its consequences. I am perhaps justified in recalling that experience.

Before the war I knew Europe—Russia, Germany, France, Italy, and England—fairly intimately, not as a tourist but as a part of their workaday life.

I was drafted in 1914 to preserve the lives of 10,000,000 people in Belgium and northern France who had been overrun by the German armies. Here was a service that by common consent was a sort of semiofficial state. It covered not alone food, but the economic life of these people. It operated within the lines of a hostile army and moved through the blockade of a hostile navy. In that service I moved constantly in and out behind the trenches on both sides of the conflict. I witnessed the misery and backwash from war in their most hideous forms. My duties required that I meet constantly with high military and civil officials in England, Germany, France, and the neutral countries in contact with the invisible forces behind the war.

When America joined in the war I was asked by President Wilson to return to America to become a member of our American War Council and to administer the food supplies of our country and for our Allies.

At the armistice I was drafted back to Europe to direct activities of the allied and associated governments to defeat unparalleled famine and pestilence, to restore economic life among both the victors and the vanquished. In this service I spread an organization of thousands of American men and women over 23 nations—many of them boiling with revolution. Our job was not alone the extension of a hand of kindness. Its purpose was to secure order out of which peace could be made.

Constant dealing with those many peoples and their officials brought a flood of knowledge of the political, economic, and social currents which sprang from the war.

I did not participate in making the peace. I was daily called upon for advice and information. And I observed its disastrous course. Subsequently, during a period of 8 years in Cabinet position I dealt with the troubled seas of unceasing political and economic storms the world over.

As President, I dealt unceasingly to bring about reduction of arms, economic readjustment, and peace.

A year ago I spent some months in Europe with unique opportunity to discuss its problems with leaders in 14 nations.

That is 20 years of opportunity to observe European peoples and their leaders, with all the forces of good and evil in which they live, and to relate them to our American scene. The searchlight of this experience can well be turned upon some phases of the present scene.

First, let me say something from this experience of what war really is. Those who lived in it, and our American boys who fought in it, dislike to recall its terribleness. We dwell today upon its glories—the courage, the heroism, the greatness of spirit in men. I, myself, should like to forget all else. But today, with the world driving recklessly into it again, there is much we must not forget. Amid the afterglow of glory and legend we forget the filth, the stench, the death, of the trenches. We forget the dumb grief of mothers, wives, and children. We forget the unending blight cast upon the world by the sacrifice of the flower of every race.

I was one of but few civilians who saw something of the Battle of the Somme. In the distant view were the unending trenches filled with a million and a half men. Here and there, like ants, they advanced under the thunder and belching volcanoes from 10,000 guns. Their lives were thrown away until half a million had died. Passing close by were unending lines of men plodding along the right side of the road to the front, not with drums and bands, but with saddened resignation. Down the left side came the unending lines of wounded men, staggering among unending stretchers and ambulances. Do you think one can forget that? And it was but one battle of a hundred.

Ten million men died or were maimed for life in that war. There were millions who died unknown and unmarked. Yet there are miles of unending crosses in a thousand cemeteries. The great monument to the dead at Ypres carries the names of 150,000 Englishmen who died on but a small segment of the front. Theirs was an inspiring heroism for all time. But how much greater a world it would be today if that heroism and that character could have lived.

And there was another side no less dreadful. I hesitate to recall even to my own mind the nightmares of roads filled for long miles with old men, young women, and little children dropping of fatigue and hunger as they fled in terror from burning villages and oncoming armies. And over Europe these were not just a few thousands but over the long years that scene was enacted in millions.

And there was the ruthless killing of civilians, executed by firing squads who justified their acts not by processes of justice but on mere suspicion of transgression of the laws of war. Still worse

was the killing of men, women, and even children to project terror and cringing submission. To the winds went every sense of justice. To the winds went every sense of decency. To the winds went every sense of tolerance. To the winds went every sense of mercy. The purpose of every army is to win. They are not put together for afternoon teas. They are not made up to bring good cheer or justice or tolerance. They are made up of men sent out to kill or be killed. Whatever the theory, the act that wins is justified in war.

And there were the terrors of the air. In a score of air raids I saw the terror of women and children flocking to the cellars, frantically, to escape from an unseen enemy.

In another even more dreadful sense I saw inhuman policies of war. That was the determination on both sides to bring subjection by starvation. The food blockade by the Allied Governments on the one side, and the ruthless submarine warfare by the Central Powers on the other, had this as its major purpose. Both sides professed that it was not their purpose to starve women and children. But it is an idiot who thinks soldiers ever starve. It was women and children who died of starvation. It was they who died of the disease which came from short food supplies, not in hundreds of thousands but in millions.

And after the armistice came famine and pestilence, in which millions perished and other millions grew up stunted in mind and body. That is war. Let us not forget.

We were actually at the front in this war for only a few months, but it cost us the lives of 130,000 men. It has placed 470,000 persons on the national pension list already. It has cost us $40,000,000,000. And that represents more than just dollars. Today we have a quarter to a third of the American people below a decent standard of living. If that forty billions of wealth had remained in America these people would not be in this plight. A large segment of our people have already been impoverished for a quarter of a century. And the end is not yet.

We may need to go to war again. But that war should be on this hemisphere alone and in the defense of our firesides or our honor. For that alone should we pay the price.

The endless books tell us how the Great War originated. They do not agree. But some salient facts do stand out that are pertinent today. It began by a quarrel between three dictators—the Czar of Russia and the Emperors of Germany and Austria. They were competing for "power." France, a democracy, was dragged in because, out of fear of the dictators of Germany and Austria, she, a democracy, had made a military alliance with the Czar. The British democracy was drawn in partly out of idealism to defend liberty, but also partly to save its trade and its possessions from too great a concentration of "power" on the continent. We finally joined in the war wholly out of idealism.

I dodge no responsibility. I reluctantly joined in the almost unanimous view of our countrymen that America must go into that war. We had been directly attacked. But, more important, I believed we could bring the endless slaughter to an end. I believed that with our singleness of purpose we could impose an enlightened peace; that we could make it a war to end war. I believed we could make the world safe for the spread of human liberty. If experience has any value to nations, there are in the wrecking of these hopes a thousand reasons why we should never attempt it again.

When President Wilson arrived in Paris the common people of the world were praying for a real peace. There were good men there, and there were high aspirations. But there were also concentrated there the invisible forces of age-old hate and greed. Mr. Wilson met a determination to crush the enemy in a Carthaginian peace. He met the sinister demands for power. He met a greed for possession of world resources. Above all, he met with the pressures of populations and the unsolvable problems of European boundaries and economic life. He worked valiantly to combat the evil forces. He spread American idealism at the peace table. He argued and cried out for reason and justice—not because he felt the enemy was guilty, but because he felt that mankind must turn its face to the future and its back on the past. When Germans blame him, little do they know what Germany would have looked like had it not been for Woodrow Wilson.

To Mr. Wilson I criticized bitterly the provisions of the peace treaties before they were signed. I felt that instead of healing the wounds of the world they would spread disaster over a generation. I have before me a memorandum that I gave to Mr. Wilson 2 months before the treaties were signed, urging their lack of vision and the dangers to America. He won some victories for sanity. He helped some nations to freedom. He hoped that, with time for hate and avarice to cool, the League of Nations could reconstruct the failures of the treaty.

Americans will yet be proud of that American who fought a fight for righteousness, although he partially lost. But he proved that American idealism and American ignorance of the invisible forces in Europe can only confuse the grim necessities of European peace.

What is happening today? Europe is suffering repeated earthquake shocks from the fault of the Treaty of Versailles.

But, beyond all this which is obvious, something else is moving. Europe is again engaged in a hideous conflict for power. Stripped to its bones, today the quarrel is much the same. Dictators in Germany and Italy rise to power on opposition to communism, launched into their peoples by the dictator of Russia. Again the dictators are in conflict for power. Again France, a democracy, ties herself to the dictatorship in Russia, England becomes endangered should the dictators of Germany and Italy overwhelm France. And thus again begins this dreadful treadmill.

What is proposed? That we join to stop inevitable movements and readjustments of peoples; that we engage in ideological wars. Who will pay for it in blood and treasure? Our children.

In Europe they constantly use the word "power" in a connotation that is strange to many Americans. That is the "power" of peoples and over peoples. This "power" may be a political authority held in a man. It may be the "power" of a nation, the "power" of alliances, or the balance of "power." And they speak daily of international "power" politics. They often speak of it in terms of a game. They play power politics as sheer necessity for national defense, and they play it for national aggression.

The players change and the forces in the games shift constantly. It is a game of delicate moves. It is not a game of open covenants openly arrived at. Nor is the self-determination of nations one of the rules. Those who play with power politics, like those who play with matches, always deny that they intend to set the conflagration of war. Their moves are based not alone on bluff but on guns. When we take sides in their controversies, when we talk of using force of any kind, we are playing power politics at the European chess table.

I do not believe we should sit in that game, either in their interest or ours. Our idealism and our uncertainties of policy only befuddle the movements of expediency and delicate adjustments in which they are compelled to live. And our stakes are the lives of millions of sons of America. The stakes are another 25 years of hideous national impoverishment. The stakes are the progress of all mankind for half a century. The stakes may be the sinking of intellectual and spiritual liberty for a century to come.

The time may come when we could arbitrate the quarrels which arise in that game at some point before shooting begins. But if we sit in the game, we shall never be arbitrator, and we may be drawn into the shooting.

And let me inject that Europe plays power politics against us. There is the instance of the European war debts to us. Part of the debt was for supplies and cash to carry on the war. From one-third to one-half of that debt, however, was material and money we supplied after the Armistice to aid in reconstruction. At that time the war was won. We had no need in our own interest to loan another dollar. We settled the debts for much less than the full sum. The whole, including the reconstruction advances, has been repudiated.

The repudiation has a double sting, for over years following the Balfour note the Allies publicly and repeatedly informed the former enemies that the reason they exacted reparations and indemnities from the enemy was because they had to pay it over to the Shylock of the Western World. They stated they would reduce the indemnities by whatever the United States, in turn, would cancel to them. By such power politics they consolidated central Europe into their propaganda and pressures to cancel the debts. Moreover, their propaganda told us, and a host of Americans reechoed, that they could not pay because they could not transfer money in such great quantities from one nation to another. That is true in a depression, but let me recall that these very nations today have shipped four billions of money to this country for investment since they repudiated their debts.

I have no desire to recall these incidents.

My purpose is to stir up reason among the American people against doing it again.

The dangers of our being dragged into war lie in these directions:

1. Foreign propaganda to inflame our emotions and to mold our minds to war.

2. Preachments of our own mistaken officials and citizens which, in effect, support these propagandas.

3. Steps taken by our own Government, which, while denying that they are intended to take us into war, yet entangle us with these very controversies, the end of which may be war.

If deliberate attack were made upon women and children, which modern airplanes and modern food blockade make possible, our indignation might not be restrained from action. Remember the part indignation over Belgium played in our entry into the last war.

And here we can examine one of the methods of power politics. That is propaganda. During the World War propaganda was first developed into a national weapon no less potent than killing men. When peoples and governments believe that independence or their national survival or their possessions are at stake, they instantly justify untruth and lies as a part of national policies. When they weigh the sacrifice of their sons, then truth, honesty, tolerance, and justice are thrown to the winds if a lie will serve better.

The Great War was the first time in history when all the powerful agencies of publicity and manipulation of news were organized without moral restraint under the genius of skilled men. There were built up a skill and a technique in front of which every citizen was helpless to know the truth. And since that time the radio has become an additional weapon.

We ourselves, when we entered the war, imitated the others. We created great propaganda agencies. The managers of them have since confessed frankly that they distorted fact and created news without truth. They built hate as well as altruism as a necessary emotional foundation of modern war. And no man dared question or answer under this fierce organized condemnation.

Propaganda has three directions: Internal, to mobilize emotions; external, to influence neutral nations; and aggressive, to influence the enemy.

From the beginning of the Great War I saw the development of the propaganda directed at the United States from both sides. I was so impressed that I collected this material for years. The War Library at Stanford University holds stack after stack of this emanation from every government at war. And, in the light of what we now know really happened, it comprises the greatest collection of part lies on the face of the earth. It ought to be studied.

There are certain types of propaganda in motion today which fertilize our soil for our entry into war. For instance, one of these volleys of propaganda asserts that a great war in Europe is inevitable. That is a half truth. The set-up in Europe has made a general war inevitable every hundred years since the Romans kept the peace. And until mankind makes much greater progress it will continue to be inevitable. But the pounding in of that phrase is either sensational journalistic speculation or European propaganda of the preparatory type.

We are told that we must join in war or democracy will disappear from the earth. From the alliance of the democracies with several totalitarian states that ideological issue seems somewhat confused.

My sympathies are with the democracies. But the democracies of western Europe have the resources to defend themselves. They comprise great empires of hundreds of millions of people with all the resources needed to secure their defense. Whether they preserve their democracies is a question of their own will.

We are told that if they fall we shall be the next victim. I do not agree that they will fall. But if they do fall, the exhaustion of the dictators will be such that these countries will leave us alone for a quarter of a century at least.

It is dinned in our ears that we shall inevitably be drawn into this inevitable war whether we like it or not. That just simply depends upon our own will to keep out.

And propaganda showers upon us in other forms. I have for the past few months checked back on headline stories from Europe which have subsequently proved untrue. There are 20 such stories on the list. That is not the fault of our news services. These stories usually start as "information from a responsible source." That means a foreign government official. But they leave a trail of fear, of hate, and prejudice and help to condition our minds for war.

One of the curious happenings of these days is that our newspapers print more alarming war news than the European press.

And another form of war conditioning of the public mind is the firing of words by our Government officials at the nations we don't like. So long as we confine it to words, the dictators will fire back an equally insulting lot of words, and we wind up even. Soapbox oratory is the necessary equipment of modern dictators, and they excel. Only the really neutral nations could judge as to who wins in these jousts of billingsgate. But they build up hateful emotions both ways.

And that does not imply that we should ever neglect to express indignation at great wrong. But the terms we use are important if it is results we seek and not propaganda.

The second danger of war comes from the policies of our own Government. President Roosevelt has taken a seat at the table where power politics is being played. He has joined in the chessboard of Europe. He lines us up in the balance of power. It is said we can do this without joining in war.

It is said we will do something more than words and less than war. When we open fire on the front we are in the fight. The enemy will fire back with more than words. If the more than words fail to overcome him we have to go further. For then we have to win or be overcome on our side. Let nobody say that you can do such things without danger of war itself.

If the dictators believe we will stop short of war they will credit us with having small chips in this game. Their chips are soldiers and guns. If our partners believe our chips of more than words and less than war are valuable, it is because they believe that when we have exhausted these chips we will put our soldiers and guns into the game and they will edge us in.

And right before our eyes the game shifts. We were originally going to quarantine dictators and again save democracy. Today we have two or three dictators on our team. We have had to drop the "democracy front" and "dictators" and talk of "aggressors." That only indicates how rapidly we can move from sheer-idealism into combat.

We may think we can take part in controversies and quarrels in Europe without going to war. We may think our strong will to keep out permits us to start down this road and stop when it looks as though we are being involved in war. But, when we get to that point, our will to stay out is not only weakened, but our angers and hates are aroused to a point where our will to stay out no longer has any control.

Today the European anti-axis press is confident we intend to join in their wars if they come. If they are rudely awakened, their peoples will hate us for a generation. And they will deluge us with cries of cowardice by way of further propaganda.

Space prevents adequate discussion of another phase of this situation. The whole totalitarian structure upon which these aggressive dictators are supported is weakening. That is equally true for the Communists, the Fascists, and the National Socialists. Their concepts of brutal intolerance, of suppression of every right of free men, is raising its own opposition within them. Peoples who have known liberty will yet regain it for themselves. The vicious persecutions of Jews and other religious groups has raised the hate of the world. Their economic systems are failing to produce the standards of living they have promised. It is a sad thing that we in America have to endure the propaganda of the Communists trying to get us into war, and of the bund trying to implant nazi-ism in the United States. We endure it only because we hold to free speech. And both of them take advantage of our tolerance to tear down our liberties.

And what profit it if, by our joining in war to extinguish these systems, we also lose our own American life? It is not alone the price of war we lose. But we can never go through another great war without becoming a totalitarian state in order to effectively fight such a war. When we have finished we shall not have established peace in the world. We shall have sacrificed liberty for generations in the United States.

America can be of service to the world. We can hold up the standards of decency in the world.

We should hold that the basis of international relations should not be force, but should be law and free agreement.

The greatest immediate service that we can render is to join in economic cooperation with other nations to relieve the economic pressures which are driving the world constantly to instability. A great part of these pressures for war are economic. The greatest healing force that could come to the world is prosperity. There is a vast field for American action which is free from political entanglements. We should resume the conferences which were started under such good auspices by our country in 1932.

But, far beyond that, we can hold the light of liberty alight on this continent. That is the greatest service we can give to civilization.

We as a people can keep out of war in Europe if we have the resolute will to do so. Our will can be weakened by propaganda. It can be insidiously undermined by sitting in the game of European power politics.

We hear much of laws that will preserve our neutrality. But the question is not legalisms; it is our will to stay out. Staying out is a matter of tactics and strategy almost as difficult as the strategy and tactics of war. And, if there is not the adamant will to stay out, no amount of law can keep us out. The first thing required is vigorous, definite statement from all who have responsibility, both publicly and privately, that we are not going to war with anybody in Europe unless they attack the Western Hemisphere. The second thing is not to sit in this game of power politics.

These are the American policies that will make sure that we do not send our youth to Europe for war.

Food Production

EXTENSION OF REMARKS

OF

HON. STYLES BRIDGES

OF NEW HAMPSHIRE

IN THE SENATE OF THE UNITED STATES

Wednesday, July 26 (legislative day of Tuesday, July 25), 1939

ARTICLE BY F. G. R. GORDON

Mr. BRIDGES. Mr. President, I ask to have printed in the RECORD an article by F. G. R. Gordon on the subject of Food Bill and Food Production in States, published in the Haverhill (Mass.) Sunday Record of July 9, 1939.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

[From the Haverhill (Mass.) Sunday Record of July 9, 1939]

FOOD BILL AND FOOD PRODUCTION IN STATE

(By F. G. R. Gordon)

In 1935 the six New England States produced food valued at $213,000,000; we sent to other States and foreign countries the vast sum of $1,400,000,000, round numbers. This is a vast drain of the resources of the people of New England. Massachusetts is farming 1,000,000 acres less today than 29 years ago.

When I was a kid my father had a flock of 75 sheep in Landaff, N. H.; a near neighbor had 450 sheep; today I doubt if there are 400 sheep in the entire town. And on the farm where I chased sheep, when the old ram led the flock over the fence, are mostly trees 6 to 20 feet high.

A sample of what's happened to many farms and towns over New England.

We supply ourselves with potatoes, thanks to Aroostook County; we supply ourselves with cranberries, thanks to Cape Cod. We export some potatoes and cranberries net; we export some apples, but we also import apples from other States, about an even toss-up.

In 1935 we could count 8,000 sheep on the farms of Massachusetts; 50 years ago we could count 400,000 sheep on Massachusetts farms. In 1910 our people farmed 3,875,000 acres; today we farm 2,400,000, or a few less. Vermont is about the same size as Massachusetts, and she farms 4,250,000 acres. Why don't we do as well as Vermont?

In 1935 we in this State had a total of 189,000 cattle while Vermont had 409,000, and she also had 20,000 more sheep than we had. We beat Vermont on hogs, with 90,000 against the maple sugar State of only 23,000. When it comes to maple sugar and sirup, well, Vermont taps 5,600,000 trees while we tap only 236,000, and produce 700,000 pounds as against 12,000,000 in little Vermont.

Maine is the only State that raises any wheat, and very little of that. We buy our flour from Buffalo and Minneapolis mills, and the cost goes into the hundred millions.

Vermont produces 15,000,000 gallons of milk and we have around 80,000,000 annually.

Our biggest gains in the past few years is poultry, and this has increased from $1,600,000 to over $10,000,000 annually.

We have about 100,000 hogs, not counting the human kind, and ought to have 1,000,000 of the kind that gives us hams, bacon, and so on. Only one-third of our farmers raise hogs at all, and this third could increase their hog products by 1,000 percent.

By scientific, even common-sense farming, making every acre count—even wood lots—we could increase our total farm crops, including livestock, butter, eggs, milk, and so on, by $350,000,000 a year. Can you guess what this would mean to New England? Abraham Lincoln said in the campaign of 1860:

"If we send $100,000 to England and buy steel rails we get the rails and England gets our money. If we spend $100,000 for steel rails made in Pittsburgh we get the rails and we keep our money in America."

If New England increased her farm crops to the tune of $350,000,000 a year, that would mean that $350,000,000 would be spent in New England stores in place of seeing it spent a thousand miles to the west and south of us.

Since 1930 farms have increased in every New England State; in Connecticut they have increased 95 percent.

A well-to-do farmer who lived up to 2 years ago, in Ramsey County (St. Paul is in this county) sold his big stock farm and has moved to Vermont to the town of Burke, bought 1,000 acres of land and will raise beef cattle. He says there's a better opportunity to make money on his Vermont farm than in Minnesota. This means that if he has 40 cattle to ship to market we in New England will be $5,000 to the good, and our gain will be Minnesota's loss. It means an additional $5,000 will be spent in Vermont and Boston instead of in St. Paul and Minneapolis.

Almost every day Vermont receives one or more letters asking about farms for sale; and this is taking place also in Maine, New Hampshire, and to some extent in our own State.

A few years ago the head of the Boston Produce Exchange made a speech here in Haverhill. Said he: "We don't make butter enough in Massachusetts in a year to feed Boston at breakfast." He also pointed out that New England could save from $300,000 to $400,000 a year if our farmers did their best. Only about 45 percent of farm acres fit for cultivation in this State is farmed at all. If you ride some miles along the countryside you will say more than once: "Look at that big piece of land going to waste!" You will say this from end to end of New England.

The farms of Massachusetts are worth today $260,000,000; double the production and these farms would be worth $500,000,000.

We have the best market in the world for everything we can raise.

If the poultry business can show an increase of 100 percent in the past 25 years, hogs, sheep, cattle, and our natural crops can do as well.

We have enormously increased the milk production. Back in 1880 Massachusetts made 9,660,000 pounds of butter; in 1920 she made only 2,200,000 pounds, and 10 years ago she made less than 1,000,000 pounds, and probably less than half a million today. But in 1880 we had about 1,780,000 population; today we have 4,300,000 or so. We have changed from butter to milk and we don't produce enough of that. Vermont has enormously increased her milk crop, sold largely to the Boston market, but we have to buy milk from New York State and also from Canada. Vermont sells about 140,000,000 gallons of milk annually; Massachusetts a little more than half as much.

Vermont also raises 2 bushels of corn while we raise 1.

The butter and cheese business has gone west.

We have increased our green crops—lettuce, beets, string beans, and new peas—and other garden truck very largely, and yet Florida and far-off California sells us far more than we raise. There really isn't any excuse for this situation. This State eats nearly 12,000,000 bushels of potatoes annually and raises only 1,500,000 bushels.

The West has for many years sold millions upon millions of pounds of butter and dozens of eggs. When I was 14, I drove a milk-collecting route of 4 miles for the farmers and an uncle who gathered the cream from several hundred cows. It was great fun for me and some work, except when one of those western cyclones came along and tipped over 160 gallons of milk and at the same time made me recite every prayer I had ever learned. The farmer got less than 2 cents a quart for his milk, but he got back gallon for gallon of sour milk; and all those farmers had from 50 to 100 hogs all the time; they got sour milk and half-grown corn. That was the time also when I bought eggs for 6 cents a dozen down on the plains. Both eggs and butter were shipped to Boston and Lawrence by the carload.

My uncle was in the egg and butter business in Lawrence before he moved to Iowa. I was in that State during the panic of 1872–78, and it was far worse than anything I have witnessed since 1930. The folks burned fine big ears of corn for fire, both cooking and heating, for you could buy all you wanted for 10 cents a bushel, and many farmers didn't even bother to gather their corn crop.

A majority of the farmers that I gathered milk from did well; they had, most of them, paid $18 for 160 acres under the Homestead Act, and some years later they sold those farms for $150 per acre, with a fair price for stock, machinery, etc., and moved to Los Angeles County, Calif.; they retired, lived well, pitched horse shoes for amusement, went to the movies, and then along came the 1929 depression and their interest money went down and down, but they joined the Iowa association, 50,000 strong, and half of them also "jined up" for the Townsend plan and later on the "$30 every Thursday" movements.

I speak of this because I know there's a far better opportunity to make a success at farming in New England than in either Iowa or California; and as soon as this is generally known New England will become vastly more prosperous than she is at this time. Horace Greeley said, "Go West, young man; go West." And I amend that to say, "Come to New England, young man, and make a far better living and lay up money."

The New Deal

EXTENSION OF REMARKS

OF

HON. WALLACE H. WHITE, JR.

OF MAINE

IN THE SENATE OF THE UNITED STATES

Wednesday, July 26 (legislative day of Tuesday, July 25), 1939

EDITORIAL FROM DAILY KENNEBEC JOURNAL

Mr. WHITE. Mr. President, I ask unanimous consent to have printed in the Appendix of the RECORD an editorial appearing in the Daily Kennebec Journal, published at Augusta, Maine, under date of July 18, 1939, commenting on a recent address made by the Senator from New Hampshire [Mr. BRIDGES], I believe at some point in the State of Kentucky.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

[From the Daily Kennebec Journal, Augusta, Maine, July 18, 1939]

SIZING UP NEW DEAL

In a recent address Senator STYLES BRIDGES, of New Hampshire, gave what is rapidly becoming the majority conception of the New Deal, when he said:

"I think that the plain fact is that our Washington intellectuals are not rooted in any form of government. They simply think in their arrogance that they have the answers to all questions of life and if unhampered by such annoyances as Congress and the Supreme Court and democratic processes they will be able to erect a world of happiness and delight. * * * They are all just a happy group of experimenters able to argue convincingly that when we go backward it is really a movement of progress."

The series of articles written for the Saturday Evening Post by Raymond Moley, one of the original "brain trusters," describing the organization of the New Deal confirms strikingly the interpretation of Senator BRIDGES. He believed he was helping inaugurate a new political epoch in this country and entered into the work with fine crusading zeal, in this probably representing the feelings of other members of the "brain trust." He certainly depicts the early New Dealers as a "happy group of experimenters" and the amateurism of it all is very well demonstrated in these articles themselves. In his participation in national politics Mr. Moley was a boy at his first circus, further bewildered by all that was going on in the three rings and on the big stage. Those early New Dealers took this country like children with a complicated mechanical toy and proceeded to see what made the wheels go round and the result is much the same.

That the New Dealers don't know what it's all about, as indicated by Mr. Moley's comment in his articles, is coming to be the general opinion of the country. This sort of thing, of course, has been nuts for the well-trained allen radical agitators, but it's doubtful if the conclusion of Senator BRIDGES that they have dominated the New Deal is justified. Amateur New Dealers like Mr. Moley may have been deceived by them, and there may have been some Communists, at least in intellectual theory, among them. Possibilities afforded shrewd Communist agitators, however, are obvious, and doubtless they have been trying to make the best of their opportunities. "Frantic men with such a lust for power as the country seldom sees," as Senator BRIDGES styles the New Dealers, would be putty in the hands of the experienced radical agitators. Again, Mr. Moley's articles make the Senator's characterization a just one.

According to Senator BRIDGES also, the "happy group of experimenters" in their latest effort to "erect a world of happiness and

delight" are trying to wreck A. F. of L. and have C. I. O. dominate organized labor by forcing John L. Lewis back into A. F. of L. This move, however, is dragging, as so many others have, and indications now are that A. F. of L., rather than C. I. O., will control. The "happy experimenting" with organized labor is typical of the whole New Deal work.

Senator BRIDGES' indictment of the New Deal, on the whole, is accurate and just, based on observations of many others as well as his. There are good grounds for suspecting, as he does, that these starry-eyed reformers would not hesitate to revolutionize our form of government if convinced that would advance their real purpose of reform. This makes them easy marks for the agitators who may lead them much farther than they may dream of going themselves. The practical hard sense of experienced politicians and businessmen obviously is lacking among them, so they are capable of anything. As Senator Bridges has demonstrated, we have all the makings in the New Deal and its policies for some form of modern totalitarianism, no matter how much opinion may differ as to how far we have already gone in that direction. Senator BRIDGES' belief that we are pretty close to it is being shared by more and more every day.

Block Booking and Blind Selling

EXTENSION OF REMARKS

OF

HON. MATTHEW M. NEELY

OF WEST VIRGINIA

IN THE SENATE OF THE UNITED STATES

Wednesday, July 26 (legislative day of Tuesday, July 25), 1939

ARTICLE BY HAROLD HEFFERNAN AND EDITORIAL FROM THE WASHINGTON EVENING STAR OF JULY 24, 1939

Mr. NEELY. Mr. President, I ask unanimous consent to have printed in the Appendix of the RECORD an article by Harold Heffernan entitled "Now Hollywood Trembles With Neely Bill Blues," published in the Washington (D. C.) Evening Star of July 24, 1939, and also an editorial published in the same newspaper on the same date, relative to the anti-block-booking measure recently passed by the Senate.

There being no objection, the article and editorial were ordered to be printed in the RECORD, as follows:

[From the Washington Evening Star of July 24, 1939]

NOW HOLLYWOOD TREMBLES WITH NEELY BILL BLUES—AND YET SOME OPTIMISTS FORESEE AN INDUSTRY RENAISSANCE SHOULD IT BECOME LAW

(By Harold Heffernan)

HOLLYWOOD.—With the Neely bill rounding into something resembling a horrible reality, Hollywood's big brains were up to their necks in new worries today. Even plans for the industry's golden jubilee celebration went by the boards while studio chiefs discussed in disconsolate tones the "blow" from Washington—one which, with passage by the House and signature by the President, might well turn Hollywood's archaic system of production and distribution upside down.

Executives with investments at stake and those holding $200,000-a-year jobs, on whose shoulders would fall the brunt of revolutionary changes in policy and set-up, were frankly worried. On the other hand, many of those with less responsibility and yet importantly placed in the business were optimistic. They predicted a great industry renaissance should the bill become one of the laws of the land.

"You would see the greatest inspirational boom Hollywood has experienced since the talking picture came in," said one prominent producer whose name cannot be mentioned.

"Unshackled from block booking, we would be forced to get down to work. Competition among studios would be increased tenfold. Automatically, all the laggards would take to the outer gates.

"Naturally, the most important and immediate improvement would be noted in stories. The bill requires film companies to display a synopsis of the story to the exhibitor, as well as a title, before he can be asked to purchase. That means the story synopsis must stand up or the exhibitor will decide his public won't go for it. That leaves the producer holding the bag—not the exhibitor, as is the case under the present sales system of job-lotting 50 or more 'sight unseen' pictures each year. This individual and direct method of sale on merit alone would put it straight up to the studio, the author, the cast, and the director."

For many years Hollywood has been criticized for not getting the most from its high-salaried writing departments, conceded to include some of the most brilliant minds in the literary field. Instead, it has seemed content to follow the easiest route—depending on purchase of big name stage plays and published novels (many unadaptable for movies) and resorting, in too many emergencies, to old stories produced in screen form twice and even three times before.

During the past year all major plants have been "hypoing" programs with a large number of remakes, many disguised under new titles. These have angered the public and brought stormy protests from exhibitors forced to take them in their "block" purchases.

"Enactment of the Neely bill would end that, too," commented the producer. "Can you imagine a film salesman calling on an exhibitor and showing him the synopsis (as required by the act) of an old picture his company intends remaking? Unless it happened to be the revise of some sensational smash success, you could just about see the exhibitor showing the salesman to the door."

Box-office records on remakes bear out this opinion, for only a scattered few of dozens that have been turned out in recent years ever paid back much more to the exhibitor than his actual house expense. On top of that, they pile up ill will among customers.

Section 7 of the Neely bill offers the harried big brains of Hollywood their only consolation, in case of its passage. It reads, "This act shall become effective 12 months after enactment"—and it must be remembered that Hollywood whipped the talkie demon in less time than that.

[From the Washington Evening Star of July 24, 1939]

BLOCK BOOKING

A step toward success in the long fight waged for clean motion pictures by women's clubs, religious organizations, and parent-teacher associations has been taken by the Senate in passing the disputed bill which would prevent block booking and blind booking. What action will follow in the House is problematical. A year ago a similar bill from the Senate was allowed to die in the lower Chamber at adjournment.

As a means of raising the moral tone of motion pictures, particularly those available to patrons of neighborhood theaters, the bill is important. A campaign for legislation of this type has been carried on for more than 10 years, and while literal success remains to be achieved, progress has been made through modifications from within the movie industry.

Under the system of block booking theater operators were required to take a certain proportion of the pictures offered them during the contract period. Their choice was necessarily limited, and the possibility of rejecting films considered unsuitable for their communities was almost nonexistent. Closely linked with this is the practice of blind booking, by which the operator has no opportunity of seeing either the picture before he shows it nor obtaining a synopsis of the story.

Those methods have tended to shut out competition and have forced upon many honest managers the choice of showing a picture they knew to be unsuitable or endangering their investment. They have hampered direct censorship by patrons through this limitation of choice. From time to time charges have been made by independent operators that the system was used by the large companies to force the independents out of business to make way for distributor-controlled chains.

During recent years somewhat more leeway has been given operators in their choice, although this choice remains limited, and they still must take a comparatively large number of films, some good, some bad, and many indifferent, whether they want them or not, often without knowing just what they are to show.

In view of the progress which has been made in regard to the moral aspects of the motion picture, through the efforts of such organizations as the Legion of Decency, a measure which has such widespread support among those who are interested in preserving the ideals of the American home should be given serious consideration by the House. This bill should not be lightly dismissed, nor forgotten as it was last year.

Imaginary Interview Between the President and Mr. Farley

EXTENSION OF REMARKS

OF

HON. STYLES BRIDGES

OF NEW HAMPSHIRE

IN THE SENATE OF THE UNITED STATES

Wednesday, July 26 (legislative day of Tuesday, July 25), 1939

ARTICLE BY H. I. PHILLIPS

Mr. BRIDGES. Mr. President, I ask to have printed in the Appendix of the RECORD an imaginary interview between the President and Mr. Farley, appearing in the column The Once Over, written by H. I. Phillips, and published in the Washington Times-Herald.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

[From the Washington Times-Herald]

THE ONCE OVER

(By H. I. Phillips)

IMAGINARY INTERVIEWS

FRANKLIN. What's the name, again?

JIM. Farley.

FRANKLIN. Oh, yes; I remember you vaguely.

JIM. I was afraid you wouldn't.

FRANKLIN. Well, Mr. Farley, what's on your chest?

JIM. What's the idea calling me "Mister." I used to be "Jim" to you.

FRANKLIN. Pardon me. It was just an error. Aren't you getting touchy?

JIM. I always was touchy on matters of friendship.

FRANKLIN. There is no question about our friendship, is there?

JIM. That's what I'd like to know.

FRANKLIN. Let's be frank. What's worrying you, Jim?

JIM. I want to know where you stand and, incidentally, where I stand.

FRANKLIN. Jim, you're all wrong. You're imagining things.

JIM. I was born and raised in Haverstraw, N. Y., where we have cold winters, and I know ice when I see it.

FRANKLIN. I insist you're wrong in this instance. You're still at the wheel of the party machine.

JIM. Don't try to kid me, please. I know Corcoran and Cohen are more than mere hitchhikers.

FRANKLIN. You've been reading the newspapers too much.

JIM. I don't have to read newspapers to know when there's a big drop in the temperature, but if you say it's unintentional, it's O. K. with me. But I think I am entitled to know how you stand on a third term.

FRANKLIN. JOE GUFFEY and Bob Jackson say I haven't even had a first or second term yet, because so many of my plans were balked.

JIM. You and I know each other too well to try to kid ourselves that way.

FRANKLIN. Do you hold that I have had two terms?

JIM. If I haven't, I've been doing a lot of letter writing on a wrong assumption. Let's run down to brass tacks. Would you run for a third term?

FRANKLIN. We haven't made up our minds.

JIM. What do you mean, "we"?

FRANKLIN. I don't like your tone, Jim.

JIM. This close to a campaign a tone don't matter. Would you take a third term?

FRANKLIN. Do you honestly think three terms as President are too many?

JIM. I remember back when we both thought if you got one term it would be a break!

Republican Administration in Wisconsin

EXTENSION OF REMARKS

OF

HON. JOSEPH F. GUFFEY

OF PENNSYLVANIA

IN THE SENATE OF THE UNITED STATES

Wednesday, July 26 (legislative day of Tuesday, July 25), 1939

EDITORIAL FROM THE MILWAUKEE JOURNAL

Mr. GUFFEY. Mr. President, a few days ago it was my privilege to make a radio address entitled "A Preview of 1940," which was inserted in the RECORD, calling attention to the failure of the Republican administration in Pennsylvania to carry out their elaborate campaign promises. There has been sufficient time to show that what they promised they will not be able to perform.

I wish now to have inserted in the RECORD an editorial from the Milwaukee Journal which shows conclusively that Wisconsin is suffering from the same deceit which was perpetrated in Pennsylvania. This is an editorial from a newspaper which supported the present Governor, and its comments are very pertinent.

I may add that what has happened in Pennsylvania and Wisconsin is happening in Massachusetts, Connecticut, Michigan, and other States which elected Republican administrations last November.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

[From the Milwaukee Journal]

Governor Heil, signing the $67,600,000 budget, has committed Wisconsin to the most costly biennium in its entire history.

His genius for economy came to the forefront at the last moment—he cut appropriations to one-hundredth of 1 percent! So Wisconsin will spend $7,125 less than the legislature decreed.

The people, looking sadly back at his promise of a $15,000,000 cut in expenditures, are wondering what happened to the economy that was so blithely assured them.

The Governor had ways of keeping expenditures down, if he had chosen to use them—if he had talked less and studied more; if he had applied himself to the task he set himself during his campaign.

Alongside the $67,600,000 budget will go the nonbudgetary expenditures of the highway and conservation departments. The highway spendings will be even larger, by themselves, than the whole budget—running to $70,000,000. The Governor ignored the highway fund as a source of money for the budget. He listened to the road-pap seekers.

When he took his job as Governor he assumed a responsibility. That responsibility was not to sell Wisconsin cheese or to milk cows in public but to give Wisconsin an efficient, economical government.

Every man, woman, and child in Wisconsin bears new burdens because Mr. Heil and his fellow Republicans have refused to face realities.

The Necessity of Outlawing Tax-Exempt Securities

REMARKS

OF

HON. JAMES F. O'CONNOR

OF MONTANA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 26, 1939

Mr. O'CONNOR. Mr. Speaker and Members of the House, I sincerely regret to learn that no action will be taken during the present session of Congress on legislation designed to bring a halt to the tax exemption of interest derived from Government securities.

I introduced H. R. 5632, making income from securities issued by the United States, or any political subdivision thereof, subject to the income-tax laws because I believe that tax-exempt securities are the most obvious shortcoming in the tax structure of the United States today.

This type of legislation vitally affects the well-being of every man, woman, and child in our country, and the passage of such a measure would be of untold benefit to a class of persons suffering from the burden of unfair taxation today.

As property is exempted from taxation, it obviously follows that the assessor will be forced to write up the taxation of other property and thereby increase the load of persons unable to meet the tax bill. The general public suffers irreparably as the result of any type of tax exemption, for they are called upon to meet the expenses of our Government while the heavy investors enjoy exemption privileges and to meet the difference created by the exemption.

As early as 1921 the United States Treasury favored an amendment to the Constitution permitting the United States to tax incomes derived from securities issued by the States and their political subdivisions and at the same time permit the States to tax income from United States securities.

A resolution providing for an amendment to the Constitution along the lines above indicated passed the House in the Sixty-seventh Congress, but was not acted on by the Senate. A similar resolution was defeated in the House by 41 votes in the Sixty-eighth Congress. A number of bills have been introduced during the current session to correct an evil that has been condemned by President Roosevelt.

The 1938 report of the Secretary of the Treasury shows that we have more than $50,000,000,000 of tax-exempt securities in the United States today. The Federal Government and the State government are not collecting one cent of tax on that tremendous sum.

The Commercial and Financial Chronicle, published in New York on November 26, 1938, carried the following item on page 3248:

That John D. Rockefeller, Sr., left a net estate of $26,410,837 was disclosed November 22 with the filing of a tax appraisal in the State Office Building. Virtually the entire estate was composed of securities. United States Treasury notes alone had a market value as of May 23, 1937, the date of Mr. Rockefeller's death, of $17,837,255. State, county, and municipal bonds aggregated about $3,500,000; and corporate bonds about $1,600,000.

Stocks held in the estate consisted principally of railroad shares. Of his once vast holdings of Standard Oil shares Mr. Rockefeller retained at the time of his death only 1 common share of Standard Oil Co. of California and 1,150 shares of nonvoting preferred stock of the Ohio Oil Co.

I trust there is no doubt in the mind of any Member of Congress as to what class of persons is benefited by the tax-exempt securities. Mr. Rockefeller's holdings at the time of his death is an excellent example of the extent of the holding of tax-exempt securities by the millionaires of the country.

The tax-exempt feature of our present income-tax structure is in direct violation of the "ability" principle of our entire philosophy of taxation. It is drastically inconsistent with the progressive features of our taxation program and immunizes from taxation a class of persons best able to meet the tax bill. We are confronted with the situation that we are subsidizing private interests, interests which can best afford to share in the payment of taxes.

Tax-exempt bonds and securities result in a tremendous and serious fiscal loss to the Government each year and at the same time increases the heavy burden which must be borne by other taxpayers. John W. Hanes, Under Secretary of the Treasury, estimated in his statement before the Ways and Means Committee of the House on June 28, 1939, that "the loss to the Federal Government alone is estimated between $179,000,000 and $337,000,000 annually." In this connection it is significant to point out that the taxable income is received for the most part by persons who are hard pressed to find methods of meeting their tax payments.

Studies made in the field of tax-exempt securities indicate that the exemptions tend to decrease national income by inducing men of ability to withdraw from active enterprises and invest their funds in these securities. In many cases they are men who have contributed greatly to our national income and their retirement into the field of tax-exempt securities has a severe influence on our national life and prosperity.

When huge sums of money are tied up in tax-exempt securities, there naturally follows a scarcity of capital which handicaps private industry and depresses business in general. In my mind, the all-time high of over $50,000,000,000 in tax-exempt securities is partially responsible for the inability of business to gain a foothold on recovery today.

Under the present tax structure, the tax-exempt securities bring about an undesirable distribution of investments which are of benefit to no one except the rich holders who reap the interest. I believe that we should attempt to dislodge stagnated reserves as much as possible and thereby clear a path for the progress of business. The securities are not only economically unhealthy but entirely unfair in their present immunity to income-tax laws. The safe securities are grabbed by the big fellow, leaving the more speculative interests to the classes least able to engage in any speculative enterprise.

I wish to insert at this point a statement based on the area of agreement at the second Fortune Magazine round table dealing with taxation and recovery. The article, a reprint from the May issue of Fortune Magazine, follows:

When large incomes are encouraged to take refuge in tax-exempt securities another blow to venture capital is given. Today it is more profitable for a wealthy man liable to heavy surtaxes to accept a small rate of interest from a tax-exempt security, involving virtually no risk, than to invest in taxable enterprises holding out the hope of a far greater return. This advantage, however, does not extend to people of small means. For example, to a married man with a net income of $5,000 a 3-percent tax-exempt security will yield the equivalent of only a 3.12-percent taxed security. But to a man with an income of $500,000 a year a 3-percent municipal bond upon which he pays no taxes is equal in value to a taxable security yielding 10.7 percent. Why should a wealthy man take a risk on investments holding out the dubious hope of an 11-percent yield when he can find an equivalent net return in tax-exempt securities that involve no risk at all?

At present there are more than $19,000,000,000 worth of State and local tax-exempt securities outstanding. A large part of these securities is still held by institutions that do not profit from tax exemption but that do insist on safety, but nearly half of such securities are also held by individuals. Following the reduction of surtaxes in 1925, the ratio of tax-exempt interest to the total of millionaire incomes dropped from 8.41 percent to 2.98 percent, but following the reimposition of high surtaxes in 1932 the percentage of income from this source rose to 6.4 percent in 1933 and 18.43 percent in 1934. That these figures are not conclusive is indicated by the fact that in 1935 the percentage of income from tax-exempts fell to 6.5 percent. This may have been due to the fact that with recovery income from stocks increased, while tax-exempt income remained constant. Nevertheless, we are of the opinion that when the higher surtaxes are raised there is an inevitable tendency on the part of those subject to such surtaxes to increase their holdings of tax-exempt securities.

We all believe that these tax exemptions should be discontinued. Coupled with high surtaxes the present policy of tax exemption is a positive discouragement to risk taking on the part of those most able to afford it. The States and municipalities complain that termination of tax exemption would increase their cost of borrowing. But in the last analysis the same taxpayer foots the bills for the Federal, State, and municipal governments. He should look with favor upon a tax system that promotes rather than hinders the development of new enterprise and employment.

Although the round table is unanimous as to the desirability of ending tax-exempt securities for the future, differences arise as to the best means of bringing this about. We cannot enter upon a discussion of whether Congress has the constitutional authority to tax State securities. Nevertheless, a majority of us believe that Congress should pass a law ending the exemption of all such securities issued in the future, leaving to the Supreme Court the task of deciding whether such a statute would be valid. We favor this course because it is doubtful whether three-fourths of the State legislatures in any foreseeable period would approve an amendment authorizing Congress to tax their securities unless Congress gave something to the States in return.

Certain of our colleagues do not go along with us here. They express the view that should the Supreme Court decide that Congress by ordinary statute could tax future State securities, it would follow that Congress had the power to tax existing securities. Investors, whether individual or institutional, have bought tax-exempt securities to the amount of more than $19,000,000,000 in reliance upon tax immunity. It would be unwise for Congress to give the Court an opportunity to reverse a long-settled doctrine, affecting the value of such a vast quantity of outstanding securities. They believe that a constitutional amendment should limit the termination of tax exemption to securities issued in future.

The majority of us do not fear that simply because Congress may have the power to tax tax-exempt securities, whether outstanding or to be issued, it follows that Congress would exercise this power retroactively. Congress and the President could make it clear that they have no such intention; and even though any commitment on their part would not bind future administrations, it would have great moral weight.

Problems of tax immunity revolve around the sixteenth amendment to the Constitution of the United States. The amendment reads:

The Congress shall have power to lay and collect taxes on incomes, from whatever source derived, without apportionment among the several States, and without regard to any census or enumeration.

The words, "incomes, from whatever source derived," fully cover the subject of taxing the interest from governmental securities. Income is defined in the dictionary as "that gain or recurrent benefit—usually measured in money—which proceeds from labor, business, or property; revenue receipts."

There is no question in my mind but what interest derived from securities, now tax exempt, is income in the full legal sense, and as such is taxable by Congress under the sixteenth amendment.

In the case of Graves and others against People of State of New York on the relation of O'Keefe, argued March 6, 1939, and decided March 27, 1939, the Supreme Court of the United States was asked to decide whether the imposition by the State of New York of any income tax on the salary of an employee of the Home Owners' Loan Corporation places an unconstitutional burden upon the Federal Government.

Delivering the opinion of the Court, Mr. Justice Stone stated:

The immunity is not one to be implied from the Constitution, because if allowed it would impose to an inadmissible extent a restriction on the taxing power which the Constitution has reserved to the State governments.

Mr. Justice Stone also stated:

Assuming, as we do, that the Home Owners' Loan Corporation is clothed with the same immunity from State taxation as the Government itself, we cannot say that the present tax on the income of its employees lays any unconstitutional burden upon it.

Regardless of the multitude of methods suggested to bring about taxation of income from the present and future tax-exempt securities, the responsibility of making the first move rests with Congress.

Congress is vested with the law-making power and as such should pass legislation which it believes necessary to meet the varied conditions and for the general improvement of our country. Whether or not it is constitutional for Congress to pass a law which will tax the income from tax-exempt securities issued in the past as well as securities to be issued in the future, is not a question for this committee or for Congress to decide. If a remedial law is necessary then Congress should pass such legislation.

The House Committee on Ways and Means heard the pleas of mayors and representatives of States against enactment of any legislation which would place a tax on the income from securities now exempt. Their main argument has been that the enactment of this legislation will place too much of a burden on the cities and States.

Paraphrasing the language of the Supreme Court in the O'Keefe case, I do not believe that the taxation of income from Federal, State, county and municipal securities would lay any "unconstitutional burden" upon the holder of the securities.

It is my contention that such a law would not only be constitutional, but it would not work such a burden on the States, counties, and municipalities issuing the securities as to interfere with the sale of the securities to any appreciable degree.

A tax on the interest from securities would be absorbed in the general tax return. The holder would still receive a fair return on the soundest investment he could possibly make.

The question in this consideration is whether or not the imposition of a tax on interest would interfere with the future sales of the tax-free securities. The answer is no. It would not interfere with the rights of the issuer.

Representatives of the rich holders of tax-exempt securities would have us believe that the lifting of the tax-immunity practice would work a bankrupting hardship on the cities and States that issue the securities.

Under Secretary Hanes has pointed out that—

The Federal Government and most State governments have progressive income tax rates which increase as the amount of taxable income increases. As a result, tax-exempt securities, of course, afford a greater tax saving to persons with large incomes than to persons with small incomes. Considering the Federal income tax alone in the case of the man with $2,000 or $3,000 of taxable income a dollar of wholly tax-exempt interest would give the same net return as $1.04 of taxable interest since the taxable interest is subject only to the 4-percent normal tax. In the hands of a taxpayer with $50,000 of taxable income, however, that same dollar of tax-exempt interest is worth $1.45 of taxable interest since the taxable interest would be subject to 4-percent normal tax and a 27-percent surtax. The value of tax exemption continues to increase with the size of the income of the person receiving it. For an individual with $100,000 of taxable income a dollar of tax-exempt interest is the equivalent of $2.44 of taxable interest. At the top of the rate scale ($5,000,000) a dollar of tax-exempt interest is the equivalent of $4.76 of taxable interest. The effect of taxes imposed by the States is to increase further the differences in tax savings.

The Treasury Department reports that the average interest rate of State, county, and municipal securities is slightly below 4 percent while the average interest rate from Federal securities is about 2.6 percent.

In order to properly analyze the effect of imposing a tax on the securities, let us take, for example, a man with a net income of $10,000. His normal income tax would amount to $400, and his surtax would total $300 for a total income tax of $700. Now, if that same man held, in addition, securities amounting to $20,000, with interest at 4 percent, his net income would amount to $10,800. In that case his normal tax would be $432, and his surtax approximately $370, for a total tax bill of $802. He would receive approximately $700 in interest from the securities, roughly 3½ percent, on the safest investment that he could possibly make. Will that work an unconstitutional burden upon such holder of securities?

The main question we must ask in our consideration of this subject is whether or not the tax would place an unconstitutional burden upon any political subdivision and whether or not the tax would interfere with the proper workings of that government whose instrumentality is taxed? Obviously neither is the case in this matter.

It is significant at this point to repeat the rule of the Supreme Court of the United States in deciding the case of Norman against Baltimore & Ohio Railroad Co., commonly referred to as the "gold clause" case. The rule of the Court follows:

This argument is in the teeth of another established principle. Contracts, however express, cannot fetter the constitutional authority of the Congress. Contracts may create rights of property, but when contracts deal with a subject matter which lies within the control of the Congress they have a congenital infirmity. Parties cannot remove their transactions from the reach of dominant constitutional power by making contracts about them.

The Supreme Court found that parties cannot remove their transactions from the reach of dominant constitutional power by contract. It therefore stands to reason that the tax-exempt securities, even though immunized from taxation by contract, cannot remain beyond the application of constitutional powers through such a contract. A heavy percentage of the tax-exempt securities now outstanding contain a contractual provision concerning tax exemption of interest. This point, however, would become ineffectual in the event Congress passes legislation taxing the future income received from bonds now tax exempt.

In fairness to not only my constituents but to the average person over the United States, I believe it is imperative to remove this tax-exemption principle and bring a stop to our subsidization of the millionaires of our land and thereby leveling off the tax burden.

The Federal Housing Administration

EXTENSION OF REMARKS

OF

HON. LOUIS C. RABAUT

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Monday, July 24, 1939

Mr. RABAUT. Mr. Speaker, I rise at this time to speak for a group of approximately seven or eight million people, nearly 500,000 of them from the State of Michigan, who each night as they gather about the family supper table offer their silent gratitude to the Government of the United States for the great service it has rendered them. I am referring to the more than two million families in this country, Alaska, and Hawaii who have been helped by the Federal Housing Administration—2,000,000 families, helped by the F. H. A. either to finance the costs of building or purchasing a home of their own, or else helped to save their homes and, in many cases, their life savings, which those homes represented, as the result of F. H. A. insured loans and mortgages.

On June 27 we marked the fifth anniversary of the final approving of the act of Congress in 1934 which established this great Federal agency. I deem it fitting, therefore, to review at this time some of the achievements of the F. H. A. and to ascertain more fully what a great need of the people it has enabled the Government to meet.

Due no doubt to the vast complexity of this undertaking, the latest figures which the Administrator of the F. H. A., Stewart McDonald, has furnished me cover only the activities

of the agency up to December 31, 1938. Nevertheless, it has impressed me tremendously that these figures reveal what a vital and necessary function the F. H. A. is performing, as I think will be realized when it is noted that in the first 4½ years of its existence 2,197,068 families in the United States, Alaska, and Hawaii borrowed $2,262,436,684 under titles I and II of the act, the sections providing for loans for mortgages, financing payments, home renovation, and modernizing.

In my State—Michigan—I am proud to report that the amount for financing of home ownership insured by F. H. A. under title II was the third largest in the country. The figures show that 22,212 Michigan families borrowed $106,637,655 under the act to enable them to finance payments for building or purchasing their homes. Only the people of the States of California and New York called upon F. H. A. for greater assistance in this respect, and thus the people of Michigan have been among the most to profit from the act, which has not only been the cause of a significant increase in home owners but which also has been an outstanding stimulus to one of our main national business enterprises, the previously lagging real-estate and building industry.

In addition to the large number of families who took out F. H. A. mortgage insurance to enable them to finance the purchase of homes 98,950 Michigan families were insured under title I of the act for the amount of $33,281,587, which was used principally to improve and repair their properties. Thus, a total of 121,162 Michigan families in all made use of F. H. A. insured loans under titles I and II for a total of $139,919,242.

Of this huge amount released for housing improvement in Michigan, about two-thirds represented the activity of F. H. A. in Wayne County. Unfortunately, records of the work done by the agency in the city of Detroit alone are not available, but it is fairly logical to assume that nearly all of the amount insured in Wayne County was used for the improvement of homes in Detroit and its suburbs. Figures submitted to me on May 25, 1939, showed that a total of 66,729 families in Wayne County had borrowed $98,881,488, of which by far the largest portion went for the financing of homes under F. H. A. mortgages, over $82,000,000 being insured for this purpose.

I think that it is also worth while to note in passing that the county in Michigan which drew the second largest volume of business was Oakland County, which borders on Wayne and contains several communities regarded as Detroit suburbs. Therefore, the $11,000,000 which F. H. A. insurance made available there not only directly helped Oakland County residents, but indirectly it helped raise property values in Detroit by improving the environment as well as attracting Detroit building firms and real-estate offices into this Oakland County work.

Now, while all the loans mentioned above are insured by the F. H. A., the money advanced for them has not come from the Government at all, but from private lenders. Further, money has been placed in the hands of local firms for construction and improvement of housing through strictly local enterprise, employing local labor, and using materials purchased locally. It becomes evident therefore that the F. H. A. is not only a tremendous factor working for economic recovery but that it also is one of the least costly of all emergency measures inasmuch as there is no provision in the act for the lending or expenditure of any Government funds except for administrative- and insurance-cost purposes. In these days when the cry of economy resounds through the air, the F. H. A. indeed can stand firmly on its record as an agency performing one of the greatest services working for a permanent recovery and yet doing so at a relatively insignificant cost to the taxpayers.

Finally, I should like to point out that the service of the F. H. A. is such that it reaches far beyond the immediate, practical benefits resulting from a raised standard of living conditions and the elimination of inadequate housing. I am thinking now of that rather indefinite and ineluctable meaning which we associate with the word "home" in its more spiritual essence. To countless thousands the function of F. H. A. has meant the saving for them of all those intimate family values which go into that "heap o' living" that "makes a house a home." Without the help of F. H. A., thousands of families who suffered through no fault of their own, more than likely at the height of the depression would have been forced to sacrifice their investments in what we Americans have been taught to regard as one of the most important foundations of democracy. F. H. A. did more than save houses; it saved what were indeed "homes" in the deepest essence, and therefore this agency has contributed, in addition to its tangible material benefits, something ever more important in its effect upon elevating the general morale of the people, instilling in them a feeling of grateful loyalty to a government who did not hesitate to protect their interests in an hour of need.

Reciprocal-Trade Agreements

EXTENSION OF REMARKS

OF

HON. ALBERT G. RUTHERFORD

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 26, 1939

Mr. RUTHERFORD. Mr. Speaker, the new dealers continue to fool the American farmer and workingman with their reciprocal-trade policies. Like all other experiments of the New Deal, the reciprocal-trade agreements have worked just the opposite to what was expected of them. We were led to believe that under the New Deal reciprocal-trade agreements our foreign or export trade would increase by leaps and bounds and that we were going to have great prosperity. However, the contrary is true, as will be seen by the tables hereinafter set forth.

UNITED STATES AGRICULTURAL EXPORTS AND IMPORTS, 5 MONTHS ENDED MAY 1938 AND 1939

TABLE 1.—*Exports of agricultural products*

Export items	5 months ended May—		Increase (+) or decrease (−)
	1938	1939	
Total agricultural exports	$362,936,000	$237,998,000	−$124,938,000
Cotton, unmanufactured	109,448,000	62,307,000	−47,141,000
Tobacco, unmanufactured	46,267,000	36,548,000	−9,719,000
Foodstuffs (total)	196,293,000	129,283,000	−67,010,000
Wheat	44,636,000	25,230,000	−19,406,000
Corn	56,050,000	10,211,000	−45,839,000
Wheat flour	10,613,000	9,843,000	−770,000
Oil cake and meal	4,082,000	3,719,000	−363,000
Vegetables and preparations	5,730,000	6,521,000	+791,000
Fruits:			
Fresh	17,057,000	17,240,000	+183,000
Dried and evaporated	7,312,000	7,286,000	−26,000
Canned	8,088,000	8,483,000	+395,000
Meat products	11,402,000	12,672,000	+1,270,000
Lard, including neutral	8,277,000	8,863,000	+586,000
Dairy products (except fresh milk)	2,334,000	2,587,000	+253,000
Other foodstuffs	20,712,000	16,628,000	−4,084,000
Other agricultural products	10,928,000	9,860,000	−1,068,000

Source: U. S. Department of Commerce reports.

TABLE 2.—*Imports of agricultural products*

Import items	Unit	5 months ended May—		Increase (+) or decrease (−)
		1938	1939	
Cattle (except for breeding)	Head	226,000	461,000	+235,000
Meat products (total)	Pound	61,472,000	65,112,000	+3,640,000
Canned beef	Pound	30,852,000	33,117,000	+2,265,000
Hams, shoulders, and bacon	Pound	19,327,000	20,701,000	+1,374,000
Hides and skins (total)	Pound	51,756,000	142,706,000	+90,950,000
Cattle hides	Pound	15,964,000	60,262,000	+44,298,000
Other (except) fur skins	Pound	35,792,000	82,444,000	+46,652,000
Silver fox fur skins	Number	8,776	33,205	+24,429
Wool and mohair	Pound	19,571,000	102,035,000	+82,464,000

TABLE 2.—*Imports of agricultural products*—Continued

Import items	Unit	5 months ended May—		Increase (+) or decrease (−)
		1938	1939	
Flax and hemp, unmanufactured	Ton	1,170	3,027	+1,857
Flaxseed	Bushel	6,619,000	8,962,000	+2,343,000
Tobacco, unmanufactured	Pound	26,844,000	30,452,000	+3,608,000
Cotton, unmanufactured	Pound	43,300,000	41,778,000	−1,522,000
Wheat, for milling and export	Bushel	136,000	4,458,000	+4,322,000
Wheat, byproduct feeds	Ton	5,565	146,959	+141,394
Hay	Ton	10,780	21,189	+10,409
Cottonseed cake and meal	Pound	1,957,000	6,378,000	+4,421,000
Cottonseed oil	Pound	20,680,000	23,519,000	+2,839,000
Peanut oil	Pound	354,000	2,846,000	+2,492,000
Oats	Bushel	4,977	753,255	+748,278
Cheese	Pound	20,728,000	21,501,000	+773,000
Eggs in shell	Dozen	88,304	149,424	+61,120
Molasses, inedible	Gallon	82,869,000	82,407,000	−462,000
Maple sugar and sirup	Pound	649,000	6,176,000	+5,527,000
Apples, fresh	Bushel	9	20,734	+20,725
Pineapples, canned	Pound	2,776,000	20,134,000	+17,358,000
Tomatoes, canned	Pound	20,072,000	28,801,000	+8,729,000
Potatoes, white or Irish	Pound	29,323,000	44,448,000	+16,125,000
Potato starch	Pound	2,162,000	4,200,000	+2,038,000
Tapioca	Pound	99,795,000	164,467,000	+64,672,000
Cashew nuts	Pound	8,678,000	11,735,000	+3,057,000

Source: U. S. Department of Commerce reports.

The reciprocal-trade agreements were supposed to be of great benefit to the cotton, wheat, and corn farmers, yet we see by the above tables that our cotton exports for the first 5 months of 1939 were $47,141,000 less than for the corresponding months of 1938. Our wheat exports were $19,406,000 and our corn exports were $45,839,000 less than during the first 5 months of 1938. While our export trade has fallen off, our agricultural import trade has greatly increased. We only have to read the items in table 2 to see how the American farmer is being taken for a ride. Look at the tremendous increase in the importation of hides, cattle, wool, oats, eggs, potatoes, and so forth. Why should not we allow the American farmer the privilege of raising and selling, these products that he can raise, in his own home market? I cannot for the life of me see why the new dealers continue to give the farmers of foreign countries the right and privilege of growing cattle, hogs, potatoes, eggs, wool, and so forth, and then provide them with an American market to the detriment of our own farmers. The statement of President Lincoln on the tariff is as true today as it was back in his time. He said that when we buy goods from abroad, we have the goods and the foreign seller has the money, but when we buy American-made goods or products we not only have the goods but we have the money also. I believe that the American market belongs to the American farmer and the American workingman. It is all right enough to have a neighborly feeling for the people of other countries, but "charity begins at home."

Mr. Speaker, I have here a table showing the 1933 imports and the 1937 imports:

Products	1933 imports	1937 imports	United States acres displaced in 1937
Cattle—head	74,658	494,945	2,494,725
Hogs—pounds	6,470	16,555,218	82,776
Pork products—do	2,925,517	74,830,480	575,619
Meat products—do	62,474,911	191,906,012	1,919,060
Butter—do	1,021,806	11,110,762	830,000
Cheese—do	48,396,740	60,650,000	
Corn—bushels	160,288	86,337,248	3,453,489
Wheat—do	10,286,236	17,423,837	1,340,095
Barley—do	None	10,384,108	500,000
Barley malt—pounds	109,485,885	371,243,456	627,024
Flaxseed—bushels	13,825,163	28,031,755	4,671,900
Soybeans—pounds	42,630,809	109,418,304	1,953,893
Cottonseed—do	7,004,025	194,008,241	1,340,000
Wool and mohair—do	178,927,605	326,034,700	5,000,000
Molasses—gallons	169,936,000	301,449,599	2,030,000
Eggs and products—value	$1,141,739	$5,010,824	180,000
Vegetables—do	$15,448,223	$25,175,015	750,000
Hides and skins—do	$45,675,000	$71,058,397	3,634,000

One has only to read it to see the reason why the American farmers have had such low income during the New Deal administration. Look at the tremendous increase in importation of every article during the 4 years set forth. Look at the number of acres displaced by reason of these increased importations of farm products. If these acres had been working and our farmers had been allowed to sell the products raised thereon to the American public, instead of allowing the farmers of foreign lands to have this market, the income of our farmers would have been up considerably and they would have been in a position to buy automobiles, farm machinery, clothes, and so forth, which in turn would have helped the industrial worker. However, one cannot fathom the workings of the New Deal mind, and I suppose that we will continue to experiment and experiment in the future as we have in the past, and with the same results. The New Deal has ruined the farmer and it has ruined industry. However, if I read the signs of the times correctly, I am sure that the great majority of the people of the country are sick and tired of all kinds of New Deal experimentation and are not only waiting the opportunity to do away with these senseless trade agreements but every other kind of New Deal experiments. The New Deal has put us over $20,000,000,000 in the hole since it took over the affairs of government. We still have over 10,000,000 unemployed, notwithstanding all of our "pump priming." We have used up practically all of the resources of our country and are on the road to bankruptcy.

Mr. Speaker, the new dealers have demonstrated during the past 7 years that they know absolutely nothing about running the affairs of this country. We have only had prosperity in this country under Republican administrations, and it looks as if the people were going to return the Republican Party back to power in 1940. May it come true.

A Referendum on War

EXTENSION OF REMARKS

OF

HON. ROBERT M. LA FOLLETTE, JR.

OF WISCONSIN

IN THE SENATE OF THE UNITED STATES

Wednesday, July 26 (legislative day of Tuesday, July 25), 1939

RADIO ADDRESS BY HON. ROBERT M. LA FOLLETTE, JR., MAY 18, 1939

Mr. LA FOLLETTE. Mr. President, I ask unanimous consent that there be printed in the RECORD a radio address by me broadcast by transcription over station WHA, Madison, Wis., on May 18, 1939, on the subject A Referendum on War.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

Senate Joint Resolution 84, introduced by myself and 11 other Senators, proposing an amendment to the Constitution which would give the people the right to vote on the issue of waging an offensive war abroad, has provoked attacks against it often misinformed and in some instances sheer nonsense. Let me say at the outset that the demand by the people for the right to make the momentous decision for or against an offensive war outside of this hemisphere and not waged to defend our possessions cannot be answered by derision. This proposition is based upon faith in the democratic process. It presents the issue of permitting the voice of the people to register its will on the question of life or death for millions.

I want to emphasize that this resolution is so drawn as to leave with the Congress the right to declare war in any case where the invasion, or the threatened invasion, of this country, this hemisphere, or our possessions is involved. This means that Congress would only submit a question of war to the voters where an offensive war on foreign soil was contemplated.

There is nothing in the pending proposal which will cripple any President in his conduct of our foreign policy so long as that policy is not to be implemented in the end by involving this Nation in an offensive war overseas. I do not believe that there is validity in the proposition that there are effective measures short of war but if there are those who take an opposite view, this proposal for a referendum on foreign war will strengthen and

buttress that position. In short, this joint resolution takes at their word the spokesmen for the administration's foreign policy who maintain that it does not involve any danger or risk of war. If nothing is being done or urged upon Congress which will lead to our involvement in foreign war then it cannot be logically maintained that this joint resolution cripples the administration's foreign policy in any way.

I believe history proves that the legislative branch of our Government cannot prevent diplomatic measures from being taken which lead to war. Congress has no veto power in practical fact. Congress has only the power to write bankrupt across a foreign policy when that policy has finally culminated in a demand by the Executive that Congress vote a declaration of war. Then it writes it with cheers mixed with epithets and howls of derision against those few men who may oppose the resolution declaring a state of war.

It has been charged by opponents that this joint resolution violates our traditional form of government which they contend is purely representative in character. The same argument could have been made against woman suffrage and the direct election of United States Senators. Several States have incorporated the referendum proposal in their constitutions without impairing their traditional forms of government. The Democratic Party in convention assembled, in 1924, advocated that * * * "Our Government should secure a joint agreement with all nations for world disarmament and also for a referendum on war, except in case of actual or threatened attack. Those who furnish the blood and bear the burdens of war should, whenever possible, be consulted before this supreme sacrifice is required of them."

I venture the assertion that there is not a single Member of Congress today who has received a mandate from the people to act in his capacity as a representative to put this Nation into war in Europe, Asia, or Africa. I cannot find a single Member who raised that issue in his campaign unless he was on the negative side of it. We have no mandate from the people on this question, nor could it be fairly said that Members of Congress would ever be in possession of such a mandate unless a whole congressional campaign had been waged on that issue and that alone.

If, in the future, Congress is presented with a demand by the Executive that it vote a declaration of war—not a war of defense but a war abroad—I am certain that they will not be acting in a representative capacity for it is not conceivable to me that under any circumstances Members of Congress will be standing upon platforms pledging that if elected they will vote to plunge the United States into an offensive war on foreign soil.

Instead, if that unfortunate issue is presented, I think history will repeat itself and that rather than acting in a representative capacity Congress will approve the Executive decision and make the best of Executive failure. I fear in the future, as in the past, that the congressional function will be to vote the declaration demanded and to follow it with conscription and the necessary funds to carry on the war. This is a function, but it is a stretch of the imagination to characterize it as a representative function. No Member of Congress with whom I have discussed the subject believes that a majority of Congress would refuse a President a declaration of war if and when he asked for it. There is no instance in our history when it has been refused by the Congress. I am apprehensive that no such precedent will ever be established. The demand to stand behind the President, the pressure of party loyalty, becomes almost insuperable in such a situation. Members of Congress may justify their course in the future as they have in the past, but I do not think it can be said that they are acting in a representative capacity.

Our concern should be to establish a closer contact between the people and their Government on this vital matter of war abroad.

To preserve the democratic process we must buttress it and make it more effective. Nothing so discredits it as empty formalism. Let us not overlook the fact that the political disillusionment following the last war played its part in the undermining of faith in democracy in some other nations. In the chaotic economic and political situation prevailing in the world today no one can foresee future developments, but I unhesitatingly assert that another war, if it comes, will not give anyone what he wants. Modern war does not attain its announced objectives. Should war come and we become involved in it, the people of this country will be more deeply shocked and disillusioned by its results than they were after their tragic experience in the "war to end war" and "to make the world safe for democracy."

After another war has brought catastrophe at home and abroad we may anticipate in the United States an attack upon the democratic system of proportions never before experienced. This proposal, if submitted and ratified, would place the responsibility for the decision on war abroad in the hands of the people. If they voted for it, they would have to accept responsibility for the results and thus we would protect our system of government from an effective charge, even though, untrue, that a small group of public officials in the legislative and executive branches of the Government had made the decision for war and produced the chain of miseries which are certain to follow it.

I have no doubt that opponents of this joint resolution will attack it now as they did in the House of Representatives when it was under consideration at the last session on the ground that it will affect the present situation abroad. A year ago, when a different proposal for a referendum was before the House, it was strongly urged in the press and elsewhere that Members should "stand by the President" in order to present a united front in the far eastern struggle. Some newspapers which have been most violent in their criticism of the President on domestic issues went so far as to urge the Members of the House to stand behind him at all costs even at the sacrifice of their convictions. It was an emergency, so they said. A majority of the House took their advice. The referendum resolution was not even permitted to be taken up for consideration, but can anyone now maintain that the failure to consider that proposal checked Japan in her war in China?

The war referendum was not again taken up for consideration after January 1938, yet in March of that year there was a crisis and Germany absorbed Austria. It certainly cannot be argued that the war-referendum proposal aided in that unhappy event.

If this proposal should be submitted at this session of Congress, it could not be ratified before the end of at least 2 years. During this lapse of time there is grave possibility that there may be a succession of crises. In short, either we wait with the urgent advocacy of this measure forever or we start sometime. I believe that we should start now because anyone who raises the issue that this proposal will weaken or strengthen any group in Europe must do so upon the ground that we are to implement our foreign policy by active military support with an expeditionary force on foreign soil. To take this position is to challenge the good faith of every statement which has been made so far as I know by any responsible person speaking for the administration. In short, it cannot be claimed that this measure affects in any way the struggle for power abroad unless it is at the same time admitted that military measures on foreign soil are in contemplation.

Despite the misrepresentation, despite the powerful opposition of part of the press, and despite the opposition of the administration, every poll of public opinion has shown a large majority of the people to be in favor of this joint resolution. It is a measure to make democracy real on the supreme issue of foreign war while at the same time completely protecting the Nation, its possessions, and this hemisphere.

History of Cost-of-Production Legislation of the Seventy-sixth Congress

EXTENSION OF REMARKS

OF

HON. ANTON J. JOHNSON

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 26, 1939

Mr. JOHNSON of Illinois. Mr. Speaker, on January 12 of this year the nonpartisan cost-of-production farm bill, S. 570, and companion House bills were introduced in the House and in the Senate. These bills were sponsored in the Senate by 18 well-known Senators from 15 farm States, and in the House by 16 equally well-known Representatives from 14 major agricultural States.

These bills provide a new approach by the Federal Government to the farm problem. It is the same principle of legislation by which the Federal Government has approached the problem of giving aid and assistance to business, industry, and labor for years.

DOUBLE FARMER'S CASH INCOME

When enacted into law, this bill would give the farmer cost of production for his products consumed within the United States. It would give him the world price for his surplus. It would give the American farmers the American market. It would provide an annual cash income to the farmers of approximately $15,000,000,000. It provides for no control of crop production, neither does it provide for an annual or a continuing burden upon the Federal Treasury to accomplish the purposes of the bill.

AGRARIAN PRINCIPLE

The sponsors of this broad but simple and direct farm legislation recognizes the soundness of the agrarian principle that national prosperity is based upon agricultural prosperity with the farmers receiving the cost of his production. It was with this principle and with this purpose in mind that this cost-of-production bill was drafted, introduced, and pushed for final enactment as rapidly as possible.

CHRONOLOGICAL HISTORY

As we now approach the close of the first session of the Seventy-sixth Congress, may I review briefly the history of

this legislation and the chronology of the major steps taken toward its enactment in this session and call to the attention of Congress and the Nation the excellency of its sponsorship in Congress and the fact of the widespread support of this bill among the farmers of the Nation over the years and now.

May I also review briefly the opposition and the methods that they used to defeat its enactment during this session of Congress?

The cost-of-production principle of legislation was first introduced in Congress more than 10 years ago. It has been before the Congress for consideration in each session since. It has been voted on by the United States Senate three times and passed the Senate once. It has been voted on in the House of Representatives twice, each time receiving a large number of votes.

This bill was introduced on January 12, as S. 570 in the Senate and H. R. 2371 in the House, and 15 other identical House bills.

From February 1 to February 17 hearings were held before the Senate Committee on Agriculture of the United States Senate.

REPORTED TO SENATE CALENDAR UNANIMOUSLY

On April 7 the Senate Agricultural Committee, by unanimous vote, reported S. 570 to the Senate and recommended the passage of the bill. The Senate committee report on S. 570 was an excellent, comprehensive endorsement of this legislation.

REASON HOUSE COMMITTEE TABLED IT

On February 21 to March 22 the House Committee on Agriculture conducted hearings before its full committee on H. R. 2371, introduced by Representative MASSINGALE, of Oklahoma.

The House Committee on Agriculture set April 25 as the day upon which to vote a favorable report on this bill which would give the farmers of the Nation cost of production for their products consumed domestically. It was the belief of the sponsors of the bill that the House committee, while not being unanimous, would at least give the measure a substantial majority in recommending its passage.

MR. THATCHER'S ABOUT FACE

On April 19, 1939, which was 6 days before the House Committee on Agriculture was to vote upon this measure, a letter was addressed to the Honorable MARVIN JONES, chairman of the House Committee on Agriculture, copies of which were sent to all members of the committee, calling upon this committee to defeat the cost-of-production bill. This letter was signed by M. W. Thatcher, who styled himself as the national legislative representative of the Northwest Farmers Union legislative committee, the Wheat Conservation Conference, and the National Federation of Grain Cooperatives. To the letter he attached a schedule of organizations and the names of their representatives whom he said have determined to oppose the bill S. 570.

Among those whom Mr. Thatcher in this letter represented as having joined him in this eleventh-hour attempt to kill the bill in committee and thus deny the Congress the opportunity to consider and vote on this measure were two officers and five directors of the National Farmers Union, three officers and four directors of the National Federation of Grain Cooperatives, eight members of the so-called Wheat Conservation Conference and Northwest Farmers Union legislative committee, and 20 sundry officers of State farm organizations and regional marketing associations.

LEADERSHIP OF JOHN A. SIMPSON

May I say here that for more than 10 years the National Farmers Union under the leadership of the Honorable John A. Simpson, of Oklahoma, who, while he lived, was recognized everywhere as the ablest farm leader of all time, and under the leadership of his successor and coworker, E. H. Everson, of South Dakota, and Edward E. Kennedy, of Illinois, were the chief sponsors and proponents of the cost-of-production principle of legislation over the years.

THE NAMES THATCHER USED

Among the officers of the National Farmers Union, whom Mr. Thatcher represented as being emphatically opposed to S. 570 and consequently H. R. 2371, are John Vesecky, of Kansas, president of the National Farmers Union; H. G. Keeney, of Nebraska, vice president of the National Farmers Union; and Emil Loriks, of South Dakota, national director of the Farmers Union; and a few of the others are as follows: Mr. Walter Moore, of Colorado, director of the National Federation of Grain Cooperatives; Mr. M. W. Thatcher, president of the National Federation of Grain Cooperatives; Mr. C. W. Fine, of North Dakota, president of the Regional Livestock Marketing Association; Mr. Alex Lind, of North Dakota, president of the Regional Cooperative Buying Association; Mr. Kenneth W. Hones, of Wisconsin, president of the Wisconsin Farmers Union; Mr. Glenn J. Talbott, of North Dakota, president of the North Dakota Farmers Union; Thomas Cheek, president of the Farmers Union of Oklahoma; Mr. C. L. Waring, of Billings, Mont.; and Thomas O'Leary, of Breckenridge, Minn.

In Mr. Thatcher's letter to Hon. MARVIN JONES of April 19, among other things, he said:

> We are emphatically opposed to the bill S. 570, because it is utterly impracticable of administration; it would render irreparable loss to the farmers' interest, the consumers' interest, and business in general.

Now, let us examine briefly the opposition. Let us see whether any of these men have completely switched from a position of having supported this principle of legislation to the present position of opposition and also to determine, if we can, why. We may discover that some of these men have completely changed their views and thus attempted to use their official farm organization position to oppose the very legislation which they at one time ardently supported.

MR. VESECKY FOR AND AGAINST

Mr. Vesecky: On October 22, 1937, at Topeka, Kans., Mr. John Vesecky appeared before the subcommittee of the Committee on Agriculture and Forestry of the United States Senate at Topeka and Dodge Center, Kans. He appeared as president of the Kansas Farmers Union. After referring favorably to the cost-of-production principle of farm legislation a number of times in his prepared statement to the committee, he said:

> The third theory is commonly known as the cost-of-production domestic allotment plan and is based upon the fixed cost-of-production price for that part of the commodity which is consumed domestically, with the provision for the retention of the excess in what you might call an ever-normal granary to be sold for export, returned back to the producer, or otherwise disposed of as might be found best. * * *
>
> I am of the opinion that cost of production is much more accurately figured than is the next year's crop on any given acreage. In figuring cost of production we have mostly facts and figures to work out, while to control production to predetermined needs is an impossibility.

MR. KEENEY DOES NOT AGREE

Mr. H. G. Keeney: When Mr. Thatcher's letter of April 19, 1939, was called to the attention of Congressmen, a Member of Congress wired Mr. Keeney whether his signature was authorized as signed to the letter to Hon. MARVIN JONES. Mr. Keeney wired back on April 25:

> Have not authorized my signature to any communication opposing all provisions of S. 570.

FROM THE RECORD

Mr. Emil Loriks was for several years president of the South Dakota Farmers Union and is now a director of the National Farmers Union.

A letter addressed to a Member of Congress under date of June 1, 1939, responding to an inquiry concerning this matter, signed by Mr. M. L. Wilson, Acting Secretary of Agriculture, had this to say:

> Receipt is acknowledged of your letter of May 20, 1939, requesting information regarding 16 persons said to be connected with the Department of Agriculture. * * *
>
> Mr. Emil Loriks was appointed on November 28, 1936, as a collaborator without compensation in the Agricultural Adjustment Administration in order that he might confer with the Secretary of

Agriculture and officials of the Agricultural Adjustment Administration with regard to the development of the 1937 program under the Agricultural Conservation and Domestic Allotment Act approved February 29, 1936. This appointment was terminated on December 12, 1936.

Mr. Walter Moore: In April 1937 an examination of the records of the Agricultural Adjustment Administration of the United States Department of Agriculture showed that Mr. Moore at that time held a formal appointment as collaborator in the Grain Division of the Agricultural Adjustment Administration, the terms of which appointment were similar to those of Mr. Loriks, mentioned above. Mr. Moore at that time was a director of the Colorado Farmers Union.

MR. THATCHER FOR AND AGAINST

Mr. M. W. Thatcher: On October 15 and 16, 1937, Mr. Thatcher appeared before the subcommittee of the Committee on Agriculture and Forestry of the United States Senate at St. Paul, Minn. In a prepared statement which he presented to the committee he said:

We recommend fixing a basic price on major agricultural commodities needed for the home market and at fair exchange values, with such protective devices as may be necessary to protect the American farmer in the domestic market.

In Mr. Thatcher's oral statement to the same committee at that same time, he said:

My answer is this: In every case where the commodity is so important that there is a futures speculators' price established for it in this country, that in every one of those cases where the agricultural commodity has become so important as that, that in every one of those cases the basic price should be fixed in every one of them. Certainly if you attempt to deal with three or four or five agricultural products only and that is all and make them attractive to producers, it will only be a question of time until that price and income will attract sufficient production from other commodities that the overproduction of those favored commodities will absolutely sink the program. So you have to take agriculture in its entirety and whatever program you have got you have got to take that and apply it to all agricultural commodities or the whole thing will sink in time. I might say in that connection that if the fiscal administration goes through with a program and limits the program to only five commodities—corn, wheat, cotton, tobacco, and rice—it is going to fall eventually because of the reasons I have given.

Again, Mr. Thatcher in his oral statement said (I quote):

That price would need to be arrived at by a board making a study of the costs of producing wheat and they would determine what a fair exchange value would be for wheat as a basic item. We will say, for illustration, that they determine in Chicago, for No. 2 hard winter wheat, the basic price would be $1.75. That would mean that the actual trading in wheat relative to the milling of the flour, or milling any particular kind of food or feed, that they would pay all over the country to the farmer for the wheat he brings in the value of it in their judgment as it relates to that basic price at Chicago, taking into account transportation costs and the commercial factors of grain quality, and so forth.

As indicated in the above statement, Mr. Thatcher fully endorsed the principles embodied in S. 570 and the devices contained in the bill to accomplish the object of the legislation. What he enthusiastically endorsed in 1937, he bitterly condemns in 1939.

In April 1937 an examination of the records of the Agricultural Adjustment Administration showed that Mr. Thatcher held a formal appointment at the Agricultural Adjustment Administration in the Information Division of the Agricultural Adjustment Administration of the United States Department of Agriculture. The terms of his appointment were similar to those of Mr. Loriks and Mr. Moore.

NOT AUTHORIZED

Mr. C. W. Fine: When, on April 22, 1939, a Member of Congress wired Mr. Fine to ascertain whether his signature was authorized to the Thatcher letter to the Honorable MARVIN JONES mentioned above, he replied by wire on April 25, 1939, as follows (I quote):

Re tel twenty-second relative bill, S. 570. Letter not signed, nor was my signature authorized by me to this letter.

Mr. Alex Lind: In April 1937 an examination of the records of the Resettlement Administration, now Farm Security Administration, showed that Mr. Lind held a formal appointment as cooperative aide in the Rural Rehabilitation Division of the Resettlement Administration of the United States Department of Agriculture. Mr. Lind at that time was vice president of the North Dakota Farmers Union.

COLLABORATOR

Mr. Kenneth W. Hones: A letter addressed to a Member of Congress dated June 1, 1939, and signed by M. L. Wilson, Acting Secretary of Agriculture, referring to this matter had this to say:

Receipt is acknowledged of your letter of May 20, 1939, requesting information regarding 16 persons said to be connected with the Department of Agriculture. * * *

Mr. Kenneth W. Hones was appointed on May 25, 1934, as collaborator without compensation in the Agricultural Adjustment Administration in order that he might attend the conference of Emergency Drought Relief Committee at Minneapolis, Minn., called by the Administrator of the Agricultural Adjustment Act, to discuss a program for dairy- and beef-cattle industries with relation to the drought situation. He was to collaborate with the Director of Emergency Drought Relief and other officers of the Agricultural Adjustment Administration and the Department of Agriculture in dealing with drought problems with particular reference to plans for purchase of cattle on farms in the distressed areas.

This appointment was terminated on June 3, 1934, and he was reappointed as regional consultant at $12.50 per diem when actually employed in order that he might act as an adviser to the regional and State directors of the Agricultural Drought Relief Service throughout the drought area. This appointment was terminated and he was reappointed as senior field officer at $12.78 per diem when actually employed on April 4, 1935, in order that he might assist and advise the Chief of the Cattle and Sheep Section on problems connected with the proposed cattle program. This appointment was terminated and he was reappointed on October 4, 1935, as collaborator, without compensation, in order that he might act in an advisory capacity as a member of the National Cattle Committee of Twenty-five with reference to agricultural adjustment programs, attend conferences and meetings where such services were necessary, and to do whatever work the Cattle and Sheep Section might require of the committee.

This appointment was terminated on December 31, 1935. On March 1, 1936, Mr. Hones was again appointed a collaborator, without compensation, in the Agricultural Adjustment Administration in order that he might confer with State directors of extension, county agents, farmers, and others in obtaining and presenting information regarding authorized activities of the Agricultural Adjustment Administration. This appointment was terminated on March 31, 1936. He again served as collaborator, without compensation, from April 22, 1939, to May 21, 1939, in order that he might confer with agricultural officials and with growers and members of industry regarding the marketing agreements in connection with the Agricultural Adjustment Administration programs.

A collaborator without compensation in the Department is reimbursed for his traveling expenses and has the privilege of using the franked envelopes of the Department for official correspondence.

The original appointment was confirmed in a letter to a Member of Congress signed by Julien N. Friant, Special Assistant to the Secretary of Agriculture, and also confirmed by an examination of the records of the Agricultural Adjustment Administration in April 1937. Mr. Hones, as is noted, is president of the Wisconsin Farmers Union.

Mr. Glenn J. Talbott: A letter addressed to a Member of Congress, dated June 1, 1939, concerning Mr. Talbott, signed by Mr. M. L. Wilson, Acting Secretary of Agriculture, had this to say concerning this matter:

Receipt is acknowledged of your letter of May 20, 1939, requesting information regarding 16 persons said to be connected with the Department of Agriculture. * * *

Mr. Glenn J. Talbott was appointed in the Federal Crop Insurance Corporation of this Department on November 23, 1938, as collaborator without compensation in order that he might attend a conference with the manager and other officials of that organization at Jamestown, N. Dak. This appointment was terminated on December 22, 1938. On March 27, 1939, he was appointed as a collaborator without compensation in the Bureau of Agricultural Economics in order that he might assemble and analyze information pertinent to local agricultural problems and transmit such information to county committees; and to analyze the recommendations of the county committees concerning the administration of the Department's programs in local land use adjustments.

MR. CHEEK FOR AND AGAINST

Mr. Tom Cheek, president of the Oklahoma Farmers Union, was represented by Mr. Thatcher in the letter of April 19, 1939, as being opposed to the cost-of-production principle of legislation. In a subsequent letter Mr. Cheek signed his name in his own handwriting to a letter calling

upon Congress to defeat cost-of-production bill S. 570. However, the same Mr. Cheek appeared before the subcommittee of the Committee on Agriculture and Forestry of the United States Senate in Oklahoma City on October 18, 1937. Mr. Cheek then favored it as president of the Oklahoma Farmers Union. In a prepared statement to the committee he said then:

The National Farmers Union of the United States in convention endorsed the Frazier-Lemke farm bill and the Thomas-Massingale cost-of-production bill, and the State convention of the Farmers Union of Oklahoma in Oklahoma City in January 1937 endorsed said bills.

Therefore, my position and the position of our organization is made clear. I recommend and request the Senate Agricultural Committee to embody the above-named bills in the present farm bill now under consideration and that they recommend the bill to pass as amended.

The identical legislation which Mr. Cheek enthusiastically endorsed in 1937, he bitterly condemns in 1939.

Mr. C. L. Waring: A letter addressed to a Member of Congress dated May 31, 1939, signed by the Honorable Henry A. Wallace, Secretary of Agriculture concerning Mr. Waring, says:

Acknowledgement is made of your letter of May 20, 1939, submitting a list of 36 names and requesting information as to whether or not these individuals were receiving salary or compensation directly or indirectly, or have been allowed expense accounts for services of some kind that they may have recently performed or are now performing for the Department of Agriculture * * *.

Mr. Waring was appointed a collaborator without compensation on January 20, 1939, to terminate not later than February 19, 1939. During this period he was actively engaged for 7¼ days for which he was allowed $36.25 for subsistence and $153.15 for transportation.

Mr. Thomas O'Leary: When on April 22 the Thatcher letter to the Honorable MARVIN JONES was made known to the Members of Congress, a Member of Congress wired Mr. Thomas O'Leary inquiring whether his signature was authorized to the Thatcher letter of April 19, 1939, addressed to MARVIN JONES. Mr. O'Leary wired back under date of April 23, 1939, as follows:

I never authorized my signature to any letter to Hon. MARVIN JONES but wish to make it clear that I am also opposed to that bill.

In a letter addressd to a Member of Congress under date of May 31, 1939, signed by the Honorable Henry A. Wallace, Secretary of Agriculture, concerning Mr. O'Leary, Mr. Wallace in this letter said:

Acknowledgment is made of your letter of May 20, 1939, submitting a list of 36 names and requesting information as to whether or not these individuals were receiving salary or compensation directly or indirectly, or have been allowed expense accounts for services of some kind that they may have recently performed or are now performing for the Department of Agriculture * * *.

Mr. O'Leary holds a formal appointment in the Agricultural Adjustment Administration, as a principal field officer, at the rate of $12.77 per diem when actually employed. In this capacity his services are utilized practically every workday during the year.

THE SECOND LETTER

Another indication of how these men who attempt to serve two masters in the dual capacity of Farmers Union officials and intermittent appointees of Secretary Wallace and the Department of Agriculture is seen in a second letter sent to the House Committee on Agriculture just prior to their consideration of the cost-of-production bill in this Congress. This second letter definitely stated that the Farmers Union was not in support of the cost-of-production bill unanimously approved by the Senate Agriculture Committee and urged its defeat by the House committee. This amazing about face was undoubtedly the principal reason the House Committee on Agriculture has not reported out the cost-of-production bill. This second letter, which completed the job of sabotaging the cost-of-production program, was signed in their own handwriting by the following officials of the Farmers Union: John Vesceky, national president; James G. Patton, Colorado; Morris Erickson, North Dakota; Emil Loriks, South Dakota; M. R. Miller, Missouri; George A. Nelson, Wisconsin, national directors; Tom Cheek, president, Oklahoma Farmers Union; Peter Loran, president, Texas Farmers Union; Glen J. Talbott, president, North Dakota Farmers Union; K. W. Hones, president, Wisconsin Farmers Union; Paul Erickson, secretary, South Dakota Farmers Union. Apparently it will be a long time before the farmers of this country receive a fair price for a full crop and cost of production for their labors and investments when their own officials join with others in condemning the only farm program set up to get them these results.

AGRICULTURE COMMITTEE MEMBER

As a member of the House Committee on Agriculture, I believe the Members of Congress are entitled to have this information so that they may assay the opposition to the cost-of-production bill, S. 570. From this unimpeachable record it appears that many of the officers of the Farmers Union organization have been placed on the pay rolls of the Department of Agriculture. It may be that this has not been done with any idea in mind, on the part of the Agricultural Department officials, of swinging the leadership of the Farmers Union away from their historical position of supporting and fighting for cost of production to a position of endorsement and support of the present agricultural program which is recognized everywhere as a failure.

Far be it from me to assume that this may have been the intent or motive back of this patronage among the leaders of the once militant and proud Farmers Union organization. However, the Members of Congress who read this RECORD will be able to judge more accurately than I possibly could judge. It is strange indeed that these men when they sign a letter addressed to the Members of Congress sign it in their official capacity as an officer of a farm organization, yet the record reveals that many of them also and at the same time hold a formal appointment as an employee of the United States Department of Agriculture. How they can serve two masters and serve them both faithfully is more than I as a Member of Congress can understand. It is perhaps even more than any reasonable prudent man can understand.

How do you farmers like 35-cent corn, 20-cent oats, 55-cent wheat, $6 hogs, and 8-cent cotton? This is what we now have. This is less than one-half the cost of production. Farmers reading this speech will learn how and why passage of the cost-of-production bill, S. 570, was thwarted in this session of Congress.

Cotton Crop Insurance

EXTENSION OF REMARKS

OF

HON. HAMPTON P. FULMER

OF SOUTH CAROLINA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 26, 1939

Mr. FULMER. Mr. Speaker, under leave to extend my remarks in the RECORD I want to state for the information of the Members of the House that when the Federal Crop Insurance Corporation Act was passed in 1938 authorizing the insuring of the wheat crop, those of us who were interested in cotton had every reason to believe that cotton would be contained in the bill and go along with wheat.

However, the Department of Agriculture stated that they did not have all of the necessary data on cotton, and a provision was placed in the bill authorizing the Secretary to make an investigation for the purpose of securing necessary information, statistics, and so forth, which would enable the Congress to give favorable consideration to amending the act so as to include cotton.

When this bill was up in conference it was understood and agreed that when that information was submitted to the Congress the bill would be amended so as to take care of cotton.

On May 1, 1939, I introduced House Resolution 176, as follows:

Resolved, That in order to promote the national welfare by alleviating the economic distress caused by the overproduction of cotton, and to provide for stable supplies of cotton for domestic consumption and the orderly flow thereof in interstate commerce, the Secretary of Agriculture be, and he is hereby, directed to transmit to the House of Representatives such pertinent data and information as the Department of Agriculture may have assembled relative to such crop insurance for cotton.

This information was then submitted to the Printing Committee and is contained in House Document 277, Seventy-sixth Congress, first session.

I am hoping that those of you who are interested in this very important piece of legislation will get a copy of this document from the Department of Agriculture, or if you will call on my office, we shall be very glad to furnish you with a copy.

I am inserting herewith the following from this document:

FOREWORD

More than 2,000,000 American farmers depend on cotton for the major source of their income. Many of these farmers have at one time or another faced financial difficulties because of crop failures from causes beyond their control. The need for an agricultural program which provides protection against these unavoidable production hazards has long been evident. Crop insurance is suggested in this report as the way to meet these hazards.

Crop insurance is already available to wheat growers. The Federal Crop Insurance Corporation was established in 1938 within the United States Department of Agriculture under the Federal Crop Insurance Act. Farmers in all of the major wheat-producing States have already insured or will insure their wheat crops to be harvested in 1939. Wheat-crop insurance policies provide protection against drought, flood, winter-kill, insects, disease, and other wheat-crop hazards beyond the control of farmers.

Crop failures occur practically every year in one part or another of the Cotton Belt. As a consequence, farmers who experience these crop losses have little or no income on which to live. Crop insurance would provide the cotton farmer with a better distribution of income from year to year and would alleviate some of the hardship brought about by crop failure. The fact that a very large part of the cotton crop is financed through credit means that failure of the cotton crop not only reduces the income available for farm living expenses but frequently results in a carry-over of debt that may not be paid for years. Insurance on the crop would enable many farmers to pay their debts despite crop failures.

Crop insurance is not a solution to all the cotton farmers' problems, for many are world-wide in their scope. It would, however, make a substantial contribution toward the solution for many farmers of the problems that are caused by extreme variations in crop production.

The Federal Crop Insurance Act provided not only for an insurance program for wheat but for research on other crops to determine the feasibility of extending insurance protection to them. This report by the Bureau of Agricultural Economics, suggesting a plan that might be used for insuring cotton crops, is a product of the research provided for in that act.

The bill, H. R. 6972, simply proposes various amendments to the Federal Crop Insurance Act necessary to include cotton.

In section 8 of this bill we strike out the figures "$6,000,000" and substitute in lieu thereof the figures "$12,000,000."

This is for the administrative expenses in connection with covering cotton and wheat.

May I state at this point that it was understood, and it is understood at this time, that if and when this program has been worked out successfully, the premiums will be so arranged as to take care of the administrative expenses; but until this is done, because of the real necessity of rendering this type of service to millions of wheat and cotton producers, it was agreed by everyone interested in the program that the Government should bear this expense, as above stated.

If you will take into consideration the amount of money that is being spent by the Federal Government for the relief of those who have suffered losses from hailstorms, drought, floods, and insect infestation, you will readily agree that, if we can make this program successful—and it is my firm belief that we can—the spending of this money along this line will be one of the best investments we have made.

I want to call to your attention another thing; that is, we have entered in on a program of trying to make landowners out of tenant farmers. The above program will not only protect that class of people whom we are trying to assist and thereby save money for the Government, but will be the means of many farmers being able to pay their obligations, seed loans, Production Credit loans, taxes, and so forth. In other words, it will tend to keep just lots of people off the relief rolls and W. P. A. jobs, which I believe to be good business and a sound policy.

For your information I want to quote from the hearings. I am quoting from Mr. Cecil A. Johnson, Assistant Manager and Secretary, Federal Crop Insurance Corporation, Department of Agriculture. Mr. Johnson:

In developing the crop-insurance program for wheat we have been fully conscious of the implication that the results of this program would measure the possibilities of crop-insurance protection for growers of other important crops.

* * * * * * *

The national cost of crop failure cannot be adequately measured even for one crop; however, it is indicated by the fact that drought, floods, frost, hail, insects, plant diseases, and other unavoidable hazards take an annual toll of around 300,000,000 bushels of wheat every year. This tremendous loss would not be so serious if it were distributed evenly over the entire wheat industry, but we know from recent experience that crop failure may strike one State or region several years in a row and the burden of loss, instead of being distributed evenly, falls heavily upon the unfortunate individuals whose farms are visited by crop damage.

* * * * * * *

The crop-insurance program is based on an adaptation of insurance principles which it is felt solves these problems. I believe that the first year's experience of the crop-insurance program gives a good indication of the success with which this adaptation has operated.

* * * * * * *

Mr. ANDRESEN. You referred to growers being eligible for insurance. Do you mean that all growers are eligible for insurance, or just those that have complied with the soil-conservation program?

Mr. JOHNSON. In the current program that we are just completing all growers are eligible for insurance, and in the coming program that has already been prepared all growers are entitled to have insurance.

* * * * * * *

Mr. COOLEY. Is it your thought that the insurance program could be used as a coercive measure to bring farmers into the soil-conservation program?

Mr. JOHNSON. No.

* * * * * * *

Mr. LEMKE. Is it not a fact that the indemnity is so small as compared to the expected return from the crop that very few of them are looking forward to receiving an indemnity? As a matter of fact, most farmers use it as a guaranty against a failure so they might have something to live on in the event of a failure.

* * * * * * *

Mr. JOHNSON. If an insured grower suffers a loss that brings his production below the insured amount, he is entitled to receive from that insurance reserve a sufficient amount of wheat, or the cash equivalent, to bring his yield up to the insured coverage.

* * * * * * *

The wheat-crop-insurance program now has run through a complete cycle of a year's operations, and much evidence has accumulated regarding the workability of the basic principles involved.

We believe from the experience of this first year that the wheat crop insurance program is working out successfully along the lines laid down for it. While some improvements are being made with respect to the 1940 program, they deal only with administrative details which will permit more efficient and economical operation and not with the basic principles of the insurance plan.

* * * * * * *

In the Eastern States, 5,000 growers have paid premiums; in the North Central, 97,000; in the Western, 58,500; and in the Southern, 12,500. The widespread participation and the wide variation in the amount of risk involved seems good evidence that the principle of basing crop insurance on the past experience of the individual farm and county is a sound approach and makes it possible for a wide variety of producers to come into the plan. It gives a Nation-wide spread of risks, so essential to the success of the crop-insurance program.

* * * * * * *

This ground work has been expensive. In effect, it means that during the 1939 program the yield and rate work not only for the current year but for 1940 has been accomplished. I believe that it means even more than doing and paying for 2 years' work in one. Commercial insurance firms operate on a ground work of actuarial material built up through many years of research. In 1 year of crop insurance we have established a workable actuarial foundation for wheat insurance. In addition, we have developed the technique which will apply to other crops as well.

* * * * * * *

Our experience to date indicates that it is not a difficult matter to make adjustments which are fair to the farmer and to the corporation. Once the validity of the claim for loss is established by county adjusters, settlements can be handled with dispatch in checking and making the payments. In most cases farmers who have reported losses have received their indemnities within a week or two after the adjustment of their loss.

* * * * * * *

The cotton crop is subject to many of the same hazards that damage wheat crops. Risks average as high as in wheat. Lack of moisture is the greatest hazard of the wheat crop, and insect infestation is the most damaging one with which cotton growers must contend.

As in wheat, there is a loss somewhere in the cotton-growing area every year. As the wheat grower is dependent upon his wheat crop for an income, at least in commercial wheat areas, the cotton grower is dependent in his area for an income from the production of cotton. In fact, it is the major source of income for more than 2,000,000 American farmers. Hence, the cotton farmer is in need of security which crop insurance would furnish just as the wheat farmer needs it. Many of the same problems are common to both and the loss of income on the part of either affects the other, as the loss of income on the part of both groups seriously affects the Nation.

1939 WHEAT CROP BELOW NORMAL

I would say it went very definitely below normal—I have here a map, a report which has been compiled in the last few days giving you a picture of the places where production is below normal. In a good part of Texas they are 20 percent below normal; that is also true of a good portion of Kansas; it is over 40 percent below normal.

I am sure that everyone who has had any experience in any type of insurance—life insurance, fire insurance, as well as crop insurance—knows that we have our bad years, normal years, and good years.

However, out of experience in all lines of insurance, over a period of years, the ups and downs will be leveled out and instead of having a loss it is possible to so fix premiums that there would be an actual profit.

In the meantime, as this business grows, so as to increase the number of policyholders, naturally, it will be possible to reduce the premiums.

Listen to Mr. Johnson's statement:

Mr. JOHNSON. Now if there had been a normal year this year our wheat losses would have been equaled by our premium collections. This year our loss is above normal, our crop is below normal, and therefore we contemplate using some of our capital structure to meet our indemnity payments. Now, the next year our insurance reserves will be replenished, and over a period of years these ups and downs will just level out.

* * * * * * *

Mr. COOLEY. How much was the insurance cost?

Mr. JOHNSON. The administrative cost against that amounted to $244,468, which was spent in the preceding fiscal year, and that added to which was spent in the last fiscal year would make the cost per policy about $29.90.

* * * * * * *

Mr. COOLEY. We have had statements, time and time again, that every private industry has met with dismal failure.

Mr. JOHNSON. But I refer to insurance operations that have been successful.

* * * * * * *

I believe that Chairman Jones referred to some private studies of initial rates, with reference to private industry.

It is difficult to obtain comparative costs of the establishment of other new types of insurance cost since most types of insurance have been operating so long that the original cost figures are lost. The organization of mutual windstorm insurance is sufficiently recent for some figures to be available. In a study by the Department of Agriculture made some years ago, it was found that these companies began to operate with records of costs available in the year 1885. In that year these mutual companies reported an expense of $7.78 per dollar of loss cost. The premium payment for crop insurance represents loss cost only. In other words, for every dollar collected in premiums it represented a cost of $7.78.

* * * * * * *

Now, by 1886, there was an expense of $5.36 per dollar of loss cost; and in 1887, an expense of $10.29 per dollar of loss cost.

Mr. FULMER. Is it not true, taking into consideration the figures you quoted, that your corporation, as a matter of fact, is much better off this year, even taking the cost for the 1 year, than the companies you referred?

Mr. JOHNSON. Exactly.

* * * * * * *

Mr. CUMMINGS. Is it not a fact that in most companies the cost is figured on a period of 5 years; in other words they charge up the whole 5 years against the first premium——

Mr. JOHNSON. As a matter of fact, it was not until along the end of the first 10-year period, 1894, that the average expense dropped down to $1.58.

I want to call your careful attention to the following statement taken from the hearings, which clearly indicates that a considerable amount of the expense for 1939 was incurred in collecting data, for a cotton program; also, a definite statement by Mr. Johnson that the present indications are that the Corporation can sell insurance for the coming year at less than half the cost of this past year.

Mr. Johnson also plainly states that per policy for cotton the expense would be much less, and gives a good reason why.

Mr. COOLEY. In reference to the administrative costs you have actually acquired additional data for the further program, which costs are included in that administrative cost.

Mr. JOHNSON. Yes.

Mr. COOLEY. And a large part of the money spent for the administrative costs, and the program this year was made out in collecting data with reference to cotton and possibly other products.

Mr. JOHNSON. That is right, and I would say, furthermore, that——

Mr. COOLEY. And regardless of the administrative costs of carrying on the program which you say has been very successful, a large part of that money has been expended in collecting additional data, which you must have for a cotton program.

Mr. JOHNSON. Yes. And I would say definitely that the present indications are that likely we can sell insurance for the coming year at less than half the cost of this past year.

Mr. HOPE. With reference to cotton: Would you have about the same administrative costs for the first year that you had with wheat?

Mr. JOHNSON. I would contemplate that per policy it would be much less.

Mr. HOPE. Why would it be less?

Mr. JOHNSON. Simply because we have gained a great amount of experience in how to handle the work, and likewise we have much more data on hand.

Mr. HOPE. You have more data on hand with regard to cotton than you had with regard to wheat when you started the wheat program?

Mr. JOHNSON. Yes.

Apparently, there was some fear on the part of some Members, especially those who were interested in the wheat program, that by including cotton there might be a possibility of impairing the twenty million capital.

The following statement will not only give you some valuable information in connection with the whole matter, but you will note that we have the assurance of Mr. Johnson that the twenty million capital will be sufficient.

You remember in the passage of the Cooperatives Insurance Act one hundred million was authorized. The Appropriation Committee allocated twenty million. According to statements contained in the hearing this twenty million, after paying losses for 1939, will still be intact, and, as stated by Mr. Johnson, will be sufficient to take care of the whole program without any additional money.

Mr. COOLEY. The insurance rates are based on the risk determined by the particular section.

Mr. JOHNSON. That is right; the premium rates are established with respect to each farm and vary according to the hazards involved.

Mr. COOLEY. Unless we do authorize the establishment of a cotton program, all the data you have collected on cotton will do us no good.

Mr. JOHNSON. It certainly would have to be reworked if at some later year it was decided to take on the cotton program.

Mr. FERGUSON. Do I understand it is your estimate that it would not be necessary to increase the appropriation to take care of the cost to include cotton?

Mr. JOHNSON. Well, we have made a fairly close estimate of it.

Mr. FERGUSON. Do you think the $6,000,000 included in the bill would give you enough to take care of it?

Mr. JOHNSON. I would say that it would be more than adequate for the first year.

Mr. FERGUSON. And you still stand on your proposition that $20,000,000 capital would be sufficient; that you would not need to increase that amount?

Mr. JOHNSON. Yes.

APPROXIMATE AVERAGE PREMIUM RATES AND AVERAGE COVERAGE PER ACRE FOR SAMPLE COUNTIES

TABLE 4.—*The approximate average premium rates and average coverage per acre under the 75- and 50-percent plans in specific counties* [1]

State and county	Average yield 1928–37	75-percent plan		50-percent plan	
		Average premium rate	Average coverage	Average premium rate	Average coverage
	Pounds lint	*Pounds lint*	*Pounds lint*	*Pounds lint*	*Pounds lint*
Georgia:					
Carroll	253	5	190	1	126
Cherokee	228	3	171	1	114
Early	202	7	152	1	101
Jenkins	225	9	169	1	112
South Carolina:					
Allendale	204	7	153	2	102
Anderson	247	6	185	1	124
Darlington	231	14	173	3	116
Orangeburg	244	9	183	2	122
Oklahoma:					
Beckham	140	18	105	8	70
Comanche	114	17	86	8	57
Johnston	121	12	91	4	60
Muskogee	126	18	94	6	63
Payne	120	15	90	5	60
Texas:					
Bell	149	5	112	1	74
Brazoria	187	19	140	9	94
Brazos	168	11	126	5	84
Denton	144	9	108	2	72
Hardeman	122	20	92	10	61
Hunt	156	7	117	2	78
Jones	120	17	90	7	60
Lubbock	157	26	118	14	78
Nacogdoches	166	8	124	2	83
Nueces	201	11	151	3	100

[1] A minimum premium rate would probably be established under both the 75- and 50-percent plans. The premium rate per acre illustrated in the table would be subject to increase for the plan outlined elsewhere in this report providing for an increase in indemnities and premiums so that protection against the loss of cottonseed would be included.

This statement would indicate, for instance, that according to the sample counties in Georgia the premium rate would run from 5 pounds in Carroll County to 9 pounds in Jenkins County.

At 10 cents per pound this would mean 50 cents per acre in Carroll County, and 90 cents per acre in Jenkins County.

The amount of premium will be based on risk and poundage per acre.

The premium will be payable in cotton or in cash.

Seventy-five percent of the lint and seed will be covered under the cotton-insurance program. For instance suppose the average yield would be 400 pounds lint, 300 pounds would be covered.

I now want to quote from a letter addressed to Hon. MARVIN JONES, chairman, Agricultural Committee of the House, dated July 21, 1939, signed by H. A. Wallace, Secretary, Department of Agriculture:

As a part of the research work on crop insurance provided for under subsection (h) of section 506 of the Federal Crop Insurance Act, the Department has been conducting research on cotton-crop insurance with a view to developing a plan for cotton comparable to the wheat crop insurance program. This plan is outlined in detail in House Document No. 277, Seventy-sixth Congress, first session, and H. R. 6972 appears to follow the suggestions contained therein.

This bill provides very little change with respect to the present law, the principal change being that required to make the provisions of the act which apply to wheat, applicable to cotton. There is also provision for an increase in the annual appropriation for the Federal Crop Insurance Corporation from $6,000,000 to $12,000,000 to cover operating and administrative costs.

Another change indicated refers to the special attention which has been given to problems incidental to including in the insurance plan for cotton, provision for protection against losses in yields of cottonseed. Indemnification for loss of lint cotton yields alone would provide only about five-sixths of full protection against crop losses because of the additional loss of cottonseed. Consequently the approach to include in the insurance plan a provision for loss in production of cottonseed yields by use of the actuarial data which are available only in terms of lint offers possibilities of making cotton insurance cover the complete cotton crop, namely, lint and seed.

The proposed bill provides that both premiums and indemnities for loss that are determined in lint cotton be increased and the percentage of increase would be the average relationship between seed and lint rates existing between the years used for computation of yields and premium rates. The additional premiums received would cover additional indemnities for loss.

It appears that the operating and administrative costs necessary for the inauguration of a crop-insurance program for cotton will be approximately the same as those incurred in connection with the wheat-crop-insurance program, and that, therefore, the increase in the authorized annual appropriation for the operation of the act from $6,000,000 to $12,000,000 is appropriate.

Crop insurance, while not offering a solution to all of the problems of more than 2,000,000 cotton farmers, will provide an effective means by which the financial difficulties brought about by unavoidable production hazards may be overcome. In view of the many hazards that affect the production of cotton and the large number of farmers who must face these hazards, it is believed that a program of cotton-crop insurance will meet a real need.

The amendment as provided in this bill appears to be adequate to make possible such a program for cotton-crop insurance, and the Department is in accord with the plan for extending the benefits of crop insurance to cotton.

In closing may I state that this legislation has the hearty approval of the Department of Agriculture.

A similar bill has already passed the Senate, and it is my firm belief with favorable consideration of this bill during this session of the Congress, which will enable the Department to put the cotton program into operation in 1940, we shall not only be able to render a great service to cotton farmers in dollars and cents, but, in the long run, it will be a real saving to the Treasury of the United States for reasons set forth in my remarks.

Encourage Naturalization

EXTENSION OF REMARKS

OF

HON. THOMAS D'ALESANDRO, JR.

OF MARYLAND

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 26, 1939

Mr. D'ALESANDRO. Mr. Speaker, on March 22 I introduced H. R. 5228, which provides that any alien is eligible for citizenship who was lawfully admitted to the United States for permanent residence prior to November 11, 1918, and who has ever since lawful entry maintained bona fide residence in the United States and has complied with the requirement of a good moral character, may be naturalized upon full and complete compliance with all the requirements of the naturalization laws, with the following exceptions:

He shall be exempt from all educational requirements, provided he has attended citizenship classes for at least 6 months, and upon proof thereof shall be exempt from all verbal or written examinations.

I introduced this bill for the real forgotten people of our Nation. Some of these people came to this great America in the 1880's and 1890's, young, honest, industrious people, who never really had the time or the opportunity to learn how to read and write. They married, had large families, and have given their best years in honest labor. Many are property owners and taxpayers. Many had sons and daughters who served our great country in the World War. The sons and daughters of others are today in the vanguard of America's progress. Yet these same clean-living people of America cannot become citizens unless they pass an examination that would probably "flunk" a high-school graduate or perhaps a college graduate. If the only requirements for citizenship were contributions to national wealth through honest labor and love for democracy, almost all of our noncitizens could easly become citizens.

There are thousands of people in the United States who have made application for their first and second papers but who failed to pass the examination. In making application they renounced allegiance to their native countries, and yet

they are not citizens of the United States. Let charity begin at home, and let us safeguard the security and happiness of the real forgotten people in America. They love America; they belong to America; they are willing to fight to defend America and keep it democratic and free, so why deny them citizenship? Let us make them free Americans.

If the House of Representatives of the United States will favorably consider and pass my resolution, we would encourage naturalization, and this resolution, in the final analysis, requires only that these people pledge allegiance to America in order to be naturalized, thus eliminating the lengthy and difficult process now required. This bill, 5228, has the approval of the Secretary of Labor, Madam Frances Perkins, and the endorsement of many World War veterans and civic organizations, and I hope it will be reported favorably by the committee and passed by the House of Representatives.

UNITED STATES DEPARTMENT OF LABOR,
IMMIGRATION AND NATURALIZATION SERVICE,
Washington, D. C., July 17, 1939.

Hon. THOMAS D'ALESANDRO, Jr.,
House of Representatives, Washington, D. C.

MY DEAR CONGRESSMAN D'ALESANDRO: I beg to acknowledge your letter requesting report on H. R. 5228, which you introduced on March 22, 1939. In response, I am transmitting herewith copy of report which the Secretary has addressed to the chairman of the Committee on Immigration and Naturalization.

Very truly yours,

JAMES L. HOUGHTELING,
Commissioner.

JUNE 30, 1939.

Hon. SAMUEL DICKSTEIN,
Chairman, Committee on Immigration and Naturalization, House of Representatives, Washington, D. C.

MY DEAR CONGRESSMAN DICKSTEIN: Permit me to refer to the letter of the clerk of your committee requesting comment on bill H. R. 5228.

The bill was introduced on March 22, 1939, by Mr. D'ALESANDRO, and bears the title "A bill for the admission to citizenship of aliens who came into this country prior to November 11, 1918."

It proposes a new subdivision to be included in section 4 of the Naturalization Act of June 29, 1906, as amended. That section which prescribes the naturalization procedure, contains 14 subdivisions, several of which authorize a short form of procedure as to particular classes of aliens. Bill H. R. 5228 would provide that any alien who was lawfully admitted to the United States for permanent residence prior to November 11, 1918, and has ever since said entry maintained a bona fide residence in the United States, shall be exempt from all educational requirements provided that he has attended citizenship classes for at least 6 months.

As this bill will expedite the naturalization of aliens who have resided in this country continuously for a period of 20 years and can prove good moral character and attachment to the principles of the Constitution of the United States, I believe that it has considerable merit and may well receive the favorable consideration of the Congress.

Very truly yours,

FRANCES PERKINS,
The Secretary.

GEN. JOSEPH HALLER POST, NO. 95,
AMERICAN LEGION, DEPARTMENT OF MARYLAND,
BALTIMORE, MD., *April 14, 1939.*

HERBERT L. RHODES,
Commander, American Legion, Department of Maryland, War Memorial, Baltimore, Md.

DEAR COMMANDER: The Gen. Joseph Haller Post, No. 95, at its regular meeting, Friday, April 14, 1939, adopted the following resolution:

"Whereas the Gen. Joseph Haller Post No. 95, American Legion, Department of Maryland, has always worked in the interest of Americanism in this community among the World War veterans of the United States and Allied forces; and

"Whereas now, 20 years after the conflict, we still find many veterans who are not yet naturalized due to many causes; and

"Whereas the chief one being that many of the veterans were under the impression that they were naturalized by virtue of their having served with the armed forces of the United States, from which they received an honorable discharge; and

"Whereas they found out differently when they attempted to vote or were asked to show their naturalization certificate which some firms required before giving them employment; and

"Whereas now the requirements for naturalization of a veteran are the same as for any other immigrant and too stringent for those not yet naturalized; and

"Whereas those who are not naturalized are cut off W. P. A. projects and relief rolls, and some private firms are also discharging all employees who are not American citizens; and

"Whereas by denying these men an opportunity to earn a livelihood, their families are the principal sufferers. This does not punish the man himself, but also his children who are the innocent victims of the parent's oversight or negligence. This will contribute to 'child delinquency'; and

"Whereas a bill, H. R. 5228, has been introduced in Congress by Mr. THOMAS D'ALESANDRO, Jr., which takes care of not only veterans but all aliens who came to this country prior to November 11, 1918, and since then showed themselves to be good citizens and who are able to meet all the requirements of the Immigration and Naturalization Service, with the exception as noted in the bill: Therefore be it

"Resolved by the General Joseph Haller Post No. 95, American Legion, Department of Maryland, at its regular meeting held April 14, 1939, That H. R. 5228, introduced by Hon. THOMAS D'ALESANDRO, Jr., Member of the Seventy-sixth Congress from the Third Maryland District, be unanimously endorsed for its great humanitarian content; and be it further

"Resolved, That a copy of this resolution be sent to the Honorable THOMAS D'ALESANDRO, Jr., and to the department headquarters of the American Legion to have this matter taken up at the next department executive committee meeting, urging and recommending that the committee take favorable action upon H. R. 5228, copy attached, and to pass that information on to the national legislative committee and similarly asking them for favorable action upon this bill."

JOHN W. PINKOWSKI,
Post Commander.
THOMAS F. POTOCKI,
Adjutant.

Professors and Instructors in Government Offices

EXTENSION OF REMARKS
OF
HON. DEWEY SHORT
OF MISSOURI
IN THE HOUSE OF REPRESENTATIVES
Wednesday, July 26, 1939

LIST OF PROFESSORS AND INSTRUCTORS IN GOVERNMENT OFFICES AS PRINTED IN WASHINGTON TIMES-HERALD, U. S. AND US, ON MAY 21, 28, AND JUNE 4, 1939

Mr. SHORT. Mr. Speaker, the following long list of "brain trusters" accounts in some measure for the bewildering complexity and the enormous increase in cost of this New Deal government:

U. S. AND US
(By George D. Riley)
IN GOVERNMENT—PROFESSORS OR INSTRUCTORS
(Name, pedagogy, employing agency, respectively)

A

Grace Abbott, Chicago University, Children's Bureau (chief). J. F. Abel, department superintendent of schools, Nevada; chairman, board of regents, University of Nevada; Office of Education. Annette A. Adams, principal, Modoc High School, Alturas, Calif.; Department of Justice. J. W. Adams, teacher in common schools; F. T. C., United States Coal Commission, Federal Fuel Administration. J. C. Adkins, Georgetown University; Minimum Wage Board, Assistant Attorney General. Clyde B. Aitchison, American University; I. C. C. member. John Albright, American University; Census. L. R. Alderman, University of Oregon, etc.; Office of Education. Will W. Alexander, Dillard University; Resettlement, N. E. C. Arthur J. Altmeyer, American University; S. S. B., N. E. C., Central Statistical Board, Assistant Secretary of Labor, etc. Jos. S. Ames, Johns Hopkins; N. R. C., National Advisory Commission for Aeronautics. John B. Andrews, Dartmouth, Columbia, University of California, and University of Wisconsin; S. S. B., etc. Herbert E. Angel, American University; National Archives. D. A. Annan, claims to be teacher; N. R. A. Herschel W. Arant, Emory, Yale, University of Kansas, University of Michigan, George Washington, Cornell; United States circuit judge. Thurman W. Arnold, West Virginia University, Yale, University of Wyoming; A. A. A., Assistant Attorney General, S. E. C., War. Henry B. Arthur, Union; N. R. A.

B

Horace A. Bacus, American University; N. R. A. F. J. Bailey, American University; Bureau of Budget. R. W. Bailey, Utah State Agricultural College; Forest Service. Oliver E. Baker, American University; Agriculture. John A. Ball, Jr., West Virginia University, Catholic University, Georgetown University; Labor Department. John W. Ballard, American University; F. H. L. B. B., F. S. & L. I. C. Willis J. Ballinger, Smith, Amherst, Roxbury, Goucher, Williams, etc.; S. E. C., F. T. C. Frank Bane, Chicago

University, American University, University of Virginia, Superintendent of Schools, Va.; F. E. R. A., S. S. B., etc. Solomon Barkin, C. C. N. Y.; N. R. A. C. P. Barnes, American University; Agriculture. C. M. Barnes, public and private schools; State. Robert Barnett, American University; Social Security Board. Eleanor Barr, not stated; N. R. A. Alice Barrows, Packer Institute; Office of Education. N. T. Bartlett, Detroit Board of Education; N. R. A., International Labor Office. W. B. Barton, Los Angeles Junior College, University of California; N. L. R. B. Ismar Baruch, American University; Civil Service Commission. W. N. Baughman, Southeastern University; F. T. C. Catherine K. Bauer, U. F. W. A. School; U. S. H. A. Louis H. Bean, American University; Agriculture, Central Statistical Board. W. W. Beatty, Northwestern; Indian Affairs. G. W. Bell, University of California; Justice, Maritime. Spurgeon Bell, Ohio State University; N. R. A. Rowena Bellows, Pembroke; H. O. L. C., Social Security Board. Earl S. Bellman, University of Maryland; N. L. R. B., Public Health. H. M. Benninghoff, Japanese Government schools; State. Madison Bentley, Cornell, Library of Congress. A. A. Berle, Jr., Harvard, Columbia, Washington University, Stetson University, Assistant Secretary of State, N. R. A., Treasury. F. E. Berquist, Carnegie Tech; N. R. A., Census, Mines. George E. Bigge, Brown, Michigan State Penitentiary, high school teacher in Michigan; member, Social Security Board. T. C. Billig, Catholic University; N. R. A., Social Security Board. W. V. Bingham, Stevens Institute; Office of Education, United States Employment Service. Mary G. Bird, American University; F. C. A. A. G. Black, University of Minnesota, Iowa State College; Agriculture. John D. Black, Harvard; Federal Farm Board, Agriculture. F. R. Black, University of Minnesota, University of Iowa, University af Kentucky, George Washington University; special assistant to Attorney General. Roy G. Blakey, Ohio State University; Commerce. Elizabeth T. Bliss, North Carolina School for Workers; N. L. R. B. Carman G. Blough, American University; S. E. C. Samuel S. Board, American University; Agriculture. J. L. Boatman, Iowa State College; Agriculture. E. S. Bogardus, University of Southern California; G. A. O. C. D. Bohanan, New Mexico State College of Agriculture, Westminster College; N. R. A., Census. Ed. M. Borchard, Yale; Library of Congress. W. D. Boutwell, American University; Office of Education. Witt Bowden, University of Pennsylvania, Columbia; Labor Department. Robert A. Brady, University of California, New York University, Hunter; N. R. A. J. C. Briggs, University of North Carolina, Duke; Solicitor General, special assistant to Attorney General. J. E. Brodinsky, Harvard; N. R. A. J. D. Brown, Princeton, New York University, University of Pennsylvania; S. S. B. Thad. H. Brown, Ohio State University, Union; Federal Power Commission, Federal Radio Commission, F. C. C. member. Louis Brownlow, University of Chicago, Agricultural Graduate School, District of Columbia Commissioner. R. W. Bruere, University of Chicago; N. R. A., Maritime Labor Board. H. K. Brunck, John Marshall; N. R. A. Eveline Burns, Columbia, S. S. B. McC. Butt, Smith, Brown, Princeton, University of Pennsylvania; N. R. A. Mabel Byrd, University of Chicago; N. R. A.

C

R. G. Caldwell, Wooster, Rice, Huron, Forman (India); Minister to Portugal, Bolivia, Colombia. P. V. Cardon, Montana; A. A. A. Ralph Cassady, University of California; N. R. A. F. W. Catlett, Harvard, Radcliffe, director, F. H. L. B. B., trustee, F. S. & L. I. C. John P. Causey, Williams; Budget Bureau, H. O. L. C. Richard Chappell, not stated; Justice Department. L. J. Chawner, Cornell, Commerce. B. M. Cherington, University of Denver; State. C. L. Christenson, not stated; N. R. A. Ewan Clague, American University, Pennsylvania School of Social Workers; F. E. R. A., S. S. B. Charles E. Clark, Yale; United States circuit court judge. Claud F. Clayton, American University; Agriculture. C. R. P. Cochrane, American University; S. S. B. R. H. Cole, American University; F. C. A. L. M. Collins, Lanier High School, Macon, Ga.; University of Miami; N. R. A. Carl Colvin, American University; F. C. A. H. M. Colvin, University of Washington, University of Arizona, University of Montana, Tulane; F. E. R. A., W. P. A., Resettlement. R. H. Connery, Columbia, President's Committee on Administrative Management. R. D. W. Connor, University of North Carolina; Archivist of the United States. Margaret Cook, American University; F. C. A. Lyle Cooper, Marquette University; N. L. R. B. Morris Copeland, Cornell, Brookings, University of Wisconsin; Central State Board, secretary Federal Reserve Board. J. J. Corson, American University, University of Virginia, University of Richmond; Social Security Board, N. Y. A. Giles L. Courtney, American University; F. C. A. John H. Cover, University of Chicago, W. P. A., Commerce. Laughlin Currie, American University; Federal Reserve Board. N. C. Cushman, Y. M. C. A. extension, etc.; N. R. A. Robert E. Cushman, Cornell, University of Illinois, University of Minnesota, Oberlin; President's Committee on Administrative Management. Vandeveer Custic, Northwestern; N. R. A. Armistead M. DoBie, dean, University of Virginia Law School; seventh district Federal judge, Virginia.

D AND E

Arthur O. Dahlberg, University of Wisconsin; N. R. A. Lida D'Aiuto, American University; H. O. L. C. Kenneth Dameron, Rice Institute, Princeton, Ohio State; N. R. A. Frederick M. Davenport, Hamilton College, Syracuse; Director, Council of Personnel Administration. Paul T. David, Brown; President's Commission on Administrative Management, T. V. A. Harvey N. Davis, Stevens Institute; Smithsonian. J. P. Davis, Lanier High School, Macon, Ga.; N. R. A. Ralph C. Davis, Ohio State; N. R. A. C. L. Dedrick, American University, University of Wisconsin; Census. W. E. Deming, American University; Agriculture. William Denman, University of California, Hastings College; United States Shipping Board, Emergency Fleet Corporation, Judge United States circuit court. Henry S. Dennison, Antioch College, Radcliffe; Postoffice Department, National Labor Relations Board, etc. John Dickinson, University of Pennsylvania; Assistant Secretary of Commerce, Assistant Attorney General, War Trade Board, Central Statistical Board. M. E. Dimock, University of Chicago, University of California; Assistant Secretary of Labor. W. E. Dodd, University of Chicago; Ambassador to Germany. L. W. Douglas, McGill University; Director of the Budget. Paul H. Douglas, University of Chicago, Reed; N. R. A. W. O. Douglas, Yale, Columbia; S. E. C., Supreme Court Justice. Ernest Draper, Agriculture, Gallaudet; Assistant Secretary of Commerce, Federal Reserve Board. Herman Dudley, Dartmouth; N. R. A. E. S. Duffield, University of Wisconsin; Treasury. D. J. Duncan, Northwestern University; N. R. A. W. E. Dunn, University of Texas; Commerce. E. D. Durand, Harvard, University of Minnesota; Census, Tariff Commission. Alex. Dye, William Jewell College; State, Commerce. L. R. Edminster, American University; State. C. D. Edwards, New York University, Cornell; N. R. A. E. M. Edwards, American University; Agriculture. C. W. Eichelberger, American University; F. C. A. M. S. Eisenhower, Manhattan (Kansas); Agriculture. Edwin A. Elliott, Texas Christian University; N. R. A. W. Y. Elliott, Columbia; Commerce, Advisory Council. Ivan Emelianoff, Rutgers University; N. R. A. Herbert Emmerich, University of Chicago; F. C. A., President's Commission on Administrative Management. N. H. Engle, University of Washington, University of Michigan, Brown University; Census, F. and D. C. Eric Englund, Manhattan (Kansas); Agriculture. L. H. Evans, Amherst, Princeton; W. P. A. Mordecai Ezekiel, American University; Agriculture, Federal Farm Board, A. A. A.

F

Merle Fainsod, Harvard; President's Commission on Administrative Management. I. S. Falk, University of Chicago; Social Security Board. Florence Fallgatter, Iowa State University, University of Minnesota, University of Montana; Office of Education. Margaret Farmer, teacher of mathematics, etc.; N. L. R. B. G. J. Feldman, Boston University; F. T. C., N. R. A. Herman Feldman, Dartmouth; Personnel Classification Board. J. W. Fessler, University of North Carolina; President's Commission on Administrative Management. J. W. Finch, Colorado School of Mines, University of Idaho; Director, Bureau of Mines. W. L. Finger, Culver Military Academy; N. R. A., F. and D. C. Ed. M. Fitch, U. F. W. A. School; R. R. B., N. R. A., Federal Coordinator of Transportation. F. A. Fisher, University of Illinois; Soil Conservation, Agriculture. Waldo E. Fisher, University of Pennsylvania; N. R. A. John D. Fitch, American University; Federal Power Commission. P. S. Flippin, Coker College (South Carolina), Mercer University (Georgia), Hamilton College, Centre College (Kentucky); N. R. A. R. W. Flournoy, National University, Harvard; Labor Department, State. Ralph Fogg, Lehigh; N. R. A. Clark Foreman, U. F. W. A. School; P. W. A. W. T. Foster, Bates, Bowdoin, Reed; N. R. A. A. Manuel Fox, University of Michigan, City College of New York, Knights of Columbus School (District of Columbia), Catholic University; Tariff Commission. H. J. Fox, University of Wisconsin, University of Kentucky; N. L. R. B. Felix Frankfurter, Harvard; Supreme Court Justice, Assistant United States attorney, War Department law office. R. E. Freer, American University, St. Xavier, Washington College of Law; F. T. C. Commissioner, I. C. C. P. H. French, Union College; F. E. R. A., President's Commission on Administrative Management.

G

F. W. Ganley, American University; F. C. A. F. A. Garrecht, Gonzaga University; United States attorney, judge, United States Ninth Circuit Court. Finis J. Garrett, high-school principal; presiding judge, Federal court. L. K. Garrison, University of Wisconsin; chairman, N. L. R. B., special assistant to Attorney General. Walter Gellhorn, Columbia; justice; Social Security Board. M. A. Girshick, American University; Agriculture. E. A. Goldenweiser, American University; Federal Reserve, Statistical Board, Census, Agriculture, Immigration Commission, Bituminous Coal Commission. G. A. Gordon, St. Paul's School; State. J. S. Gould, University of Delaware, University of Toledo; N. R. A. Frank P. Graham, University of North Carolina; President's Committee on Economic Security, N. E. C. T. P. Graham, Jr., high-school teacher; N. L. R. B. L. C. Gray, American University, Oklahoma Agricultural and Mechanical, University of Wisconsin, University of Saskatchewan, George Peabody College; Agriculture. R. M. Green, professor of marketing; Agriculture. C. O. Gregory, University of Chicago, University of Wisconsin; Solicitor, Labor Department. H. G. Gresham, Princeton; N. R. A., Tariff Commission. Charles Gulick, University of California; N. R. A. Luther H. Gulick, University of Chicago, Union College, Columbia; President's Committee on Administrative Management.

H

Francis Haas, National Catholic Graduate School; N. R. A. R. G. Hainsworth, American University; Agriculture. Milton Hall, American University; F. C. A. J. W. Hallock, University of Pittsburgh; N. R. A. Walton Hamilton, Yale; N. R. A., Social Security Board, special assistant to Attorney General. Milton Handler, Columbia; N. R. A. Alvin H. Hansen, Harvard, University of Minnesota; State. Morris Hansen, American University; Census. K. G. Harmon, Paris (Mo.); Soil Conservation. J. P. Harris, American

University; President's Committee on Administrative Management. Marion J. Harron, Johns Hopkins, University of California; N. R. A., Board of Tax Appeals, Resettlement Administration. James Hart, University of Virginia, Johns Hopkins; President's Committee on Administrative Management. H. B. Hazard, American University; Labor Department. Stuart Heinritz, not stated; N. R. A. Leon Henderson, University of Pennsylvania, Carnegie Tech; N. R. A., S. E. C. C. H. Herty, University of North Carolina; N. R. A. Paul M. Herzog, University of Wisconsin, Howard University; N. R. A. A. J. Hettinger, Jr., Harvard; N. R. A. F. F. Hill, Cornell; F. C. A., N. E. C. A. F. Hinrichs, American University; Labor, N. E. C. A. N. Holcombe, Harvard; President's Committee on Administrative Management. F. C. Holladay, Teacher, Newton County, Miss.; N. R. A. Clarence Holmes, American University; Agriculture. F. C. Howe, Cleveland College of Law, Western Reserve, University of Wisconsin; Agriculture, A. A. A. Paul E. Howe, Columbia; Justice, Agriculture. John M. Hunter, Lakewood (N. J.) Schools; N. R. A. W. H. Husband, Ohio Wesleyan; Member, F. H. L. B. B. D. W. Hyde, George Washington; Archives.

J

H. S. Jacoby, Pennsylvania State; N. R. A. Madeline Jaffe, University of Texas; N. R. A. G. Y. Jarvis, American University; Agriculture. M. C. Johnston, West Texas Military Academy; N. R. A. G. A. Jones, Ohio State University; N. R. A. Aryness Joy, American University; P. W. A., Central Statistical Board, C. H. Judd, University of Chicago; N. Y. A. W. A. Jump, American University; Agriculture.

K

Herbert Kahler, University of Nebraska, University of Minnesota; N. P. S., National Monuments. Paul Kauffman, National University, Agriculture Graduate School; N. R. A., Tariff Commission. O. W. Kaye, Teachers Training School, Kalamazoo; superintendent of schools, Paw Paw, Mich.; N. Y. A. Dexter Keezer, Reed, Cornell, University of Colorado, University of North Carolina; N. R. A. W. R. Kelly, American University; F. C. A. A. H. Kent, University of Oregon, University of Cincinnati, University of Chicago; Internal Revenue. Oscar E. Kiessling, American University; Mines, Central Statistical Board. Stanley King, Amherst; N. R. A. W. J. Kirkham, American University; H. O. L. C. B. P. Kirkland, American University; Agriculture. Laurence Knapp, High School Teachers, Nebraska; N. R. A. E. C. Koch, American University; S. E. C. J. A. Kratz, Baltimore City College; Office of Education. T. J. Kreps, Stanford University; N. R. A., P. W. A. Simon Kuznets, University of Pennsylvania; Labor, R. R. B., Central Statistical Board, F. & D. C.

L

J. M. Landis, Harvard; F. T. C. S. E. C., etc. J. A. Lapp, American University; Marquette, N. R. A. Murray W. Latimer, Harvard; Chairman, R. R. B. William M. Leiserson, American University; Antioch. Chairman, National Mediation Board, Assistant Director, United States Commission on Industrial Relations, Chief, Division of Labor Administration, Labor Department, N. R. A., technical adviser, United States Employment Service, Chairman, Petroleum Labor Policy Board, Chairman, N. L. R. B. C. K. Leith, University of Wisconsin; commerce business advisory council. Howard LeRoy, National University; assistant solicitor, State. A. B. Lewis, American University; Agriculture. Forrest E. Linder, American University; Census. Harry B. Lindsay, United States Naval Academy; deputy administrator, N. R. A. C. P. Loomis, American University; Agriculture. Isador Lubin, University of Michigan, University of Missouri, American University; T. N. E. C., Commissioner of Labor Statistics, N. E. C. John A. Lucas, high-school teacher; N. R. A., Commerce, Agriculture. Robert S. Lynd, Columbia; N. R. A.

M

Amy McMaster, Smith; N. R. A. J. Warren Madden, University of Oklahoma, Ohio State University, West Virginia University, University of Pittsburgh, Stanford University, University of Chicago, Cornell; member, N. L. R. B., special assistant, Office of Attorney General. Roswell Magill, Columbia; Undersecretary of Treasury. Calvert Magruder, Harvard; general counsel, wage-hour, judge of United States Circuit Court, first circuit. Charles D. Mahaffie, Princeton; I. C. C. commissioner. Basil Manley, University of Chicago; Commissioner, F. P. C., expert, labor statistics, F. T. C., National War Labor Board. Leon C. Marshall, Johns Hopkins; director, N. R. A., Central Statistics Board. Tenche T. Marye, Georgetown; N. R. A., War Finance Corporation. George C. Mathews, Oregon Agricultural College; member F. T. C. Mary R. Mathis, American University; chief, personnel, F. C. A. Geoffrey May, Johns Hopkins; division chief, Social Security Board; expert, Labor Department. Elizabeth H. Mayer, Brownmoor School; International Labor Office, Washington Branch. John W. McBride, Princeton, Ohio Northern; N. R. A. economist. George N. McClusky, educational executive, N. R. A. Joseph F. McConnell, Woodbury Forest, N. R. A. counsel. Thomas J. McCormick, Harvard, Georgetown, N. R. A. Robert J. McFall, Massachusetts Agricultural College; N. R. A., Census. E. D. McGarry, University of Buffalo; N. R. A. Charles L. McKinley, Syracuse; President's Committee on Administrative Management. H. Frank McKensie, American University; F. C. A. W. G. Meal, Cornell; chief in Agriculture. Gardner C. Means, associate at law in Columbia; A. A. A. M. Joseph Meehan, Harvard; Commerce. Helen E. Meiklejohn, Vassar, Brookings; Social Security Board. A. J. Mellott, superintendent of public instruction, Wyandotte County, Kan.; Board of Tax Appeals; Internal Revenue. Arch Mercey, American University; assistant director, F. C. A. Carroll B. Merriam, Kansas State educational institutions; R. F. C. Charles E. Merriam, University of Chicago; President's Committee on Administrative Management; N. R. C. George S. Messersmith, Delaware Board of Education; Assistant Secretary of State. Adolph C. Miller, Harvard, University of California, Cornell, University of Chicago; Interior, Federal Reserve Board. Justin Miller, University of Southern California, University of Oregon, University of Minnesota, University of California, Duke; Board of Tax Appeals, special assistant to Attorney General, associate justice, United States Court of Appeals, District of Columbia. John D. Millett, Columbia; President's Committee on Administrative Management. Harry A. Millis, University of Arkansas, Stanford University, University of Kansas, University of Chicago; member N. L. R. B., President's committee on railroad pay reduction. Otis L. Mohundro, National University; I. C. C. Gerald A. Mokma, Meiji Gakuin (Japan); State. Raymond Moley, Columbia; Assistant Secretary of State. Robert H. Montgomery, University of Texas; F. T. C. Arthur E. Morgan, Antioch College; chairman, T. V. A. Charles S. Morgan, American University; assistant director, I. C. C. Harcourt Morgan, University of Tennessee; member, T. V. A. Wayne L. Morse, University of Wisconsin, University of Minnesota, University of Oregon; special assistant to Attorney General, Labor Department. Frank H. Mortimer, American University; G. P. O. William E. Mosher, Syracuse; Labor Department. J. F. Mothershead, Washington College of Law; Justice. Claudius T. Murchison, North Carolina; Commerce (director). A. Howard Myers, Cornell; N. R. A. Alfred S. Myers, Alexander Hamilton; N. R. A. Howard B. Myers, American University; W. P. A. director. William I. Myers, Cornell; Governor, F. C. A. Lyman S. Moore, Northwestern University; public service consultant in occupations, Office of Education.

N

Oswald Neilson, American University; Commerce. Paul H. Nystrom, Columbia, University of Wisconsin, University of Minnesota; Federal Board for Vocational Education.

O

Gordon E. Ockey, American University; Agriculture. William E. Ogburn, University of Chicago; N. R. A. director. Herman Oliphant, University of Chicago, Columbia, Johns Hopkins; general counsel, Treasury, F. C. A. Winfred Overholser, Boston University; superintendent, St. Elizabeths Hospital. Howard W. Oxley, Iowa State University, high school superintendent, educational adviser to government of Liberia; C. C. C., director of camp education.

P

Thomas W. Page, University of California, University of Virginia; member, United States Tariff Board, also Tariff Commission. J. L. Palmer, University of Chicago; N. R. A., administrative member. Leo Pasvolsky, American University; Commerce, State, and Interior Departments. A. L. Patrick, University of Pennsylvania; Soil Conservation. George Henry Payne, Cooper Union (New York); F. C. A. member. John B. Payne, American University; division chief, Agricultural Adjustment Administration. W. R. Peabody, Rutgers; administrative member, N. R. A. Frank A. Pearson, University of Illinois, Cornell; Food Administration. R. M. Pearson, University of Maryland, Iowa State College, Cornell; Resettlement, division chief of Agriculture. Francis W. Peck, University of Minnesota; Cooperative Bank Commissioner, F. C. A. Gustav Peck, American University, Hunter College, New York University; prison industries reorganization, N. R. A. Frances Perkins, Adelphi College; Secretary of Labor. Jacob Pearlman, American University; Labor Department. Charles E. Persons, Boston University; Census, N. R. A., Labor, N. B. C. C. William B. Phillips, American University; division chief, R. E. A. Howard Piquet, American University; division chief, Tariff Commission. Emily C. Pixley, St. Xavier College; N. R. A. Henry H. Pixley, College of City of Detroit, Bryn Mawr, Rutgers, Georgia Tech; N. R. A. Robert M. Porter, Bowdoin, Germantown Academy, University of Pennsylvania; Census. Stanley I. Posner, Amherst; N. R. A., Federal Reserve. C. E. Porter, superintendent of schools; Agriculture. Roscoe Pound, University of Chicago, Harvard; Hoover Committee on Law Observance. Joseph N. Powers, University of Mississippi, State superintendent of education; N. R. A. Webster Powell, Dartmouth, Hamline; N. L. R. B. Mary A. Prentiss, Barnard, Yale; N. R. A. C. M. Purves, American University; Agriculture.

R

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S

David J. Saposs, Southeastern University, University of Wisconsin; N. L. R. B. chief economist. Max Sasuly, American University; N. R. A., Agriculture. Francis B. Sayre, Harvard, Williams; Assistant Secretary of State. Charles A. Sheffield, teacher; Agriculture. Gertrude Schmidt, University of Wisconsin; N. R. A., Labor Department. H. F. A. Schoenfeld, George Washington; State Department, minister to Dominica. William L. Schursz, University of Michigan; commercial attaché, Commerce, N. R. A. techincal adviser. Leuren E. Seeley, Yale; N. R. A. administrative member. Herbert L. Seward, Yale, Coast Guard Academy; Assistant to Secretary of Commerce. Malcolm Sharp, University of Wisconsin, University of Chicago; N. R. A. assistant counsel. Marjorie Shearon, Columbia; Social Security Board. Hale T. Shenefield, University of Toledo; U. S. H. A. Oliver C. Short, American University, Johns Hopkins, science teacher; Census, Labor. Worth E. Shoults, Southeastern; N. R. A. Edwin B. Shultz, Young Men's Christian Association College, University of Kansas; N. R. A. assistant deputy. S. A. Silk, George Washington; St. Elizabeths Hospital. A. G. Silverman, Brown University, Massachusetts Institute of Technology; N. R. A. Smith Simpson, Emory and Henry College; N. R. A. J. C. Sinnegen, Unity School, Kansas City, Mo.; N. R. A. assistant personnel director. Sumner H. Slichter, Princeton, Harvard, Cornell, Brookings; principal consulting economist, Social Security Board. Hilda W. Smith, Bryn Mawr; F. E. R. A. Philip Sidney Smith, Harvard; P. W. A. (Alaska). William N. Sparhawk, American University; Agriculture. Richard W. Spencer, Northwestern University; First Assistant Commissioner of Patents, Walter M. W. Splawn, University of Texas; I. C. C. Commissioner, special counsel for House committee. O. M. W. Sprague, Harvard; executive assistant to Secretary of Treasury. Elmer A. Starch, Montana College; Agriculture, F. S. A. regional director. B. Ralph Stauber, American University; Agriculture. J. W. Studebaker, high-school principal and superintendent of schools; Commissioner of Education, Labor. Harold M. Stephens, University of California; Assistant Attorney General, associate justice, Court of Appeals. Winston B. Stephens, Colgate, Simmons; Resettlement, personnel director. W. H. S. Stevens, American University, University of Pennsylvania, Columbia, Tulane; head economist, I. C. C., F. T. C. Irvin Stewart, University of Texas, American University, Duke, Columbia, and University of California at Los Angeles; assistant solicitor, State, member F. C. C. Oscar C. Stine, American University, Agriculture, Central Statistical Board. Collis Stocking, New York University, University of Vermont; senior economist, Social Security Board. Elwood Street, American University; District of Columbia welfare director. Roy Stryker, American University; F. S. A. division chief. Alex Sturges, American University; Agriculture. Sidney C. Sufrin, University of Chicago; N. R. A. Stanley S. Surrey, Columbia; N. R. A. assistant counsel. W. B. Sweet, DePauw, University of Chicago; N. R. A. assistant deputy. Carl B. Swisher, Columbia; Resettlement; special assistant to Attorney General.

T

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George W. Taylor, University of Pennsylvania; N. R. A. administrative member. Paul S. Taylor, University of California; S. S. B., senior economist. Dorothy S. Thomas, Columbia, Yale; Federal Reserve Bank. Charles M. Thompson, University of Illinois; N. R. A., administrative member. Warren S. Thompson, Miami University, Cornell, University of Michigan; War Department, United States Shipping Board. F. L. Thomsen, American University; Agriculture. Willard L. Thorp, Amherst, University of Michigan; director Commerce, member F. A. C. A., director N. E. C., chairman advisory council of N. R. A., Assistant to Secretary of Commerce. Allen E. Throop, Yale; general counsel S. E. C., counsel R. F. C. N. Arnold Tolles, American University; economic analyst, Labor. Howard R. Tolley, University of California; Agriculture, A. A. A., Coast and Geodetic Survey. Walter E. Treanor, Indiana Law, high-school principal; United States Seventh Circuit Court justice. William J. Trent, Livingstone, Bennett; P. W. A. advisor on Negro affairs. Rexford G. Tugwell, Columbia; Assistant Secretary of Agriculture, Resettlement Administrator, Under Secretary of Agriculture.

U

Cyril B. A. Upham, American University; special assistant to Secretary of Treasury, Deputy Comptroller of Currency.

V

William R. Vallance, American University, Southeastern University; State Department. Agnes Van Oriel, University of Chicago, Loyola; S. S. B., division chief.

W

Julian Wadleigh, American University, State. Howard E. Wahrenbrock, University of Michigan, N. R. A. Orville H. Walburn, secondary schools, N. R. A. Ralph H. Wales, Radcliffe College, N. R. A. Francis Walker, Universities of California and Colorado, Federal Trade Commission. D. K. Wallace, secondary schools, N. R. A. Lawrence Walters, American University, Federal Home Loan Bank Board. Carolin F. Ware, Vassar-American University, N. R. A. Norman J. Ware, University of Louisville, School for Social Research, New York, S. S. B. Charlotte Warner, University of Pennsylvania, N. R. A. Max J. Wasserman, American University, Resettlement Administration. Ralph J. Watkins, Pittsburgh University, Wage-Hour, Labor. John A. Watts, University of Virginia, F. C. A. John W. Webb, American University, Columbia, W. P. A. Harry Weiss, Y. M. C. A., Industrial Division, N. R. A. Charles West, American University, Harvard, etc. Under Secretary of State, Frances L. Wheeler, Connecticut College for Women, Labor. James L. Whitcomb, Brown, Census Bureau, Business Advisory Council, Fisheries. Alfred G. White, University of Pennsylvania, N. R. A. Harry D. White, American University, Treasury. Howard White, Miami University, C. S. A. Wilford L. White, University of Texas, Bureau of Foreign and Domestic Commerce. Mastin G. White, University of Texas, Agriculture (solicitor). Edison L. Whitney, National University, Labor. Margaret H. Whittem, Smith, H. O. L. C., Agriculture. C. R. Whittlesey, Princeton University, N. R. A. Code. Ray Lyman Wilbur, Jr., Stanford University, International U. S. C. S. Commission, Los Angeles, C. S., C. S. A. F. R. Wilcox, University of California, A. A. A., Farm Marketing Division. George Wilgus, Princeton, Agriculture. Rudie Wilhelm, Reed-Intern., Commerce. Aubrey Williams, Wisconsin, N. Y. A., Director. John Henry Williams, Harvard, delegate, Congress of World Monetary and Economic Conference. Harry J. Winslow, American University, S. S. B. Abel Wolman, American University, N. R. C. Leo Wolman, Columbia, American Peace Mission. Robert M. Woodbury, Cornell, Kansas University, N. R. A. T. J. Woofter, Jr., North Carolina, F. E. R. A., Agriculture. Paul N. Wueller, Columbia, Pennsylvania State, S. S. B.

Y

T. O. Yntema, Chicago, coordinating committee, Cent. Stat. Bd. and W. P. A. James C. Yocum, Ohio State University, N. R. A. E. B. Young, American University, U. S. E. S., Labor.

Money-Pension-Tax Scalpel Must Replace New Deal Debt Salve

EXTENSION OF REMARKS

OF

HON. JAMES C. OLIVER

OF MAINE

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 26, 1939

RADIO ADDRESS BY HON. JAMES C. OLIVER, OF MAINE, JULY 15, 1939

Mr. OLIVER. Mr. Speaker, under leave granted to extend my remarks in the RECORD, I include the following address delivered over the radio on July 15, 1939:

Citizens of the First District:

Two weeks ago, Congress enacted the Works Progress Administration work-relief bill for 1940. At that time it was obvious that several sections of this bill would react severely upon those who, through no fault of their own, are today compelled to depend upon organized society in the form of Government for work opportunities. Today, the country is troubled with the discontent and dissatisfaction being manifested against the deletion of the prevailing-wage-schedule provision which has been effective in previous Works Progress legislation. Tomorrow, additional discontent and dissatisfaction will be registered as the compulsory 30-day furlough regulation and other reactionary requirements become effective. But those of us who voted against these restrictive changes felt it mandatory upon us to vote for the bill as it was finally written, because to have done otherwise would have been to vote against work relief itself.

These new conditions which the unemployed must face are unfair, unjust, and unnecessary, and the picture which organized society; that is, you and I as the Government, are painting, is

indeed a critically vital one. For these manifestations of discontent and dissatisfaction by millions of our people, though in themselves tragic, are merely the bubbles upon the surface of a quicksand that must engulf America eventually unless the continuing nonsense and evasion upon the part of those who direct this Nation's destiny soon give way to reason, and unless the problem of mounting unemployment is faced squarely and dealt with honestly and fearlessly. The true core of the malignant growth that is tormenting our people lies far beneath these surface evidences of dissatisfaction and unrest. The present trouble and dissatisfaction among W. P. A. workers stems from policies adopted long before the present relief law was written. It comes from that mistake in judgment which impelled the American people and the leaders of the American people to believe the unemployment problem a temporary one back in 1932, to believe blindly that time alone would soon remedy matters, and that the relief of that unemployment meant the spending of Government funds for but a year, or two or three.

Years ago, when first the spending for relief began, the administration spoke of "pump priming" as though the Nation might pour a few quarts down the well and magically induce a gusher to appear. As bitter experience has taught us now, the magic was a lot of hocus-pocus. The old well was dry and all the priming in the world could only produce a sickly trickle that was the resurgence of the primer itself. We poured water into the pump and the flow began. When we stopped pouring in water, water stopped coming out. And, sad to relate, less water came out than we put in—many, many billions of dollars' worth less. But the priming went on and on, as it is still going on, despite the protests of the many who could not fail to see that the well was dry and the pump of no use at all. The magic hasn't worked. The whole idea has proven fallacious. The priming has accomplished nothing but an occasional pretense of flow and the people have come to recognize the truth. They know a lot of money has gone into the priming and they know that the well is as unproductive today as it was in 1932. They know they've been kept living on baseless hope and have been kept quiet with promises of the water that never appears from the well. And the people are getting fed up on the whole senseless business. They want the water of recovery to restore life to the American industrial system so the unemployed can find productive jobs and this sorry relief business can be forgotten. That type of water just isn't in the New Deal well. And the people are awakening to that fact.

Heaven only knows how many billions of dollars have been spent by Federal, State, and local governments for relief and work relief since 1932. But any man with eyes to see and intelligence to weigh the truth blazoned upon every side of every hamlet in America knows that relief is not the answer to our problem. You can't cure a cancer with salve. You can't make water gush from a dry well. And you can't keep self-respecting human beings on starvation wages nor even on hopeless jobs for years and years without expecting to arouse their resentment and the resentment of those from whom you take the money with which to maintain such a futile experiment. We all know that. We all know it's senseless to keep up such a practice. Yet the administration keeps it up as it has kept it up these many years, and the gentlemen in Congress talk about the folly of that practice, confess to its nonsense and its hopelessness, and go on evading the issue they know they must face, go on voting for relief instead of cure, go on seeking some way to compel the cancer to cure itself, go on sticking their heads in the sand like so many ostriches whenever some fellow more honest than diplomatic dares to suggest it would be better to do something about unemployment than to keep on following such a crackpot course as is now being pursued.

We go on year after year passing what are called emergency-relief bills. We go on appropriating billions upon billions of dollars for so-called emergency purposes. We go on establishing bureaus of Government and employing thousands upon thousands of people to man those bureaus to take care of all sorts of activities and endeavors in the name of that same emergency. We are doing it this year as we did last and as we have been doing it every year since 1932. Yet Webster tells us that an emergency is "an unforeseen occurrence." And what man honestly can consider the unemployment problem of today an unforeseen occurrence when that same problem has existed these many years and, as we all know, will continue to exist forever unless we cure the fault responsible for unemployment?

Why go on year after year pretending with a pretense that is obvious to all? The unemployment problem and the conditions it has brought about in this country are not emergencies at all, and we know they are not. They are old even now and men have come to expect them to torment us forever. There is no just excuse for any such device as that of relief in a land of abundance such as is our America, and we know it. We know there's enough wealth in the soil of America to care for all and to spare. We know our factories are idle while our people suffer from lack of the things those factories could provide. We know the banks are bursting with idle money that could be put to work if the needs of the people were supplied. And we know that the only reason the needs of the people are not met and the money and the factories not put to work is because the great mass of our people have no money with which to buy. We know the truth and that is it. And, still we go on denying it, by the very act of evading the establishment of corrective measures such as would assure our benefiting from the blessings so bountifully bestowed upon our land by the divine Creator. We go on deliberately ignoring the obvious way out of the sorry quagmire of a pseudo-relief that half keeps millions of our citizens in idleness and destitution when the hands and the brains of those millions rightfully should be engaged in the sensible development and utilization of America's natural blessings.

Let us look squarely at the American scene as it exists today, my friends. Let us try to discover wherein lies the fault that persists in transforming a natural Eden into a place of discord and destitution, of general and ever-increasing want and misery, of such lack of happiness as surely Providence never intended should be in this most abundantly blessed of all God's green pastures.

Before we look, let us remember that this is a democracy wherein is supposed to prevail a government of the people, by the people, and for the people. And let us remember that by "for the people" is meant for all the people, not for a favored few nor for a favored many. Remembering, let us look at the America of today.

We see, first of all, a people numbering in excess of 130,000,000 and composed of a blending of all the races of the earth. We see this people possessed of a great domain fabulously rich in natural resources, with land so plentiful and so fertile as to be able to produce far more food than all the peoples of the earth could consume. We see great cities crammed with human beings. We see great areas of land unoccupied and unworked, great forests, great mountains laden with ores, vast treasure awaiting the need of mankind. We see great rivers capable of spinning a million turbines for such generation of electricity as would spin countless billions of wheels in factories; illuminate countless millions of homes and bring the blessing of electricity's aid to lighten the burdens of all our people. We see vast forests proffering their lumber, vast mineral deposits proffering their store, vast areas vacant and waiting the building of decent homes for all. We see, my friends, a Garden of Eden in truth with all the blessings the designation implies.

And yet, as we look closer at that American scene, we see want and misery and destitution upon every side. In the very midst of these blessings, we see poverty and social degradation and despair eating, like the horrible cancers they are, into the hearts and the souls of uncounted millions. We see human beings housed in hovels in the cities, housed in hovels out where green acres stretch forth upon every side, hovels knowing not even the crudest of modern improvements despite the roar of the God-given rivers crying their offering of power to provide heat and light and warmth and comfort for even the lowliest. We see a great mausoleum crammed with cold and costly gold purchased from all the corners of the earth to lie in useless, sensless token of the money-lender's god. We see a second filled with dully gleaming bars of silver, likewise purchased from people who chose to exchange it for things of genuine value in the struggle for existence. We see, from coast to coast, from Canada to Mexico, great fields and small, wherein lie rotting the fruits of the farmer's labor and the farmer's hopes, vast orchards carpeted with rotting fruit, vast areas untilled because the Government has chosen to pay their owners to return the land to idleness, hordes of farm laborers and small-farm owners reduced to dependence upon relief, and millions upon millions of once self-reliant and self-supporting home owners and farm owners stripped of their every possession and forced into the thralldom of Government-controlled pauperization.

We see the hungry pleading for food and the food rotting in the fields and orchards. We see the ill-clad millions pleading for garments and the textile mills silent and dead. We see the ill-housed pleading for homes and the lumber mills without orders, their employees forced into the insatiable maw of destitution, the mechanics idle and themselves pauperized. We see some forty-five millions of people utterly dependent upon the Government for their daily bread. We see the Nation smothering beneath a public debt of more than $65,000,000,000. And we see each new-born babe inherit upon the instant of its birth a personal obligation of more than $500 because of that public debt.

There is the picture, ladies and gentlemen; the picture that for 7 long years has been growing constantly sorrier, and the picture that still bears the original designaton of "an emergency." For 7 years the New Deal has deluded the people with the false hope that that picture would correct itself. For 7 long years Congress has talked a lot and done nothing about the fundamental cause of it all. The administration and its cohorts on the Hill have tried to emulate that California scientist who claimed he could freeze human beings into a state simulating death, keep them so as long as he wished, and then bring them back to life exactly as they were at the time of freezing. The administration and its cohorts have tried to freeze the unemployed in the ice of a so-called "relief" status and hold them so until some magic could be devised to restore purchasing power with which to turn the wheels of industry and bring demand for the thawing out of that frozen labor. Blindly they tried the experiment and determinedly they refused to recognize the fact that by depriving these millions of purchasing power by preferring to keep them in destitution and want and at the same time deny them the vital prerequisite to relieve that want, they did nothing more than evade the issue and postpone the day of inevitable reckoning.

Purchasing power alone, my friends, can unlock the floodgates of plenty and start anew the wheels of industry to humming a song of recovery. Crackpot theories of relief that provide mere existence to unemployed millions and ignore the obvious truth can lead only to such sorry messes as that in which America finds itself today.

To those who scoff at the Townsend principle and monetary reform I recommend a careful study of this picture of America today

after the New Deal years of pump priming and compulsory pauperization and frozen labor and this tragic thing they call "relief." And I invite the attention of those critics and scoffers to the fact that the Townsend principle of underwriting our economy, linked with an honest and really sound money system, provide for the creation of purchasing power for all, not the mere salve of debt pump priming falsely labeled and sold to us as a cure.

The present agitation among relief workers is tragic, indeed. Yet, as time goes on, can we expect tranquillity in the ranks of those finally awake to the true nature of the hocus-pocus of those who advocate the theories of the New Deal or those who extol the virtue and blessings of the status quo? We can expect nothing more than an ever-increasing amount of discontent and dissatisfaction as a result of such policies. A scalpel is needed on our present restricted complex of distribution—a scalpel in the place of the debt salve so profusely used during the past 10 years. Pensions, debt-free money used for the benefit of all the people, and an equitable tax system based on the principle of the ability to pay, comprise the only permanent way out. Until 2 weeks from tonight, good night and good wishes.

Kings Canyon National Park

EXTENSION OF REMARKS

OF

HON. BERTRAND W. GEARHART

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 26, 1939

EDITORIAL FROM THE LOS ANGELES TIMES

Mr. GEARHART. Mr. Speaker, on the 19th day of July 1939 an editorial appeared in the Los Angeles Times which, I believe, will be of interest to those who have labored so long and well for the creation of the Kings Canyon National Park in California, the bill for the establishment of which passed the House last week.

Pursuant to the unanimous consent of the membership, I am privileged to extend this forceful expression from this influential western daily upon the pages of the CONGRESSIONAL RECORD.

With the indulgence of the membership, I read:

KINGS CANYON PARK WINS

The wishes of the great majority of Californians undoubtedly were carried out yesterday when the House passed the bill creating the Kings Canyon National Park. Approval of the Senate is a foregone conclusion. The setting aside as a wilderness playground of this 450,000-acre scenic wonderland is a victory which will mean much not only for the enjoyment of residents of this State, but for hundreds of thousands of tourists as well.

There has been a bitter fight over creation of the park, the site of which until now has been under control of the Forest Service. Final routing of the opposition was accomplished in the overwhelming rejection of an amendment to permit power development within the area's boundaries.

A road now is being pushed into the floor of the South Fork of the Kings, but for the most part the realm of John Muir's "shining mountains" will be accessible only to horsemen and hikers. This is as it should be. Nature has created few sights comparable to those in the Kings country. They should be maintained as nature made them.

The new park will assure their perpetual protection.

What P. W. A. Has Done To Create Employment

EXTENSION OF REMARKS

OF

HON. CHARLES KRAMER

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 26, 1939

STATEMENT BY ISADOR LUBIN

Mr. KRAMER. Mr. Speaker, under the leave to extend my remarks I include the following testimony of Isador Lubin, Commissioner of Labor Statistics of the United States Department of Labor, before the House Committee on Banking and Currency, entitled "Estimates of the Amount of Labor Created by Federal Loans or Expenditures for Construction Projects."

It will be noted that Dr. Lubin believes the construction of public works has long been a first line of defense against unemployment. His arguments strengthen the position of those Members of the Congress who are endeavoring to secure approval of a further public-works program.

I hope the Members of the House will read this statement and the statistics presented therein.

STATEMENT BY ISADOR LUBIN, UNITED STATES DEPARTMENT OF LABOR, BEFORE THE HOUSE BANKING AND CURRENCY COMMITTEE, JULY 19, 1939

ESTIMATES OF THE AMOUNT OF LABOR CREATED BY FEDERAL LOANS OR EXPENDITURES FOR CONSTRUCTION PROJECTS

The construction of public works has long been a first line of defense against unemployment in periods of depression. In judging the effectiveness of any program of public works as a means of reemployment, several groups of workers must be considered. First, there are the men who work on the job itself. They are carpenters, bricklayers, stone masons, ditch diggers, cement finishers, and a host of other skilled, semiskilled, and unskilled men who work with them. Second, there are the men in the factories who provide the brick, cement, lumber, and steel to be used on the job. Back of them are the miners, the loggers, and others who supply the raw materials for the factories; and last, there are the men on transportation systems which carry the materials to the factories and later to the job.

Employment of these secondary groups of workers is just as important in any reemployment program as the employment of men at the site of construction. For a great many types of public works the materials, man-hours, and transportation men are numerically more important than the men working at the site of the construction projects.

The vast majority of contractors and subcontractors working on construction projects financed in whole or in part by Federal funds send monthly reports to the Bureau of Labor Statistics showing the number of employees, amounts of pay rolls, and man-hours worked at the site of each construction project. Each contractor also notifies the Bureau of the type and value of materials which he purchases for these projects as well as the source of his supplies. This provides a record of the total value of materials used in relation to the cost of the job and to the size of the site pay roll.

On the basis of the information furnished by the suppliers of these materials, the Bureau makes estimates of the number of man-hours of labor required in the manufacture and fabrication of these materials.

Beyond this labor consumed in the manufacturing of these products purchased by the contractor is other labor used in making the raw materials that went into their production. For steel, cement, lumber, brick, plumbing and heating supplies, electrical products, and sand and gravel, the Bureau has traced the record far back along the line to the original supplies of raw materials. Mines, railroads, factories, and shipping lines opened their records for the personal inspection of the agents of the Bureau so that these facts could be obtained.

The studies of the Bureau of Labor Statistics have now segregated the benefits to industry and employment arising from each major type of public-works construction. They show what happens to men and machines when various types of public-works-construction projects are undertaken.

With the material from these surveys it is possible to forecast with a reasonable degree of accuracy the results which might be expected from new construction programs. For example, for each $100,000,000 spent for non-Federal public works of the sort that were constructed under P. W. A., the Bureau estimates that there will be 34,400,000 hours of labor created at the construction site, and that 65,700,000 hours of work will be created in mines, forests, factories, and on transportation systems. See table 1.

In addition to the number of hours of employment created in fabricating the materials, the Bureau's studies also show the dollar value in orders which factories may expect from different types of programs. For example, in a $100,000,000 building construction program, iron and steel mills may expect orders valued at $15,000,000; lumber and millwork firms, orders in the amount of $5,300,000; brick and tile plants, orders in the amount of $4,200,000, etc.

For every $100,000,000 spent for self-liquidating transportation projects, approximately 47,500,000 hours will be created at the construction site and 66,900,000 hours in mines, forests, factories, and on transportation systems. (See table 2.)

A rural electrification program of $100,000,000 will create approximately 34,000,000 hours at the site and approximately 47,000,000 hours in mines, forests, factories, and on transportation systems. (See table 3.)

The program would provide for the installation of approximately 46,000 miles of line. This would involve among other things the purchase of 9,200,000 poles, 1,150,000 meters, 1,000,000 transformers,

400,000,000 pounds of copper, aluminum, and steel. The program would serve a minimum of 1,150,000 rural families.

In addition to the foregoing the construction of these new lines would, during the first 6 months they were energized, result in the installation of approximately $115,000,000 of home wiring and the purchase of over $230,000,000 of home electrical appliances purchased by the families receiving electric service for the first time. Since approximately one-half of the cost of wiring represents labor (including that of the contractor) and one-half represents the cost of wiring materials, a market will be created by this program of over $230,000,000 for appliances and approximately $57,500,000 of wiring materials such as insulated copper conductor, outlets, and switches. The figure on appliances is low; purchases during the second 6-month period would raise the total perhaps as much as 25 percent.

Included in the appliances purchased during the first 6 months of service would be approximately the following totals: 1,000,000 radios, 950,000 hand irons, 550,000 washing machines, 300,000 refrigerators, 275,000 toasters, 200,000 water pumps, 200,000 vacuum cleaners, 100,000 small motors.

So far we have been talking about the benefits the durable-goods manufacturers receive from public-works construction. The manufacturers and vendors of consumers' goods and services also benefit by public-works expenditures. From its studies of family expenditures, the Bureau has determined approximately how wage-earner families spend their earnings. It is estimated that a $100,000,000 non-Federal construction program will show expenditures by wage earners of $21,700,000 for food, $10,700,000 for housing, and $7,300,000 for clothing, etc. See table 4.

The railway-equipment program would create over 400,000,000 man-hours of employment, one-fourth of which would be in the car shops. The bulk of the employment involved in car building would be of a skilled and semiskilled nature. A rough estimate of the amounts of material involved in the program (assuming that one-fourth of the construction will be of locomotives) is 400,000,000 man-hours, in which one-fourth will be in the car plants and the remainder outside of the car plants. Over 30,000,000 tons of steel would be employed, over 10,000,000 tons of coal, 780,000 tons of lumber, 15,000 tons of paint, 60,000 tons of refractories. In addition to these, there are a large number of machine tools, small tools, and electrical equipment which would be needed.

The preliminary estimates of the Farm Security Administration indicate that about one-half of the sum allotted in this bill would be used for loans to individual tenants and to tenant purchase associations to finance the purchase and improvement of farms. The remaining $300,000,000 would be used for rehabilitation loans, minor farm improvements, and water facilities—particularly irrigation wells, small dams, ditches, pipe lines, and livestock-watering facilities.

TABLE I.—*An estimate of the effect of $100,000,000 of construction contracts awarded for P. W. A. Building Construction Projects—Nonresidential*

[Subject to revision]

Expenditures for:	
Labor at site (29.3 percent)	$29,300,000
Material (54.1 percent)	54,100,000
Other expenses and profit (16.6 percent)	16,600,000
Man-hours worked:	
At the construction site	34,400,000
In mines, forests, factories, transportation, and in administration	65,700,000
Value of material orders placed:	
All materials	54,100,000
Iron and steel products, not elsewhere classified	15,000,000
Lumber and millwork	5,300,000
Brick and hollow tile	4,200,000
Cement[1]	3,900,000
Heating and ventilating materials	3,600,000
Sand, gravel, and crushed stone[2]	3,100,000
Plumbing materials	2,800,000
Electric wiring and fixtures	2,700,000
Marble, granite, slate, and other stone products	2,200,000
Electrical machinery, apparatus, and supplies	1,400,000
Wall plaster, wallboard, and insulating board	1,100,000
Roofing materials, not elsewhere classified	900,000
Nonferrous metals and their products	800,000
Tiling, floor and wall, and terrazzo	600,000
Paints and varnishes	400,000
Other materials	6,100,000

[1] Includes cement in concrete products.
[2] Includes sand and gravel in concrete products.

TABLE II.—*An estimate of the effect of $100,000,000 of construction—Contracts awarded for a highway construction program*

Expenditures for:	
Labor at site (29.5 percent)	$29,500,000
Material (48.2 percent)	$48,200,000
Other expenses and profits (22.3 percent)	$22,300,000
Man-hours worked:	
At the construction site	47,500,000
In mines, forests, factories, transportation, and in administration	66,870,000
Value of material orders placed:	
All materials	$48,200,000
Iron and steel products	12,200,000
Sand and gravel	10,960,000
Cement	10,040,000
Paving materials and mixtures	4,800,000
Lumber and timber products	2,400,000
Stone and clay products, not elsewhere classified	1,300,000
Other materials	6,500,000

TABLE III.—*An estimate of the effect of $100,000,000 of construction contracts awarded for rural electrification projects*

Expenditures for:	
Labor at site	$18,200,000
Material	$65,500,000
Other expenses and profits	$16,300,000
Man-hours worked:	
At the site	34,019,000
In mines, forests, factories, transportation, and in administration	46,800,000
Value of material orders placed:	
All materials	$65,500,000
Poles	12,600,000
Meters	3,000,000
Transformers	12,800,000
Conductors	21,700,000
Other materials	15,400,000

TABLE IV.—*How wages received on $100,000,000 P. W. A. building-construction program will be spent*

Food	$21,726,000
Clothing	7,287,000
Housing	10,728,000
Household operation	7,759,000
Furnishings and equipment	2,969,000
Transportation	6,140,000
Recreation	3,643,000
Medical care	2,834,000
Other items	4,386,000
Total	67,472,000

TABLE V.—*An estimate of the effect of $100,000,000 of contracts for the manufacture of freight cars*

[Subject to revision]

Man-hours worked:	
In car-building plants	23,840,000
In mines, forests, factories (other than car building and transportation)	66,940,000
Number of man-hours worked in mines, forests, factories (other than car building), transportation, and in administration:	
Steel products	53,295,000
Coal	6,692,000
Journal-box waste (dry)	38,000
Lumber	6,400,000
Paint	68,000
Refractories	447,000
All materials	66,940,000

We Should Help Railroads Rebuild Their Business Before Financing Them Otherwise

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EXTENSION OF REMARKS

OF

HON. JOHN R. MURDOCK

OF ARIZONA

IN THE HOUSE OF REPRESENTATIVES

Monday, July 24, 1939

Mr. MURDOCK of Arizona. Mr. Speaker, I approach the study of this transportation bill with an inclination to favor it if, as I believe, it is helpful to the railroads and also to the general public. No one values more than I the work of the railroads in developing the West, in causing it to be settled and providing an outlet for its products as the railroads have done. I am thinking particularly of my own State, and I hope

I may be pardoned for taking a more narrow and local view in this matter. Two transcontinental railroads cross Arizona: The Santa Fe Railroad, which was originally called the Atlantic & Pacific, and was planned to follow approximately the thirty-fifth parallel of north latitude; and in the southern part of the State the Southern Pacific road, which followed approximately the thirty-second parallel of latitude. These two were among the first transcontinental lines to be built; and although they were designed to connect the Atlantic and the Pacific coasts, after completion their builders found an unexpected source of revenue in carrying passengers and freight into that region and in carrying its ever-increasing products from that region to our outer markets.

What a romantic history might truthfully be told about the building of these two steel highways! If time permitted, I should like to give you that entrancing story, for the building of the Atlantic & Pacific Railroad toward the west over that high mountain country is as thrilling as was the building of the Union Pacific or of the Central Pacific. Of course, the building of the Southern Pacific toward the east does not lack in interest or excitement, for it was built by the same great quartet of railroad builders who pushed the Central Pacific across the high mountains to meet the Union Pacific near the Great Salt Lake. However, it may seem that such a narrative has only an academic interest to us today.

I have so much confidence in the Interstate Commerce Commission that I believe, if we can shape this law properly, that great regulatory body, with more than 50 years' experience to guide it, will deal properly with the railroads, their employees, the stockholders, and the general public. I believe that the railroads should be granted some relief from this back-breaking burden of carrying supplies for the Government at a reduction of 50 percent in rates. The Southern Pacific has no alternate sections of land in Arizona, while the Santa Fe does have. I can well imagine that something should be done to even up the matter and give relief to both, for I assume that a railroad that has no land grants, in order to get business from the Government, must offer the same low rates as are offered by the land-grant railroads. Many years before I came to Congress I heard an official of the Santa Fe Railway say that that road's grant from the Government had been an expensive gift. With the ever-increasing amount of Government shipping across Arizona on account of these new governmental agencies, it seems to me that both of these railroads need some relief from the intolerable burden which this 50-percent reduction in rates places upon them.

Something has been said during this debate about a railroad lobby. It may be here, but not to my knowledge. I have not been approached by anyone connected with railroads, nor have I received more than a dozen letters concerning this bill, but to my mind it stands to reason that some such legislation as this for the benefit of the railroads is imperative. Of course, I do not want the long-and-short-haul clause repealed, for I do not want a return of the fatal discriminatory freight rates which would again cast a pall over the intermountain country and blight its growth. Yet I do recognize the strategic importance of the railroads in our economy, and I do recognize the fact that for great portions of the State which I represent the railroads are the chief taxpayers and the chief employers of our people, thus furnishing the money to support our schools and civic institutions. Unless this bill is emasculated by unwise amendments, I shall be glad to support it.

I was happy today to help defeat the Kitchens amendment to strike out the words "unjust" and "undue" in the statement of policy. Such an amendment, if it had carried, would have tied the Interstate Commerce Commission, which I do not wish to do. Later through the Jones amendment and the Green proposal, we aimed to improve the situation for the shippers of all farm products, including livestock products. If we can keep the bill thus favorable to the interior region, the ever-increasing volume of agricultural shipments will swell the earnings of the roads and bring back prosperity to them as well as to the regions they serve.

Importation of Meat Products Continues—Meat Imports for 1 Week at One Port of Entry, New York

EXTENSION OF REMARKS

OF

HON. BERTRAND W. GEARHART

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 26, 1939

Mr. GEARHART. Mr. Speaker, on the 17th of May of this year I called the attention of the membership of this body to the mounting increases in the importation of foreign-produced cattle, hogs, and sheep as well as of the meat products manufactured therefrom, all of which goes into direct competition with that of our domestic producers, American breeders, butchers, packers, and canners; and in accordance with the unanimous consent of the membership I then caused to be spread upon the pages of the CONGRESSIONAL RECORD a tabulation showing the various items and quantities imported into the United States through but one port of entry, the port of New York, during but 1 week of the calendar year, the week of March 10, 1939.

In order to demonstrate to the membership that the startling condition of affairs which my remarks and the tabulation thus revealed to the country did not constitute an unusual occurrence, seized upon for purposes of debate alone, but was, on the contrary, a true average example of that which is occurring from day to day, not only at the port of New York but at every other port of entry into these United States, I now ask the unanimous consent of the membership of this body for permission to spread upon the pages of the CONGRESSIONAL RECORD a similar record from the same port of entry covering a similar period more recent; that is, for the week of June 15, 1939. The figures are:

Meat products[1]

	Pounds
Argentina:	
Canned corn beef	216,635
Beef extract in tins	3,360
Roast beef in tins	252,000
Brazil: Canned corn beef	990,000
Canada:	
Fresh pork cuts	13,024
Fresh chilled calf livers	540
Fresh chilled veal livers	300
Fresh beef livers	641
Fresh frozen ham	21,867
Fresh beef cuts	1,760
Smoked bacon	3,055
Cuba: 24 quarters fresh choice beef	3,430
Denmark:	
Liver paste	275
Cooked ham in tins	5,319
Smoked sausage	1,842
Estonia:	
Cooked ham in tins	16,216
Cooked picnics in tins	2,516
Holland:	
Cooked sausage in tins	7,868
Smoked ham	1,868
Italy:	
Smoked sausage	3,264
Salami	4,967
Smoked ham	110
Smoked ham in tins	360
Latvia: Cooked pork loins	72
New Zealand:	
Fresh frozen beef cuts	358,845
Fresh frozen mutton cuts	73,040
Fresh frozen veal cuts	27,951
Norway: Meat balls in tins	540
Paraguay: Canned corn beef	36,000
Poland:	
Smoked bacon	7,722
Smoked pork butts	4,200
Cooked ham in tins	950,394
Cooked pork butts in tins	6,224

[1] Statistics furnished by Raw Materials National Council of Sioux City, Iowa, of which Mr. Carl H. Wilken is secretary.

Meat products—Continued

	Pounds
Poland:	
Cooked picnics in tins	163,315
Cooked pork loins in tins	16,550
Switzerland: Soup tablets	3,397
Uruguay: Corn beef, canned	224,100
Total	3,423,567

CATTLE ON THE HOOF

When the reciprocal-trade agreement with Canada was announced some months ago we were assured by the defenders of that concord that, because of the limitations placed upon their entry, but few head of cattle would be imported under its terms. In the light of developing events it will be interesting to the membership, I feel quite confident, to note just what has occurred. In the face of the tremendous increase in the importation of meat products to which I have just called the attention of the House, the contemporaneous increase in the importation of cattle on the hoof will be found worthy of consideration, I am sure.

These are the startling figures. During the first 5 months of 1938, 47,452 head of cattle were imported from Canada. During the corresponding months of 1939, under the existing reciprocal agreement, the number of head jumped to 127,705, an increase of 80,253. So much for Canada.

Now for Mexico. Because of the insistence of the American State Department that the benefits conferred upon individual nations be extended to all other nations enjoying "most favored nation" status, a questionable right insofar as our southern neighbor is concerned, Mexico has been able to accomplish a similar increase of business in the American market. Let us look at the record of the importation of cattle from this source.

During the first 5 months of 1938 Mexico imported into the United States 178,184 head of cattle. During the corresponding months of 1939, taking full advantage of the reciprocal-trade agreement with Canada, the number of Mexican head imported into the United States jumped to the colossal figure of 332,676, a not insignificant gain of 154,492.

All of which is fine for the cattlemen of Canada and Mexico but not so good for those, Americans all, who are endeavoring to eke out a living breeding cattle in the United States and under the American flag. How long, Mr. Speaker, will the American people continue to submit to this outrageous disregard of our own?

Mr. Speaker, in view of the startling nature of the facts revealed in the foregoing statement, permit me to repeat that which I said on May 17 last. Every pound, every ounce of that which is listed above could have been produced within the territorial boundaries of the United States by, for, and to the profit of Americans. That it was not is indeed a sad commentary upon the failure of those who are presently charged with the duty of guarding our tariff walls to properly execute the trust that is theirs.

It is high time that something is done to insure the return of the American market to the American farmer and the American livestock raiser.

It Can't Be Good-Bye to All That

EXTENSION OF REMARKS

OF

HON. JAMES A. SHANLEY

OF CONNECTICUT

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 5, 1939

Mr. SHANLEY. Mr. Speaker, in a study of the Palestinian question in the closing days of the first session of the Seventy-fifth Congress in 1937, I said that:

No more living exposition of the hope of Israel has ever been given than by the Herculean efforts of Dr Theodore Herzl, of Vienna, to form, energize, and maintain this same Zionism—a plan which sought the mobilization of Jewish capital throughout the world for the purchase of the barren territory of Palestine from the Turkish Government.

His trials and tribulations, his far-sighted patience and enthusiasm form a picture of faith and hope welded together by a practicality that has rarely been equaled—his Zionist Congresses from 1897 to his death, his interviews with the foremost men of power in the world, the inculcation of his spirit into others, and the sublime rejection of alluring alternates place him high in the estimation of world Jewry in all pre-war efforts.

Then came the war and, with it, unthought-of possibilities for small nations, for oppressed peoples, for all the lamp of liberalism had not reached. From it came the Balfour declaration.

Dated November 2, 1917, this famous document is as follows:

"His Majesty's Government view with favor the establishment in Palestine of a national home for the Jewish people, and will use their best endeavors to facilitate the achievement of this object, it being clearly understood that nothing shall be done which may prejudice the civil and religious rights of existing non-Jewish communities in Palestine or the rights and political status enjoyed by Jews in any other country."

This declaration, the most salient and paramount milestone in modern Zionism's progress, became hallowed by the approval of America, accepted by the allied and associated powers, posited in the treaty with Turkey, incorporated in the British mandate, and solemnly accepted by the high contracting treaty plenipotentiaries of Britain and American by pact on December 3, 1924. American Jewry has been wholeheartedly behind the placement of the mandate in England's hands.

The problem behind that declaration, its utterance and its endorsement by President Wilson, and our insistence that we had a right to be part and parcel of any group that sought to dispose of any former Turkish territory, is still present.

Secretary of State Bainbridge Colby uttered to the British Secretary of State a sentiment that has been repeatedly adopted by our State Department. Not only did the League of Nations recognize our interest but we actually assisted in the mandate itself. President Roosevelt has said:

Jewish achievement in Palestine since the Balfour declaration vindicates the high hope which lay behind the sponsorship of the homeland. The Jewish development in Palestine since the Balfour declaration is not only a tribute to the creative powers of the Jewish people but, by bringing great advancement into the sacred land, had promoted the well-being of all the inhabitants thereof.

I shall personally watch with deep sympathy the progress of Palestine. I extend to your organization my sincerest wishes for continued success and achievement (October 1932).

The interest which I have had and have frequently manifested in the rebuilding of the ancient Jewish homeland is, I am persuaded, an interest which is shared by all who recognize that every people has the inalienable right to life, liberty, and the pursuit of happiness. It is a source of renewed hope and courage, that by international accord and by the moral support of the peoples of the world, men and women of Jewish faith have a right to resettle the land where their faith was born and from which much of our modern civilization has emanated (July 1936).

The American pact is in treaty series No. 728, entitled "Convention Between the United States and Great Britain," proclaimed December 5, 1925. Its outstanding provisions follow:

Whereas by the treaty of peace concluded with the Allied Powers, Turkey renounces all her rights and titles over Palestine. * * *

Whereas the principal Allied Powers have agreed to entrust the mandate for Palestine to His Britannic Majesty. * * *

Whereas the principal Allied Powers have also agreed that the mandatory should be responsible for putting into effect the declaration originally made on the 2d of November 1917 by the Government of His Britannic Majesty, and adopted by the said powers, in favor of the establishment in Palestine of a national home for the Jewish people, it being clearly understood that nothing should be done which might prejudice the civil and religious rights of existing non-Jewish communities in Palestine or the rights and political status enjoyed by Jews in any other country; and

Whereas recognition has thereby been given to the historical connection of the Jewish people with Palestine and to the grounds for reconstituting their national home in this country. * * *

ARTICLE 2

The mandatory shall be responsible for placing the country under such political, administrative, and economic conditions as will secure the establishment of the Jewish national home as laid down in the preamble and the development of self-governing institutions, and also for safeguarding the civil and religious rights of all the inhabitants of Palestine, irrespective of race and religion.

ARTICLE 3

The mandatory shall, so far as circumstances permit, encourage local autonomy. * * *

ARTICLE 6

The administration of Palestine, while insuring that the rights and position of other sections of the population are not prejudiced, shall facilitate Jewish immigration under suitable conditions, and shall encourage, in cooperation with the Jewish agency referred to in article 4, close settlement by Jews on the land, including state lands and waste lands not required for public purposes.

Whereas the United States of America by participating in the war against Germany contributed to her defeat and the defeat of her allies and to the renunciation of the rights and titles of her allies in the territory transferred by them but has not ratified the covenant of the League of Nations embodied in the Treaty of Versailles. * * *

Mr. Speaker, I have incorporated in the RECORD some of the correspondence between Sir Henry Malcom and the Sherif Husseim of Mecca for the period of July 1915 to March 1, 1916. It is my proposal also to include in another extension of remarks a report that the committee set up to consider that correspondence. I ask for the liberty of doing this because I understand that there are but one or two copies of these reports in America. However, I wish to emphatically go on record as stating that all of the high officials that gave world-wide support to the Balfour declaration still enjoin upon us a militant attitude and a determination that this covenant shall not be broken.

Great men, noble figures, gave their benediction to this promise of the British Government. After all, the Balfour declaration was expressed in a letter by Lord Balfour to Lord Rothschild. It has been said that, apart from the recognition of the eternal justice of the cause, it was a great stroke of statesmanship on behalf of the British people and the Allied Powers. It played its part in the United States of America and throughout the Jewish communities in the rest of the world. The Balfour declaration was followed by an official mission. The mission was led by Dr. Weizmann and included representatives of the English, French, and Italian Jews who were later joined by American and also Palestinian Jewish representatives.

Lord Melshett, in his Thy Neighbour, said:

From the Balfour declaration to the ratification of the mandate was a long cry.

He later said something very prophetical:

The people of Christ have become the Christ of peoples. Despised and rejected of men, refined in the furnace of affliction, they have nowhere to lay their heads. God fulfills Himself in many ways. Out of the carnage and suffering of the war it was given to a Nation to redress one of the greatest wrongs and repair one of the oldest injustices in the history of mankind. The door of Palestine is once again held open to the eternal people. They stand on the threshold of their ancient heritage.

It was definitely stated in the British Government White Paper of 1922 that the promise in respect of Palestine was given "subject to a reservation in the same letter, which excluded from its scope, among other territories, the portions of Syria lying to the west of the district of Damascus. This reservation has always been regarded by His Majesty's Government as covering the vilayet of Beirut and the independent Sanjak of Jerusalem. The whole of Palestine west of the Jordan was excluded from Henry McMahon's pledge.

Quite apart from pledges made by the British Government and its Allies, there can be no evasion of the plain terms of the agreement entered into on January 3, 1919, between the Emir Feisal, on behalf of the Arab kingdom of the Hejaz, and Dr. Weizmann, on behalf of the Zionist organization. That agreement bound the parties thereto to submit to a definite delimination of the boundaries between the Arab state and Palestine, and, moreover, provided that "all necessary measures shall be taken to encourage and stimulate immigration of Jews into Palestine on a large scale, and as quickly as possible to settle Jewish immigrants upon the land." Previously, on February 6, 1919, Feisal had presented a statement before the Peace Conference in Paris pressing for the independence of all the Arabic-speaking peoples in Asia which contained the following reservation regarding Palestine:

On account of its universal character, I shall leave Palestine on one side for the mutual consideration of all parties interested. With this exception, I ask for the independence of the Arabic areas enumerated in the memorandum.

The Jerusalem National Home still stands among the greatest symbol the world has ever seen, and it must not be foreclosed by a breach of the covenant.

Auto Trays Not Tables at Beer Parlors

EXTENSION OF REMARKS

OF

HON. PAUL W. SHAFER

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 26, 1939

MEMORANDUM BY CORPORATION COUNSEL TO ALCOHOLIC BEVERAGE CONTROL BOARD

Mr. SHAFER of Michigan. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following bill, H. R. 7314, which was voted down in the House this afternoon. I also include a memorandum by the Corporation Counsel of the District of Columbia to the Alcoholic Beverage Control Board. This memorandum, written May 5, 1939, fully explains the reasons for the Board's action in abolishing the practice of serving beer and wines to persons seated in automobiles on premises of licensees in the District.

The matters referred to follow:

Be it enacted, etc., That so much of section 11, paragraph (g), of the District of Columbia Alcoholic Beverage Control Act, as amended, as reads as follows: "In the case of restaurants and passenger-carrying marine vessels and club cars or dining cars on a railroad, said spirits and wine, except light wines, shall be sold or served only to persons seated at public tables, and beer and light wines shall be sold and served only to persons seated at public tables or at bona fide lunch counters, except that spirits, wine, and beer may be sold or served to assemblages of more than six individuals in a private room when such room has been previously approved by the Board" be amended to read as follows: "In the case of restaurants and passenger-carrying marine vessels and club cars or dining cars on a railroad, said spirits and wine, except light wines, shall be sold or served only to persons seated at public tables, and beer and light wines shall be sold and served only to persons seated at public tables or at bona fide lunch counters, except that beer may be sold to persons seated in vehicles parked entirely upon the premises of the licensee, and except that spirits, wine, and beer may be sold or served to assemblages of more than six individuals in a private room when such room has been previously approved by the Board"; and that so much of section 11, paragraph (h), of such act, as amended, as reads as follows: "In the case of restaurants, taverns, and pasenger-carrying marine vessels and club cars or dining cars on a railroad said beer and light wines shall be sold or served only to persons seated at public tables or at bona fide lunch counters, except that beer and light wines may be sold or served to assemblages of more than six individuals in a private room when such room has been previously approved by the Board" be amended to read as follows: "In the case of restaurants, taverns, and passenger-carrying marine vessels and club cars or dining cars on a railroad, said beer or light wines shall be sold or served only to persons seated at public tables or at bona fide lunch counters, except that beer may be sold to persons seated in vehicles parked entirely upon the premises of the licensees, and except that beer and light wines may be sold or served to assemblages of more than six individuals in a private room when such room has been previously approved by the Board."

SEC. 2. The amendments made by this act shall take effect immediately following its enactment.

MAY 5, 1939.

MEMORANDUM TO THE ALCOHOLIC BEVERAGE CONTROL BOARD

Re: Are service trays attached to automobiles "tables" within the meaning of paragraphs (g) and (h) of section 11 of the Alcoholic Beverage Control Act?

A number of on-sale licensees have procured from the Alcoholic Beverage Control Board permission to sell beer and light wines in the so-called parking lots adjacent to the premise which is covered by the license. Of recent months increasingly large numbers of complaints have reached the Board that this privilege is being abused, more particularly by sales to intoxicated persons and to minors.

The beverages in question are served on aluminum service trays which are fastened to the sides of automobiles by means of clamps and an extension arm. These trays are adjusted to cars desiring that type of service by lot attendants or waiters, and several objections to this system arise at first consideration. For one thing, it is impossible to accurately tell either the age or the

degree of sobriety of persons seated in an automobile, particularly at night, when features are not clearly distinguishable. For another, a system of this kind on a lot capable of accommodating several hundred cars is impossible of proper supervision. Supervision must be left in the hands of individual attendants who are much more interested in the size of a prospective tip than they are in the question of a customer's age or sobriety. Last, but not least, it inevitably results in the commingling of driving and drinking, which is distinctly inadvisable, even under the closest of supervision.

Paragraphs (g) and (h) of section 11 provide for the service of spirits by class C restaurant operators, on one hand, and of beer and light wines by class D licensees on the other hand. It is provided with respect thereto that these beverages shall be served as follows: "* * * shall be sold and served only to persons seated at public tables or at bona fide lunch counters."

In determining what construction is to be put on these words, the intent of Congress as indicated in its deliberation must be considered. Immediately after the 3.2 beer law of April 5, 1933, was passed by the House of Representatives, it was rewritten by the Senate District Committee. As reported out of that committee it contained the following provision: "Such permit shall authorize the permittee to sell beverages for consumption on the premises designated in the permit. (A) In the case of restaurants, at public tables or in vehicles parked entirely on the premises designated in the permit."

Senator CAPPER, on the floor of the Senate, objected to the underscored portion of the provision for the reason that it is impossible to tell the ages of persons seated in cars, and it was stricken from the bill.

This action clearly indicates two things: (1) That Congress clearly distinguished, by the inclusion of both, as between service over a public table and service to an automobile located on a parking lot; and (2) Congress manifested a definite intention to prohibit the sale of beverages seated in parked cars on the lot adjacent to the licensed premises.

In further effectuation of this clear intent on the part of Congress, several licensees who inquired with respect thereto were advised by the then Beverage Control Board that to so serve would be considered a violation of the terms of their permits. However, the United States district attorney, whose duty it was to enforce this act, rendered an opinion under the date of October 2, 1933, apparently without consulting the Beverage Board, in which such sales were held to be legal.

With this opinion of the United States attorney, we feel constrained to take issue. We see no logic in the argument, where we have four or five people seated in a sedan and a service tray fastened to a front window that all of these people are seated at a public table. Nor do we believe that a service tray attached to a car parked on a parking lot constitutes a "public" table. Even if a tray so attached could be held to be a table, by what reason could it be held to be a "public" table? Only by considering the car to be a public vehicle could this be done, and that conclusion is not even remotely accurate.

Conclusion: For the reasons stated herein, we believe the practice of selling beverages as indicated above to be not only an exceedingly dangerous one, but also clearly illegal.

ELWOOD H. SEAL,
Corporation Counsel, District of Columbia.

Approved by the Commissioners of the District of Columbia sitting as a board, May 27, 1939.

G. M. THORNETT, *Secretary.*

The Government Spending Program

EXTENSION OF REMARKS
OF
HON. ROBERT A. TAFT
OF OHIO
IN THE SENATE OF THE UNITED STATES
Wednesday, July 26 (legislative day of Tuesday, July 25), 1939

ARTICLE FROM THE TOLEDO (OHIO) BLADE

Mr. TAFT. Mr. President, I ask unanimous consent to have printed in the RECORD an article entitled "Fraud on the Taxpayers," written by Harvey L. Lutz, professor of public finance, Princeton University, and published in the Toledo Blade of July 22, 1939.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

[From the Toledo (Ohio) Blade of July 22, 1939]

FRAUD ON THE TAXPAYERS

(By Harvey L. Lutz, professor of public finance, Princeton University)

The President has just proposed another huge spending program for the year 1940. Summer is advancing in Washington and the Members of Congress will be increasingly eager to get home as the heat increases and the humidity rises. It is hoped, therefore, by those who are willing to endorse this latest financial fraud, that the plan can be maneuvered through before the dog days without attracting too much attention.

The scheme is basically unsound, and it is set out in a manner that is misleading and deceptive.

This proposal is unsound because it is nothing more than a proposal to repeat once more the futile experiment of purchasing prosperity by large public expenditures. For 6 long years the country has suffered through a series of such experiments, but the foot of the rainbow where the pot of gold is buried is still as far away as ever.

Also, there is almost as much unemployment as ever, and business is about as badly off as ever. Deficit spending has not solved the problem of unemployment; it has not restored the driving force of private enterprise; it cannot solve these problems this time, any more than it has in the past, because it approaches them from the wrong end.

The new scheme is to be simply another "make work" program, for the President says that the projects are to be "of such a nature as to furnish a maximum of employment per dollar of investment."

The proposal is set out in a misleading way. The country has become increasingly suspicious of mounting deficits and inability to balance the Budget. Now the deficit is to be ended and the Budget balanced by the simple trick of putting the deficit outside of the Budget.

The idea is to authorize Federal credit agencies to issue bonds, guaranteed by the United States, and to advance the proceeds for the construction of the proposed projects.

Thus the direct debt of the Government will not be increased and it may be possible for the administration to announce, in a critical election year, that at last it has balanced the Budget.

The implication of the new borrowing scheme is that the Federal taxpayers will incur no obligation, current or future, with respect to the proposed financing. But this is not the case, for they are to be obligated, whether they realize it or not.

To call the new projects self-liquidating does not make them so. In fact, many of them will not be. Hospitals are mentioned, and sewage-disposal plants, and rural electrification, and loans to farm tenants, and a new set of loans to foreign countries.

On paper these undertakings can be shown to be self-supporting, but the hard, cold experience with them is that many of them are not. The taxpayer appears to benefit, temporarily, as he appears to benefit whenever a loan is used to pay for something extra, but his tax bill will be heavier in later years.

The uncertainty as to the self-liquidating results is increased by the character of the construction methods suggested by the President. The proposed improvements are to be built by furnishing a maximum of employment per dollar of investment. That is, pick, shovel, and wheelbarrow are to be used rather than steam shovels.

In other words, the new projects will start with an enormous loading of the costs, hence they will be greatly handicapped in earning enough to service the debt incurred.

The next step will be to keep down the charges or rates for their services, on the plea that the people cannot afford to repay the investment. The final step will be to incorporate in future budgets the charges for interest and sinking fund on this debt.

No one should be deceived by this proposal. It is a final, desperate move to create a temporary activity in consumer-goods industries before November 1940, and thus to create the basis for the fraudulent claim that deficit spending can produce prosperity.

Service and Heroism in the C. C. C.

EXTENSION OF REMARKS
OF
HON. FRANCIS H. CASE
OF SOUTH DAKOTA
IN THE HOUSE OF REPRESENTATIVES
Wednesday, July 26, 1939

Mr. CASE of South Dakota. Mr. Speaker, the Black Hills National Forest has just suffered one of the most disastrous forest fires in its history. It burned over 18,000 acres, destroying huge quantities of timber, several homes, and some livestock. But, bad as it was, it would have been disastrous beyond measure had it not been for the efficient and heroic service given by boys in the Civilian Conservation Corps in cooperation with hundreds of ranchers, townspeople, and miners who united to battle the blaze on a wide, ragged, changing front where the flames often raced in the crowns from tree to tree or swept across the ground in a region that has been experiencing one of the driest summers on record.

Under permission granted by the House, I extend my remarks by including the following editorial from the Custer (S. Dak.) Chronicle:

A GOOD JOB—WELL DONE!

The value of the Civilian Conservation Corps was well demonstrated in the disastrous fire which swept through the Black Hills Forest last week.

Within a few minutes after the fire was first reported, the first crews arrived on the scene, equipped to fight an almost hopeless battle with the blaze and prepared to stay to the finish. And stay they did, asking no favors, asking no rest, going back from the fire line only when forced by sheer exhaustion and then returning to resume their places after a brief respite to clear aching lungs and if possible eat a hurried lunch.

That the fire burned over a large area is no discredit to the fire fighters. The natural elements having conspired in bringing high temperatures, low humidity, and high winds to the already extremely dry forest, needed only the careless hand of man to convert the quiet hillsides into a raging inferno, defying the efforts of man to stop, once started. That the fire did not destroy more homes or camps is a credit to those in charge of the fire fighting who sent crews to assist in saving homes as long as there remained a chance.

To be congratulated also are the officers and foremen of the C. C. C. camps, the W. P. A. foremen, and the forestry officials in their efficient handling of the large groups of men so that no serious injury or loss of life can be attributed to the fire itself. That fact, in itself, should prove to all the value of an organized group ready to take the lead in such emergencies. Volunteers and W. P. A. crews contributed much to the final success in stopping the flames, and the services of each and every man on the job is greatly appreciated by the people of the Black Hills whose homes and livelihood were threatened.

We hope that never again will such a fire strike the Black Hills, but we hope that if it does we will have the C. C. C. to lead the fight.

The timber, property of the United States Government, that was saved, and the possible loss of human life that was averted, will far outweigh the cost of camps in the Black Hills for many, many years, to say nothing of the constructive, productive work which they carry on through their regular projects.

And I also add the following brief comment from the same paper, giving a further picture of the spirit and service of the boys in the Civilian Conservation Corps:

The sympathy of the people of Custer goes out to the bereaved families of the three C. C. C. enrollees who met tragic accidental death in the Black Hills within a week. One was killed in line of duty when struck by lightning while fighting fire, the other two drowned while on holiday earned fighting the same fire. Of the two who drowned, one was a hero who made the supreme sacrifice for his friend. Which one will never be known, nor does it make any difference, the rare friendship those two boys felt for each other, compelling either to give his own life attempting to save the other.

Mr. Speaker, this record is further evidence that this Congress, before it adjourns at this session, should pass the bill H. R. 2990, to extend the life of the Civilian Conservation Corps. The authorized life of the corps expires the 30th of June next year. Its authority should be extended at this session so that Budget estimates and project programs can be made now.

The Courts—Umpire or Guide?

EXTENSION OF REMARKS

OF

HON. WILLIAM E. HESS

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 26, 1939

RADIO ADDRESS BY HON. ROBERT A. TAFT, OF OHIO

Mr. HESS. Mr. Speaker, under the leave to extend my remarks in the RECORD, I include the following address which was delivered over the radio by the junior Senator from Ohio, Hon. ROBERT A. TAFT:

Citizens of the United States of America: The Constitution of the United States provides that the judicial power of the United States shall be vested in one Supreme Court and in such inferior courts as the Congress may from time to time ordain and establish. In clearly separating the judicial power from the executive and legislative power, the founders of the Constitution established in this country the principle of the independence of the courts, and their example has led to the incorporation of the same principle in every State constitution. In establishing three independent branches of government, they were influenced by Montesquieu, who seems to have ascribed to the English courts an independence which they did not really possess. In fact, before the Act of Settlement the courts were often a major instrument of executive tyranny.

Representative SMITH has chosen to discuss only one small feature of the Court's functions, namely, the power to declare laws unconstitutional. But the number of cases in which constitutional questions are involved is infinitesimal, and the independence and impartiality of the judiciary in all classes of cases lie at the very base of civilized government. The great bulk of litigation consists of criminal cases or cases between private individuals to settle their disputes. Many lawyers go through a lifetime without trying a constitutional case, and fewer still ever succeed in getting a court to invalidate a law. In fact, in the whole history of the United States to 1937, only 64 acts of Congress have been declared unconstitutional out of a total of approximately 58,000.

The independence of the courts is essential to the administration of justice. It lies at the very base of civilized government. As Daniel Webster said, "Justice, sir, is the great interest of man on earth." Justice cannot be left to the arbitrary whim of individual judges, and therefore we have written laws applying equally to all, and the judges' duty is to determine how those laws apply to particular cases. Without "equal justice under law" there can be no democracy, there can be no republican form of government.

The more complicated life becomes, the more necessary it is that the law tell each man definitely what he can do and what he cannot do without infringing on the rights of his neighbor. It is easy today to see what utter confusion would result in our streets if traffic laws ceased to exist and automobiles ran on both sides of the street and over crossings at will. But just as great confusion would follow in all the walks of life if we left to some political power the right to decide every case as public opinion might at the moment desire.

As Sydney Smith said, speaking of justice, "Truth is its handmaid, freedom is its child, peace is its companion, safety walks in its steps, victory follows in its train; it is the brightest emanation from the gospel; it is the attribute of God." One of the great principles of a republic is equality, and the most important aspect of equality is equality before the courts.

We are discussing here the foundations of democracy, and the chief of such foundations is the quality of our courts, their honesty, ability, independence, and impartiality. It is desirable also that the judges be good constitutional lawyers, but in the long run the other qualities are more important. They must not only be impartial but the people must believe in their impartiality. Nothing can be more discouraging to well-wishers of America than a few cases like a recent one in New York; nothing can do more to shake the underlying belief of the people in democratic government. The steps which the administration has taken to prevent the recurrence of cases of this kind can only meet with the approval of good citizens. The honesty and ability of local judges is just as important as that of Federal judges, and the wide study being given today to methods of selection of judges is the most important activity in the whole field of the law.

But Representative SMITH is only interested in attacking the Supreme Court because it has sometimes held unconstitutional laws on which the New Deal administration secured a rubber stamp from Congress. There is a strange similarity between his arguments and those which were presented in behalf of the President's bill to permit him to appoint six new judges and swamp the Court so that its decisions would be neither just nor impartial but exactly what the President might desire. These arguments were repudiated by an overwhelmingly Democratic Congress in 1937. The President set out to purge from the Democratic Party those Sentaors who dared to vote in behalf of the Supreme Court, and in every case their course was approved by the Democratic voters of their States. The elections of 1938 show that the people of this country believe in maintaining the independence and impartiality of the courts.

Because the direct attack on the Court has failed, the arguments presented tonight are more in the nature of sniping, designed to stir up prejudice without advocating any particular action. They affirm that the Supreme Court "is, under God, America's nearest approach to infallibility." It has power, it is said, over constitutional policy, the only arbitrary court recognized in the world. According to Representative SMITH, this power was not given it by the founders but is a power which the Court itself grabbed.

A more complete distortion of the real situation cannot be presented. No more infallibility is claimed for the Court than for the President or Congress. It derives its power from the people of the United States through the Constitution. If it does anything which the people do not like, they can amend the Constitution, and in many cases they have done so. The Court's independence is unique, but the American Constitution is unique, and the American Government is unique. It is a written Constitution, because the people had every intention of limiting the

powers of their Executive and their Legislature and their Government, as they had not usually been limited in other countries.

Because the founders knew that democratic governments in the history of the world had nearly always degenerated into autocracies, or tyrannies, or empires, the Constitution imposed three great limitations on the Federal Goverment: First, that its power should be confined to certain limited subjects of national importance, and that the people should retain within the States the rights of local self-government. The making of laws on local matters from a distant capital had been tyranny before the Revolution and would be tyranny afterward. Second, the Constitution divided even the limited powers of the Federal Government between the executive, legislative, and judiciary. The concentration of power in one man or group of men had destroyed democracy before and would destroy it again. Third, in the Bill of Rights they provided that no majority, no matter how great, could deprive a minority, no matter how small, of certain fundamental individual rights. Surely this is an essential of Americanism, one whose violation in Russia and Germany has destroyed the least semblance of popular government.

When Congress makes a law which violates these, or other, provisions of the Constitution, shall the Supreme Court enforce that law or shall it enforce the Constitution? Article VI of the Constitution says: "This Constitution and the laws of the United States which shall be made in pursuance thereof * * * shall be the supreme law of the land." Shall Congress be the judge of its own powers? Isn't it obvious that Congress is seldom restrained by doubts of the constitutionality of a law, no matter how reasonable those doubts? Haven't we in this very administration, and even in Representative SMITH's remarks, evidence that the New Dealers think that any law is justified which the people at the moment desire, whether it accords with the Constitution or not?

Unless the people change the Constitution, they have indicated their desire to prevent Congress from violating the three great principles which I have outlined. Surely the question whether Congress has violated those principles should be submitted to judicial examination by men whose duty it is to study in a judicial atmosphere the nature of the principles to be protected and set the terms of the law off against the terms of the Constitution.

Of course the Court may be wrong; judges are men like other men. But they are not likely to override any fundamental principles of democracy. The Court itself can correct mistakes and has done so; the people can correct mistakes by constitutional amendment and have done so.

Some of the principles of the Constitution are entirely definite. Others, like the clause which provides that no man shall be deprived of life, liberty, or property without due process of law, are very indefinite; but it is still the duty of the Court to interpret their meaning. The theory that constitutional principles are as weak as water and should yield to every crackpot proposal enacted by a rubber-stamp Congress would utterly destroy the Constitution of the United States. It would destroy democratic government and would permit the establishment of a totalitarian state, whose people would have no rights, whose local communities would have no independence.

The courts did not grab the power they have. It follows inevitably from the words of the Constitution, and no one has ever answered the argument of Chief Justice Marshall for that power in Marbury against Madison.

The Federalist, which was circulated among the people to secure a ratification of the Constitution, made clear the intention of the founders in these effective words: "The complete independence of the courts of justice is peculiarly essential in a limited constitution. By a limited constitution, I understand one which contains certain specified exceptions to the legislative authority; such, for instance, as that it shall pass no bills of attainder, no ex post facto laws, and the like. Limitations of this kind can be preserved in practice no other way than through the medium of courts of justice, whose duty it must be to declare all acts contrary to the manifest tenor of the Constitution void. Without this, all the reservations of particular rights or privileges would amount to nothing."

I note that Representative SMITH does not directly claim that the courts should not have this power. He simply criticizes them for carrying out their constitutional duty. He can't argue against the power, because it is obvious that without it there would be no Constitution.

There are several other innuendoes in his talk, notably those which present the Court as a kind of defender of big corporations and a reluctant conceder of the rights of labor. Apparently Mr. SMITH would bar corporations from the protection of the Constitution and let the Government confiscate their property without due process of law simply because they are corporations. If an individual has the right to retain his own property without confiscation, why on earth should not three or four persons, gathered together in a business enterprise as a corporation, have the same protection? Corporations are nothing but a number of stockholders banded together in the kind of business enterprise which has built up the United States. There is no argument I know of why they should not have constitutional rights in that enterprise as well as in an enterprise they may undertake as individuals or partners. The question of restraining the power of large corporations or taxing their profits is an entirely different one and one in which the Supreme Court has given every possible power to the Government. The picture of a struggle between the executive and the legislature on the one hand, protecting natural persons from corporations, against the Court allied with the corporations is a fiction of the imagination.

Representative SMITH stated that the Court had been driven to permit the organization of labor unions, after other means of restraining large corporations failed. As a matter of fact, labor unions have always been held legal by the United States Supreme Court. The Court has repeatedly reasserted their rights and has now upheld the Wagner Act, which compels the employers to recognize the rights of collective bargaining.

No; the attacks on the Court arise from the intense prejudice of the new dealers against the Court because the Court found that some of their measures violated the fundamental principles of the Constitution. The new dealers have not been hampered in any way in any efforts to protect labor or limit the power of corporations. They are indignant because the Court held laws like the N. R. A. and the A. A. A. unconstitutional, laws which would permit the National Government to go down into every community, tell the people what they should produce and what they should not produce, what price they should get for the things they make, and what price they should pay for the things they buy, laws which destroy all right of local self-government and the rights guaranteed by the Bill of Rights. The new dealers are dissatisfied because the Court has said that Congress cannot delegate its legislative power to the President, and that the President cannot remove men on independent commissions because they don't happen to agree with him. In other words, the Court has insisted that the division of powers prescribed by the Constitution should not be merged in a single all-powerful dictator.

Representative SMITH entirely misconceives the functions of the Court, which he says are twofold: First, to protect individuals under the Bill of Rights from both Federal and State encroachment, with which no one can disagree; but, second, "to cooperate at the task of making the Constitution adequate for the governance of a growing Nation." He entirely ignores the Court's duty to protect local self-government and the duty to see that the powers of government are not concentrated in one hand, and does not seem to think it very important for them to take an occasional look at the words of the Constitution itself.

In considering the constitutionality of a law, the duty of the Court is not cooperation; it is justice, usually between some individual and a government trying to take away his constitutional rights. If it finds the law to be in accord with the Constitution (and in this it gives the judgment of Congress every reasonable doubt), it should uphold the law. If the law violates fundamental principles of the Constitution, it should refuse to enforce it.

The Representative seems to think that the Court has a constant struggle to decide between what is compatible with precedent and what is desirable. That may be philosophy, but it is not constitutional law. Woodrow Wilson once said: "Justice has nothing to do with expediency. Justice has nothing to do with any temporary standard whatever. It is rooted and grounded in the fundamental instincts of humanity."

In fact, the whole trouble with the new dealers is that they believe that whatever they desire the Court should hold to be constitutional. They do not care what happens to the fundamental principles on which this Nation was founded. Most of them would be willing to abolish the States and turn over all local government to Federal control. All of them favor the delegation of legislative power to the President, and seem to forget that this was the first step in the growth of autocracy in Germany and Italy.

The high-minded Democrats who wrote the report against the President's Court-packing plan, after a long study and debate, realized that an independent Court is the very foundation of democracy. Their report said of the plan: "It would subjugate the courts to the will of Congress and the President, and thereby destroy the independence of the judiciary, the only certain shield of individual rights. * * * It stands now before the country, acknowledged by its proponents as a plan to force judicial interpretation of the Constitution, a proposal that violates every sacred tradition of American democracy. * * * Its ultimate operation would be to make this Government one of men rather than one of law, and its practical operation would be to make the Constitution what the executive or legislative branches of the Government say it is—an interpretation to be changed with every change of administration."

The patriotism, the ability, the diligence, and the impartiality of the men who have served on the Supreme Court of the United States are not equaled by those of any other group of public servants. The people of the United States know that the power of the Supreme Court is the bulwark of Americanism.

Challenge of the Skies

EXTENSION OF REMARKS
OF
HON. JENNINGS RANDOLPH
OF WEST VIRGINIA
IN THE HOUSE OF REPRESENTATIVES
Wednesday, July 26, 1939

ARTICLE FROM NATIONAL AERONAUTICS

Mr. RANDOLPH. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following magazine article on the development of American aviation written by myself:

[From National Aeronautics for June 1939]

CHALLENGE OF THE SKIES

(By JENNINGS RANDOLPH, United States Representative from West Virginia)

A CONGRESSMAN LOOKS AT THE FUTURE OF AMERICAN AVIATION

In these stirring times, when the march of progress has been stimulated as never before in the history of the world, it is the high duty of a Member of Congress to keep his gaze focused steadily upon the horizon ahead. If our eyes are not kept constantly forward, the world will rush by and our constituents and our country will suffer.

In the field of aviation, more perhaps than in any other field of activity, the need is compelling that this great land should keep not only abreast, but ahead, of the rest of the world. The intimate relationship between civil aeronautics and national defense makes it the duty of self-preservation never to permit America to lag.

AIR TRAVEL MODERN MODE

As I ride the modern transports of the air in travels throughout the United States, I am constantly reminded of the splendid progress which the great air-line industry has made in the last few years, and of the fine prospects which lie ahead. Travel by air is the modern mode of travel.

The spirit of youth has left its deep imprint on the development of aviation in all of its branches. It would be difficult to single out the one individual who, though youthful in years, has contributed most outstandingly to the furtherance of flying. This article is being written on the anniversary of a day 12 years ago when Charles Lindbergh flew a frail craft for the first time across the Atlantic Ocean and thereby added a second story to the world.

I personally admire my friends, C. R. Smith and Jack Frye, who, while in their thirties, have brought to the operation of two of our greatest air lines the administrative ability which has been widely noted. I believe that the real work of building up a fine organization like that accomplished by C. R. is indicative of the impression which young men are making in this industry. Those individuals who are 50, 60, and 70 in the aviation field are also youthful in spirit and action. All working together from the group of those whom I like to call pilots of progress.

SAFETY RECORD WITHOUT PARALLEL

Rapid strides have been taken in promoting air safety. They are without parallel in the history of any other form of transportation. During the last winter alone, the safety record of scheduled air transportation was bettered by exactly 853 percent over the winter preceding—and the winter before had been the best year in our history up to that time. I believe I may be pardoned if, on behalf of my colleagues in the Congress, I suggest that efforts in securing the passage of the Civil Aeronautics Act have contributed in some small way to this phenomenal record.

With a consciousness of the place that aviation has taken in our national life, I joined with Senator PEPPER in securing the adoption of the resolution whereby the President is authorized by proclamation to set aside August 19 of each year as Aviation Day. It is the intention of this resolution that that day shall be celebrated throughout the country every year by appropriate exercises, as a reminder not only of the birthday of the great Orville Wright, but more particularly of the vast prospects which lie ahead for this vitally important aviation industry.

BUILDING FOR FUTURE GENERATIONS

We, in the Congress, have found that during recent years there was much misinformation and much misunderstanding concerning aviation and its possibilities. We have earnestly sought to dispel misconceptions. And the fruits of our labor are now being enjoyed. You may be sure that such efforts will continue unabated, and we will constantly look forward, and not backward. Future generations of American citizens must be able to make fullest use of the countless advantages which aviation offers to our national life.

The flag of this Republic must be borne high. Events which have shaken to their foundations the nations of the entire world have recently demonstrated that national power requires that we look to the air if our flag is to remain proudly supreme. Let us never forget that a hundred years ago the Yankee clipper ships sailed the seven seas far in the van of the world's commerce, but through succeeding decades our shipping fell miserably behind. This history is a warning to us. Even though we today stand in an enviable position of leadership in aviation, our leadership has already been challenged and if we do not continue to push ahead with fixed determination that we will have nothing less than the best, we may suffer in the air the same fate which we once suffered on the sea.

EXTEND AVIATION BENEFITS TO ALL

We must do everything within our power to extend the benefits of civil aviation to our people. Air mail must be brought to an increasing number of American communities. In this connection I feel the experimental Air Mail Service, using the automatic pick-up and delivery device, will be of real value toward this desired end. Dr. L. S. Adams, inventor of the apparatus which makes it possible to pick up and deliver the mail without a plane landing, has, I feel, contributed much to the possibility of the extension of air mail into the smaller communities. We must foster the extension of feeder-line service.

AN INVITATION TO GENIUS

May 12 of this year the inauguration of the service was held at Morgantown, W. Va., with approximately 8,000 persons present for the ceremonies. Under the new service 60 communities will be served. This is remarkable in view of the fact that there are only about 180 cities now on the air-mail map after years and years of work.

The air is an ocean—the greatest of all oceans. It is an invitation to the same genius which produced the early sailing clippers—an invitation to produce a new type of clipper and to maintain it forevermore as the world's best.

We must continue, unabated, our efforts toward keeping American aviation the leader of the world.

A Layman Speaks for the Townsend Plan

EXTENSION OF REMARKS
OF
HON. JOHN G. ALEXANDER
OF MINNESOTA
IN THE HOUSE OF REPRESENTATIVES
Wednesday, July 26, 1939

LETTER FROM A CONSTITUENT

Mr. ALEXANDER. Mr. Speaker, I have been sent a copy of an interesting letter written by a resident of Minneapolis which is in reply to an editorial carried in one of their local weekly newspapers in which the writer has taken the Republican Members of Congress to task for having supported the Townsend plan.

This letter is so well written and has so many grains of salt in it that I believe it should be brought to the attention of the Members of Congress and of the reading public. I commend it to you for study and contemplation. The letter, among other things, states:

* * * then along came this depression with its tragedy, when all of the savings of the aging, hard-working, thrifty people who have been the backbone of this great Nation, and to whom its God-given wealth belongs, were lost.

Backbones began to rasp against the parched casings of empty stomachs. Hunger is a great education.

When this threatened to destroy our Nation, God reached down and chose among the unknown common people of this Nation a leader and inspired him with a practical, common-sense idea. That leader was the country doctor, Francis E. Townsend, who never departed from a kindly dignity in face of all the indignities heaped upon him by frightened politicians. Dr. Townsend did what no politician has ever done before him, he taught the voters of a nation to think. He taught them to find the flaw in the politicians' alibi.

Dr. Townsend was inspired with an idea that will rescue this Nation from an economic condition resulting from the inventive genius of our people, which has developed a machine age. Dr. Townsend has pointed for us the way to regulate the economic system of our Nation, which will enable our people to enjoy the blessings that the machine age should bring. The writer of that editorial advertises the fact that he is ignorant concerning the Townsend plan. He has never studied a copy of the bill, he has turned deaf ears to those who would explain to him what we claim the Townsend plan will do for this Nation. He has written that editorial, basing it entirely on opinions which he has accepted ready-made from others who also knew very little about it themselves, and yet the writer of this editorial speaks as one having authority. Because he knows nothing about the plan, he has no constructive arguments to use against the plan and has resorted to the only weapon he had to use, a weapon which is usually associated with malice and an inferior intelligence, name calling and derision, based on nothing but political venom. Now, if I, like the writer of this editorial, wished to destroy a movement, I would first study the plan upon which that movement was based. I would make myself familiar with their arguments, discover its weak points, and attack it with arguments based upon facts. If this editorial writer had done that he never would have left his chin open for a straight to the jaw with the following statement: "One-third of the acccredited Republican legislators in the House of Representatives voted to bankrupt the Treasury." Now, please tell us how any plan can bankrupt the Treasury when not one cent of the funds with which it is to be financed will be drawn from the Treasury? It is a pay-as-you-go plan, and although I am not a Republican, this plan fits in nicely with their argument that this country never can spend itself back to prosperity with borrowed money.

Certainly the present system of borrowing for relief, issuing bonds that offer financiers a safe investment for their money where that money produces nothing but more taxes and unemployment will eventually lead to a bankrupt Treasury. Certainly it has not brought about recovery, although it has been tested for 7 years. As that writer would understand if he knew anything about the Townsend plan, it is to be financed by a 2-percent transaction tax, the same tax which financial leaders in 1920 advocated as a just and equitable tax, if applied in a manner which would not apply to themselves. The Townsend plan is impartial and will apply its taxes and benefits equally to all citizens. The proceeds of the proposed tax will be divided equally among those who are eligible for the annuity, up to the amount of $200, after the cost of administration has been deducted from it; $200 is a maximum, not a guaranty. The funds used to finance the Townsend plan will draw no interest. It will be unnecessary to issue any more money to support it. Our banks are overflowing with savings now. In the days of scarcity there was use for savings; bankers loaned those savings to industries, where employment was created. Today, banks invest in nonproducing relief bonds and huge piles of money lie idle, as useless to those who earned and saved it as it is to the Nation's industries. The Townsend plan will give that stack of savings a push that will spread it to every industry and worker in the Nation. It will rob the wealthy of nothing, it will guard them as it will guard all others against a destitute old age. It will cut our crime bill of $15,000,000,000 annually in half, by giving restless youth an outlet for their ambitions. It will increase the national income as well as the national wealth of the Nation. The Townsend plan includes a provision that all annuitants must pay honest bills or forfeit the annuity; that they must use 10 percent of the annuity to satisfy debts contracted previous to the time they received the annuity.

Consider your own business; if the Townsend plan were in operation, it requires little imagination to vision how it would increase your subscriptions and advertising. The Townsend plan will preserve the capitalistic system and will act as a balance wheel for it. It will not destroy competition. Merchants will strive to undersell each other and would do much advertising. It would enable you to build up a newspaper that would help to build a cleaner, better community. You would need more help and could offer some of the fine young people of your town employment at respectable wages. You could set your mind at rest concerning the future and apply your ability to improving the conditions of today. And your children will not be paying a tax to support you in idleness when you retire; they will merely be paying 2 percent of what they spend, mark that, of what they spend, not of what they save, for an insurance of up to $200 monthly, after 60; and that insurance will not be canceled if they become ill and cannot work.

The Townsend plan is not compulsory; no person need give up gainful employment against his or her will, but may continue work until such time as they desire to qualify for the annuity.

The present Nation-wide W. P. A. disturbance proves that some other system must be used to correct the present conditions in our Nation.

In closing, I hope you will get a copy of the Townsend-plan bill and also enough Townsend literature to study, so that you will understand what the Townsend plan is and what we claim it will do for the Nation; then, if you still desire to destroy the movement, you will at least know what you are talking about.

Sincerely,

MRS. LOTTIE LARSEN,
Minneapolis, Minn.

Washington—Center of the Political Whirlwind

EXTENSION OF REMARKS
OF
HON. LEONARD W. HALL
OF NEW YORK
IN THE HOUSE OF REPRESENTATIVES
Wednesday, July 26, 1939

ADDRESS BY FRANK C. WALDROP

Mr. HALL. Mr. Speaker, under leave to extend my own remarks by including an address by Mr. Frank C. Waldrop, editor of the Washington Times-Herald editorial page, I should like to say, in a prefatory way, that Mr. Waldrop's remarks were made at an open forum meeting of Republicans held on June 15, 1939, at Timber Point, near Islip, Suffolk County, Long Island, N. Y.

Mr. Waldrop, as a Washingtonian as well as journalist and editor, speaks most entertainingly of some of his impressions. That I am in disagreement with him on some of the facts and the interpretations to be given them does not in the main detract from the report he gives on voteless Washington, and certainly not from its interest as reading.

W. Kingsland Macy, Esq., Suffolk County Republican leader and former Republican State chairman of New York, introduced Mr. Waldrop at the meeting as follows:

We are honored by having with us this evening a distinguished editor and author. Mr. Waldrop's book Television: A Struggle for Power is an authoritative commentary upon the new and important scientific contribution of television. The paper with which he is associated is under the direction and ownership of the brilliant Mrs. Eleanor Patterson, who is also a part owner of the Chicago Tribune, published by her cousin, Col. R. R. McCormick. She is equally interested in the New York Daily News, published by her brother, Capt. J. M. Patterson. Associated with this powerful group of newspapers, situated as they are in important key centers, Mr. Waldrop brings to us a broad viewpoint on national affairs.

Mr. Waldrop's address follows:

I bring you greetings from the center of the political whirlwind. It used to be the custom in referring to whirlwinds to call the center a dead spot—the dead center of the whirlwind—but I think your experiences locally would testify against that in the case of a physical whirlwind. I am here to assure you that the center of the political whirlwind is also rather lively these days.

It is likely to become livelier before it grows deader, and that is the point of my remarks tonight. I am going to speak without reservation of any kind and be utterly frank about the political situation as I see it. I can do this with impunity as yet for I am not a voter in any political party. I have no suffrage, though I am a citizen, pay taxes, obey the law, and must serve the Nation in war. As you know, I am a professional Washingtonian. That is, administrations come and go but the people who are a permanent part of Washington City remain pretty much independent observers of the politicians' efforts. Therefore, we think we see a little more clearly than partisan strivers.

Let me get at my story of the evening by saying Washington is the finest example in the world of a city governed by a dictatorship; and the nature of Washington's city government is a forecast of what can happen in these United States, and what I firmly believe is going to happen, unless you and all the other people outside Washington adopt a realistic point of view with respect to the nature of government and its relationship to people.

Washington is a city of 627,000 people, more than there are in any one of eight States, yet it has no suffrage. We do not govern ourselves. Congress governs us. We lost our suffrage in what the Government of the moment called "an emergency." Suffrage was surrendered because at the moment it was easy to let somebody else do the thinking and solve the problems of the people who made up the population of the National Capital. That was 68 years ago.

Today, this city of 627,000 people, more than the population of any one of eight States, bitterly regrets the fact that the grandfathers of the present generation surrendered self-government in the interest of an apparent immediate security. That security was a snare and a delusion. The snare and the delusion have been most forcefully made apparent to the grandchildren of those who did the surrendering.

I will give you an example. In that surrender of self-government and suffrage, the theory was that Congress, being disinterested and not a party to local problems, would be able to render a

just and impartial judgment and give Washington the best city administration in the world. This was to be a new deal in municipal government and a new deal it was indeed. On Monday of this week the new deal for Washington involved the following: An income-tax law enacted in the House of Representatives to be effective on every penny every individual earns in the District of Columbia in excess of $2,000. There are no exemptions for marriage status, no relief for nonresidents who earn money in the District and pay taxes elsewhere. The President of the United States, his Cabinet officers, and down to the lowest clerk in the Federal Bureau of Fisheries must make out an income-tax return and pay the piper for every penny above $2,000.

This income-tax law was alleged to provide Washington with the finest and most modern type of tax legislation and be a model for the Nation's lesser political divisions. But listen. I want to point out to you a very interesting qualification—that the Members of Congress who voted this income tax upon the voteless residents of the National Capital very carefully exempted themselves from its effect.

I am not exaggerating the case when I say the House of Representatives leaped out the window when it saw the tax collector at its door. The Congressman who has been denouncing rugged individualists as selfish and designing enemies of the public welfare turned rugged protector of the taxpayers' money for the first time since I can remember—the taxpayers' money having been converted into $10,000 worth of salary, free office rent, free transportation, free mailing service, free haircuts, and a pass to the ball game all for the Congressman. Let me repeat this little story, because I think perhaps I have rambled somewhat in the telling of it.

The House of Representatives on Monday of this week, passed a bill taxing every income in the District of Columbia except the incomes of Members of Congress. Now I would like to please you by saying that this was the handiwork of the dastardly Democrats, but the truth is that this was an issue on which Democrats and Republicans saw eye to eye and an emergency in which they stood back to back against the common foe whom you and I know only too well—that evil genius of our times, the tax collector. I have read the CONGRESSIONAL RECORD of the debates on that issue of whether the Congressmen should tax themselves, with infinite amusement. It is such a bold and undeniable self-exposé of the point of view of the one who has corrupted himself, who has lost the ability of self-discipline and self-examination because he has been turned loose with no checks upon him in the domain of public power that you have to laugh no matter how deeply the facts shock you.

The District of Columbia now pays into the Federal Treasury more internal revenue than any one of 26 States, more than 11 States combined. You would think that the District of Columbia as a political subdivision would be able to defend itself against such monstrous mistreatment as this which I have just described. But the District of Columbia is in the neuter gender politically speaking. It can fume and fret, and it does all these things, but it handed over the power to do something 68 years ago to men who said they knew better than the people what the people wanted done.

I do not have to pursue this analogy any further. I think you understand me and you understand the point to which I am leading—that when people let government decide all their problems for them, those people are inviting extinction. The District of Columbia is not a model city as they said 68 years ago it would surely become. It has terrible civic problems, involving slums, ravages of the public health, faults in the school system, frightful imbalance of the tax load, a criminal and civil code of law practice which is in great need of reform. The people of the District of Columbia know what the evils in their community are and they know how they want them cured, but the people of the District of Columbia cannot move a peg. The evils which have been handed down to them by that same disinterested power which was to govern for them in a mood of judicial and abstract calm—the Congress. Those evils are preserved because those evils assist the Members of Congress to maintain their prerogatives of pomp and circumstance. I do not know when or how we will ever peacefully recover the right to govern ourselves in Washington. We have made every reasonable request of Congress to surrender its dictatorship of our community, but Congress turns a deaf ear, because surrender of the public power to the public means surrender to those pleasant and profitable emoluments of office; the right to park by a fire plug, the right to have a cop transferred to the outer darkness, the right to plant a constituent in a well-paying city job without benefit of merit, the right to trade in Washington real estate to the gain of the honorable Member. You will agree with me I think that the grandfathers in the emergency 68 years ago made a bad trade of freedom for security—which was not even secure.

In recent years we have seen the parallel to the problem of the city of Washington established in many parts of the world. The people of Russia, after Kerensky had put up for them a set of relatively free institutions, were sold the theory that an emergency was upon them and that they must surrender themselves to the dictatorship of one class of their citizenship, the proletariat. In the years since, the proletariat have been sold the principle that they must surrender their dictatorship to the Communist Party, and the Communist Party has been convinced by firing squad and torture chamber that it would be the better part of wisdom to surrender the dictatorship to the divine and all-wise Stalin.

The people of Italy were sold the idea that free institutions in their own country could not survive, except by trusting those institutions to fascism and the Fascist Party, in turn, trusted all judgment to one man. He has failed and Italy fails with him. In Germany the same thing has happened because people could not endure free institutions which had to be maintained by the effort of each individual, and Germany is today the world's most frightful example of a degenerate state.

You will note that the dictators draw closer together as time passes, just as the old royal monarchs were drawn together. The monarchs fought each other until they saw a common enemy, democracy, and then they stood together against that threat to them all. The dictators stand together against the self-sufficiency of the people today. These modern monarchs are standing together against democracy again. It does not follow that they will fall. History does not repeat itself unless man makes it do so. You cannot wish good luck into existence.

Ladies and gentlemen, it is the pastime of political writers and editorialists to indulge in prophecy. I would like to entertain you with a few enticing prophecies, but I can't bring myself to do it. I can only express an opinion that the Republican Party has better than even chances in the present state of things to carry the Presidency and the House of Representatives in the elections of 1940. You know as well as I that although it is a mathematical possibility for the Republican Party also to carry the Senate, such a thing is politically impossible, because too many of the States in which the elections will occur are solid Democratic Party subdivisions. Let us assume, then, in 1940 a Republican President and a Republican House and a Democratic Senate. What has that to do with my story of the income tax in Washington, D. C., and the state of government elsewhere in the world?

As I see it, the next President is going to have the greatest opportunity ever offered to any President since Abraham Lincoln. I think this opportunity will come in inspiring the belief of the people in the power of private individual initiative to solve their economic difficulties. I think his problem will come in the misunderstandings of the issue by the mass of people who have persuaded themselves—I do not blame anyone else—that they can pass the buck for continuing their own existence to the Government. There are many things to improve the national wealth and income which the Government ought to do, and which can be done by no other agency; but government cannot manufacture wealth. It cannot do for people what people should do for themselves. It is in driving home this truth that the next President can preserve and advance the civilization of the American Republic. He must convince the people that government is not the center, but merely the surface show, of their vitality.

But the next President cannot succeed unless first the people revive confidence in themselves as individuals and as creators of spiritual and material wealth.

I believe that the responsibility rests on you and the people like you to declare now that "economic emergency" is at an end. It has too long been the battle cry of those seeking an excuse to take power away from the people of this republic and put it with the Government.

I thank you.

Oklahoma Indian Makes Plea for House Joint Resolution 290 Before Committee on Indian Affairs

EXTENSION OF REMARKS

OF

HON. JED JOHNSON

OF OKLAHOMA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 26, 1939

STATEMENT BY ALBERT ATTOCKNIE

Mr. JOHNSON of Oklahoma. Mr. Speaker, a few days ago five well-known and respected full-blood Indians, representing three tribes in the district I have the honor to represent in Congress, appeared before the House Committee on Indian Affairs in support of House Joint Resolution 290 introduced by me during the present session of Congress. They were Albert Attocknie, a Comanche from Apache; DeLos Lonewolf, a Kiowa from Mountain View; White Parker, a Comanche from Lawton; Guy Quoetone, a Kiowa from Carnegie; and Howard Soontay, an Apache from Apache, Okla.

They presented their case so well and made such a profound impression upon all members of the Committee on

Indian Affairs that the resolution in question was unanimously reported out of the committee with a recommendation that it do pass. It is hopeful that this resolution will be brought up and acted upon before this session closes, and I sincerely trust that all Members will give it fair and impartial consideration. The resolution in question merely proposes to refer the claims of the Kiowa, Comanche, and Apache Tribes to the Court of Claims. This resolution does not ask for the final adjudication of these claims, but simply calls upon the Court of Claims to investigate fully the facts with reference to the long-standing claims of these tribes of Indians against the Government of the United States and report such facts back to the Congress.

One of the most impressive speeches made to the committee was by Albert Attocknie, who has had limited educational advantages, but who has been many times recognized as a leader among his people. He has been referred to as one of the greatest Indian orators in America. The impromptu remarks of Albert Attocknie, who himself is a ward of the United States Government, before the House Committee on Indian Affairs, follow:

Mr. Chairman and distinguished members of the committee, sometimes I wonder why white man does not understand Indian better than he does, because white man has been in constant contact with the Indian ever since the *Mayflower* landed at Plymouth Rock, 319 years ago.

White man studies and understands everything he comes in contact with; white man know and appreciate animal, bird, and reptile so well, that large numbers of them are well taken care of here in the National Zoo at Washington.

Everybody seems to think the large amounts of money appropriated from year to year for upkeep of animals and birds at zoo is money well spent. But when Indian appears before Congress and asks for passage of a jurisdiction bill, like bill now before your honorable committee, some Congressmen do not seem to understand what it is all about.

If all the honorable Congressmen present only understand how hard it is for Indian to express his thoughts, we would make our case so clear that House Joint Resolution 290 would pass this committee without a minute's delay.

Some of the honorable committeemen may not have any Indians in their States, and they will not have a very good way to have right impression on American Indian. Why?

Sometimes I think it is because when a newly elected Congressman arrives at the National Capital, the first thing he sees on the east front of the Capitol is an Indian in attempt to kill white woman and innocent white child.

And in the Congressional Library an Indian is pictured in the act of killing and being killed.

I think all that puts the Indian in a wrong light before the American public.

I believe the Indian would be better understood if the Indian were shown at the Capital in statuary giving corn to their pale-face cousins, and if the Indians were pictured giving tobacco we use in peace pipes to their pale-face friends to use in cigarettes in their social functions and other places, or if the Indian maidens could be shown in Washington in statuaries and pictures giving paint to their white cousins to apply on their pretty, plump, and dimpled cheeks to make them look prettier.

But I have looked on walls of this beautiful Capitol and tried and tried in vain to find a statue or picture of the Indian girl Pocahontas that risked her own life to save the life of Capt. John Smith.

The Indian has his part and rights in the Nation, but he is slow about expressing himself, hence the Indian is the ward of the Government.

And this Indian ward is now before you pleading for a favorable report on House Joint Resolution 290, so the Congress of the Government of the people, by the people, for the people, may give us a chance to be heard on our claims for loss and damages caused by Congress ignoring the Medicine Lodge Treaty of 1867, to ratify the Jerome agreement of 1892, even though the Jerome agreement did not have the required number of signatures required by law, which was three-fourths of all the adult male Indians.

The Fifty-sixth Congress ignored the Medicine Lodge Treaty of 1867.

The Fifty-sixth Congress, to get the Indians' land, enacted a law providing the Medicine Lodge Treaty of 1867 bound the red man just like a heavy chain around his neck, but the same treaty, it seems, did not bind the other party, the United States Government.

So the Fifty-sixth Congress, to get the Indians' land, ratified the Jerome agreement when that agreement carried less than three-fourths of the male adult Indians' signatures, as required by law.

If all Members of the Fifty-sixth Congress knew and understood the Indians better, the Jerome agreement never would have been ratified, and we would not be here asking to be heard concerning certain claims of loss and damages imposed on us by the ratification of the Jerome agreement of 1892 and October 6, 1892.

First Broadcast from House of Representatives Radio Correspondents' Gallery by N. B. C.

EXTENSION OF REMARKS
OF
HON. LAWRENCE LEWIS
OF COLORADO
IN THE HOUSE OF REPRESENTATIVES
Wednesday, July 26, 1939

NEWS BROADCAST BY H. R. BAUKHAGE

Mr. LEWIS of Colorado. Mr. Speaker, at 12:45 p. m., eastern standard time, on June 26, 1939, Mr. H. R. Baukhage, Washington observer for the National Broadcasting Co., made the first news broadcast from the recently established radio correspondents' gallery of the House of Representatives. A transcript of this broadcast, marking an important historical event in news dissemination, is as follows:

ANNOUNCER. Just a few months ago the Congress of the United States approved a resolution granting radio correspondents equal rights with newspaper correspondents in covering its activities. It was the first time in 150 years that Congress had opened its galleries to a news-gathering agency other than the press.

Today the Speaker of the House, WILLIAM B. BANKHEAD, granted our request that broadcasts be permitted from the workroom of the radio correspondents.

Now, 2 hours after that request has been granted, N. B. C. presents the first broadcast from the quarters of radio correspondents covering the House of Representatives. N. B. C.'s Washington observer, Baukhage, is first to speak from the House radio room.

Mr. BAUKHAGE. Baukhage talking.

In this historic first broadcast from the radio gallery of the House of Representatives in the Capitol of the United States.

This broadcast signalizes the opening of the radio correspondents' gallery—that is, its first use by a broadcaster. The long-cherished freedom of the press is officially extended to embrace the freedom of the air.

It was on April 20 when a resolution extending to radio similar privileges accorded to the press was passed by the House—a resolution adopting the report submitted by JOHN J. DEMPSEY, Representative from New Mexico. It was Representative DEMPSEY who fought the resolution through committee.

Today the radio gallery numbers 26 official members, with a waiting list to be approved—about the same number as made up the press gallery when in 1839—a hundred years ago—seats in the Senate gallery were first set aside for newspaper correspondents.

Our colleagues of the press are just down the hall; we are here right over the main entrance to the House of Representatives, and our seats in the Chamber are in the front row of the gallery to the right of the press.

This window out of which I am looking now, looks down on the tree-covered plaza of the Capitol; across the way is the Library of Congress; at my left I can just see the top of the marble facade of the Supreme Court Building.

Underneath us is the Speaker's office—Speaker BANKHEAD—where we had our usual morning conference with him about an hour ago—he was pretty pessimistic about adjournment. And he predicted an exciting week ahead in the House—starting off with plenty of fireworks right now—in fact, it's begun. District of Columbia affairs don't interest the country at large so much, but this is a pretty big community—your Capital City—and Congress has the burden of running it. And District affairs are under debate right now.

And, of course, neutrality is hanging over our heads—the House takes that up tomorrow, but on Friday the fiscal year ends at midnight and there are several measures that must be rushed through before then if the wheels of government keep moving. The Speaker said that he expected night sessions; he wouldn't predict anything but advised us to stick around.

Our quarters here—our workshop isn't as large as the press, of course, and if all the members should want to rush in and make use of it at the same time we'd be pretty crowded, but of course the reporter's job is as much to be where the news is happening as at his typewriter or at the microphone.

On the Senate side, similar quarters and privileges have been voted but the physical equipment hasn't been completed as yet.

While it is Congress itself which regulates our activities, the rules for membership and the conduct are formulated by an executive committee—the radio now has such a committee, composed of representatives of the three Washington chains and one radio news service—William McAndrew, head of the Washington news department, represents N. B. C. These rules then are approved by the Speaker on the House side and the Senate Committee on Rules on its side. The two galleries are entirely separate.

Each gallery has its superintendent, and here in the House radio correspondents' gallery is Robert M. Menaugh, tall, red-headed Hoosier, who has been on duty down on the House floor for the last several years, maintaining contact with the press and the Members of the House. He knows his 435 House Members as few do, and when he was named for this job his appointment was unanimous. He's right here so I'm going to ask him a question: Bob, how do you like making history—you know the first superintendent of the radio gallery is going to go down in history.

Mr. MENAUGH. I realize that it is a historic event—giving radio official recognition, which of course, everybody knows it deserves. This method of getting the news out over the air will bring the Senators and Representatives still closer to the people—the people they represent.

I know from experience that that is really what the Members of Congress want—closer contact with their constituents—and I know from my several years' experience here right in the midst of things that it's what the people ought to have. I'm glad radio is here to do the job and I'm mighty glad to help.

Mr. BAUKHAGE. Thanks very much, Superintendent Bob Menaugh.

And now things are starting on the House floor, folks are already filling the corridors, and I'd better go in and see what's happening.

It's been a big thrill to me to have been able to take part in this historic broadcast as NBC Washington observer.

ANNOUNCER. This has been the first broadcast from the House of Representatives Radio Correspondents' Gallery. But there will be many more.

These additional facilities, granted radio by the Congress, will enable NBC to present even more "on the spot" broadcasts from the United States Capitol Building in Washington than we've been able to before. Baukhage, NBC's Washington observer, has been your commentator today.

This is the National Broadcasting Company.

National Labor Relations Board

EXTENSION OF REMARKS

OF

HON. JOSEPH A. McARDLE

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 26, 1939

Mr. McARDLE. Mr. Speaker, I oppose the investigation of the National Labor Relations Board by a special committee of the House because I suspect its motives.

I suspect the move is nothing more nor less than another part of the deliberate plan we have seen unfold in this Congress to besmirch the President and all his liberal program. Else why this strange effort to take the matter from the hands of the Labor Committee?

Whether the President and his liberal policies are right or not—and I think that on the whole the President's liberalism is a fine flower of our American ideal—I object to this manner of attack.

The attack is predicated upon the strategy that anything the President is for his reactionary opponents in both parties are against. Sink or swim, right or wrong, they oppose him and everything he stands for.

Their opposition takes the form of smear campaigns, sniping attacks, and flank maneuvers. Lofty words cloak ignoble intentions. The purpose of this resolution is not to investigate the Labor Board with an eye to discovering defects that they may be corrected. The purpose is not to insure to employer and employee better relations, a more harmonious existence, and a more thorough enjoyment of American life.

The purpose is to sabotage the Labor Board.

The purpose is to smear the Labor Board, to encourage strife between unions, to set Labor at Labor's throat, and restore industrial feudalism.

And by doing all this, this resolution's sponsors hope further to undermine our great President's prestige.

It is not the President's prestige but our own which the sponsors of this resolution will undermine.

Parliamentary government becomes a farce when a small minority can turn its back on the majority with which it is affiliated and join with the minority party to sabotage the Democratic program.

The Nation knows that personal spleen rather than American idealism governs this attack from the Democratic Party on its own President.

I am willing to have this House investigate anything, if the investigation is handled fairly, without ulterior motives, and in the traditional manner evolved with the growth of parliamentary government over the course of centuries. I am opposed to any prostitution of our legislative powers for reasons of spite and malice.

Railroads and Oil Companies Oppose the Florida Canal

EXTENSION OF REMARKS

OF

HON. WALTER CHANDLER

OF TENNESSEE

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 26, 1939

Mr. CHANDLER. Mr. Speaker, the public demand for the completion of the Florida Canal, and the opposition to the project by certain private interests, including the railroads and the great oil companies, are clearly set forth in the report of the House Committee on Rivers and Harbors which investigated this matter. This opposition has resulted in confusing the minds of many Members of Congress. In order that the House may be fully informed as to the facts developed by the committee and as to just where this opposition is coming from, I desire to recite the following quotations from the committee report:

Opponents of the project have, by appearance or by testimony submitted in writing, presented arguments and views in opposition to those presented in the reports of the Chief of Engineers, the Department of the Navy, and the Department of Commerce favorable to the construction of the canal. Several days were occupied in taking opposition testimony, to which the committee has given careful consideration.

The opponents of the project appear to be divisible into two broad general divisions. The first of these comprise the managements of railroads, individually and collectively; the management of most of the large oil companies; and some, at least, of the ship operators. The second group comprises certain localities and interests in southern Florida. Among the former there may be listed the Association of American Railroads, the Atlantic Coast Line Railroad Co., the Florida East Coast Railway Co., the Seaboard Air Line Railway Co., the Southern Railway Co., the Standard Oil Co. of New Jersey, the Sun Oil Co., the Standard Vacuum Transportation Co., and certain steamship-operating companies. None of the oil companies or ship-operating companies were represented at the hearings, but letters introduced into the record indicate a substantial measure of opposition on their part.

The following observations seem to be pertinent:

(a) Opposition to the development of water transportation by canals and canalized rivers is the usual policy of the railroads. In this particular instance, the opposition of the railroads has been so determined as to raise a presumption, regardless of other supporting evidence, that the economies of the project and the consequent vast flow of water-borne traffic through the canal reported by the Chief of Engineers and the Department of Commerce will in fact materialize.

At the same time it should be borne in mind that all of the Atlantic-Gulf tonnage which the Chief of Engineers' report finds as potential to the canal is existing water-borne freight now moving through the Straits of Florida. Since it is moving by water at present and not by rail, it cannot be regarded as being taken from the railroads when it is diverted from the Straits and routed through the canal. Neither the representatives of the railroads nor any other person has presented any evidence tending to show that the Atlantic-Gulf commerce, which would transit the canal, would represent freight taken from the railroads, nor does it seem possible that such could be the case. In view of this fact it can only be concluded that the opposition of the railroads to this project is a part of their general policy of attempting to destroy all water transportation of freight, both the origin and destination of which lie within the continental United States.

(b) The very positive opposition of the large oil companies and certain of the ship operators is a factor which must be taken into consideration in studying their statements with regard to the project. Here again there is raised a presumption that such statements are designed to serve the policies of these corporations and are not primarily directed toward the public interest. Support to the view is afforded by the history of other great canal projects.

(c) The committee finds a considerable weight of evidence to support the view that, while there is undoubtedly a measurable body of entirely honest, if unjustified, opinion in southern Florida to the effect that the construction of the canal will adversely affect underground-water supplies, these fears have been fostered and developed by the organized efforts of the railroads and others seeking to defeat the project for reasons unconnected with the public interest. * * *

During the course of these hearings there were presented, either in person or by written communication, the views of the following proponents and opponents: Supporting the canal—The President, the Department of the Navy, the Department of War, the Department of Commerce, the Governors of Alabama, Arizona, Delaware, Florida, Georgia, Louisiana, Mississippi, Missouri, North Carolina, North Dakota, South Carolina, and Wyoming, the American Federation of Labor, the Mississippi Valley Association, the Atlantic Deeper Waterways Association, the National Rivers and Harbors Congress, and the Intracoastal Waterway Association of Louisiana and Texas.

Evidence submitted shows a widespread public support for the project. This includes the endorsements of the Governors of a large number of States, representatives of organized labor, civic and commercial bodies, and national associations, especially those located in or representing the Mississippi Valley and Gulf States and the Atlantic seaboard.

The project is actively supported by an official act of the Legislature of the State of Florida, the Governor, both Senators, and three out of the five Representatives from that State, including the Representatives from the districts through which the canal runs. The Department of Commerce states that the magnitude of the savings to be effected by the canal "undoubtedly justify its cost and emphasize the desirability of its construction." The President and the Secretary of the Navy have advised the committee that the project will be of definite aid in the national defense * * *.

In conclusion it may be said that the opposition is not well founded; that the project is of unusual merit; that its economic justification is beyond question; that its benefits will increase with time and will accrue to a larger portion of our country and its population than those of almost any other Federal public works; and that its construction is needful and in the public interest.

The 10-Cents-an-Hour Bloc

EXTENSION OF REMARKS

OF

HON. RICHARD J. WELCH

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 26, 1939

EDITORIAL FROM THE SAN FRANCISCO NEWS

Mr. WELCH. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following editorial published in the San Francisco News on July 18, with reference to the Fair Labor Standards Act:

THE 10-CENTS-AN-HOUR BLOC

While the leaders of organized labor have been draining their energies elsewhere—with mutual name-calling, with jurisdictional strikes, with W. P. A. walk-outs—the champions of dime-an-hour wages have been quietly at work in Washington.

As a result, the Wage Hour Act apparently is in for a pushing around from the logrollers.

It's the same old sorry system of "you scratch my back and I'll scratch yours" that has wished onto us such nightmares as the Hawley-Smoot tariff. You know how it goes:

A Congressman from a dairying district is buttonholed by creamery owners who warn that they will be ruined if they must pay 25 cents an hour and time-and-a-half for overtime after 44 hours a week. A Congressman from a lumbering district is similarly beseeched. Tears fall on the lapels of Members from tobacco-handling areas, cannery areas, meat-packing, sugar-processing, and cotton-ginning areas.

If enough exemptions from the wage-and-hour provisions are packed into a single bill, a majority of the Members of the House can do something for influential constituents.

That apparently is what has been done in Washington, and it looks as if the House will vote to exempt more than a million voters from the protections now accorded them by the Wage-Hour Act.

If such a bill becomes law, we might as well kiss the Wage-Hour Act good-bye. We might as well concede that America is too primitive and poor a nation to afford "two bits" an hour for those who stoop and sweat. And then we might as well march back to the good old "trickle theory"—the theory that as long as the upper-bracket incomes are well nourished, enough gravy will trickle down to keep the lowly from hunger.

Exemptions from the wage-hour provisions are not what we need, but some real enforcement of the law. Administrator Andrews, who has already recognized certain technical defects in the act and has proposed changes, has been handicapped by a shortage of funds for the payment of inspectors. The President has just asked Congress to vote $2,000,000 extra for this purpose.

We hope the President can obtain this appropriation and at the same time check the low-wage bloc and its so-called Barden amendments. But we doubt if he can do very much unless organized labor makes its position known promptly and loudly.

Differential Freight Rates Between the South and the Other Sections of the United States

EXTENSION OF REMARKS

OF

HON. JOHN L. McMILLAN

OF SOUTH CAROLINA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 26, 1939

Mr. JOHN L. McMILLAN. Mr. Speaker, no section of the United States has been more blessed by Nature than have the Southeastern States. No people anywhere have more courageously met with adverse marketing conditions than have the farmers of these same States. At the same time, no section and no group of our citizens have received less assistance from the Federal Government.

Over the long period of our colonial and national history the sturdy independence of our people has characterized the very life of each passing age. Our people of the Southeast, who under the inspiration of Marion and Pickens kept alive the wavering torch of independence during the American Revolution, have always unselfishly met every test of patriotism and good citizenship. Practically unaided, and even hindered, we survived the dark days following the War between the States. Today we come before the Nation fully convinced that we are entitled to—and will receive—a careful and friendly consideration of our major problem—adequate transportation at reasonable rates.

If there is any truth whatever to the charge that the No. 1 economic problem of the Nation is the Southeast, much of its force is due not to any defect in the character, resourcefulness, or industry of our people, not to any material depletion of our soil nor to any lack of water power for the development of modern industrial and manufacturing economy. We have the soil; we produce the crops; we have adequate rainfall; we have the manpower and the advantage of a relatively low cost of living, but we do not have access to the markets of the world or even of the United States. We do not have the centers of population which constitute the consuming public. To state the case bluntly and without qualification, we cannot fairly meet the conditions of modern competition so long as we are compelled to pay freight rates which are entirely out of line with those paid by the other producing sections of the Nation.

We do not criticize any other section because of the special favors they have received. We are merely asking for a fair treatment of our problems. The light-rainfall belts have received hundreds of millions in grants and loans in developing new areas of production. The agricultural West not only has received preferential treatment in the handling of its crops but its transportation lines have been constructed largely by Federal grants and subsidies.

The Nation needs our cotton, our tobacco, and our other agricultural products. If we are given even a reasonably fair opportunity to place our crops upon the market we will be in a position to purchase the manufactured goods of the North and East. We are prepared to become one of the very best consumer markets in the world, but we must have a fair

chance, as we cannot continue to pay freight rates out of line with the rest of the Nation. We will also necessarily continue to fail to play our part in bringing about industrial recovery.

The railroads themselves will pay the penalty. If we cannot profitably move our crops the railroads will not carry freight. Their boxcars will be idle. The factories of the manufacturing centers of the North and East will remain half closed while the finest of their potential markets remain undeveloped.

We are appealing to the American Congress to prove national solidarity by opening the door and permitting us to participate in the advantages due us as full partners in this great family of free States which we proudly call the United States of America.

This is a form of discrimination for which no adequate correction has heretofore been applied. This problem is the responsibility of the Federal Government. Congress has sought for nearly 50 years, through the regulations of rates, charges, and practices of railroads, to prevent discrimination which has been deemed to be unjust and unreasonable and contrary to public interest. Legislation has been passed from time to time in furtherance of this policy.

At present, the Federal law contains no provisions which directly control discrimination in the interstate freight-rate structures affecting regions or territories that are served by separate groups of railroads. This omission is possibly due to the fact that, when the original law was passed, commerce was principally local or intraterritorial in character. Profound changes have taken place, however, in the last 50 years. The tendency during this period has been toward a greater nationalization of commerce.

If discrimination of this sort is reached at all under the present law, it is only by indirect means; therefore, I am heartily in favor of this Congress correcting the unjust freight rates imposed upon the southern farmers and manufacturers.

I am sure that our part of the country can never compete with other sections of the country so long as we have unreasonably high freight rates and rates out of comparison with other sections of the United States.

I can see no reason for the other sections of the United States to object to the South having an equal freight rate as this would open up a good market for their goods and give us an opportunity to place our raw products on the large markets at an equal cost.

Mr. Speaker, I sincerely hope that I will be allowed to remain in Congress long enough to assist in having the thousands of freight rates reduced to a minimum number as I have failed to find any person who could explain why there should be so many different rates on the same product. Such a solution of the problem might be attained through the voluntary action of the carriers concerned, if all of them could reach an agreement to that effect, or, in the course of time, a regulatory policy might be developed, even without specific statutory direction, which would ultimately solve the problem. There is no present indication that either of these alternatives will be voluntarily adopted.

Mr. Speaker, I would like to state that, from the time I was a boy in high school, I have heard the farmers and businessmen of my section of the State of South Carolina complaining of the prohibitory rates which were placed on their products and which made it impossible to ship any of their surplus products to the large eastern markets. As long as I am a Member of Congress, I will continue to fight in an effort to see that we get the freight rates which we justly deserve in our section of the country and I can see the sentiment among the southern Members of Congress going in the same direction and I believe that we will have sufficient force to attain our goal within a short time.

With the solution of our freight-rate problem we will solve our own problems to the permanent benefit of every section of the Nation.

Petroleum Conservation Act of 1939

EXTENSION OF REMARKS
OF
HON. WILLIAM P. COLE, JR.
OF MARYLAND
IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 26, 1939

Mr. RAYBURN. Mr. Speaker, I ask unanimous consent that the gentleman from Maryland [Mr. COLE] may extend his own remarks in the RECORD on the subject of petroleum.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

Mr. COLE of Maryland. Mr. Speaker, under leave to extend my remarks, I desire to make the following statement in reference to the bill which I dropped into the hopper today and which is to be known as the Petroleum Conservation Act of 1939.

At a conference on July 22 with President Roosevelt, which Secretary Ickes, representatives of the Petroleum Board, Representative LEA, of California, and I attended, I was requested to introduce a bill which I dropped in the hopper today, H. R. 7372.

This bill was not prepared by me or any member of the subcommittee over which I presided as chairman in 1934 during the investigation of the petroleum industry and which has handled all legislation on the subject of petroleum referred to the Interstate and Foreign Commerce Committee since that time.

It is the idea of the President of the United States that the investigation conducted by our committee in 1934 be brought up to date during the interim between the adjournment of the present session of Congress and next January 1. After a long and hard session, the members of the subcommittee hesitate to undertake a job of this magnitude, but due to the fact it was felt we could bring the investigation to date more expeditiously than at first thought, I assured the President that after introduction of the bill by me, at his request, I would, with the consent of this Congress and after consultation with the members of the subcommittee and Chairman LEA of the full committee, undertake that study. For the information of the House, I insert herewith copy of a letter from the President to Chairman LEA, copies of which were sent to the Speaker of the House, to Majority Leader RAYBURN, and to me.

THE WHITE HOUSE,
Washington, D. C., July 22, 1939.

MY DEAR MR. LEA: On February 15, 1939, I transmitted to the Congress a report on energy resources by the National Resources Committee wherein certain recommendations were made relative to oil and gas problems in the United States.

I believe it is consistent with these recommendations to invite the attention of your committee to the desirability of the early enactment of legislation which will provide a coordinated national policy on oil conservation. To my mind the legislation should be designed to prevent avoidable waste in the production of oil and gas in the United States.

As you know, despite the progress which has been made toward oil conservation under State law and regulation, the production of petroleum is attended by waste. In view of the vital part which petroleum plays in the national defense as well as its importance in commerce and industry, the prevention of waste in petroleum production should be the subject of an enactment by the Congress.

I appreciate the thoroughness with which the Committee on Interstate and Foreign Commerce conducted the petroleum investigation in 1934 in response to House Resolution 441; but in the light of changes that have taken place, I believe the committee may wish to study developments since that time by investigation and hearings prior to the next session of Congress. To this end and with a view to the enactment of legislation in the next session, I request that the petroleum conservation bill which I today discussed with you and Representative COLE be introduced at this session.

Sincerely yours,

FRANKLIN D. ROOSEVELT.

HON. CLARENCE F. LEA,
Chairman, Interstate and Foreign Commerce Committee, House of Representatives.

I also insert the following brief statement in explanation of the legislation which I have introduced:

The purpose of this bill is to prevent avoidable waste in oil and gas production in the fields of the United States. This purpose conforms with the policy expressed in the report on Energy Resources and National Policy, recently transmitted to the Congress by the President.

An office of petroleum conservation is to be established as a civil-service unit in the Department of the Interior, to be headed by a commissioner appointed by the President. The bill does not establish a board or a multiheaded commission. Pertinent oil activities of the Federal Government will be consolidated in the office of petroleum conservation in order to provide a coordinated national policy on oil conservation.

The commissioner is authorized to investigate and determine if oil or gas is produced wastefully in any field in the United States. If investigation develops that waste does not occur, notice to that effect will be given to State officials, operating companies, and the public. If waste is found to occur, as determined in accordance with standards established in the bill, findings to that effect will be made and regulations issued to provide for the elimination of such waste. State officials and operating companies will be properly notified of such findings and full opportunity given for correction. If waste is not found or if corrected, the commissioner will take no further action.

When waste has been found to occur and corrective measures as set forth in the regulations have not been applied, the commissioner is authorized to institute legal action to compel the prevention of waste, and, in addition, the Connally Act, act of February 22, 1935, as amended, is broadened so that transportation in interstate commerce of oil produced wastefully also is prohibited.

The bill intends to develop fullest possible cooperation between State and Federal officials and the oil industry in the prevention of waste. To this end a council on petroleum conservation is established.

The bill is designed solely as an oil and gas conservation measure and does not attempt to control supply through the establishment of production, marketing, or transportation quotas; does not affect imports or exports of petroleum; and does not provide for any coordinated industrial action in refining and marketing.

Toward Government Ownership

EXTENSION OF REMARKS

OF

HON. LEWIS D. THILL

OF WISCONSIN

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 26, 1939

EDITORIAL FROM THE BUFFALO EVENING NEWS

Mr. THILL. Mr. Speaker, under leave to extend my remarks in the RECORD I include the following editorial from the Buffalo Evening News:

TOWARD GOVERNMENT OWNERSHIP

The disappointment of Senator JAMES M. MEAD over the scuttling of his loans-to-small-business program by the Senate Banking and Currency Committee is not hard to understand, for only a few days before he had been assured at a White House conference that his proposals would have administration support. They were to have been made part of the bill providing for President Roosevelt's new $2,800,000,000 lending program.

Senator MEAD blames the defeat of his plan in committee on Federal Loan Administrator Jesse H. Jones, who told the Senate group that present loans-to-business powers of the R. F. C. are sufficient. The controversy has brought out two statements which seem to tell better than anything previously publicized just what is at issue in the Mead proposals. One is this paragraph in Senator MEAD's denunciation of Mr. Jones' action:

"Guaranteed (by Government) loans to small business will have to come. There is a continual withdrawal of capital funds from small business. * * * The time is not far distanct when progress in that direction will demand action, or small business will be wiped from the American scene.

The other highly significant statement is contained in the release of what Mr. Jones, former head of the R. F. C., told the Senate committee regarding the Mead program. Asked if the loss on present R. F. C. loans to business will run as high as 10 to 20 percent, Mr. Jones replied: "I am ashamed to tell you what I think it will be. It will be plenty." And then he added: "If anybody makes loans on a more liberal basis than we are making them now, they will be grants—they will not be loans."

In other words, it would appear that Senator MEAD wants to put Government capital into small business on a far more liberal basis than at present. And we have the expert testimony of the man who has been providing such capital for the last several years that if present regulations are liberalized, a large part of the capital so invested will be lost. What happens when an investor puts capital into a business, and that capital is consumed without profit? Sooner or later he takes over the business.

That is exactly what the Government would have to do if it furnished capital on a wholesale basis to small business. If little businesses now cannot attract private capital, as Senator MEAD says, it is largely because governmental instability has made profit possibilities extremely small. Will further Government entrance into private business change that? Hardly; if anything, it will make the situation worse. And so the Government would find itself the owner and operator of a new segment of American business, a segment it has professed to aid in the past by entrance into some of the larger economic fields such as the utilities and big-scale housing.

Thus, the situation quite apparently is this: If Government wants to help small-business men, it must remove the restrictions on profits and the economic uncertainties it has fostered. It must make the investment of private capital in new enterprises attractive. It will do no good in the long run for Government to try to furnish the capital, unless the United States is headed toward a far different economic and political system than that in which its citizens still believe.

Public-Building Program Outside the District of Columbia

EXTENSION OF REMARKS

OF

HON. GEORGE H. MAHON

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 26, 1939

Mr. MAHON. Mr. Speaker, in connection with my remarks in the House today, I insert below, for the information of Members of the House who are interested, the recommendations of the Bureau of the Budget for an additional authorization and appropriation for the public-building program outside the District of Columbia. Having about 10 towns which are eligible for consideration for post-office buildings, I have a special interest in this matter.

BUREAU OF THE BUDGET,
Washington, July 20, 1939.

The PRESIDENT,
The White House.

SIR: I have the honor to submit herewith for your consideration a supplemental estimate of appropriation for the Federal Works Agency amounting to $1,000,000, as follows:

"PUBLIC BUILDINGS ADMINISTRATION

"CONSTRUCTION OF PUBLIC BUILDINGS, ACT AUGUST 25, 1937

"Construction of public buildings outside the District of Columbia: The total amount authorized to be appropriated for the 3-year program for the acquisition of sites and construction of public buildings by the paragraph under the caption 'Emergency construction of public buildings outside the District of Columbia,' contained in the Third Deficiency Appropriation Act, fiscal year 1937, approved August 25, 1937 (50 Stat. 772), and increased by the Federal Public Buildings Appropriation Act of 1938, approved June 21, 1938, is hereby further increased from $130,000,000 to $180,000,000, and the period of said program is hereby extended to 5 years. All applicable provisions and authority contained in such authorizations shall be operative with respect to the enlarged authorization provided herein except that the Federal Works Administrator shall be substituted for the Secretary of the Treasury where mentioned therein, and that the list from which projects are to be selected by the Postmaster General and the Federal Works Administrator, acting jointly, shall be House Document No. 177, Seventy-sixth Congress, first session, dated February 20, 1939. Toward such increased program there is hereby appropriated, out of any money in the Treasury not otherwise appropriated, the sum of $1,000,000. The appropriations heretofore made under the authority of such acts, together with the appropriation contained herein, shall be consolidated into a single fund and be available toward the consummation of the entire authorized program (52 Stat. 818; 53 Stat. 672)."

The current construction program for buildings outside the District of Columbia, authorized by act approved August 25, 1937, in the amount of $70,000,000 and augmented by $60,000,000 under act approved June 21, 1938, was intended to cover a 3-year period ending with fiscal year 1940. Practically the entire amount of the $130,000,000 authorization has been allotted for approximately 760 specific projects. Sites have been selected for all but 50 of these projects; 250 are under construction or completed; and

drawings and specifications are in course of preparation for the remaining projects, 460. It is believed to be to the best interest of the Government to recommend at this time an augmentation of the $130,000,000 program to $180,000,000 and extend the period from 3 to 5 years, ending with fiscal year 1942. The additional authorization of $50,000,000 will be sufficient to permit an equitable distribution of projects throughout the country consistent with the current needs of the public service, and will permit the Public Buildings Administration to plan in advance and maintain a stable architectural and engineering force.

The appropriation of $1,000,000 is required to meet preliminary expenses in connection with the $50,000,000 authorization to provide for the cost of necessary sites, surveys, drawings, and specifications.

This estimate is required to meet contingencies which have arisen since the transmission of the Budget for the fiscal year 1940, and approval is recommended.

Very respectfully,

HAROLD D. SMITH,
Director of the Bureau of the Budget.

Some Cheese Facts

EXTENSION OF REMARKS
OF
HON. CHARLES HAWKS, JR.
OF WISCONSIN
IN THE HOUSE OF REPRESENTATIVES
Wednesday, July 26, 1939

Mr. HAWKS. Mr. Speaker, we need look no further than to scan the figures quoted below, to discover one of the greatest fallacies of the New Deal. This demonstration lies in the prices of cheese since 1920, as shown in the following table, furnished by the United States Department of Agriculture:

Cheese prices, American Twins, Wisconsin Cheese Exchange

[Cents per pound]

1920	24.9
1921	18.3
1922	19.3
1923	22.1
1924	18.2
1925	21.5
1926	20.1
1927	22.7
1928	22.1
1929	20.2
1930	16.4
1931	12.5
1932	10.0
1933	10.2
1934	11.7
1935	14.3
1936	15.3
1937	15.9
1938	12.6
1939 [1]	11.7

[1] For first 6 months (January through June, inclusive) of 1939.

PRICES OF CHEESE

Last 6 years of Republican administration (average), 17.2 cents per pound.

First 6 years of New Deal administration (average), 13.6 cents per pound.

Decrease in price of 3.6 cents per pound.

These figures show that during the last 6 Republican years, cheese averaged 17.2 cents per pound, and for the 6 years of the New Deal, the average price was 13.6 cents per pound.

Using the prices during Republican administration years as the yardstick, they were 3.6 cents or 26 percent more, under the last 6 Republican years, than during the first 6 years of the New Deal administration. Also, please note that cheese was below 12 cents per pound only 1 year during the 12 Republican years listed in the table, and has been below 12 cents per pound in 3 out of the 6 New Deal years, and only 11.7 cents the past year, or during the first 6 months of 1939.

Wisconsin produced over 2,100,000,000 pounds of cheese during the past 6 years. With an average loss of 3.6 cents per pound, this means a total loss in dollars of $72,372,740 for our cheese under the 6 years of New Deal administration, than under the 6 Republican years.

Knowing that Wisconsin has received from the New Deal Agricultural Adjustment Administration in benefits during the same 6 years only $40,365,000, we can easily discover why Wisconsin farmers are dissatisfied with the New Deal agricultural program.

Our (Wisconsin's) total dairy loss is tremendous, when we realize that only about one-third of the milk produced in Wisconsin is made into cheese.

Mr. Congressman, how many pounds of cheese, or butterfat, did your district produce in the past 6 years, and how much did your district lose?

Mr. Farmer, how many pounds of cheese, or butterfat equivalent, did you produce during the last 6 years, and how much did you lose by multiplying this by 3.6 cents per pound?

I believe you know the answer.

Let us have a fair agricultural program for all and an agricultural policy based on common sense.

Administrative Costs of W. P. A.

EXTENSION OF REMARKS
OF
HON. JOSEPH E. CASEY
OF MASSACHUSETTS
IN THE HOUSE OF REPRESENTATIVES
Wednesday, July 26, 1939

Mr. CASEY of Massachusetts. Mr. Speaker, under leave to extend my remarks, I herewith insert in the RECORD an editorial printed in the Boston Traveler on June 30, 1939:

WRONG TARGET

Approximately 1,000 of the 106,000 W. P. A. employees in Massachusetts get $1,200 or more a year, according to a report issued by Congressman JOSEPH W. MARTIN, Jr., of Massachusetts. The figure undoubtedly is correct, because it has been checked and cross-checked by Government offices.

The figures are for administrative positions on W. P. A.

W. P. A. in Massachusetts performs a myriad of tasks requiring good administration and engineering. Consider a private industry employing 106,000 men. Consider our own State administrative expense. How do they do?

Congressman MARTIN reports that 28 W. P. A. officials are being paid over $300 a month. Eight of these, by the way, are New England regional officers. So we have 28 executives getting more than $300 a month in an activity employing 106,000 persons.

The Commonwealth of Massachusetts, not including the judiciary, has only 21,000 employees as against the W. P. A.'s 106,000. Yet the State employs 1,010 persons at $3,000 or over a year. Of these, 419 State employees get $4,000 or over.

The significant fact is that W. P. A. administrative expense in this State right now is 2.34 percent. How does that percentage compare with private or public business?

If you owned a business employing 1,000 persons and administrative costs were comparable with W. P. A. there would be only 10 persons out of 1,000 to get over $25 a week.

Administrative costs is a poor target to aim at in criticizing W. P. A.

I want to take this opportunity to thank the Boston Traveler for taking the trouble to investigate the administrative cost of W. P. A. and compare it with the administrative expenses of the State of Massachusetts. The Boston Traveler is a Republican newspaper, but it shows in this instance an unwillingless to accept, without investigation, charges that are inaccurate even though those charges might benefit the Republican Party.

The Boston Traveler has pointed out that the W. P. A. administrative expenses in the State of Massachusetts were, on June 30, 1939, 2.34 percent and has asked the eloquent question, "How does that figure compare with private or public business?" The question answers itself. W. P. A. administrative expenses will compare very favorably with the most efficiently run private business.

Under the recently enacted W. P. A. bill, which I spoke against and voted against because of its destructive and oppressive measures, the administrative expenses of W. P. A. throughout the country are further cut 32 percent. In Massachusetts the administrative expenses of the W. P. A. are further cut 46 percent by this bill. In addition to this cut,

the recently enacted W. P. A. bill requires the performance of numerous additional administrative functions not carried on last year which will cost $6,000,000 of administrative expenses. These drastic cuts, made in an arbitrary manner, can mean but one thing, and that is that the W. P. A. is not going to be able to conduct its operations efficiently and, worse than that, that the W. P. A., because of a woeful lack of administrative funds, will fall of its own weight.

If the authors of the W. P. A. bill had for their purpose the destruction of the W. P. A. as a form of relief and the substitution of direct relief or the dole system, they could not have planned better. The failure of the bill to provide for anywhere near adequate administrative expenses is but one of several unfair features of the present W. P. A. bill, but it is of sufficient importance in itself to show that if we are to avoid inflicting great hardship and suffering upon the millions in our country who, through no fault of their own, are unable to find employment, we should amend this disastrous W. P. A. bill before we adjourn.

Confusion, Delusion, or Recovery

EXTENSION OF REMARKS
OF
HON. CHAN GURNEY
OF SOUTH DAKOTA
IN THE SENATE OF THE UNITED STATES
Wednesday, July 26 (legislative day of Tuesday, July 25), 1939

ADDRESS BY HON. STYLES BRIDGES, OF NEW HAMPSHIRE, JULY 15, 1939

Mr. GURNEY. Mr. President, I ask unanimous consent that there be printed in the RECORD a speech delivered by the senior Senator from New Hampshire [Mr. BRIDGES] at a banquet of the conference of Young Peoples' Republican Clubs of Kentucky, at Ashland, Ky., on the evening of July 15, 1939, his subject being, Confusion, Delusion, or Recovery.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

Mr. Chairman and fellow Republicans, if I appear a bit groggy before you, it is because I have just come from that land of make-believe that is Washington—where black is white and 2 and 2 make 5. I have just come from as ruthless and ambitious a crew of men as ever held power in this land. They say they are engaged in "making democracy work." God help democracy if they succeed!

Frankly, in getting away from the maelstrom, I am somewhat bewildered to find so many people making a living, or seeking to make a living in such old-fashioned ways as selling goods to other people or growing crops or rendering some service for which a man is willing to pay. This is looked upon as quite bourgeoisie in Washington, where the great industry now is high-price thinking. We pay the thinkers, or rather you pay them, from $6,000 a year up, and with the salaries go innumerable perquisites, such as power, having their thinking recorded in the public prints and the right to scoff at their fellow men who pursue other ways of earning their daily bread.

Mere support of these thinkers, however, is not the greatest problem facing this country. Ours is a wealthy nation and we can take a lot of abuse. We can stand a lot of wasted effort. We can support a lot of parasites. Inasmuch as we are spending millions for relief there is no reason why we should not have a project for impoverished thinkers.

But the trouble is that these thinkers in Washington are not content to sit and draw their pay. They insist upon enacting their thinking into law. That is what is responsible for the depressed state of our people today. The thinkers claim they will never let us have another depression. What they mean is that they won't let us get out of the one we are in.

President Roosevelt once explained in an outburst of enthusiasm that this country had a rendezvous with destiny. I think, my friends, that this country is in a race with the time limit of the New Deal.

I haven't the slightest doubt that the American people are now fully aware of the schemes which, under lofty-sounding phrases and noble protestations, are used to attack our Government and that they fully intend to clean house. The anguished screams of Honest Harold Ickes and others of the palace guards are evidence that they themselves see the handwriting on the wall. In fact, it will be more hysteria than history that you will get from the banks of the Potomac from now on.

But my concern is for the country in the brief time in which the New Deal has to run. Because we are dealing with frantic men. Make no mistake about it. It is not simply a case of a political party facing defeat. It is a case of determined, ambitious men with such a lust for power as this country seldom sees. They will not give up their fantastic dreams of making America over without the struggle of desperate men. Of that you may rest assured. Why, even the contemplation of returning to the oblivion from which they sprang puts them under a tremendous nervous strain. It was such a state of mind that produced the President's recent utterance that to give the control over the American dollar back to Congress was to give it to Wall Street.

As one experienced in the mechanics of politics, I know that a lot of license is taken with the truth. But, frankly, I think that the American people, and particularly those millions who, until a short time ago, idolized Mr. Roosevelt, have a right to expect more informative and more intelligent statements from one occupying the highest office in this Nation.

The American people are of a forgiving nature. So I suppose that when the Republicans have returned to power and our people are once again enjoying the fruits of a prosperous land, that the tendency will be to say of the new dealers: "Oh, they did the best they could."

But I for one shall never forgive them for the scars their propaganda has left on American minds and American souls.

I despise their campaign to undermine our faith and our traditions. I particularly resent the attacks upon our older men and women which they have used in their ill-conceived campaign to entice youth. This I consider the most heartless of all their strategies.

Down through the ages man has been acquiring a philosophy and respect for advancing age. Such respect has been seriously shaken by the efforts of the Washington mind debauchers in their attempt to array youth against age in the same manner as they have sought to array the employee against the employer. As vicious as was the attempt to pack the Supreme Court the propaganda about the senility and uselessness of aging men was more so.

But I am quite sure that the younger men and women do not feel flattered by these attentions. They have been the most harmed of all by the New Deal. While the propagandists have sung merrily to them of the promised land—the philosophy of regimentation, of closing the avenues of opportunity, of making existence more complicated and less competitive has moved to crush them as it has no other group.

An elderly man, tired of the conflict of life, may give some ear to a proposal for a static state which would assure him the groove he has fallen into. Not the young man. He wants the field left flexible so he can skip from employer to employer and enterprise to enterprise in order to improve his lot. The younger generation, above everybody else, is concerned lest the United States Government become the sole employer in this country!

Youth scoffs at security. It wants only an opportunity to go to work.

It is not unlikely that the boldness and the audacity of the new dealers at first impressed the younger minds. They boasted of a great adventure upon which they were embarked. But these same younger minds are the first to see the lack of genuineness, the downright quackery that is becoming more and more clear.

To follow the New Deal journalists there has never been such a galaxy of brains as those now struggling with the commonweal at Washington. And I am prepared to admit that there has never been a group so learned in all the cunning of history. Our Washington intellectuals have obtained their master's degree in the ways and means of exploiting minds.

I have had authoritatively described to me one of the many ways they have of shaping the minds of youngsters in Soviet Russia. Several hundred boys and girls in their teens are crowded into a theater, formerly a cathedral, one of the buildings seized by the state from the church. A man appears before the curtain on the stage and asks:

"Would you children like some sweets?"

You can imagine that there would be a chorus of ayes.

"Then pray to God and let's see what He will do," the man directs.

There follows the pitiful spectacle of these hundreds of youngsters praying to God to give them some sweets.

The curtain then rises to reveal an empty stage.

The man reappears with the observation that apparently God paid no attention to their prayers.

The curtain is lowered and he suggests:

"Now, let's try Stalin, let's pray to him."

When the curtain is raised again there is an ample display of sweets.

Our intellectuals, our thinkers at Washington, my friends, have played upon minds, young and old, just as ruthlessly as this.

Oh, they aren't Communists. To even suggest that they are bringing abuse from advanced thinkers all over the place, and I have no desire to set them to yelping more than is their wont. So this bowed and unlettered head will take the explanation of Mrs. Roosevelt, which, I am told, was given before 500 persons in the National Press Club at Washington. I do not purport to quote her exact words.

"I am not a Communist," she said with a laugh. "But I will say that the Communists come closer to seeking the same objectives that we are trying to attain than any other political philosophy."

I think she is right. The objectives of the Communists are to gain control over the political and economic structure of this country.

I think the plain fact is that our Washington intellectuals are not rooted in any particular form of government. They simply think in their arrogance that they have the answers to all the questions of life; and if unhampered by such annoyances as Congress and the Supreme Court and democratic processes, they will be able to erect a world of happiness and delight. That the massive minds of their European mentors have evolved naught but added grief for their people deters these big minds of ours not one whit.

Ah, the conceit of men!

And they have not the slightest hesitancy in placing Communists in responsible positions of government. They associate with them as fellow intellectuals. They admire their minds. They are all just a happy group of experimenters able to argue convincingly that when we go backward it is really a movement of progress. They would be fascinating if not in power and performed merely for entertainment, like the Dionne quintuplets, in a glass cage.

I don't see why there should be any doubt about what the new dealers are attempting to do. Mr. Roosevelt in his recent proposed $3,800,000,000 lending scheme said quite audaciously in his letter to the Senate leaders that "there seems to be no reason why there should not be adopted as a permanent policy of the Government the development and maintenance of a revolving fund fed from the earnings of these Government investments and used to finance new projects at times where there is a need of extra stimulus to employment."

But it remained for his less subtle Assistant Secretary of State, Adolph A. Berle, to explain just what this means. Appearing before the Senate Monopoly Committee, Mr. Berle said:

"The conclusion seems inevitable. Either we are on the eve of a change in our financial system or we are on the eve of a change in our social system."

Pointing out that if Government money is to be used to create wealth, it must have a broader field in which to operate, Mr. Berle said:

"Briefly, the Government will have to enter into direct financing of activities now supposed to be private; and a continuance of that direct financing must be inevitable that the Government ultimately will control and own those activities."

"Put differently"—and I as still quoting him—"if the Government undertakes to create wealth by using its own credit at the rate of about four billions or so a year, and if its work is well done, the Government will be acquiring direct productive mechanisms at the rate of four billions' worth a year, or thereabouts. Over a period of years, the Government will gradually come to own most of the productive plants in the United States."

Mr. Berle said a decision on whether this course should be pursued should be made openly. I agree with him.

Mr. Berle is apparently even more brilliant than the other brilliants and there is a noticeable tendency among the palace guards to gang up on him by such lesser brilliants as Tommy Corcoran, Benny Cohen, and Leon Henderson. But his statement is quite frank and it would be shocking if we were not already stunned.

But they are for the workingman, these experimenters in human beings are. I have never known a politician who was not for the workingman. It is a proposition that has in this sense been worked to death. And, my friends, I imagine that with 11,000,000 still unemployed and a national debt of more than forty billions under this set-up of the new dealers being for the workingman that he would prefer that they be against him. Of what use to him is the right to bargain collectively with his employer if he has no employer to bargain collectively with.

It is not for me, though, to doubt the sincerity of the lofty expressions which emanate from the New Deal propaganda mill. I suppose there is no doubt that when Napoleon scattered the blood of Frenchmen all over Europe he had convinced himself he was doing it for their own good.

Ever since shortly after the dark days of 1933 some of us have been suspicious that Mr. Roosevelt and his intellectual associates visualized a vast organized state under which every business, every activity of life, would function only at the will of and to the tune of Washington. The farmers would grow their crops by decree, the merchants would open and close their shops at the signal from the high chief of merchants in Washington.

Now with the episodes since 1936 indelibly impressed upon our minds there can be no doubt that this is the case. It is all very well to look upon John L. Lewis as a monster. But don't forget that he is part and parcel of the New Deal fabric, that the New Deal is wholly responsible for him. He is not simply a labor leader seeking to make the best of his opportunities. In the great organization plan of the new dealers he was assigned the job of bringing labor into the fold. The solid, far-seeing president of the American Federation of Labor, William Green, has been subjected to a heap of abuse from the New Deal propagandists. His unpardonable crime is that he would not turn organized labor over to the new superstate. Because he would not do this, Lewis was set up in the enterprise of wrecking the federation and putting the C. I. O. in its stead. You should know these things, my friends.

The enterprise is now virtually bankrupt and we find Mr. Roosevelt and Mme. Perkins frantically trying to get Lewis back into the federation ranks in order that he may bore from within. And even while they are doing this the effort to undermine the federation leaders goes assiduously on.

Do you suppose that the strikes in the steel and automobile industries had for their purpose the helping of the workingman? These workers had been given shorter hours and higher pay. I have no doubt that these were given in an effort to head off the C. I. O. But the fact is that they were given. No, my friends, these workers, seeing their first daylight after a darkness of several years, were the victims of the superstate architects—despoilers of toilers posing as their friends.

A most natural and understandable depression which came to the world on the old law of gravity that that which goes up must come down, has been unnecessarily prolonged in this country by selfish and vain men. You probably recall, some of you, that there was a burst of a boom in Florida a couple of years before the 1929 national collapse. But be it said for the men who gambled there and lost, none sought to take advantage of the situation to change the form of government.

The new dealers, past masters at preying upon the mass mind, seized upon the depressed state in which they found us in 1933 and they have worked with every device at their command to keep us steeped in pessimism.

No new frontiers, no opportunities for livelihood, no chance for the youngster graduating from school, utter hopelessness for the aging—will we have communism, will we have fascism, when will the war in Europe come? Oh, oh, what are we going to do. They would have us despair, my friends, and throw ourselves helplessly at their feet It is a revolutionary tactic as old as time.

But the American people are tired of singing the lament of defeat. They see dark clouds on the horizon all right. But they have come to see that that horizon is Washington. They intend, as soon as they can get to the polls again to roll these man clouds back—back into the classrooms and rear halls of the counting houses from which they emerged in 1933 to take the grand ride on Mr. Roosevelt's flight into ambition's stratosphere.

We in Washington are more exposed to the arguments of futility than you are. Mr. Roosevelt insists that he believes in democratic government but his actions contradict his words. I have no doubt that in that way of logic peculiar to him, he would call his brand of one-man government some sort of perfected democracy and make it sound convincing. But the intellectuals around him and to whom he gives the most ear, are not so subtle. Aside from Mr. Berle, there are others who say quite frankly, even provocatively, that democracy is through.

Well, it may be so, but I don't believe it. Anyway, let's throw the doubters out and give democracy another chance.

Now, fellow Republicans, there inevitably comes the question: But what will Republicans do?

The question, to my mind, is an example of how deeply the New Deal propaganda has sunk. Of far more importance at this time is not what the Republicans will do but what they won't do. The question has come to be one of what do the American people intend to do and will the Government at Washington permit them to do it. I sincerely think that when the choice is between the New Deal and the Republican Party it is a question of whether the American people can govern themselves. The new dealers, at heart, do not think so. The Republicans do!

In that light, you can rest assured that we won't use the National Labor Relations Board as an instrument to build up the C. I. O. so as to insure the American worker voting for any political party. We will see that this agency is administered to carry out the purpose for which it was intended and that is to guarantee that any worker who wants to join a union may do so.

We will see to it that the Securities Exchange Commission is not used to advance the friends of a particular political party and crush others. We shall insist that the laws governing dealings on the stock and other exchanges are enforced but that this bureaucracy is not used to prevent legitimate financial enterprise; we shall see that taxes are levied upon the ability to pay and with the sole purpose of raising revenue to carry on the legitimate functions of Government. Taxes will not be used as punitive measures or to introduce by indirection some pet political or economic policy.

We will set up a real social-security system on a pay-as-you-go basis and not use it as a guise for levying income taxes, as is now the case, on the rank and file. We will not use social-security funds for reckless Government expenditures. We will use them only for the purposes for which they are collected.

The Republicans have followed with patience the experiment of a splendid gentleman, the Secretary of State. For some 25 years he has clung to an idea that he could work out a reciprocal-tariff system which would add to the well-being of the world. Unmolested, he has had his chance, and you know and I know that it simply has not worked. So we will turn back to insuring the American farmers and the American businessmen against unfair competition from abroad. It is not very popular in our advanced thinking circles to say that we intend to preserve American markets for Americans, but that is what we intend to do.

Who knows how much of our present Government's feeling against certain European countries and its apparent itch to get at them is based on the administration's disappointment over the outcome of its reciprocal plan?

Talk to me, my friends, about the Rome-Berlin axis which parades across the front pages every day. The axis for us to worry about is Bill Bullitt in the embassy at Paris, Joe Kennedy at the Court of St. James, and F. D. R. When these three musketeers get a gay idea, Barnum becomes a piker in comparison.

There is one thing certain: We will remove definitely the fears that we may get into a European war. Just what it is about Democratic Presidents that causes them to sweep excitedly over the domestic situation and then jump to the disentanglement of European affairs I don't know, but that is our experience under Mr. Roosevelt, and it was our experience under the Democratic President who preceded him.

The Republicans when they come into office shan't deny any needy person relief. Feeding the hungry is not an accomplishment of government; it is an obligation. But like the Salvation Army, which has been dealing with unfortunates for years, we shan't require these people to vote for us.

We shall do everything within the power of a democratic government to encourage business and industry to get going and reemploy the millions now out of work. We won't be afraid to have it said that we are friends of business and businessmen. Unlike the New Deal, we look upon them as most useful citizens and by encouraging instead of browbeating them we feel that we serve the farmer, the workingman—all of our citizens, in fact.

We won't send purportedly strong notes to the Mexican Government telling her she must pay for the expropriation of American-owned properties and then tip off the Mexican Embassy at Washington that no attention need be paid to them.

Talk about the mandate, my friends, which Mr. Roosevelt claims he received in 1938. When we are elected in 1940 we will take it as a mandate to turn the Government back to the people. It is a terribly reactionary and unliberal thing to do, but it is what the American people may expect from us.

To see our people back at work again, unworried and able to sleep peacefully at night, is in the eyes of our so-called liberals wholly unintellectual, but it is the way we Republicans are—just plain people with common sense!

Wage and Hour Amendments Opposed by Labor

EXTENSION OF REMARKS

OF

HON. MICHAEL J. KENNEDY

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 26, 1939

EDITORIAL FROM THE LABOR CHRONICLE

Mr. MICHAEL J. KENNEDY. Mr. Speaker, under leave to extend my remarks, I wish to include therein an editorial which appeared in the Labor Chronicle, New York's official trade-union newspaper, published by the Central Trades and Labor Council of Greater New York, outlining their position in opposition to the proposed amendments to the Wages and Hours Act as provided in the Barden bill, which was referred to the House Committee on Labor. I know that this editorial will be of great interest to Members of this body, because it sets forth in a very concise manner the disastrous consequences to thousands of employees now benefiting under the present act, should these amendments be adopted.

In my opinion, the present Wages and Hours Act is one of the most effective strides made in social legislation during the last decade, and it is most unfortunate that amendments should be presented at this time which would nullify all of the gains made by its enactment in removing more than 2,000,000 workers from its scope. These employees are equally as needy and as worthy of this legislation as the millions of others now enjoying benefits under its protective cloak. I do not intend to stand idly by and see these 2,000,000 workers stripped of the protection afforded by the present Wages and Hours Act for which they have so patiently waited, and shall therefore oppose the Barden bill, should it be presented to the House for consideration.

The editorial follows:

[From the Labor Chronicle]

WAGE-HOUR AMENDMENTS OPPOSED BY LABOR

Labor looks to its representatives in Congress for vigorous and effective opposition to the vicious amendments to the wage and hour law which are now under consideration.

These proposals, which give a ride to the pet exemptions of every Congressman incapable of withstanding requests from employer constituents, were introduced in the House a few days ago and have been referred to the Labor Committee. Due to the long summer session expected, they may hit the floor at any time and be ridden through by enemies of wage and hour legislation with a whoop and a holler.

More than 1,000,000 workers would be exempted from the wage and hour provisions of the act and 1,500,000 workers exempted from the maximum-hour provisions, it is estimated.

Here are a few of the things that the bill does:

1. Emasculates the employees' suit provision of the present act by requiring suits within 6 months of the violation, irrespective of when the violation is discovered.

2. Exempts all workers receiving a guaranty of $150 a month from the statute. In addition to the hundreds of thousands of clerical workers who will be deprived of their right to overtime compensation, this provision would exempt all craft and skilled workers paid on a piece-rate or hourly scale where it would be to the employer's advantage to guarantee to pay the employees $150 a month.

3. Requires the administrator to issue rulings fostering underpaid home work in rival areas and this will bring about the spread of home work from industrial areas.

4. Exempts from both the wage and hour provisions of the act, among others, approximately:

(a) 120,000 employees engaged in packing fresh fruits and vegetables.

(b) 160,000 employees engaged in canning fresh fruits and vegetables.

(c) 13,000 pecan shellers.

(d) 68,000 tobacco stemmers and handlers.

(e) 250,000 employees engaged in the milk industry (including distribution), including the making of ice cream and cheese.

(f) 125,000 employees engaged in ginning, compressing, and storing of cotton.

(g) 70,000 employees engaged in the making of sugar, molasses, and maple sirup.

(h) 100,000 employees cutting, milling, and manufacturing timber into lumber, where the employer has 15 employees or less.

(i) 6,000 nursery employees.

(j) 30,000 employees engaged in handling, slaughtering, dressing, and refrigerating poultry.

(k) 30,000 stockyard employees engaged in handling or transporting livestock.

(l) 30,000 (approximation) employees engaged in storing and warehousing all these products.

(m) 75,000 (approximation) drivers engaged in handling and transporting meats, grains, livestock, lumber, cotton, and all other perishable foods.

5. In addition to the above, completely exempts these workers from hour provisions for 14 weeks; for these workers there will be no overtime until after 56 hours during the remainder of the year:

(a) 55,000 employees of the big grain elevators and exchanges wherever located.

(b) 100,000 employees engaged in logging and lumber operations.

(c) 10,000 employees engaged in evaporating and condensing milk.

(d) 42,000 employees engaged in the wholesale distribution, including foreign imports, of fresh fruits and vegetables.

(e) 20,000 employees handling the storage of other commodities.

(f) 125,000 employees engaged in handling and packing dried fruits, or in canning dry products, for 16 workweeks.

(g) 128,000 employees of the big meat packers for a like period. (This is an exemption for all employees of the industry.)

Admiral Harry E. Yarnell

EXTENSION OF REMARKS

OF

HON. EDITH NOURSE ROGERS

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 26, 1939

Mrs. ROGERS of Massachusetts. Mr. Speaker, I am delighted to support this measure to decorate Admiral Harry E. Yarnell, who has just retired as commander in chief of the United States Asiatic Fleet. In this Congress, and in the previous one as well, I introduced a resolution tendering the thanks of the American people and the Congress of the United States to Admiral Yarnell for his highly distinguished services as commander in chief of the Asiatic Fleet during the siege of Shanghai, China. The resolution also thanked

the officers and men under his command for their unwavering devotion and heroic valor, following his lofty example and wise leadership. The measure before us now is different in that it authorizes the Navy Department to present the admiral a Distinguished Service Medal. I wish that my resolution could have been passed also, for Admiral Yarnell deserves every commendation the American people can give him. Few, if any, naval officers have been confronted with such a multitude of difficult and hazardous situations as has this fine officer. Ever since the beginning of his service in the Orient in October 1936, he has encountered situations of an emergency nature which required tact, judgment, and a firmness of decision. After Admiral Yarnell's tour of duty was over and under the natural course of events he was supposed to be relieved; his services were so highly valued that he was ordered to remain in the Orient until conditions were more normal. This, I believe, is the first time such a procedure has been followed in our naval history. The most tense periods were those caused by the sinking of the U. S. gunboat *Panay* and the shelling of the *Augusta*. His excellent handling of these very serious situations reflected the highest credit not only upon himself but upon the entire naval service of the United States. His statement of policy, made a number of times, and adhered to rigidly, is worthy of repetition here:

The paramount duty of United States naval vessels is the protection of American citizens and they will go wherever it is necessary at any time to carry out that mission.

Whose Liberties? The Hatch Bill

EXTENSION OF REMARKS

OF

HON. CHARLES A. PLUMLEY

OF VERMONT

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 26, 1939

EDITORIAL FROM THE WASHINGTON DAILY NEWS

Mr. PLUMLEY. Mr. Speaker, since the President is reported to have stated that the Hatch bill as enacted presented questions involving constitutionality and strictures on the right of free speech, and that he would have the measure thoroughly examined before taking any action, under leave to extend my remarks in the RECORD, I would like to include the following editorial from the Washington Daily News, setting forth, as it does in a cogent and concise manner, the views of many who voted for this measure on final passage:

WHOSE LIBERTIES?

President Roosevelt says there may be some questions of constitutionality and free speech involved in the Hatch bill. These questions are being examined, before he signs, or vetoes the measure.

Well, the Hatch bill protects every Government employee in his right to—

Say what he pleases,

Vote as he chooses, and

Keep whatever money he earns.

Those provisions possibly may cramp the style of politicians accustomed to telling Government employees what to say, how to vote, and when and how much to kick in to the campaign chest. But they don't infringe on any citizen's constitutional liberties. Quite the contrary.

The Hatch bill does more. It forbids any administrative officer of the Government, or anyone else—

To threaten, intimidate, or coerce a vote;

To deprive anyone of a W. P. A. job—or threaten to deprive—because of his politics, his race, his color, or his creed;

To take any money appropriated for relief purposes and use it for political ends.

Do those provisions infringe on any citizen's constitutional liberties? Again, quite the contrary.

Resolutions of the National Retail Hardware Association

EXTENSION OF REMARKS

OF

HON. CHARLES HAWKS, JR.

OF WISCONSIN

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 26, 1939

PROPOSED RESOLUTIONS SPONSORED BY NATIONAL RETAIL HARDWARE ASSOCIATION BOARD OF GOVERNORS

Mr. HAWKS. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following proposed resolutions sponsored by National Retail Hardware Association board of governors:

GOVERNMENT AID TO COOPERATIVES

Be it resolved, That this Fortieth Congress of the National Retail Hardware Association expresses vigorous opposition to the bill which has been introduced in the Senate by Senator NORRIS (S. 2605), under the terms of which cooperatives engaged in the retail distribution of merchandise shall be granted the privileges of the Agricultural Marketing Act and thereby be enabled to obtain loans at rates which are unavailable to the retail establishments with which they are in competition; and be it further

Resolved, That the National Retail Hardware Association opposes the granting of subsidies to cooperative retail establishments through tax exemption, or through any other means which will give them an unfair advantage over the retail establishments with which they are in competition; and be it further

Resolved, That a copy of this resolution be transmitted to each member of the Committee on Agriculture and Forestry and that each affiliated association likewise transmit copies to each Member of Congress representing the State or States in which such affiliated association operates.

MILLER-TYDINGS AMENDMENT

Be it resolved, That the Fortieth Annual Congress of the National Retail Hardware Association, assembled in Cincinnati, Ohio, July 17–21, reiterates its approval of the use of fair-trade contracts where legally permissible, and urges manufacturers whose nationally advertised lines are being used as price baits by loss-leader operators to issue such contracts in the joint protection of the consumer, the retailer, and the manufacturer; and be it further

Resolved, That the National Retail Hardware Association expresses unequivocal opposition to the bills which have been introduced in the present session of Congress by Senator KING and Congressman CELLER, which are designed to repeal the Miller-Tydings enabling act; and be it further

Resolved, That copies of this resolution be sent by the National Retail Hardware Association to the committees to which the beforementioned bills have been referred, and that copies also be sent by each affiliated State or sectional association to the Senators and Congressmen representing the districts embraced by such State or sectional associations.

Aids for Education

EXTENSION OF REMARKS

OF

HON. ROBERT M. LA FOLLETTE, JR.

OF WISCONSIN

IN THE SENATE OF THE UNITED STATES

Thursday, July 27 (legislative day of Tuesday, July 25), 1939

RADIO ADDRESS BY HON. ROBERT M. LA FOLLETTE, JR., JUNE 1, 1939

Mr. LA FOLLETTE. Mr. President, I ask leave to have printed in the RECORD a radio address by myself, broadcast by transcription over station WHA, Madison, Wis., on June 1, 1939, on the subject Aids for Education.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

I want to talk to you about education and the need for securing Federal aid for our schools. At a time when the present State administration in Wisconsin is preparing to cut nearly $2,000,000 out of our school budgets, I think it is absolutely necessary for us all to give the matter some very serious attention. The problem of maintaining fair and proper educational opportunities for our boys and girls in the next 2 years is going to demand some sort of outside assistance if the State government will not assume its rightful share of the responsibility.

I am a firm believer in "economy" if by economy is meant making the most of what resources we have at our disposal and eliminating waste. But I fail to see any economy in a pinch-penny policy that is willing to sacrifice the rights of our young people to a full education simply for a few paltry pieces of silver. The greatest resource America has is its people, and we owe it to ourselves as a nation to see to it that the talents and abilities of the young are developed to the highest degree possible by means of adequate educational opportunities.

To hear some people talk, one might think that we have been extravagant in the support of our schools during the last few years, but actually in the country as a whole we are spending about $350,000,000 less for education than we were in 1930, in spite of the fact that high-school enrollment, where the expense is heaviest, has been increased by over 1,575,000 students. In Wisconsin we have been more fortunate, up until the present time, than the people in other States. In 1935 Wisconsin restored its State school aids to their former levels, and in the years that followed much was done to repair the damage suffered by our educational system as a result of depression retrenchment. Now, however, as a result of the action being taken by the new State administration, we are back face to face with the old problem again.

There is a bill before Congress at the present time which would provide, if enacted, a program of Federal aid to States for the support of their schools and the equalization of educational opportunity throughout the Nation. Under the estimated apportionment of the appropriation submitted with the bill, the enactment of this program could mean as much as $1,200,000 for Wisconsin next year and still more in succeeding years.

Such a program is important to the whole Nation. One of the main foundation stones of democracy is equality of educational opportunity. That means public schools available to every man's son or daughter from kindergarten right on up through the university. If we allow a situation to develop where higher education is open only to those people of wealth who can afford to send their children to private schools, it will lead inevitably toward a class division in this country, with the educated, wealthy few on one side of the fence and a resentful, uneducated multitude on the other side. That sort of a situation is as dangerous as it is unnecessary.

Today there are between 800,000 and a million children of grade-school age who are not going to school. Most of them have no school to go to. There are approximately 3,000,000 people in the country who are totally illiterate, who can neither read nor write. And if you passed a newspaper around the Nation, you would find that as many as 15,000,000 adults couldn't read it. Those same people cannot write the simplest of letters. Believe it or not, there are more illiterates in America than there are college graduates.

An analysis of teachers' salaries shows another astounding condition. Considering the range by States, the State having the highest average salary for teachers has an average of only $2,414 per year, and on the other extreme is a State where teachers receive an average salary of only $504 per year. The average salary for teachers in rural communities is correspondingly still lower. For rural teachers the top average is only $1,337 and the bottom average is a bare $430.

When you realize how important is the teacher to whom parents entrust their children for education and guidance, it is surprising that the public has allowed such a condition to exist. If we are to secure the best kind of people to be the teachers of our children, we must be prepared to pay them enough so that they can afford to pass up opportunities in other fields and devote themselves to teaching.

The problem is worse in some States than in others. Some States are wealthy while others are poor, and unfortunately it appears that the States which are least able to maintain adequate schools have the greatest number of children in proportion to adult population. The President's Advisory Committee on Education has made a thorough study of this problem, and it reports a variation so large that the richest State in the Union has a per capita taxpaying ability to support schools which is 12 times the ability of the poorest State.

This is not the fault of the individual States. It is a question of wealth. Our modern commercial life has outgrown even State boundaries. Much of our wealth has been drained away from the producing areas of the Nation into the financial centers of the country. As a result, the per capita wealth of some eastern States, for instance, is all out of proportion to their actual physical contribution to the Nation's production.

In order to recapture this wealth for the States from which it came in the first place, the Federal Government must reach it through Federal taxes and return it to the States by means of grants-in-aid.

Senate bill 1305 now before the Congress proposes a 6-year program of Federal aids for education in the States. It authorizes an appropriation of approximately $75,000,000 for such purposes during the next fiscal year and increasing amounts for the succeeding years until an appropriation of $208,000,000 is reached for the fiscal year ending in 1945.

This money would go toward the support of public elementary and secondary schools, improved teacher preparation, construction of school buildings, administration of State departments of education, adult education, rural-library service, and educational research.

It would not involve any sort of Federal control over the schools. The bill specifically provides that all matters of school administration, curriculum, methods of instruction, personnel, and the determination of the best uses for the funds granted shall be left to the control of the States and their local subdivisions.

In order to qualify for the grants each State would simply have to establish a plan for distributing funds to the local school districts in such a way that the aim of the Federal program, the equalization of educational opportunity, would be carried out. In this way the Federal Government would be assured that the neediest communities of the State would get the greatest benefits from the funds granted.

The only other condition of importance to Wisconsin which would have to be met before the funds could be made available under the terms of this bill is the requirement that the State provide funds for these purposes in amounts at least equal to the sums provided in 1938.

The funds to be appropriated under this plan are to be divided among the States according to their respective educational loads and their respective financial abilities. The educational load of each State would be computed from estimates by the Bureau of the Census each year of the number of children of school age in the State. The financial ability of each State would be computed by the Secretary of the Treasury on the basis of certain standards prescribed in the bill. By balancing the State's school load against its financial ability, its financial need under the plan is determined, and the funds are allocated in accordance with this need.

The Senate Committee on Education and Labor has held hearings on the bill and has reported it favorably to the Senate for passage. At the hearings representatives of the leading educational organizations in this country, representing both parents and teachers, appeared and urged that the Federal Government undertake such a program.

I feel that a program of this kind should receive the unselfish support of every public-spirited citizen. Education is one of those things which we cannot postpone to suit our convenience. Every year that goes by means a certain number of boys and girls who have either passed beyond school age or have been forced by circumstances to undertake responsibilities which will prevent their ever going back to school. If their education was neglected during the years when they could have gone to school, the chances are they will carry that handicap with them all through life.

The rural areas are the hardest hit. It is an established fact that it costs more to provide proper educational facilities in the country than in the city. We know also that there are more children, in proportion to adult population, in the rural areas than in the cities. Yet in spite of that fact the best educational opportunities are being provided for children in the cities. "Equalization of educational opportunity" means not only establishing more uniformity of educational opportunities among the 48 States; it also means bringing financial aid to the rural schools so that the farmers and the people in the small communities can give their children as good an education as the children in the cities get.

If we are going to make democracy work in America, we must always have an intelligent, educated, informed citizenry. If we neglect the education of our young people now, even for a little while, we are going to pay dearly for it in the future.

In Wisconsin we have a very definite problem. The budget of the university alone is being cut over a million dollars in the face of increased enrollment and long-delayed needs for expansion. A similar cut is being imposed upon the State teachers' colleges. Unless corrected, this will result in one of two things—either fees will have to be raised and it will become that much harder for farmers and working people to send their children to school, or standards will have to be lowered and they will get just that much less for their money.

The program of Federal aid which I have outlined to you will not in any way make up for all the State's failures in this respect but it will help some. The Federal program is primarily concerned with elementary and secondary education, but, indirectly at least, it will aid by taking some of the budgetary pressure off our public institutions of higher education.

Professional Women

EXTENSION OF REMARKS

OF

HON. PAT HARRISON

OF MISSISSIPPI

IN THE SENATE OF THE UNITED STATES

Thursday, July 27 (legislative day of Tuesday, July 25), 1939

ADDRESS BY MISS EARLENE WHITE, JULY 9, 1939

Mr. HARRISON. Mr. President, I ask to have printed in the RECORD a speech delivered by Miss Earlene White, at the biennial convention of the National Federation of Business and Professional Women's Clubs, Inc., at Kansas City, Mo., on July 9, 1939, on the subject of professional women.

There being no objection, the speech was ordered to be printed in the RECORD, as follows:

It was a bright, sunny morning in the 1830's. A distinguished looking woman, traveling alone, her full skirts discreetly sweeping the ground, her corkscrew curls hanging coyly beneath her bonnet, alighted from a packet boat, having made the trip from England to America in about 40 days.

The woman was Harriet Martineau, a friend of the Carlyles, a trained observer and commentator who came to America in search of new copy. Tired, for a time, of the life in London, she realized that comparatively little was known of the new land which had once been an English colony and was now attracting English and Scotch immigrants in great numbers.

She set foot in little old New York, which was then a thriving community, without skyscrapers or bridges to connect the island of Manhattan with its neighborhood boroughs. True, the Astors had begun to make a fortune as fur traders, and Commodore Vanderbilt had found it profitable to pilot a ferry between Staten and Manhattan Islands; nevertheless, New York had little resemblance to the great present-day city of the North American Continent.

And what of the North American Continent upon which Harriet Martineau gazed? She came to America just after the Lewis and Clark expedition had blazed a trail to the Pacific and fur traders were following the Oregon Trail across the mountains.

American missionaries and farmers were quick to follow. The Northern States were clamoring for the annexation of Oregon to the Union and the South was clamoring for Texas. The advocates of annexation were so vociferous that the slogan of "Fifty-four-Forty or Fight" was to be heard everywhere, as the citizens of the new Nation, greedy for land, clamored for the extension of American territory to further latitudes. The clamor grew until it resulted in the election of James K. Polk in 1844 on that very issue.

The industrial revolution was beginning in America, and Harriet Martineau took full note of it. The spinning jenny and the power loom had been invented and were making it possible for cloth to be made in new ways. The cotton gin had been invented and there were new tools for farming, including the reaper. Women—and men, too—who had carried on small manufacturing plants with hand tools on their farms, making the family's clothing along with the family's food supply, found it necessary to change their way of life. The growth of mill towns was taken for granted, and young women who had been earning their livelihoods at just six occupations—keeping boarders, teaching young children, typesetting, bookbinding, domestic service, and needlework—found a new occupation as weavers in the mills.

The severe financial panic in 1837 threw thousands out of work, and when Harriet Martineau visited America unemployment stories were constantly printed in the daily press. The suffrage movement was being extended, and Robert Fulton's steamboat had set a new pace; the inland waterways of America were being invaded by steamboats plowing their way through the hitherto untroubled waters. The best opportunities for men lay in the fields and forests of the far West.

And as usual men and women were facing the future with uncertainty, dreading the changes but eager to get on with them. In 1836, a young girl, living and working in Lowell, Mass, penned these lines—

> "Oh, isn't it a pity that such a pretty girl as I,
> Should be sent to the factory to pine away and die?"

Thus, the working girl lamented, as she was forced out of the home and into industry.

All this and more the woman journalist from England noted and went home and reported in a lengthy volume reciting the sights she had seen and the observations she had made.

It was Mrs. Carrie Chapman Catt, our beloved leader of suffrage and world peace, who called our attention to Harriet Martineau and her writings and urged us to observe the one-hundredth anniversary of Miss Martineau's reportorial journey, and to see how many doors are still closed to women, 100 years later.

We have accepted Mrs. Catt's suggestion and our biennial convention is devoted to the theme, "One Hundred Years of Women's Progress in the United States."

Our compass is the 1930 Census, and that shows that of some 535 classifications of occupations listed, women are engaged in 501, the heavy tasks, such as mining, locomotive engineers, firemen, et cetera, being completely masculine territory. And so in 100 years, women have advanced from 7 fields to 501; doors of opportunity for women are opening wider and wider, but the end is not yet, and perhaps 100 more years will pass until the world will allow women to make their best contribution, and women will be willing to make it.

In 100 years American women have come a long way, just as our country has come a long way, but we still have a journey to make, both as women and as citizens. It is noteworthy that teachers' training schools were started 100 years ago this year.

Here and now we are observing the one-hundredth anniversary of women's progress, and I think it is a suitable time to take stock of where we have come from, where we wish to go, and how we are to get there. To help us evaluate these three points we appointed a committee of distinguished women. Mrs. Franklin D. Roosevelt is honorary chairman of the committee, and Mrs. Carrie Chapman Catt is vice chairman. The other members are Dr. Mary E. Wooley, president emeritus of Mount Holyoke College; Mrs. Ruth Finley, author and noted publicist for the Republican Party; Ruth Comfort Mitchell, novelist and one of California's best-known daughters; the Honorable Frances Perkins, Secretary of Labor; those two outstanding women in radio, Margaret Cuthbert and Helen J. Souissat; Fannie Hurst, the novelist; Miss Emma P. Hirth, general secretary of the Y. W. C. A.; President Aurelia H. Reinhardt, of Mills College, Calif.; Dr. Martha Tracy, dean of the Women's Medical College of Pennsylvania; Mrs. Mary Dillon, president of the Brooklyn Borough Gas Co.; and Mrs. Ora Snyder, manufacturer, of Chicago.

These women have had broad experience in public service and private enterprise. They represent every range of political and economic thinking, and I believe that their answers to a questionnaire which I sent them will help chart our course for the 100 years ahead.

First, I asked, "What were the chief obstacles to employment in the path of American women 100 years ago?"

Tradition seems to have been the chief stumbling block, with several important contributing causes, such as social and economic custom, lack of education, lack of training, and lack of personal initiative. I have quoted these obstacles from the considered opinion of one of the committee members, Ruth Finley, the noted writer and biographer of women of the colonial period. Mrs. Finley was formerly the editor of Guide, published by the Women's National Republican Club.

Frances Perkins has some interesting observations on that question, and I quote her:

"The lack of employment opportunities outside the home for both men and women constituted the principal obstacle to employment in 1839. This was the period, early in the industrial revolution, when women's traditional occupations were just beginning to move out of the home into factories, mills, and shops. There were few schools and most of the teachers were men, with women substituting in the summer while the men took agricultural jobs. Clerical jobs were practically nonexistent. The largest number of openings were in textile mills, where labor was scarce and wages were high. In these mills, hours were very long, and the workers were housed in dormitories under unfavorable living conditions. In 1839 there were practically no opportunities for professional women or any vocational training for women."

On the other hand, Mme. Secretary wrote: "There were certain advantages to women's employment in 1839 that are not characteristic of their job opportunities today. In the first place, there existed a very strong concept—Puritan in origin—of the social usefulness of women's work. The employment of women and children was looked upon as an unqualified good which made possible the development of the country's resources, while at the same time it made them, to quote Alexander Hamilton, 'more useful than they otherwise would be.' Work in factory or mill entailed no loss in social prestige—there existed no class distinction on the basis of 'white collar' or manual labor. All work meant a contribution to the welfare of a new nation. Factory work offered educational opportunities which were not available for women in schools of higher learning. It offered wages higher than for teaching. Horace Mann reported that women in many occupations in mills and factories earned six or seven times as much as women teachers.

"Early mill workers were militant in the protection of their rights. As the real daughters of the American Revolution, they were earnestly concerned with justice and liberty in dealing with the concrete problems of their daily work life." These are the views of Frances Perkins.

Mrs. Franklin D. Roosevelt said in response to this question. I quote: "I should say that in 1839 the chief obstacles in the path of employment for American women were, first, the attitude held by both men and women as to the proper kind of work which women should do. Secondly, the lack of educational facilities and of training which they could obtain, and thirdly the lack of opportunities even if they obtained the education and the training."

And from Ora Snyder came this opinion. I quote: "Lack of confidence in their ability and the old-fashioned opinion that women should not leave household duties or the care of the family."

Dr. Martha Tracy is of the opinion that tradition was women's main stumbling block, plus the economic necessity of doing the home chores personally, including cooking and preserving foodstuffs, cleaning, laundry work, making the husband's and children's clothes, and childbearing. Dr. Tracy says that all of these obstacles have been largely conquered, and I quote her, "largely but not entirely. Childbearing will always be a factor."

Ruth Finley thinks the obstacles have mainly been overcome, and Mrs. Roosevelt believes that "there is still some prejudice against women in certain lines of work for which they are naturally better equipped than men. The training today is fairly universally open to them though there are restrictions which make it a little difficult. Many more lines of work are open to women, but they have to excell."

Frances Perkins made the following statement in answer to this question:

"Significant progress has been made in removing the obstacles to women's wage-earning employment that existed 100 years ago, but the job is far from complete. Eleven million women are now gainfully employed and are found in practically all occupations. Prejudice against women in the professions is gradually breaking down, and they are securing an ever greater measure of vocational opportunity. Training facilities for almost every occupational field are open to women, though the resultant job opportunities still may be relatively scarce. In recent years there has been a notable increase in the number of women in important administrative jobs in both State and Federal Governments.

"However," Miss Perkins goes on to say, "because an increasing number of women must earn their livelihood and also support dependents entirely or partially, and because jobs are also scarce for men, competition is a much greater factor for women to reckon with now than it was some years ago.

"Moreover, the traditional sex discriminations are still a major obstacle women encounter in their efforts to find satisfying and profitable employment. Their ability is still far from being accepted on the same plane as that of men.

"Immense improvement has come about in the raising of wages, the lowering of hours, and the betterment of plant equipment; but the situation in this respect is still far from Utopian. The double wage standard still prevails in a number of fields."

And now we come to the third question, "What obstacle do you believe will beset women in the next 100 years?"

To this question Mrs. Finley answers, "The physical obstacle of sex, which never can be changed, and an overcrowding of the so-called economic jobs."

Dr. Tracy's answer is—and I quote: "Economic competition with men, particularly in times of unemployment. The individual women's own incompetence." She also notes: "The same applies to men, but women capitalize on the 'tradition' of sex obstruction. Child bearing cannot be outmoded."

Mrs. Snyder feels that "jealousy from the male sex" will be the chief obstacle for women.

Most of the committee declined to commit themselves on one question, which was, "In your opinion, what has been the outstanding contribution made by American women during the past 100 years?" Ruth Finley, however, answers by saying, "Dissemination of women's news," and she names Sarah Josepha Hale as the woman who has made the outstanding contribution of the past 100 years. She gives her reason for this as follows—and again I quote:

"Prior to the radio, the national woman's magazines were the only interstate link between women. Mrs. Hale, for 50 years editor of Godey's Lady's Book, the first woman's magazine approaching Nation-wide circulation, did more to correlate and unify women's thought in this country than any other person, man or woman, in the nineteenth century."

Helen Sioussat, of Columbia Broadcasting Co., said unhesitatingly, "The discovery of radium," and nominated Mme. Curie.

Margaret Cuthbert believes that the political recognition of American women has been the outstanding contribution, and she nominated Susan B. Anthony.

Frances Perkins wrote: "Because there have been so many important contributions by women in so many fields, it is difficult to evaluate them in such a general way as to make it possible to name only one woman."

Ora Snyder said, "Jane Addams is the woman, and her splendid work at Hull House, Chicago, in the settlement field proves it."

Dr. Tracy also has a candidate. She wrote, "Mary Lyon's demonstration that women can be educated, without danger to health or other damage to their nature, is of the utmost importance."

And now for my next question, for this is an inventory of women's liabilities as well as women's assets, "What have been the greatest failures of women in the past 100 years?" And again Ruth Finley out of her great wealth of research on the lives of American women answers, "Over-eagerness, evidencing a real lack of moral stamina in many cases, to throw off the frequently monotonous responsibilities of the home."

And Ruth Finley finds these failures also, "unwillingness to serve adequate apprenticeship in the economic world; lack of understanding of and consequent impatience with the slowness of the natural evolution of the now machine-made social order, and failure to assimilate experience."

Frances Perkins says, "One major failure of women in the past century relates to their neglect of the use of their hard-won right to vote. Women's failure to take a more active part in American politics, as voters and as candidates for office has been a major disappointment. Women have not participated as fully as they might in labor organization. They have a most important contribution to make in this field and should become increasingly active." And she continues, "Some women have fallen down in their responsibility as employers of other persons. For example, long hours, low wages, social isolation, and exclusion from legislative protection have been characteristic of the vocation using the services of the largest single group of women workers—household employment."

And here is one of the most important questions that I asked the women who form the committee for the commemoration of 100 years of women's progress in the United States.

"What are the greatest prejudices concerning women now held by the general public?"

Ruth Finley gave me two answers, "Overcrowding of the wage field and consequent usurpation of jobs needed by men as the natural heads of families, and falling birth rate in the middle, and especially the native-born classes."

And the First Lady of the Land answered, "It was generally thought that physically and mentally women were not equal to doing the same type of work as men."

Frances Perkins wrote thoughtfully, "Perhaps the oustanding prejudice against women 100 years ago was the general one that they were inferior beings, inferior to men physically, mentally, and economically; that it was of no importance that they be educated and granted political privileges. Under the laws of the day women were severely discriminated against in relation to property rights, in the rights of custody of children and the like. The common law, which was so often detrimental to women's interest, was accepted as the legal authority. Women were not considered experienced enough to handle any of their personal affairs, nor to participate in public affairs.

"Though important progress has been made, there are still distinct evidences of a carry-over of prejudice against women that existed a century ago. With a large segment of our people, the idea still prevails that women's place is 'in the home' and the prejudice against the employment of married women is yet very strong among some groups.

"At times men make much ado about women's artistic inferiority and as a consequence women have heavy competitive sledding to make a valid contribution in the field of arts.

"Though women's legal status has strengthened throughout the century, they are still in a far weaker position in this respect than are men in many States. In some cases their wages yet belong to their husbands; in others they do not share equally with their husbands in their children's custody, etc. A number of States do not permit women to serve on juries."

Margaret Cuthbert, famous radio authority, says, bluntly, "Women, given the same opportunity as men, are making the same mistakes and doing the same things that men are doing. With the freedom they now have in view of the money they control, they have done little that is unique, little that is original, little that is different, and not much that shows that women as a group are using their natural gifts to make their own lives and the lives of others more civilized—outside of a few exceptional women."

Mrs. Snyder thinks that men's lack of confidence in women's ability will be the chief obstacle for women in the future. Dr. Tracy concurs in this, saying: "Men's age-old prejudice that women were physically and intellectually inferior still holds, though much diluted and localized."

And now I come to the heart of my questionnaire, for, having gathered the opinions of these women, I wanted to find out what we can do about it as business and professional women. So I asked all of them, "In your opinion, what is the best way for business and professional women to educate the general public as to the fact that these prejudices are not factually founded?" Here is what some of them answered:

Dr. Tracy: "By accepting opportunities for work and giving competent performance. Not by talking about it."

Mrs. Snyder: "Instruct the public that we believe in equality, and we want a chance to demonstrate what we can do on an equal footing."

Mrs. Roosevelt: "In my opinion, the best education is the education which makes people acquainted with the facts, and the facts can be furnished today through studies made by the various people interested in labor and in woman's position."

Miss Perkins: "Probably the best educational method consists of clear demonstrations of women's ability in many fields."

Mary Dillon: "To succeed as individuals in the jobs they hold."

And Ruth Finley: "Probably the best way for the fit and capable business and professional woman to combat this general attitude (which is growing with appalling rapidity) is to recognize the inevitable weeding-out process of evolution now and back that recognition with the weight of opinion and influence. Always women have worked outside as well as in the home. In 1839 the

proportion was overbalanced in favor of the home, with many resultant personal misfits and family or group hardships.

"Now the pendulum has swung too far the other way, and in 1939 the opposite proportion of overbalance has created more personal misfits and family group hardships than ever before. History has proved that one of the primary social laws is the maintaining or restoration of balance. It seems to me that nothing could give women a more solid foundation for their future as free citizens than their voluntary and immediate recognition of this law."

"Example" is what counts most, Margaret Cuthbert feels. "Deeds more important than words," she writes, "giving proof that women are not personal and prejudiced in business; relating the complex fabric of civilization to the persons for whom, after all, it exists." She points out that "it is not through individual achievement that women are going to serve as they will serve, but in proportion as they emphasize and express cooperation. This brave new world must be a man's and woman's world."

And with these opinions behind us, I asked, "What type of education do you believe will be best suited to women in the next century?" And here are the answers: From Mrs. Snyder, "A practical education and training for a business or professional career."

Mary Dillon's answer is succinct. I quote her exactly: "Same as men, a rounded cultural background, plus specific training in the field of their vocation."

From Dr. Tracy: "Just such an education as will fit any adult to be an intelligent and tolerant citizen and a thorough performer in the lot to which circumstances and her own ability will call her."

Ruth Finley advocates: "A scholastic education to enable women to participate in and understand and enjoy modern civilization; domestic science and child care; professional or occupational training according to the talent of the individual."

Frances Perkins says, "Because of our many new means of communication, nation with nation and locality with locality, people touch each other at many more points than they used to. For this reason education needs to be broader. Education needs to be realistic, too. If women are to participate in our national life to the full they must know science and economics as well as the so-called cultural subjects. Education should produce attitudes of liberalism and democracy as well as the absorption of factual data."

"What tools for advancement do you think women need most during the next century?" I asked them. Here are some of the answers—education, individual adequacy, a change in the economic condition of the country, health maintenance, the removal of legislative restriction against women. These are the tools recommended and these are the tools we must acquire. And, of all the tools, individual adequacy was stressed the most.

When I asked, "Why are not more women holding public office after 2 decades of enfranchisement?" I found that many of the committee held decided opinions. Madame Secretary wrote as follows: "It cannot be said fairly that either men or women are to blame, rather a number of circumstances are involved. The old concept of women's inferiority in any role other than that of homemaker is doubtless responsible for the fact that very few women are elected or appointed to public office.

"However, because of lingering prejudices in respect to women's holding public positions the woman who runs for and holds such office needs to be more outstanding and better qualified than the average man with whom she competes. Where a man must be competent, a woman must be exceptional. Moreover, women themselves have not in general enlarged their concept of what constitutes women's work to have it cover public service to any considerable degree.

"A second reason, I believe, that so few women run for office has to do with the rather low regard many people in this country hold for the mechanics of politics. Women have tended to shy away from practical politics and concentrate in their organizations on nonpartisan politics. In the third place, women as yet have achieved no solidarity as women toward the end of putting those of their sex into public office."

Dr. Tracy feels that there are not more women holding public office because of, and I quote her, "lack of qualifications and very often unwillingness or inability to accept responsibility and to sacrifice personal and home obligations to the requirements of public office."

Mrs. Snyder feels that the reason lies in the fact that "men do not want women in public office, and fight their election."

Ruth Finley holds out some comfort for us. She says, "On the whole women are still unfitted and incapable with, of course, notable exceptions. Public prejudice and lack of confidence due to a long established custom have held women back. After all, what is 20 years of enfranchisement as against the more than 2,000 years of masculine training and practice in the art of governing?"

And echo answers, what indeed?

And here is Margaret Cuthbert's opinion, I quote, "It is not important that they do hold more offices. It is more important that they use their influence and power for better government. If women choose to do this, men cannot stop them."

There were just two more questions on my list, first, "In what field do you believe women will make the greatest contribution during the next century?"

The answers include, the preservation of the home as a national unit, public administration, social welfare, social sciences, human welfare, and the defense of democratic institutions.

And my final question, "What in your opinion can woman do to bring about the settlement of disputes between nations by peaceful methods?"

The answers include, first, education; second, through participation in international organizations like the Y. W. C. A., the Associated Country Women of the World, which demonstrate the value of the conference method; through emphasizing the similarities of people rather than the differences; by encouraging tolerance and the settlement of every disagreement by arbitration; by demanding peace actively and aggressively.

"War can be banished just as dueling was banished," Ruth Finley advises me. "Where women will there is always a way."

And now, delegates to the convention, you have heard the opinions of some of the members of the committee. There was not time this evening for all to be given you. You know where we stood 100 years ago, where we stand today, and what we must do in the years ahead. Throughout this week we will consider the whole subject further, and distinguished speakers will give us further and more intensive interpretations.

I noted that the names of just five women were suggested as having made the outstanding contributions of the past century—Sarah Josepha Hale, Mary Lyon, Susan B. Anthony, Jane Addams, and Mme. Curie, the latter, of course, not an American. To that list I would add two others—Dr. Anna Howard Shaw and Carrie Chapman Catt. That is the chief roll of honor of the past century as I see it.

Where we have come from we know. Where we are going is known only to Him who knows all. We do know that the future of American women is indissolubly united with the future of our country, just as the contributions of the women of the past have been entwined with the history of the progress of America.

We have made great opportunities for women and we have had great opportunities made for us. Many doors are open to us. If we fail now, we can only echo Shakespeare's words, "The fault, dear Brutus, is in ourselves, not in our stars, if we are underlings."

Issuance of Bonds to Cover Excess Spending

EXTENSION OF REMARKS

OF

HON. HARRY FLOOD BYRD

OF VIRGINIA

IN THE SENATE OF THE UNITED STATES

Thursday, July 27 (legislative day of Tuesday, July 25), 1939

STATEMENT BY WADSWORTH W. MOUNT

Mr. BYRD. Mr. President, I ask unanimous consent to insert in the RECORD an interesting statement by Mr. Wadsworth W. Mount, assistant director of research of the Merchants' Association of New York, on the subject Excess Government Spending Covered by Printing Government Bonds.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

EXCESS GOVERNMENT SPENDING COVERED BY PRINTING GOVERNMENT BONDS

(By Wadsworth W. Mount, Assistant Director of Research, the Merchants' Association of New York)

As long as the Government can spend all the money it wants to, over and above what it takes in from taxes, merely by printing Government bonds, selling these to the banks, and then drawing checks against them, how can we ever hope to stop extravagant Government spending?

And when the Government spends these billions in such ways that private citizens do not know which way to turn to make money, and therefore have comparatively little need to borrow from the banks on safe terms, where else can banks invest your money on deposit but in Government bonds?

A banker knows that when the United States Government prints a Government bond it says in effect that the Government will tax the people of the United States to make it good. He knows, therefore, that Government bonds are the soundest security in the country, just so long as we do not issue too many of them and have inflation.

Before the Government started spending several billions more each year than it took in from taxes, the savings banks, for instance, could safely lend your money, largely to people who wanted to spend it for private or business uses, at a high enough rate of interest to cover their expenses and pay you 4 percent. Under present conditions, however, one of the few remaining safe places to

invest bank funds is in Government bonds. Therefore, as the interest rate on long-term Treasury bonds has been lowered until their average yield is now approximately 2¼ percent, at present about all the savings banks can safely get for the use of your money is enough to provide for necessary expenses and reserves and pay you only 2 percent, or even less, on your deposits.

The Treasury has just announced that to pay off some $426,000,000 of outstanding obligations which are due in September and now carry an interest rate of 1⅜ percent it will offer in exchange new "notes" due in 5 years which will pay only three-fourths of 1 percent.

A New York investment firm recently showed that Treasury obligations maturing in a little more than 2 years now afford a yield of only one one-hundredth of 1 percent. At this rate of return, it was pointed out that "an investor would have to hold more than $144,000 par value to provide an income sufficient to buy his morning newspaper each day; he would have to hold $558,000 to provide enough funds to buy a daily package of cigarettes." As the average interest rate on all Federal obligations is lowered, those having money in savings accounts and insurance policies which represent their personally saved "social security" have their interest earnings also reduced, as a large part of such funds are invested in Government bonds.

This means, therefore, that it will take you longer to pay for your life insurance, as the annual dividends will be less or the premiums will be more.

Some people think that only the taxpayers of future generations will have to pay for the present Government spending. However, if you own a savings-bank account you are paying right now for the increased national debt by getting one-half or less of the amount of interest you used to receive, and the trend is still downward.

This means then that if, for example, you were trying to put in the savings bank enough money to give you $2,000-a-year income, you will now have to save $100,000 or more, where when savings banks were able to invest your money safely and pay you 4 percent you would only have had to save $50,000 to get this same income.

Everyone in the Nation has to pay one way or another for the money our Government officials are instructed to spend. Some pay taxes directly, but everyone pays indirectly for all Government services. The Government has nothing to give to the people except what it gets from the people.

Governmental Expenditures, Taxation, and Bureaucracy

EXTENSION OF REMARKS

OF

HON. WALLACE H. WHITE, JR.

OF MAINE

IN THE SENATE OF THE UNITED STATES

Thursday, July 27 (legislative day of Tuesday, July 25), 1939

EDITORIALS FROM THE NATION'S BUSINESS

Mr. WHITE. Mr. President, I ask unanimous consent to have inserted in the Appendix of the RECORD three editorials taken from The Nation's Business, which it seems to me have some significance in the present situation.

There being no objection, the editorials were ordered to be printed in the RECORD, as follows:

[From The Nation's Business]

"Give!" says government, and its "take" exceeds the total income of the western half of the United States—and the end is not yet.

In 1938 the income of the darkened area of this map was $17,696,000,000.

But in 1938 government—Federal, State, and local—spent about $18,000,000,000.

That's more than the entire West realized from its gigantic output of gold, silver, copper, wheat, corn, milk, cheese, potatoes, beef, sugar, coal, lumber, and all other products of its year's work.

It equals nearly 30 cents of every dollar the Nation's producers earned in 1938—the biggest percentage of our income for government on record.

And what did it buy?

Well, for one thing it bought relief from distress for the needy. Everybody agrees to the rightness of doing that. But it will surprise many to learn that only one dollar out of six was spent for relief.

Most of the other increases in spending go for innovations in government service.

The last few years have seen the creation of 67 new Federal boards, commissions, administrations, and authorities—agencies to supervise every activity of business from peanut vending to steel production. Likewise open and indirect competition with all business.

The question is not whether these are desirable Government functions.

The question is whether the country wants expansion of Government, which must be paid for by increased taxes.

Or wants expansion of business, which pays in jobs and wages.

For the increased money that now goes into Government spending is the money that formerly went into new and improved products, new and enlarged factories, bigger pay rolls and dividends. There isn't enough in the earned dollar to go both ways.

Business—the production and distribution of goods—is the only thing that can create new wealth.

Less taxes; more jobs.

THIRTY CENTS FOR "INDEPENDENCE," JULY 4, 1939

Here, then, in broad strokes is the state of the Nation today.

Each of the 60 countries of the world requires around two-thirds of its productive work, its income, to pay for the necessities, food, shelter, clothing. This 65 percent is true of a country regardless of its living standards, India on the one extreme, the United States with the highest standards on the other. What of the 35 cents left after the sustenance of life? In that answer lie most of our troublesome problems today.

Consider three pictures:

Until recently the people of the United States disposed of their 35 cents in this way. Five cents, at the turn of the century, was all that was required to pay for expenses of government—State, Federal, and local. Of the remaining 30 cents, about half went into the hands of managers of business enterprises which was about equally divided by them in expanding old industries and promoting and developing new ones such as radio, rayon, automobile.

Much of this 15 cents remained in the hands of the people in the form of investment, productive wealth represented by stocks and bonds and life-insurance equities. The remaining 15 cents was used to buy the products of this increased industrial activity, thus driving upward standards of living and making one-time luxuries the conveniences and even necessities denied the rest of the world.

Second picture: What of the 35 cents which remained to the peoples of the other 59 countries? Since time immemorial around 30 cents was used for government expenses. A hazardous 5 cents was left as free capital. This gives point to the sentient statement of former President Hadley, of Yale, that the supremacy of the United States was due to the fact that it could afford to take chances upon development as no other country could afford to do. Five cents as against 30 cents as a backlog.

Why did the Old World require 30 cents of the earnings of their people for government? For policing. External policing, the fear of land-grabbing, wealth-grabbing neighbor aggressors, whose people were in constant fear of being deprived of the bare necessities.

Third picture: What is the situation in the United States today? Sixty-five cents for the necessities. Of the 35 remaining, 30 for governments (25 collected in taxes, 5 borrowed). Ten cents for investment and the lifting of living standards.

Why the great increase in government costs? Not to relieve distress and unemployment, as generally stated and believed. Only one dollar in six of Federal expenditures is for relief. The great increase in taxation and borrowing, which has brought overnight the allocation of the earned dollar to a level almost to that of other countries, is for policing. Against foreign aggressors? No. For protection against an alleged aggression and oppression on the part of business management. Internal "policing." Policing ourselves against ourselves.

Every act of those engaged in stimulating us to trade our labor, services, and products is now under surveillance, from the time a commission checks the project to the time another bureau passes upon the label to go on the package. Policing, in another form, such as protection against the private electric bulb by Government "yardstick" operation. Policing of banks, labor relations, aviation, oil, coal, lumber, telephones, retailers, stock and grain exchanges, insurance. Policing of States and communities as to the manner in which they handle their social problems. Policing in another form as exemplified in the published statistics that the Federal Government received 153,000,000 compulsory reports from business management last year. Policing as expressed in the $76,000,000—a sum equal to one-sixth of total passenger revenues—spent by Washington in travel expenses of its inspectors, regulators, investigators in 1 calendar year.

These three pictures are true pictures. They point the trend to a static society, a "planned economy," to "frontiers gone forever." We, the people, perhaps planned it that way, a road to centralized authority over, and policing of, the individual. But perhaps we did not count the cost; unemployment still with us, management, which brings dreams into being, and men and jobs together, and more conveniences and luxuries for more people, now disheartened and bewildered, unable to see 30 days down the road because of the new policing machinery we have set up, whereby 137 boards, bureaus, commissions, Federal incorporations and authorities now pass laws daily in the form of rules and regulations.

Little government, with little expense and little policing, brought the United States the highest standard of living the world has ever seen. Perhaps the founders were wrong in building that way, indignant and angry as they were against a ruler demanding more taxes and more power, who, as a famous declaration set forth, had "erected a multitude of new offices, and sent hither swarms of officers to harass our people and eat out their substance."

The Nation's future lies in the hope that the sons of those sturdy sires have not yet lost entirely the capacity to become incensed with indignation and roused to action.

MERLE THORPE.

THE STATE AGAINST THE CITIZEN—TRAGIC CHRONICLE OF THE QUICKENING PACE OF POLITICAL CONTROL

"The mind of man is fond of power; increase his prospects and you enlarge his desires"—Gouverneur Morris, lawyer, merchant, urging limitation of Executive powers, as a delegate from Pennsylvania to the Constitutional Convention in 1787.

143 YEARS—1789–1932

1887—Interstate Commerce Commission
1910—Postal Savings System
1913—Federal Reserve System
1914—Federal Trade Commission
1915—National Advisory Commission for Aeronautics
1916—United States Tariff Commission
The Aeronautical Board
1920—Federal Power Commission
1923—Federal Intermediate Credit Bank
1924—War Finance Corporation (in liquidation)
Inland Waterways Corporation

7 YEARS—1932–38

1932—Reconstruction Finance Corporation
1933—Farm Credit Administration
Civilian Conservation Corps
Federal Emergency Relief Administration
Tennessee Valley Authority
Agricultural Adjustment Administration
Home Owners' Loan Corporation
Federal Home Loan Bank Board
Public Works Administration
Federal Deposit Insurance Corporation
Export-Import Bank of Washington
Federal Surplus Commodities Corporation
Executive Committee on Commercial Policy
National Emergency Council
Central Bank for Cooperatives
1934—Federal Farm Mortgage Corporation
Securities and Exchange Commission
The Commission on Trade Agreements
Foreign Trade Zones Board
Federal Communications Commission
National Mediation Board
The Committee for Reciprocity Information
Federal Housing Administration
Federal Committee on Apprentice Training
Federal Savings & Loan Insurance Corporation
National Power Policy Committee
Federal Prison Industries, Inc.
Federal Savings and Loan System
Railroad Adjustment Board
1935—RFC Mortgage Co.
Resettlement Administration
Works Progress Administration
National Resources Committee
National Youth Administration
Rural Electrification Administration
National Park Trust Fund Board
National Labor Relations Board
Social Security Board
Electric Home and Farm Authority
Prison Industries Reorganization Administration
Federal Alcohol Administration
National Munitions Control Board
1936—United States Maritime Commission
1937—Disaster Loan Corporation
Railroad Retirement Board
1938—Civil Aeronautics Authority
Maritime Labor Board
Federal Crop Insurance Corporation
Federal National Mortgage Association
United States Film Service
Radio Division of the National Emergency Council

Protection of the American Beet-Sugar Industry

EXTENSION OF REMARKS

OF

HON. JAMES F. O'CONNOR

OF MONTANA

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 27, 1939

Mr. O'CONNOR. Mr. Speaker and Members of the House, within the last 10 days the Sugar Division of the Department of Agriculture published a particularly enlightening pamphlet entitled "Sugar Beets and the Sugar Act." For all its brevity—it was only six pages long—it was probably one of the most remarkable documents ever to be published by any agency of the Federal Government.

The ostensible and only justified purpose of the pamphlet is to explain the operation of the controversial Sugar Act of 1937, the administration of which is lodged in the hands of the Sugar Division. From the purely factual discussion of the Sugar Act, the pamphlet deviates long enough to become a tear-drawing argument designed to convince sugar producers of the United States that they have had a reasonable income from sugar beets and that no further expansion of the sugar industry should, under any circumstances, be permitted. The second point seems to me to be without precedent in that it places the welfare of a foreign country, Cuba, paramount to our own farmers and our own taxpayers.

I quote the last two paragraphs of the pamphlet:

> The whole program of protection and benefits is based upon a fair division of the United States market. It would not be to the interest of either American farmers as a whole, or of American consumers, to reduce Cuba's share of this market. Cuba has long been one of our most important foreign markets for agricultural and industrial products. The Republic normally takes about 40 percent of all our agricultural exports to Latin American countries, and chief among her purchases of farm products are wheat flour, potatoes and other vegetables, lard and other meat products, rice, and fruits and nuts. The large decline in our imports of Cuban sugar from 1928 to 1932 is estimated to have been accompanied by a reduction in the Cuban market for American agricultural products from more than 800,000 acres of our land. Between 1933 and 1938, however, Cuba's purchases of all kinds of products from us rose from $22,674,000 to $75,152,000, an increase of more than 230 percent.
>
> If more sugar is used by American consumers the present program provides for a corresponding increase in the quota of the beet area. Unless the market expands, however, the quota of any one group of producers cannot be enlarged without lowering the quotas of other groups and thus destroying the balance of the whole system.

I need not repeat my continuous stand in favor of the American market for the American producer. I have done all within my power to bring about equitable sugar legislation during the current session. I filed a discharge petition to take the Ellender sugar bill out of the House Committee on Agriculture. I am speaking today, as I have in the past, in behalf of sugar-beet growers of Montana in particular, and for all beet and cane growers in the United States.

It seems to me inexcusable for any agency of the Government, an agency which was established to administer an act of Congress, to arrogate to itself, as the Sugar Division has done in this instance, the policy-making powers of the Government. What treatment is to be accorded the American farmer through control legislation, and what treatment is to be accorded foreign countries in this market, is a matter for Congress, and Congress alone, to decide. It is certainly not a topic upon which the economists of the Department of Agriculture should air their views. It appears to me that it would be better taste if they would devote themselves to the job they are hired to do, and the job the taxpayers of this country are paying them to perform, to administer the law and not to issue propaganda to influence policies of Congress.

Here's a document, if you please, printed at Government expense in defense of a program which gives unlimited concessions to a foreign country and at the same time chokes the development of one of the best agricultural crops we have today. The taxpayers of this country should not be forced to foot the bill for the publication of a pamphlet in behalf of the continuance of the present program.

It is significant to underline two sentences in the last two paragraphs of the document. It states: "The whole program of protection and benefits is based upon a fair division of the United States market. It would not be to the interest of either American farmers as a whole, or of American consumers, to reduce Cuba's share of this market."

The thought set forth means simply that it is to our interest to continue eating Cuban sugar and prohibiting our local growers from placing any amount of sugar on our table.

The domestic contribution, according to the pamphlet, would not be to our interests, either as growers or consumers.

At this point permit me to quote a few paragraphs and statistics from a document entitled "Trade of the United States With Cuba in 1938," published in March of this year by the Bureau of Foreign and Domestic Commerce, Department of Commerce.

Sugar is the leading commodity imported from Cuba. The quantity taken was reduced 10 percent in 1938, owing to the lower quota established under provisions of the Sugar Act of 1937; and with considerably lower prices, the value declined 26 percent. Nevertheless, sugar imports amounted to 3,758,000,000 pounds, valued at $76,829,000, or nearly three-fourths the total value of United States imports from Cuba in 1938.

I now quote a paragraph from a discussion of exports:

Although the value of the United States exports to Cuba declined from $92,263,000 in 1937 to $76,329,000 in 1938 (17.4 percent), the Cuban statistics indicate that our share of Cuba's imports rose from 68.6 percent in 1937 to 70.8 percent in 1938.

The Sugar Division's document states that "Cuba has long been one of our most important foreign markets for agricultural and industrial products." However, the Department of Commerce publication states that our importation of Cuban sugar alone was greater in 1938 than our entire export trade to Cuba. Moreover, our Cuban purchases in 1938 totaled $105,840,000, while our export trade to Cuba was valued at $76,329,000, according to the Department of Commerce publication. Is that to the interest of either the American farmer or the American consumer? If we, as a nation, are forced to surrender the inherent right of the American beet and cane grower, and at the same time import more than $30,000,000 above our exports in order to remain neighborly with Cuba, then I question the value of a good neighbor.

The sole defense of the present sugar program is that it continues our good-neighbor policy with Cuba and other republics. That definition is favoring the fact that our United States beet and cane growers must be penalized in order that the Nation can carry out its good-neighbor policy. The good-neighbor policy is all right until you reach the point where you have to give up your shirt. Our national obligation to Cuba, if we have any, should be met by the Federal Government in the form of a national obligation rather than to force one particular class—the beet and cane grower—to foot the bill. We are merely granting concessions to Cuba which result not only in a lower national income to our farmers but also contribute to an increase in our relief roll.

Several additional sugar factories, employing scores of additional workers, would be constructed immediately in Montana, as well as other Western States, if sugar-beet growers were allowed an increased acreage. Beet growers of Montana are fairly begging on bended knee for an increased sugar-beet acreage, and their pleas are met with such a document as the Sugar Division recently issued.

Permit me to repeat one particular case in the State of Montana. On the Sun River reclamation project in Montana the Farm Security Administration requires each unit to plant at least 12 acres of sugar beets annually, but limitations on acreage prevent compliance with this requirement. In 1938, 35 Farm Security Administration units on the project produced an average of 10½ acres of beets; in 1939 the 35 units were reduced to an average production of 9½ acres. Purchasers of 75 additional units making requests were unable to secure acreage to grow beets and comply with the requirements. Is that practice to the interest of the American farmer and the American consumer?

As a Representative from one of our largest sugar-producing States, I am taking it upon myself to serve notice on all interested parties that Congress is going to review this subject before a new sugar law is drafted. And that review will be from the standpoint of the American farmer and the restoration of purchasing power in America first, rather than from the standpoint of the welfare of a foreign country.

Before even Congress has had an opportunity to become conscious of the 1940 act, here we have a piece of literature from the Sugar Division of the Department of Agriculture, an early propaganda attempt to justify the continuance of the present act. No suggestion whatsoever is made concerning the possibility of unlocking the handcuffs which bind the hands of domestic beet and cane growers.

In platforms of both the Democratic and Republican Parties today and years previous you will find an assurance to the effect that the American market will be reserved for American farmers. In the light of our party principles, how can anyone justify the continuance of the provisions embodied in the present Sugar Act?

The Sugar Division's enlightening pamphlet also states that the quota-benefit payments are "the equivalent of an ad valorem tariff of more than 170 percent." Well, give the domestic beet and cane grower the direct benefit of that tariff and then survey the results.

Finally the document informs us that if we eat more sugar we will "increase the quota of the beet area." That is true to a very limited degree, because if we eat four extra teaspoonfuls of sugar daily we will be consuming one teaspoonful of sugar grown by our own producers and three teaspoonfuls grown on foreign soil.

Republican Success in 1940

EXTENSION OF REMARKS

OF

HON. W. STERLING COLE

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 27, 1939

ADDRESS BY. HON. JOHN HAMILTON

Mr. COLE of New York. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following address delivered by Hon. John Hamilton, chairman of the Republican National Committee, at the Tioga County Republican picnic on July 25, 1939, at Owego, N. Y.:

It is highly important that the attitude of the Republican Party with regard to spending and economy be made absolutely clear at this time. It will become increasingly important to restate this attitude as the campaign of 1940 approaches.

It is obvious why this is so. Already New Deal propagandists are misrepresenting Republican advocacy of economy in government and Republican efforts to check wasteful spending as a threat to the security of the vast army of the unemployed. Voluminous as it now is, this propaganda is but a mere trickle to the flood that may be expected when the campaign actually gets under way.

We cannot permit the minds of the people to be confused on this issue. We cannot permit the Republican Party, because it is pledged to sound and prudent fiscal management, to be falsely stigmatized as committed to the sacrifice of the security of a large group of citizens. To do so would be a betrayal of party trust.

The plain and simple truth is that the Republican Party always has and always will stand for adequate relief for the needy. Republicans are just as determined as the most breast-beating new dealers that no needy person shall be permitted to want. No less than the new dealers do the Republicans realize that prompt and adequate relief is primarily the responsibility of the Federal Government.

It is not on the question of present need for relief or the amount of relief that we differ fundamentally with the new dealers. It is on the matters of administration of relief and the handling of relief funds.

We are convinced that the interests of the needy will be best served by returning responsibility for the administration of relief to the States and localities where it properly belongs.

Past experience and current revelations in Louisiana confirm our deep-rooted conviction that despite the sincerest efforts to administer relief wisely and honestly from Washington, it is impossible to keep the vast centralized administrative machinery free from politics and corruption in its outer reaches.

So we differ from New Deal spoilsmen who would perpetuate the weaknesses and defects in the centralized administrative machinery for partisan purposes in that we believe relief should be administered for the needy and not for the politicians.

We differ from them in that we believe the funds should go to relieve want and not to line the pockets of political racketeers.

We differ from them in that we believe the money should alleviate distress and not build up and perpetuate such corrupt political machines as the Kelly-Nash gang in Chicago, the Pendergast buccaneers in Kansas City, the Earle crowd in Pennsylvania, the Hague autocrats in Jersey City, and the smelly remnants of the Huey Long dynasty in Louisiana.

We differ from them in that we believe relief should be a means of aiding the unfortunate and not of bulldosing and intimidating them as the Sheppard committee found was done in Kentucky.

Then, too, we differ from the New Deal leadership in that we believe that the present great need of relief is largely of the New Deal's own making.

By the same token we heartily agree that if the New Deal is continued in office and follows the only course it knows—spend and spend, tax and tax—that relief will be needed in ever-increasing amounts for a long time to come.

But we refuse to accept the New Deal defeatist philosophy. We refuse to believe that relief, although a necessary palliative, is the real cure for our unemployment problem. We refuse to believe that it is the destiny of the American people to sink to a mere subsistence level.

We believe that the real problem to be solved is unemployment. Solve that problem and there will be no problem of relief. To the solution of that problem the Republican Party is dedicated. And it would solve the problem by ending wasteful spending, restoring confidence, easing burdensome levies, and abolishing punitive taxation, and by removing hampering restrictions from business and capital to the end that there would be created more steady jobs at decent American wages.

For 6½ years the New Deal has had only one remedy for all our ills—spending and more spending. Were the Republican Party so bankrupt of ideas and in the same position as the New Deal it would of necessity have to follow the same course. It is tragically true, as President Roosevelt himself said in his first inaugural, that when those to whom the welfare of the Nation has been entrusted have no vision the people perish.

For 6½ years President Roosevelt has had a chance such as no other President ever had to rehabilitate America. His failure is complete and abject, as the roll of more than 10,000,000 unemployed and the mortgage of more than $40,000,000,000 on the future of the Nation testify. What for generations was the most prosperous Nation in the world has been held down to an existence level. He has clamped the hardships of a periodic depression upon the American people as a permanent way of living.

Is this exaggeration? Is this blind partisanship? Well, let's take a look at the report issued last week by the New Deal-dominated Monopoly Committee. That report concedes that the crying need is for the stimulation of private enterprise, and that unless it is stimulated our system of free economy cannot continue to exist. It also admits the colossal failure of the New Deal to do this. Let me quote this significant paragraph:

"The survival of the system of private property itself depends upon the restimulation of economic activity. Yet with resources of men and materials altogether adequate to attain the objectives desired by all to furnish plenty for all, the oppressive fact remains that the economic machine is stalled on dead center. Government acted, but the evidences of failure of the economic machine have not disappeared. People are still without jobs. Farmers are still without satisfactory markets. Industry is still without sufficient purchasers."

That's a New Deal appraisal of the New Deal which we Republicans can endorse 100 percent.

If, as this New Deal group says, that for all its spending the New Deal has failed to bring recovery and has merely left the economic machine stalled on dead center, where is it taking us? Where is the President heading the Nation, for when in proposing his new $3,860,000,000 spending folly he urged that this type of spending be made a permanent policy of the Government? We'll let a new dealer answer that one, too. Listen to what Assistant Secretary of State Adolf A. Berle, Jr., has to say about that—and here I quote Mr. Berle:

"If the Government undertakes to create wealth by using its own credit at the rate of four billions or so a year, and its work is well done, the Government will be acquiring direct productive mechanisms at the rate of four billions' worth a year, or thereabouts. Over a period of years the Government will gradually come to own most of the productive plants in the United States."

That's plain talk without pussyfooting; we're headed for socialism, or state capitalism, if you prefer that term. It's one and the same thing; the kind of totalitarianism in Europe which fills every real American with repugnance and disgust.

Is it any wonder that the New Deal has destroyed the confidence of the businessmen of America from coast to coast in the integrity, prudence, and fairness of the National Government?

Is it any wonder that business is distrustful, when under the guise of reform there have been placed on the statute books measures which effect no reform but are of the essence of petty spite and punitive in their objective?

Is it any wonder that the flow of capital has dried up when the New Deal has pyramided the national debt to the highest point in the Nation's history and has reduced money rates to the lowest?

Is it any wonder that the vaults of our banks are bursting with savings which the owners fear to risk in business because hampering New Deal restrictions and regulations so cut down the chances of success that the gamble is not worth the risk?

And what happens if the venture succeeds? You know the answer. The Government takes the lion's share of the profits.

The American Federation of Investors issued a report last week which showed that common-stock dividends of American industry last year were less than half the amount paid in taxes. Taxes averaged $2.73 a share. Dividends averaged only $1.33.

The report revealed that 6,500,000 persons had invested their savings in the 163 companies on which the study was based. That means that the individual investments were small and probably represented, in many cases, the result of a lifetime of saving.

But since in the eyes of the New Deal all stockholders apparently are regarded as "economic royalists," whether they are widows or thrifty folk who devoted years to saving to provide for a rainy day or old age, let's forget about the stockholders and see what this means in terms of jobs and our unemployment problem.

The report shows that the total taxes of these corporations were at the rate of $576 per employee. They had an average of 21,141 employees each in 1937. Last year the figure had dropped to 17,061.

Nothing could make clearer than this that American labor has a vital interest in the tax bill of American industry. Extravagant Government spending has a direct relation to jobs. Every American, whether employed or unemployed, should understand these vital truths:

For governments to spend recklessly is unnecessarily to increase taxes; to increase taxes is to reduce business earnings; to reduce earnings is to curtail investment in and by industry; to limit investment is to destroy jobs and to swell the ranks of the unemployed.

It is a vicious circle which the New Deal has demonstrated its inability or its unwillingness to break. There will be no resumption of investment so long as the New Deal continues to frighten business and industry. And investment will lag as long as public money is spent so prodigally that taxation absorbs nearly two-thirds of the net profits of 163 typical enterprises employing no less than 3,000,000 men. It is to labor's interest, even more than management's and stockholders' that the vicious circle be broken.

If the Republican Party were returned to office and again entrusted with the responsibility of government, the first task would be to restore business confidence and confidence in the people generally that there would be no abandonment of the reforms which social consciousness demands.

Aspirations would be translated into accomplishment. As a result of New Deal paralysis of business, there is a tremendous amount of work to be done. But there is the capital and there are the men to do it. These, intelligently brought into mesh, would create one of the greatest revivals in American history.

The energies of the country, pent up for years behind the dam of New Deal restrictions and folly, would rapidly transform depression into revival. We would forget all about our problem of so-called permanent unemployment. We would forget all about the America of the vanished frontier, and we would once again look out upon our country as the land of boundless opportunity—which it always was before fantastic experimentation began to take the place of ordinary common sense.

In this atmosphere millions of people would be transferred from some form of thinly disguised Government dole to real jobs at real wages, Government expenditure would automatically decrease without fastening hardships on our citizens, revenues from taxation would increase in amount, and the problem of the unbalanced Budget would be on the way to solution.

This is just plain common sense. It will be apparent to every thinking voter. Not so apparent, perhaps, is the shallowness of the contention of some new dealers that the muddled economic situation in this country is the result of European unrest. If you think about the thing a little while, you will logically come to the opposite conclusion, namely, that European unrest is in some measure a product of the American economic scene.

Under normal conditions America is by far the greatest single consuming market in the world. It draws on the four corners of the globe for much of what it consumes, and in doing this it contributes largely to the well-being and prosperity of other nations. Seven years of intermittent depression have reduced the demands of this ordinarily prosperous consuming market, and have thus aggravated the European distress and contributed to European political unrest.

The best contribution that the United States can make to the peace of the world is to so handle its domestic problems as to demonstrate that a capitalist economy functioning under a system of representative self-government can produce results far more satisfactory than have yet been attained under any other system. Such a revival of American prosperity would of necessity exert a powerful influence on the well-being of other nations, and would in this manner operate in the direction of reducing world-wide political tension.

This fact is clearly recognized abroad, although it has been obscured in this country by New Deal propaganda. It is recognized in London, and there are many abroad who have a clearer conception of what is wrong in the United States than all of the New Deal theorists put together.

Discussing the problem of recovery in the United States, the Economist of London recently stated editorially:

"In the past 6 years most of the recipes in the economic cook book have been tried at least once. * * * The only remedy which has not been tried is a sustained attempt to lower the costs and encourage the expansion of the capital-goods industries, whose

coma is, by common consent, the root cause of the laggardliness of recovery. It might be worth trying."

Further on in the editorial the London publication says: "It would be much easier to accept the defeatist doctrine of a permanent insufficiency of private investment in America if any convincing attempt had been made to investigate and remove the causes of its present unprofitability."

There is a forthrightness in that assertion that rings true with American tradition and ideals. On the other hand, the arguments of the new dealers before the Temporary National Economic Committee have a hollow and alien sound.

Forthright Americans are unwilling to accept the New Deal contention that the depression in durable-goods lines is assuming a permanent character and can be ended only by continuous large capital-goods spending by the Federal Government.

This country became the most prosperous nation in the world during the first century and a quarter of its history without any such Government investment. It will take more than a lot of New Deal professors to convince the American people now that the future holds nothing for them but mere subsistence in a socialist state.

Neutrality

EXTENSION OF REMARKS

OF

HON. JOHN McDOWELL

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 27, 1939

RESOLUTIONS ADOPTED BY THE McKEESPORT COUNCIL, NO. 109, JUNIOR ORDER UNITED AMERICAN MECHANICS, McKEESPORT, PA.

Mr. McDOWELL. Mr. Speaker, under leave to extend my remarks in the Record, I include the following resolutions adopted by the McKeesport Council, No. 109, Junior Order United American Mechanics, of McKeesport, Pa.:

Whereas war clouds hover over the world today; and

Whereas wars are raging today in both Asia and Europe; and

Whereas there is seemingly imminent danger of a general conflagration breaking out among the major counties of Europe; and

Whereas in such event there would be much pressure, from without and within, brought upon the President and the Congress of the United States to induce participation by the United States in such a conflict; and

Whereas in the World War, into which the United States entered to make the world safe for democracy, the United States spent many millions of dollars and saw the lives of thousands upon thousands of the young men sacrificed; and

Whereas whatever else may have been accomplished by the participation of the United States in the World War, it certainly did not result in making the world safe for democracy; and

Whereas the United States financed in large measure the participation of the other nations in the World War by loans to those nations, which they have refused to repay and still refuse to repay; and

Whereas the cost of the United States participation in the World War is still being paid for by the citizens of America at the rate of several billions of dollars annually and will continue to be paid for at this rate for many, many years to come; and

Whereas the best minds of this Nation are convinced that the world has not yet recovered morally or financially from the disastrous effects of the World War, and that another such war will mean the destruction of the civilization of the world; and

Whereas the experiences of the past teach us that no good but much harm can come from further participation in future foreign wars; and

Whereas the citizens of the United States are overwhelmingly opposed to the United States becoming engaged in another foreign war that will mean a sacrifice of thousands of lives of its citizens in addition to the financial cost of untold billions of dollars: Now, therefore, be it

Resolved by McKeesport Council No. 109, Jr. O. U. A. M. of McKeesport, Pa., That it is the sense of the members of this council and the people of this community that they are unalterably opposed to participation by the United States in another foreign war; and be it further

Resolved, That the members of this council and the people of this community, memorialize the Senate and the Congress of the United States to do all in their power to keep the United States out of any foreign war in case a general conflagration occurs; and be it further

Resolved, That copies of this resolution be sent by the secretary of this council, to the President of the United States, the Senate, the Congress, all churches and organizations, and to encourage the citizens to endorse this resolution and send a copy to their respective Senator and Congressman.

Money Goes Begging

EXTENSION OF REMARKS

OF

HON. HOMER D. ANGELL

OF OREGON

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 27, 1939

ARTICLE BY MARK SULLIVAN

Mr. ANGELL. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following article by Mark Sullivan which appeared in the Washington Post this morning:

[From the Washington Post of July 27, 1939]

MONEY GOES BEGGING

(By Mark Sullivan)

I am going to write today about President Roosevelt's lending program. I have in my hand 31 newspaper clippings about it. I have on my desk 6 copies of the CONGRESSIONAL RECORD containing 54 arguments pro and con. And I have in my own head some ideas.

But I am going to dismiss most of that. For the most illuminating comment on the lending program I turn to the Des Moines (Iowa) Register of one day last month. The comment is not on the editorial page—though the Register editorials give exceptionally sound discussion of national questions.

But the story that most illuminates Mr. Roosevelt's lending program is on the news pages. It is a dispatch from the little town of Booneville, some 15 miles west of Des Moines. I quote and condense:

"BOONEVILLE, IOWA.—There is practically 'no sale for money' here. The Booneville Savings Bank is going out of business September 1. * * * It has $267,000 of its depositors' money, and has been asking them to come and get it since May 29. * * * The reason for the bank's going out of business is inability to use the money. The bank has been paying 2½ percent interest on deposits and can't make sufficient loans to earn it. 'We are going to pay off our depositors and quit business September 1,' says C. C. Cook, the affable gray-haired cashier who runs the bank. 'The principal reason we are quitting is that we do not know what to do with your money,' depositors were told in letters when the decision to liquidate voluntarily was made. The bank has been open every business day in 33 years except during the 1933 bank holiday."

WHY CAN'T BANK LOAN ITS MONEY?

Now, reader, ask yourself the question, If the Booneville Bank could loan its money, would it shut up shop? That question hardly needs to be answered. If you insist on an answer, it is in the words of the dispatch quoted above: "The reason for the bank's going out of business is inability to use the money." The answer is in the letter of the Booneville cashier to his depositors, "We do not know what to do with your money."

Next, ask yourself this question: Why can't the bank loan its money? The answer is obvious. It is because no one wants to borrow. That is, no prudent businessman wants to borrow, nor prudent farmer, nor prudent other person. No doubt there are plenty of willing borrowers in Booneville and thereabouts, as everywhere else. The Booneville cashier can find them on any street corner. But they are not prudent businessmen.

No one wants to borrow who is the type that won't borrow unless he can see his way clear to paying back. There is no one to borrow who sees how he can make prudent use of the money, make enough to pay interest, make a profit for himself, and pay back the principal when due.

PRUDENT BORROWERS DIFFICULT TO FIND

True, Booneville is a very small town. Conditions there may be extreme—I do not happen to know. But if the Booneville conditons are extreme, they are not unusual. On the contrary, they are common. Booneville is a microcosm of the country. Practically every bank official in the United States who reads this story of the Booneville bank will recognize that, to some degree, he is up against the same situation. His bank is overflowing with money, potential credit, for which he can't find use. He can't find borrowers. That is, he can't find prudent borrowers—he can't find borrowers of the type who won't borrow until they can see their way to pay back. Officials of big city banks tramp the streets looking for borrowers. Vice presidents of city banks nowadays have become salesmen; they ring doorbells with almost the ubiquity and pertinacity of a soap salesman.

If the banks can't find borrowers—that is, prudent borrowers—then where is the administration going to find borrowers for that two and one-half billion lending fund, after and if Congress passes it? If the Booneville bank can't find borrowers, where can the Government find them?

The administration will find borrowers all right—no need to worry about that. But will they all be prudent borrowers? That question, I imagine, the reader can answer for himself.

FEAR IS CAUSE OF CREDIT RESTRAINT

The final question, and the nub of the whole matter, is: Why do prudent borrowers not borrow the money that is already in the banks begging to be borrowed? Why do businessmen and shopkeepers and manufacturers refrain from extending their operations? Why do men not in business refrain, if they are prudent, from going into business? In short, why does business not recover and go forward?

Mainly the answer is fear. Some of the fear, such as fear of European war, is not within the administration's power to help.

But much of the fear existed before the war scares. Largely it is fear of the administration, of things the administration has done and other things it may do. Just what these things are, there is not space here to set down in detail. If the administration really wants business to recover, the true path is to remove these fears—and thus set business free to borrow the abundance of money that is already in the banks and looking desperately for prudent borrowers to borrow it.

Ill fares the land when power accumulates at Washington while the Boonevilles decay.

Deficiency Judgments

EXTENSION OF REMARKS

OF

HON. JERRY VOORHIS

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 26, 1939

Mr. VOORHIS of California. Mr. Speaker, the deficiency judgment has always seemed to me unfair. If money is loaned to a farmer on a mortgage against certain property, it seems a matter of justice that that property, and it alone, be regarded as sufficient, if taken through foreclosure, to wipe out the indebtedness and leave the debtor free to make a new start. Particularly at times like this the taking of deficiency judgments becomes in thousands of cases a matter of grave injustice and hardship upon the farmers of America.

This is another case of where money and credit and those who control that money and credit become not the servants of our industry and agriculture but their definite and complete masters. It is another case where figures in a book are more highly regarded than farm land, buildings, livestock, and human life itself. It is illustrative of the fact that fluctuations in the value of the dollar in terms of real wealth inevitably lead to injustice and serious dislocations in the economic system. This is perhaps one of the most fundamental of all our problems; but until we solve it surely we should at least do what we can to protect the producers of the Nation. One way of accomplishing this would be by removing the possibility of a man being regarded as continuing in debt to his creditor even after all the property which he put up as security for his loan has been taken from him.

As a step in the direction of elimination of the deficiency judgment, I have introduced H. R. 3820, the text of which is as follows:

Be it enacted, etc., That section 80a of the act of June 16, 1933 (48 Stat. 273; U. S. C. Annotated, title 12, sec. 972), be, and it is hereby, amended to read as follows:

"Pending the making of such examination in the case of any State, the Farm Credit Administration may declare first mortgages on farm lands situated within such State ineligible as the basis for an issue of farm land loan bonds; and if said examination shall show that the laws of any such State afford insufficient protection to the holder of first mortgages of the kinds provided in this subchapter, said Farm Credit Administration may declare such first mortgages on lands situated in such State ineligible during the continuance of the laws in question: *Provided, however*, That said Farm Credit Administration shall have no power to declare first mortgages on land situated in such State ineligible for the sole reason that such State shall or may, subsequent to the effective date of this act, enact valid legislation prohibiting the holder of any obligation secured by a lien upon real property from obtaining a deficiency judgment after foreclosure of such lien and sale of the said property. In making his examination of the laws of the several States and forming his conclusions thereon said land-bank commissioner may call upon the office of the Attorney General of the United States for any needed legal advice or assistance, or may employ special counsel in any State where he considers such action necessary."

My bill will not do one of the things I would most like to see done—namely, completely eliminate the taking of deficiency judgments on Farm Credit Administration loans. But it would free such States as may desire to pass laws outlawing deficiency judgments from the fear that now hangs over them that if they pass such legislation the Farm Credit Administration will stop the making of loans through its agencies in that State.

A Fearless Patriot

EXTENSION OF REMARKS

OF

HON. JAMES E. VAN ZANDT

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 27, 1939

EDITORIAL FROM THE PITTSBURGH SUN-TELEGRAPH OF JULY 25, 1939

Mr. VAN ZANDT. Mr. Speaker, for the information of my colleagues I am inserting in the CONGRESSIONAL RECORD an editorial appearing in the Pittsburgh Sun-Telegraph of July 25, 1939, concerning our colleague, the Honorable HAMILTON FISH, of New York.

[From the Pittsburgh Sun-Telegraph of July 25, 1939]

A FEARLESS PATRIOT

The Republican Party, in seeking a Presidential nominee who would be a good President if elected, will look far before finding a man better qualified in this respect than Representative HAMILTON FISH, of New York.

A good measure of this able American statesman is available in a column of editorial comment published in the Hearst newspapers February 4, 1938, which said:

"If we had a national medal for intellectual honesty and courage, it would be awarded to Congressman FISH for his fearless performance in challenging alike all the masked dark forces undermining the foundations of liberty and tolerance beneath the American system."

The occasion which inspired that comment was a meeting in New York City which Mr. FISH addressed in this manner:

"Our free institutions and republican form of government are the hope and aspiration of the struggling masses of mankind, whether they be in Fascist Italy, Nazi Germany, or Communist Russia."

Instead of being applauded for that unchallengeable expression of Americanism, Mr. FISH was hissed and booed.

He was cut off the radio in the middle of his speech.

His inclusion of communism among the enemies of America brought the wrath of the subversive communistic element in that supposedly American audience down upon him, and thus brought out the character and purposes of that alien-minded assembly.

The communistic crowd tried to intimidate him and shout him down.

But HAMILTON FISH stood up to the subversive and un-American element in his audience with magnificent courage, and went on to say:

"There is and can be no compromise with these foreign and dictatorial forms of government, whether of the right or the left, in our country.

"There is no room for such autocracies and despotisms as fascism, nazi-ism, or communism in America."

The unfaltering Americanism of HAMILTON FISH shamed that group, and earned him the respect and admiration of the entire country.

His display of courage and patriotism on that occasion was typical of the man.

As a young man, after graduating with honors from Harvard, he cut short a promising career in private law practice and public service in the New York Assembly to serve his country overseas in the World War, coming out of it with a major's commission and a record for valor and leadership unexcelled in the American Expeditionary Forces.

The war over, he continued in the service of his country, first entering the House of Representatives of the United States Congress in 1919, and so earning and holding the confidence of his district that he has remained a Member of that body continuously ever since.

His fight for Americanism has always been fearless and uncompromising.

He has said of the radicals and Communists and fellow travelers of communism who have wormed their way into influential positions in the New Deal:

"They came to write unsound, unworkable, un-American and unconstitutional experiments into the law. They imposed these upon the American people without their consent and approval."

He has said of President Roosevelt, whose administration was pledged to Government efficiency and economy:

"I condemn him for his autocratic methods, for his unsound economics, for the debt on debt he has piled up in billions and billions of dollars, unchecked, that will lead to the collapse of government.

"He has established a regime of state socialism. He has filled the Washington Government with Socialists, radicals, near-Socialists and near-Communists. He has formed an army of hundreds of propagandists of the New Deal who have been paid by the Public Treasury to uphold the New Deal and all of its socialistic experiments."

If the Republican Party is looking for a fighter, it will look long at HAMILTON FISH.

If it is looking for an American, it will find no man more deeply fixed in the affections of the people by his firm support of the vital American principles which are the foundation and structure of free American institutions.

HAMILTON FISH has a fine American record.

He has been an important American legislator for two decades.

He represents an important State.

He is an important candidate for the Presidency of the United States.

The American people want a loyal, courageous, fighting American like HAMILTON FISH for President.

The Republican Party should be glad to offer the country a Presidential candidate of his character and qualifications—and must be very sure to do so if it expects to be entrusted again with the control of national affairs.

Lending Program for Self-Liquidating Projects

EXTENSION OF REMARKS

OF

HON. NOAH M. MASON

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 27, 1939

ARTICLE BY MARK SULLIVAN

Mr. MASON. Mr. Speaker, the Congress in the closing days of this session is faced with the new spending-lending program, artfully labeled a "lending program for self-liquidating projects." The principal objection to the program is that it brings the Government into competition with private business. The argument advanced in its support is that if private business will not undertake such operations the Government must. The fact that competition by the Government invariably strangles private business is overlooked. However, the real reason for this new form of spending-lending is that under existing law the national debt may not go beyond $45,000,000,000. By the end of the present fiscal year our national debt will have reached that figure, so by means of this subterfuge the administration expects to go ahead with its spending-lending practices and yet avoid the debt-limitation obstacle. This subterfuge reminds me of the couplet:

Oh, what a tangled web we weave
When first we practice to deceive.

The following article by Mark Sullivan, Money Goes Begging, taken from this morning's Washington Post, gives a clear picture of the situation.

[From the Washington Post of July 27, 1939]

MONEY GOES BEGGING

(By Mark Sullivan)

I am going to write today about President Roosevelt's lending program. I have in my hand 31 newspaper clippings about it. I have on my desk six copies of the CONGRESSIONAL RECORD containing 54 arguments pro and con. And I have in my own head some ideas.

But I am going to dismiss most of that. For the most illuminating comment on the lending program I turn to the Des Moines (Iowa) Register of one day last month. The comment is not on the editorial page—though the Register editorials give exceptionally sound discussion of national questions.

But the story that most illuminates Mr. Roosevelt's lending program is on the news pages. It is a dispatch from the little town of Booneville, some 15 miles west of Des Moines. I quote and condense:

"BOONEVILLE, Iowa.—There is practically 'no sale for money' here. The Booneville Saving Bank is going out of business September 1. * * * It has $267,000 of its depositors' money, and has been asking them to come and get it since May 29. * * * The reason for the bank's going out of business is inability to use the money. The bank has been paying 2½ percent interest on deposits and can't make sufficient loans to earn it. 'We are going to pay off our depositors and quit business September 1,' says C. C. Cook, the affable gray-haired cashier who runs the bank. 'The principal reason we are quitting is that we do not know what to do with your money,' depositors were told in letters when the decision to liquidate voluntarily was made. The bank has been open every business day in 33 years except during the 1933 bank holiday."

WHY CAN'T BANKS LOAN ITS MONEY?

Now, reader, ask yourself the question: If the Booneville bank could loan its money, would it shut up shop? That question hardly needs to be answered. If you insist on an answer, it is in the words of the dispatch quoted above: "The reason for the bank's going out of business is inability to use the money." The answer is in the letter of the Booneville cashier to his depositors, "We do not know what to do with your money."

Next, ask yourself this question: Why can't the bank loan its money? The answer is obvious. It is because no one wants to borrow. That is, no prudent businessman wants to borrow, nor prudent farmer, nor prudent other person. No doubt there are plenty of willing borrowers in Booneville and thereabouts as everywhere else. The Booneville cashier can find them on any street corner. But they are not prudent businessmen.

No one wants to borrow who is the type that won't borrow unless he can see his way clear to paying back. There is no one to borrow who sees how he can make prudent use of the money, make enough to pay interest, make a profit for himself, and pay back the principal when due.

PRUDENT BORROWERS DIFFICULT TO FIND

True, Booneville is a very small town. Conditions there may be extreme—I do not happen to know. But if the Booneville conditions are extreme, they are not unusual. On the contrary, they are common. Booneville is a microcosm of the country. Practically every bank official in the United States who reads this story of the Booneville bank will recognize that, to some degree, he is up against the same situation. His bank is overflowing with money, potential credit, for which he can't find use. He can't find borrowers. That is, he can't find prudent borrowers—he can't find borrowers of the type who won't borrow until they can see their way to pay back. Officials of big city banks tramp the streets looking for borrowers. Vice presidents of city banks nowadays have become salesmen; they ring doorbells with almost the ubiquity and pertinacity of a soap salesman.

If the banks can't find borrowers, that is, prudent borrowers, then where is the administration going to find borrowers for that two and one-half billion lending fund, after and if Congress passes it? If the Booneville bank can't find borrowers, where can the Government find them?

The administration will find borrowers all right—no need to worry about that. But will they all be prudent borrowers? That question, I imagine, the reader can answer for himself.

FEAR IS CAUSE OF CREDIT RESTRAINT

The final question, and the nub of the whole matter, is: Why do prudent borrowers not borrow the money that is already in the banks begging to be borrowed? Why do businessmen and shopkeepers and manufacturers refrain from extending their operations? Why do men not in business refrain, if they are prudent, from going into business? In short, why does business not recover and go forward?

Mainly the answer is fear. Some of the fear, such as fear of European war, is not within the administration's power to help.

But much of the fear existed before the war scares. Largely it is the fear of the administration, of things the administration has done and other things it may do. Just what these things are, there is not space here to set down in detail. If the administration really wants business to recover, the true path is to remove these fears, and thus set business free to borrow the abundance of money that is already in the banks and looking desperately for prudent borrowers to borrow it.

Ill fares the land, when power accumulates at Washington, while the Boonevilles decay.

Time Offers the Hallowed Traditions of Milford and Guilford in Their Tercentenary Garments for the Visitors to Connecticut This Year

EXTENSION OF REMARKS

OF

HON. JAMES A. SHANLEY

OF CONNECTICUT

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 27, 1939

Mr. SHANLEY. Mr. Speaker, my district has within it two towns, Guilford and Milford, which are celebrating their three hundredth birthdays this summer. I call this to the attention of the Members of the House who may be planning visits to Connecticut and who are interested in the historic lore, learning, and lights of history that dot the Connecticut countryside and shore in these two towns.

Here they will find the birthplaces of famous men who have had an active part not only in the early affairs of their colony and the Connecticut settlement but in the history of this country itself. The native sons and daughters of Connecticut have chronicled their doings and findings throughout the world, but the world will ever be interested in their birthplaces, its surroundings, and its people.

Georgia claims Abraham Baldwin as United States Senator, but he was a signer of the Constitution and born in Guilford.

First Governor of Vermont, Thomas Chittenden, was a native son of Guilford, also.

The distinguished botanist William Russell Dudley was nurtured on its shores.

Probably one of the earliest and most-quoted poets even today has honored himself and his native town of Guilford by his immortal work—Fitz-Greene Halleck.

The first president of King's College—Columbia—was a Guilford resident, Samuel Johnson.

Adirondack Murray is none other than a Guilford boy, William H. H. Murray.

These are a few of the historic names in whose honor Guilford will celebrate on Labor Day week end, September 2, 3, and 4, and there you will see colonial architecture at its best. There are 150 houses standing which were constructed prior to 1810, and also we are told that there are the descendants of 15 of the heads of families who signed the covenant on shipboard in 1639.

Nothing to my mind is so typical of the spirit of Guilford as the outstanding book, Old Guilford, hand-lettered by Mr. Charles D. Hubbard, a work that has called forth the highest praise from our distinguished scholar and former Governor, Wilbur L. Cross, and, too, you will find the oldest stone house in New England, a structure that Representative JOHN RANKIN visited on his visit to Connecticut some years ago and which elicited from him the highest praise. The oldest house in New England, the Whitfield House, and the old stone house were built in 1639.

There are distinguished Connecticut names embossed in the traditions of Guilford, including the Leetes, Stowes Dudleys, Naishes, Willards, Mungers, Hoyts, Graves, Hulls, Bradleys, Nortons, Cruttendens, and Bishops.

Milford, also settled in 1639, is probably best known for its shore-resort facilities, because of which its population is doubled each summer. Official recognition of its splendid use as a cove for small craft has only recently been given by an appropriation by the Federal Government of $30,000 to deepen its harbor. Here from Long Island Sound come the thousands of small craft during the summer in this protective harbor.

The town is redolent with a colonial air, and it gave three of Connecticut's earlier Governors—Jonathan Law, Robert Treat, and Charles H. Pond—all of whom had been Lieutenant Governors.

Its celebration will be held from August 20 through to the 26th, with a water pageant depicting the arrival of the settlers, sports, a historical pageant, colonial costume ball, and a parade.

In its historic resting places there are buried Governor Treat and Roger Sherman, signer of the Declaration of Independence, most famous of the New Haven immortals and my political ancestor in the First Congress of the United States.

Proposed Amendment to Wage and Hour Law Concerning Country Newspapers

EXTENSION OF REMARKS

OF

HON. BEN F. JENSEN

OF IOWA

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 27, 1939

LETTER FROM RALPH E. OVERHOLSER

Mr. JENSEN. Mr. Speaker, under leave to extend my remarks in the RECORD, I include therein a letter from Mr. Ralph E. Overholser, editor of the Red Oak Express, written to my colleague from Iowa the Honorable JOHN W. GWYNNE. I hope, Mr. Speaker, that this Congress will not adjourn without amending the Wage and Hour Act to exempt newspapers with a circulation up to 5,000, as provided in the Gwynne amendment. It is imperative this be done to avoid the disastrous effects which Mr. Overholser so clearly sets out in his letter, as follows:

THE EXPRESS PUBLISHING CO.,
Red Oak, Iowa, July 22, 1939.

Hon. JOHN W. GWYNNE,
House of Representatives, Washington, D. C.

DEAR MR. GWYNNE: Your remarks in the House of July 6 have just reached my desk, and I have read them with interest and admiration.

You have stated the case of the small newspaper wisely and soundly, and those of us in the Iowa country press sincerely appreciate your effort.

We are one of the 36 newspapers to which you made reference. We publish a semiweekly. Our press run now is 3,450. Our fully paid list is right at the 3,000 mark. We have been endeavoring to abide by the law, but it is a hard task.

Our shop has maintained a 44-hour week for more than 20 years, while other merchants in our town have employed workers from 48 to 60 hours a week. Our record, wages, and hours have been highly satisfactory with our employees, who have enjoyed vacation on pay and a bonus at the end of the year when we could pay one.

We are now confronted with a serious problem. In October we must go to 42 hours a week and next year 40. In the days of N. R. A. we complied with the 40-hour week, but we discovered that we could not for long continue to issue a twice-a-week newspaper on that basis and stay in business.

We will soon be faced with the problem again. At this outlook it appears that our only solution is to reduce our publication to a weekly, fire some of our help, and get along as best we can. Our first-of-the-week issue is a service newspaper and in these days it is not a money maker. We can best abolish it even at 44 hours a week and be money ahead.

Our employees are opposed to the regulation. They are content with our own 44-hour week and the conditions under which they work.

We now employ 14 people. There are no extra printers to fill in on the days that we would need help under the shorter-hour program and we cannot afford to pay additional men enough compensation to keep them. You are aware of that fact and those of us running these small plants cannot understand why Congressmen generally cannot see this point.

If we are obliged to conform to the law, we, of course, will go strictly on the hour basis and that will mean less total money in the week for each employee. We do not like to do this, and the employee does not like it, but there is nothing left for us to do but that.

It seems absurd that the Wage and Hour Act should affect the small newspaper in the first place. More than 90 percent of all our business and circulation are in our own county, of course. The meager circulation that goes beyond the State boundaries we would like to abolish anyway, but we send the home-town paper because a former resident wants it. It has no advertising or selling value for the merchant.

The Roosevelt administration has sponsored the welfare of the little fellow in deed but not in action. The wage and hour law handicaps the small newspaper but it does not cause a hardship on the metropolitan newspaper, where hourly wages prevail and where plenty of additional help is present.

Frankly we are at our wits' end, trying to run a business, maintain a pay roll, keep men employed, pay our taxes, and keep our doors open. The wage and hour law will defeat its ends in small towns. It is going to destroy service to our readers, reduce the weekly income of employees, dismiss employees now on our pay roll, and jeopardize the business of an enterprise needed in the community. Congress can write the laws but it can't meet the pay roll. It can legislate us out of business but that does not make jobs for the men who own their homes in our employ.

This is a rather long letter and I apologize for troubling you with our burden, but we have no one to present our problem other than our representatives.

We fully appreciate your effort and only hope that your efforts will be retained in behalf of our serious problem. It is serious and it is critical. Something must be done or else!

I would appreciate it if you would show this letter to Representative BEN JENSEN from our district. I know that he has a sympathetic attitude on this question.

With every good wish and high regard, we remain,

Very truly yours,

RALPH E. OVERHOLSER.

Republican Promises and Performances in Pennsylvania and Philadelphia

EXTENSION OF REMARKS

OF

HON. FRANCIS J. MYERS

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 27, 1939

Mr. MYERS. Mr. Speaker, recently John D. M. Hamilton, Republican National Chairman, attempted to set up the proposition that various Republican Governors are saving large sums and balancing their budgets. He claims that Republican Governors of various States probably will save a total of more than $100,000,000 in the next 2 years.

The Republican Party has nothing to crow about in my own State of Pennsylvania. Pennsylvania's Republican Governor, Arthur H. James, campaigned on promises of drastic economy last year and particularly promised the elimination of certain emergency taxes for relief which were enacted during the administration of Gov. George H. Earle.

There were no ifs, ands, or buts in the speeches the present Republican Governor of Pennsylvania made during that campaign concerning those so-called Earle taxes.

He denounced them in unmeasured terms.

He said that they were political; that they were driving industry from Pennsylvania; that they were punitive taxes designed by the Democratic Party in our State to get back at "big business" because it had fought the election of Governor Earle 4 years earlier.

Judge James promised, without reservation, that he would bring about enormous economies in the State government of Pennsylvania.

And, of course, he said, because that was before the election, that all this would be accomplished without impairing relief or denying it to a single worthy person.

Well, now we have the outcome. Governor James and his Republican legislature reenacted every single one of those "Earle taxes," which Mr. James promised to wipe out as part of his program for encouraging industry in Pennsylvania. That promise had a large part in getting him elected.

But that is not all. Governor James adopted a short-changed budget. Appropriations for relief are a good $80,000,000 short of obvious requirements for the biennium, and even if that is left out of consideration the Pennsylvania budget is far out of balance. To date no economies have been made.

Sooner or later—and they admit that—the Republicans will have to call the legislature back into special session to raise the money to pay for relief and to balance the short-changed budget. They will wait to do that until after the next election, and if possible until after the Presidential election. Then, the campaign over, they will levy more taxes on the people of Pennsylvania.

That is the economy record of a Republican administration in Pennsylvania—no economy at all, an unbalanced budget, and no program except to wait until the people have voted to put more taxes on them.

Their record in that respect is about as good as their record on relief, for they passed the Pierson bill, called in our State the "work or starve" law.

This is a curious little enactment under which people on relief can be ordered to work at "prevailing wages," whether fitted for the work or not, and the definition of "prevailing wages" is left up to the county relief boards which under Governor James have been loaded down with politicians.

Governor James fired all the Earle boards, which were staffed with Republicans and Democrats not active in politics. They were men and women of high character and standing.

The Governor fired them and his appointments to fill their places were so flagrantly political that even a Republican Senator, one of Governor James' own party, denounced the kind of people he was selecting.

Yet Governor James, in his campaign, had promised that "relief would be taken out of politics."

Relief in Pennsylvania is to be squeezed down. Economy, if there be any, is to be effected at the expense of the unfortunates who cannot get employment, and who desperately need relief. That is the only kind of Republican "economy" we are getting in Pennsylvania.

Governor James must be aware that the people of Pennsylvania now look upon him as the greatest flop that ever occupied the chief executive's chair.

Last Friday night he took to the air, this man on the flying trapeze, and made an apology for the first 6 months of his administration.

It was a sorry spectacle, for he stooped to an all-time low in political skulduggery, brazenly ignored the written record, deliberately distorted the truth, hurled a few dead cats, and then resumed his seat among the forgotten men of Pennsylvania's political history. The most laughable part of that ridiculous speech was the charge that President Roosevelt and the Democrats are purging W. P. A. in Pennsylvania in order to punish W. P. A. workers because the State went Republican last fall.

The truth is that the Republicans in Congress have voted almost unanimously during this entire session for reduced W. P. A. appropriations and for amendments to the law which have compelled, and will continue to necessitate, huge lay-offs. The Republican Members of this House from Governor James' own State of Pennsylvania voted in the same manner, laughingly and gleefully voting for all amendments which have tended to cripple W. P. A. and force thousands back on the relief rolls.

During the crucial debate on the relief bill Governor James did nothing to prevent his Republican pals in Congress from voting to cut men and women from the W. P. A. rolls, and if the Governor will read the RECORD he will find that the administration and a majority of the Democratic Congressmen, which included the Pennsylvania Democrats, opposed these changes in the law which are causing lay-offs.

I deeply regret that the Governor of my own State could not at least have been honest and frank when he spoke on the subject of W. P. A. Undoubtedly his partisan frenzy has destroyed his reason.

But I am surprised that John D. M. Hamilton and Governor James, in dealing with this subject of alleged Republican "economy," did not include the Republican government of my city of Philadelphia.

There is the outstanding example for the whole country of what complete Republican control of a municipal government means. For 60 years they have run things without any hindrance. And today, as a result of their management, their extravagance, and their waste, Philadelphia is in a virtual state of bankruptcy.

Except for four county offices which in recent years have passed into the hands of Democrats, they control every branch and department of our dual city-county government. One Democrat and 21 Republicans constitute the city council. The courts are predominantly Republican. The district attorney, the sheriff, the recorder of deeds, the clerk of the courts, the county commission, as well as the mayor and council, are Republicans.

The Republican machine is boss, and it has been for 60 years. It has rolled up more than $500,000,000 of bonded debt, created the highest per capita debt of any city of comparable size in the United States, and loaded down the budget last year with interest and carrying charges exceeding $30,000,000.

Most of this debt comes from unwise, extravagant, and unproductive so-called permanent improvements. Some of it was spent on subways that were built for a few blocks and never finished. These holes in the ground are a continuing debt on which the people are paying heavy charges year after year. Another part of the underground transit system was built at enormous cost. It begins nowhere and ends nowhere.

While Philadelphia, under Republican domination, wasted these enormous sums, a badly needed sewage-disposal system was begun but was never completed. Sewers still discharge their filth into the Delaware and Schuylkill Rivers.

The water supply of Philadelphia, drawn from those rivers, has deteriorated, and the distribution system decayed through lack of maintenance.

Political neglect and mismanagement of a large hospital for mental and nervous diseases produced the most vicious scandals for years until, at last, under Governor Earle's administration, the institution was taken over by the State. The people of Philadelphia breathed a sigh of relief.

Whether it will continue to be decently operated under the present Republican administration remains to be seen.

A hundred instances of neglect, of waste, and mismanagement of ordinary city business could be cited. The police and fire bureaus have been dominated and demoralized by politicians.

And the most serious indictment of the Republican machine, which is part and parcel of the State machine that elected Governor James, is its record of financial incompetence.

For long years the Republican council has been building up deficits in order to keep overloaded pay rolls going—pay rolls created for political drones. Repeatedly civic groups, largely composed of distinguished Republicans, pleaded with the Republican organization to economize; to cut out the waste; to stop scuttling Philadelphia. But their pleas went unheaded.

Finally they came to a show-down this year. Under the law, the city council is required to adopt a budget and fix a tax rate before the beginning of every year. At this date, 7 months after the December 15 deadline, Philadelphia is still without any budget at all. With the aid of the courts the Republican city council has let the matter slide along because it had a $41,000,000 deficit to meet.

Last year they enacted a local sales tax. It was palpably ruining business so they were forced to take that off. And then they hunted around for a way out; a way to beat the financial devil they had created around the stump.

In our city council there are some Republicans of the most reactionary type that it is possible to find anywhere. Because they hated the New Deal they passed up W. P. A. and P. W. A. improvements that would eventually have saved the taxpayers of Philadelphia millions of dollars.

But now, at last, to get themselves out of the hole, they came to Washington and appealed for aid. And what do you suppose it was for? They have Philadelphia flat broke. They cannot borrow a cent by ordinary means.

So they worked up a scheme to pawn the annual rental of the city-owned gas works—a matter of about $4,200,000 a year—for the next 14 or 15 years.

They could not finance that through the bankers alone. The bankers knew better than anybody that they cannot be trusted. So they have fixed up a deal with the hated Democratic administration at Washington to borrow $20,500,000. That is the way they are clearing up their deficit and intend to balance their budget for 1939, 7 months after the lawful time fixed for that purpose.

But while all this has been going on, have they economized in the slightest degree? They have not. They are spending, and wasting, millions this year, even without a budget, keeping every single one of their drones in their unnecessary jobs and busily rolling up another deficit which by next year will exceed $15,000,000 and in some estimates is expected to reach $19,000,000.

What will they "hock" among other city assets to pay that off?

This statement of the situation in Philadelphia, under Republican control, does not stretch a single fact. Every statement made can be substantiated by the records.

It is aggravated by the fact that the Republican legislature, under this same Republican Governor James, passed laws at the behest of the Philadelphia Republican machine which add more than $800,000 to the annual cost of government in Philadelphia. Governor James signed those bills.

That is his immediate and personal share in the political looting of Philadelphia by the Republican organization of Philadelphia.

And he promised, in his campaign, to "help Philadelphia."

Nice going, for a Republican regime, do not you think?

But to add it all up, let us have this in the RECORD: Students of our local government, for a generation or more, have fought to get rid of the dual system of county and city officers which creates enormous excess costs in our local government. Democratic legislatures put through a proposal for a constitutional amendment. It had to be voted upon throughout the State. In Philadelphia the people gave it a substantial majority. Elsewhere in Pennsylvania the Republican machine killed that amendment and wiped out the majority given to it by the people of our city.

Forces of good government did not give up with that. A nonpartisan commission, including some distinguished Republicans, drafted a proposed new charter for Philadelphia. It was sent to the Republican legislature. It passed the senate under tremendous popular pressure, went to the wholly controlled Republican house of representatives, and never came out of committee.

The charter bills provided that they should not become law unless the people of Philadelphia voted favorably upon them. The Philadelphia Republican organization decreed that those bills, which would have saved millions to our taxpayers, should not even be submitted to the people of Philadelphia.

I call the attention of the Republican national chairman, John D. M. Hamilton, to this record of Republican mismanagement, waste, and rotten government, capping the climax of 60 years of uninterrupted Republican control of Philadelphia, and to the complete failure of a Republican administration at the State capital to make good on campaign promises of economy and tax reduction for the people of Pennsylvania, before he does any more "pointing with pride."

Congress Wants Peace—Japan Wants P-i-e-c-e

EXTENSION OF REMARKS
OF
HON. VINCENT F. HARRINGTON
OF IOWA
IN THE HOUSE OF REPRESENTATIVES
Thursday, July 27, 1939

LETTER FROM REPRESENTATIVE OF THE SINO-KOREAN PEOPLES LEAGUE

Mr. HARRINGTON. Mr. Speaker, under leave to extend my remarks, I include herein a letter addressed by Kilsoo K. Haan, Washington representative of the Sino-Korean Peoples League, to the House Foreign, Naval, and Military Affairs Committees. This letter is of particular interest in view of the action of the State Department in taking steps to abrogate the 1911 Treaty of Commerce and Navigation with Japan.

SINO-KOREAN PEOPLES LEAGUE,
Washington, D. C., July 25, 1939.

Honorable Members of the House Foreign, Naval, and Military Affairs Committees, the Seventy-sixth Congress, Washington, D. C.

HONORABLE GENTLEMEN: We are informed that 280 Japanese "Ronins," political assassins, have been sent by Japan during the past 2 months to Shanghai, with the objective view of creating a "reign of terror" in the International Settlement this coming September.

"Ronins," or Japan's political assassins, are employed by the militarists whenever they desire to make a strategic move. The Queen of Korea was murdered by Japan's Ronins in this manner. Our informers urgently warned that the Ronins are going to attack Occidentals in the International Settlement, creating a "reign of terror" against the white people.

I can vividly picture Japanese Consul General Fukuma, of Honolulu, calmly and seriously, with his smiling eyes, talking to me. He said:

"American Congress very smart, you know, very smart; agree not to agree with President.

"Few more years Japan clean up all American business in China. * * * You see Congress want peace, peace, all the time peace. Japan want peace, too, you know. Yes; Japan want peace."

And he then spelled the word "peace"—"p-i-e-c-e."

Gentlemen, we humbly and sincerely urge you to adopt Senator Vandenberg's resolution, abrogation of the American-Japan Treaty of Commerce and Navigation of 1911.

Such an action by the Seventy-sixth Congres will discourage the militarists and their followers while encouraging and strengthening the morale of the Chinese, Koreans, and the liberal Japanese elements in Japan.

We sincerely and justly fear, if the Seventy-sixth Congress neglects or refuses to take such step or steps to create a "moral armament" against the militarists, American rights will be flagrantly violated and eventually chased out of the Far East. America's defeat will not only tend to encourage the hatred of white race under the Japan guided "Asia for Asiatics" policy, it would also mean the end of democracy in the Pacific for many generations to come.

If you gentlemen believe American laborers will peacefully work for 10 to 75 cents a day in order to compete with the Japanese standard of living, you can ignore Japan's military conquest of Korea and China. On the contrary, if you believe that American laborers deserve the protection of Congress for a livable wage and a decent standard of living, by all means protect and maintain American influence in the Far East.

Events of the last few months in the Pacific will speak for itself.

The Hawaii Sentinel (May 25) reports, that an American citizen of Japanese ancestry was detained in Honolulu. All the propaganda materials were confiscated. It is alleged that the printed matter "advocated the formation of an outright Japanese Navy League." It also reported that startling news articles appeared in Japan, "praising the loyalty of Hawaiian-born Japanese to the mother country." It was one of these stories which told how the Japanese in Hawaii, including American citizens of Japanese ancestry "signed pledges of loyalty to Japan in their own blood."

Another report on June 25 says that the Japanese officers of the S. S. *Taiyo Maru* (a Japanese merchantship, N. Y. K. line) "refused point blank to open a mysterious safe to United States customs inspections" contrary to and violating the spirit of the commercial treaty of 1911.

The arrogant attitude of Japanese officials is not new to Hawaii; that is, to those Americans who are not afraid to talk. They will tell you many an interesting incident of Japanese display of arrogance toward Americans even in Hawaii.

During the Japanese census in 1935 the leading Japanese daily printed in the Japanese section:

"QUESTIONABLE POINTS

"This census is taken to determine the population (Japanese), and it is not connected in any way with information papers compiled for the government authorities (American Government). Hence illegal entrants need not be afraid of making out this report."

The Associated Press reports on July 20 that "The Japanese soldiers had torn down and destroyed an American flag flown over the Standard Oil Co.'s installation at Chinglingki, Yangtze River port." This account said about 100 Japanese infantrymen entered the installation, drove out the Chinese staff, and damaged the property.

The United Press reports on July 23 that, "R. A. Baker, warrant officer aboard the United States gunboat *Guam*, was beaten severely by a Japanese sentry here last night, apparently because he was walking on the wrong side of a street in the Japanese-controlled area."

While Congress talks of "peace, peace," the Japanese are taking American interests by "pieces" in China. We fear the 280 Japanese Ronins, who are reported sent to Shanghai, are there not to create peace for occidentals nor for China, but to create, as reported, a "reign of terror" against the white people for obvious reasons.

We, therefore, urgently plea that the Members of the House Foreign, Naval, and Military Affairs Committees, take immediate steps to adopt Senator VANDENBERG'S resolution to abrogate the American-Japan Commercial and Navigation Treaty of 1911 as a gesture of warning to Japan that the American Congress will not tolerate Japan's practice of nipping off American interests by "pieces" in China.

"Those who wish to get a glimpse of the trend of future events in Asia should not neglect to study that vivid object lesson, Korea." (Quotation from Willard Price.)

Respectfully submitted.

KILSOO K. HAAN,
Washington Representative of the Sino-Korean Peoples League.

"Belling the Cat"

EXTENSION OF REMARKS
OF
HON. J. WILLIAM DITTER
OF PENNSYLVANIA
IN THE HOUSE OF REPRESENTATIVES
Thursday, July 27, 1939

RADIO ADDRESS BY HON. J. WILLIAM DITTER, OF PENNSYLVANIA, ON JULY 26, 1939

Mr. DITTER. Mr. Speaker, under leave to extend my remarks, I wish to insert in the CONGRESSIONAL RECORD text of an address which I delivered over the Columbia Broadcasting System, Wednesday, July 26, 1939, from 9:30 to 9:45 eastern standard time, as follows:

As I entered the Capital a few days ago I heard one man say to another, "But who will bell the cat?" That is a trite expression. It takes many of us back to the little red schoolhouse and the old-fashioned copy book—back to the days when we copied over and over again—wrote them so often that they seemed to become a part of us—such maxims as "A penny saved is a penny earned," or "A fool and his money are soon parted," and many others which the experience of the years has proved sound and substantial.

In those "horse and buggy" days we learned to add and subtract, multiply and divide, and no amount of tomfoolery could convince the teacher that five apples taken from 20 apples would leave 30 apples, whether we tried to do it by honest arithmetic or on a self-liquidating basis. Of course, that was before the day of the New Deal.

The reading lesson brought to us tales of adventure, love of country, and the worth of such homely virtues as honesty, thrift, and common sense. We memorized the Twenty-third Psalm, Lincoln's Gettysburg Address, and goodly portions of the Bill of Rights. One of the fables that we read comes back to me tonight.

A number of mice gathered together to discuss means of defending themselves against their common enemy, a sly, stealthy cat, who seemed to come from nowhere as she pounced upon them. A young mouse, one who had never seen the cat or felt the punch of her paw, who had never been hungry or sent in search of food, who talked much but did little, announced that he had a solution for their problem. "We should tie a bell around the cat's neck so that we could hear her coming and going." Like many of the impossible and impracticable remedies that you and I have heard in recent years, the youngster's suggestion won popular approval, until a wise old mouse raised the question, "But who will bell the cat?"

What an abundance of cat-belling remedies we have had here in Washington during the last 6 years, each one more impossible, more impractical, more imaginary than the ones going before. From the day that the first N. I. R. A. blue eagle squawked, down to the latest

lending-and-spending squeak, we have had little else but cat-belling proposals as cure-alls for our ills. To repeat them in detail to you tonight would be useless. You know them only too well. They make up such a dreary and gloomy picture of futility and failure that I dislike to enlarge upon it for fear that you, and with you millions of other Americans, may lose all hope for the future, as the cold and bleak outlines become more dismal and more disheartening on closer inspection. They make up a record that I wish might be forgotten—a record that is even unpleasant to mention, a record for which no apology can be found and for which no excuse can be offered. One thing you and I can be sure of, and that is that there is not an unemployed man—and there are millions of them today—nor a struggling farmer—and there are thousands of them—who does not know only too painfully that the New Deal has failed to find a bell that will tinkle loud enough to be heard, much less gotten anywhere near tying it on the cat. They proposed the bell of planting less to harvest more, the bell of working little to earn a lot, the bell of killing pigs to make farmers rich, and many other mousy suggestions. Yet nothing has happened but a bumper crop of extravagant nonsense. In other words, they have played so fast and loose with common sense that rumor has it that Snow White deserted the Seven Dwarfs to come to Washington.

Of course, we all know that the bell which they have searched for the hardest is the spend-yourself-rich gong. My, how they've tried to make that ring. For a long time we were told that we would be pump-primed into prosperity, but the pump handle broke, and the prosperity is still at the bottom of the well. The fact is they know they have reached the legal limit of their pumping and that some other face saver must be found for the New Deal for 1940.

We have just closed the account books of the Federal Government for the year. That account is most alarming. It's a danger signal which should be seen. I hate war just as you hate war. I know that the peace of the world has been threatened in the past months. I was fearful, as were many other Americans, of our possible involvement. But as disturbing as that outlook may have been, I want to tell you in very simple words that the loose fiscal policies of the last 6 years have caused a danger greater by far than the possible aggression of any foreign foe. That account book shows that the New Deal spent nearly $10,000,000,000 last year. A part of that outrageously extravagant bill was paid by you and every other man, woman, and child in America who bought anything from a loaf of bread to an automobile. Yes, a part of it was paid by the millions of men looking for jobs; fathers with drawn faces; mothers with wearied and anxious eyes, not physically starving but hungry for some hope, plodding along under the burden of an ever-increasing tax load, unsparing in its severity and unmerciful in its demands. Then, again, $10,000,000 of debt was laid each day at the doorsteps of the citizens of tomorrow—a kill-joy and a loadstone of $10,000,000 a day—$10,000,000 of debt for every day in the year, as the New Deal's gift to your children and mine for their well-being and happiness. That's the account book for the year.

But, pump priming, as such, has been abandoned. So has budget balancing. Lending and spending by self-liquidating projects is the high-hat term for the latest spending spree. It's a pork-barrel program wrapped up in cellophane to conceal the odor. In truth, there is nothing new about the plan at all. From the beginning the New Deal has done little else but lend and spend and liquidate.

The Commodity Credit Corporation is a fine example of what we may expect of self-liquidating projects. That corporation is the concern created by the New Deal to lend money—your money—on cotton, corn, and other commodities, including peanuts, pecans, and prunes. Like any other pawn broker the concern needed capital to start business, which the New Deal shelled out of the taxpayers' pockets to the tune of $100,000,000. On March 31 of this year, that outfit took account of stock, figured up what the corn and cotton and other commodities on which it had made loans were worth, when it discovered that it was more than $119,000,000 worse off than when it started. To put it another way, this self-liquidating concern was broke, and you and the other taxpayers of the country were touched for $119,000,000 more to keep its head above water. And by the way, had the peanuts, pecans, and prunes been figured in on the stock taking—and they were not—the bankruptcy would have been even worse. That's liquidating yourself to the poorhouse. That's the New Deal road to recovery. That's cat belling with a vengeance. And that's the latest proposal for prosperity.

It seems plain to me that we simply cannot continue on this course. These stop-gaps won't work. The prodigal son took the same course and wound up feeding the hogs. And every other threadbare and tattered prodigal since then has landed in the selfsame place. Pigs is pigs—no matter how you get there—whether it be by straight spending or by a self-liquidating process. The tragedy of it is, as you can plainly see, that the administration cannot change its policy. It has nothing else. Without spending it would be left bare as a bone, as naked as a cherub. There is, as you and I know, only one hope—the repudiation by the American people of a leadership which has carried us so dangerously near to the brink of disaster.

I believe that it's high time to get rid of cat-belling ideas. What we need is fewer mice and more men, more matter-of-fact men; men with a reasonable amount of common sense; men with a fair degree of frankness; men with the courage to face facts as they are; men with a will, a dogged persistence to do what they promise to set out to do; men who are bold enough to adventure but cautious enough to be safe. I believe, and I think you believe, that we need men who have a faith in America's future; in a future built upon a genuine and passionate regard for its past; in a future of hopefulness, not a future of futility; in a future that can start right now if we are willing to get going.

You and I know such men. They are here in America today. They are not necessarily reactionaries, tories, nor economic royalists. They are liberal enough to accept advice and progressive enough to be tolerant. They declare that the businessmen of America want neither soft soap nor subsidies, but only a reasonable chance to earn a decent living, pay standard wages, and make a fair profit. They insist that the American workmen should not be made the victim of political paternalism or of industrial exploitation. One is as dangerous as the other. The one should be rooted out as an evil, the other punished as a crime. The one condemns a man to the hopeless misery of a subsistence security; the other brands him an unpitied slave of a machine age. They contend that a loafer is not entitled to the same reward as the worker and that loyalty has its place in business just as well as in politics. They believe that there is neither safety nor security in the hands of peddlers, whose only ambitions are industrial plunder and whose only standards are political greed. They regard relief as a charge upon the conscience of men, rather than an opportunity for a political auction. They know that as long as there are human needs, as long as there are men and women and children in America who hope for happiness and hunger for contentment, there will be frontiers to conquer, and that these frontiers can put idle men, idle money, and idle machines to work. These are the men who must save America.

The Salmon Industry on the Columbia River

EXTENSION OF REMARKS

OF

HON. HOMER D. ANGELL

OF OREGON

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 27, 1939

ARTICLE FROM THE CHRISTIAN SCIENCE MONITOR

Mr. ANGELL. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following article from the Christian Science Monitor of July 20, 1939:

[From the Christian Science Monitor of July 20, 1939]

SALMON HAVE OWN CHAUFFEURS, PRIVATE CARS, AND ELEVATORS

WENATCHEE, WASH.—Teaching salmon to climb ladders, ride elevators, and tour the artificial fishways of the Columbia River is only one task the United States Government has attempted. To all of these feats the salmon applied themselves diligently. But when the great Bonneville Dam began to shape up it was clear something else must be done—that is, if Washington's $10,000,000-a-year salmon industy was to be salvaged.

Now the Government is taking the salmon for a ride. Yes—an automobile ride. That would be much better, so Government experts thought, than to have the silvery, vigorous fish knock their heads into the solid wall of the Grand Coulee Dam.

At a cost of about $60,000, eight specially designed tank trucks were built. A special trap, consisting of a collecting pool and an elevator, was built onto each of the three fish ladders at Rock Island Dam downstream.

From their own private tank elevators the salmon can now swim into their own trucks for that 5-mile ride to Nason Creek, a tributary of the Wenatchee River, itself a tributary to the Columbia. During the summer other streams will receive visitors. At the peak of the salmon run all eight trucks will be operating continuously.

Trapping and hauling the fish is done under thorough and detailed supervision. Every elevator of salmon is tested for acidity, alkalinity, oxygen, carbon dioxide, and temperature. The number of fish passengers for the 1,000-gallon tank truck varies from 70 to 200, depending upon size.

Temperature of the water on the truck is controlled. Since the temperature at Rock Island Dam is about 55 degrees Fahrenheit, during the 65-mile trip the water is lowered gradually to 43 degrees, the Nason Creek temperature. An automatic aerating system provides a constant supply of oxygen in the tank during the free ride. During the course of the 2-hour run to the present spawning stream, two more analyses are made.

The present trucking trip to other streams will continue until the $1,000,000 fish hatchery is built at Leavenworth on the Wenatchee, 24 miles above this city. Salmon will then be hauled from Rock Island, or taken at the hatchery site, and placed in holding ponds for spawning. The spawn will be cared for in the hatchery and the fry, fingerlings, and larger fish will then be planted in various streams. Substations will be built along

several rivers to hold quantities of the fry from the Leavenworth hatchery.

The cost of the entire salmon conservation project for the upper Columbia River has been estimated at nearly $3,000,000.

The States—Sovereign or Subsidiary?

EXTENSION OF REMARKS

OF

HON. WILLIAM E. HESS

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 26, 1939

RADIO ADDRESS BY HON. ROBERT A. TAFT, OF OHIO

Mr. HESS. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following radio address of the junior Senator from Ohio, Hon. ROBERT A. TAFT:

Citizens of the United States of America, the tenth amendment to the Constitution of the United States, adopted almost simultaneously with the Constitution itself, says: "The powers not delegated to the United States by the Constitution, nor prohibited by it to the States, are reserved to the States respectively, or to the people." Before the adoption of the Constitution, the States were sovereign States. There is no doubt whatever that the drafters of the Constitution intended that after its adoption they should remain sovereign States. On the other hand, the Constitution was not a contract between the States, and the Federal Government was not the creation of the States. The Preamble of the Constitution made it clear that the Federal Government derived its authority direct from the people, just as the State governments derived their authority direct from the people of the respective States. "We, the people of the United States, in order to form a more perfect Union * * * do ordain and establish this Constitution for the United States of America." The Constitution divides the field between the Federal Government and the States, but each one remains sovereign in the field assigned to it and is not subject to any laws of the other in its sovereign field.

This was a unique conception in government, and of course many conflicts have arisen, giving rise to a great volume of law defining the two fields of power. But no one has ever questioned the sovereignty of the States, much as some reformers have questioned the wisdom of the policy.

In colonial days each colony was independent of every other one and subordinate only to England. The people regarded themselves more as citizens of the State where they lived than of the United Colonies. It would have been impossible to adopt a constitution in which the States did not remain sovereign, and the experience of the Colonies with England only made that sovereignty more important to the newly independent States. From actual experience they had learned that government from a distant capital is necessarily tyrannical. The English people of the eighteenth century had democratic ideals. They had no serious intention of trampling on the rights of the Colonies, but they were many miles away, and few people in London knew enough about the situation in the Colonies to govern correctly even when they desired to do so. The colonists had no intention of substituting a tyrannical government in Washington for a tyrannical government in London, and they did not do so.

On the other hand, they realized that in national affairs their action must be unified or their independence would be destroyed, and, roughly speaking, the principle underlying the drafting of the Constitution was to assign to the Federal Government those matters which were a national concern, and to retain in the States those matters which were a local concern.

Since the days of the Revolution there has undoubtedly been a tremendous change in the whole nature of the United States. California and Maine are closer together today than Virginia and Massachusetts were in 1789. Our cities are more alike than they were in the eighteenth century. We receive our news and our movies and our radio broadcasts uniformly throughout the United States. The growing complexity of life has removed to the field of national concern many matters which were purely local in the days of Washington. State boundaries have become more artificial. There is not the intense loyalty to States that there once was. But the sovereignty of the States is still essential to democratic government, and local self-government is still the greatest safeguard against the growth of an autocratic state.

Today local self-government for counties and cities and schools is more important than State government itself; but if the sovereignty of the States were abolished, it would be a short time before every city and every school district and every county would be directed by some Washington bureaucrat, with little care for the wishes of the individual district. And yet the independence of State government itself is still of vital importance. There is a wide difference in the methods which the people desire for the selection of their officials. In some States they prefer a direct primary; in other States a convention form. In some States the Governor is elected for 2 years; in others for 4. In some States the legislatures are elected every 2 years; in others the senate is continuous. Nebraska is attempting the interesting experiment of a unicameral legislature. It can be tried out without every State being committed to an experiment that may or may not be successful.

In most States they prefer to have their judges elected; in Massachusetts an appointive system has worked where it might not work elsewhere. In some States there are great private universities; in others the State itself supports universities because the private endowments have not covered the field. In one State one tax system fits; in others such a system would be utterly unpopular. The different States have made experiments with new laws in every field. Some States have struck out new lines of prison reform. Successful experiments have gradually spread to other States where conditions were similar. Unsuccessful experiments have died without the expense and unfortunate results which occur from a Nation-wide and half-baked experiment, such as we have seen in some national fields in the last 5 years.

But the greatest advantage is seen in the field of local self-government. Different methods of administration exist in our various cities. Different forms of government are found effective to deal with the particular situation. Experiments with street lighting and street cleaning and hospital administration and park development distinguish this city or that, and have led, particularly in the last 20 years, to a steady improvement in municipal administration, far healthier than one directed from Washington under a great Federal bureaucracy.

There is no field in which the people have more interest than in the administration of their schools. Parent-teacher associations are scattered throughout every State. The people want to have a voice in the way their schools are run and the kind of education their children ought to have. We have seen in education various theories, from the simplest form of the three R's to the most extreme of the so-called progressive educations. Surely it is better that those interested in education be compelled to sell the latest theory to the people of each district rather than change overnight the system of education throughout the United States by the change of some Commissioner of Education in Washington.

When I started out in politics I was strong for centralization on the theory that it would produce greater efficiency. The longer I have been in politics the more I have come to doubt the premise of this conclusion. I doubt if centralized government is more efficient, certainly when it is centralized on a unit even as large as a State. I doubt whether efficiency is as important as an activity approved by the people who are being governed. The people can have a voice in the way their board of education conducts its affairs; they can have a voice in the way their cities and their city councils run their business. Their protests are listened to with consideration and care, and they have an opportunity within a reasonable time to replace those officials who do not give that consideration.

How different conditions are in Washington. If you have ever come to Washington with a delegation on any subject, you must have felt that you came as suppliants, begging for action as a favor. There are ways to influence the action of the Washington Government through great national associations claiming to represent manufacturers or farmers or laborers, but within these organizations the individual members again have little influence. The officers and secretaries are chosen for long terms and are even more difficult to change than the Federal officers. The people themselves have a difficult time to obtain a hearing in Washington.

The truth is that the United States is so tremendous, the conditions are so varied in different States, that no man can sit in Washington and make laws affecting the activities of the people which will fit the conditions in more than a very limited number of communities. He may come from New England and make laws which fit New England but of which the people thoroughly disapprove in Iowa and have a different reason for disagreement in California. The law which may be accepted in the North is simple tyranny in the South. We see centralized governments in England and France and Sweden but those countries are not much larger than some of our States and there is nothing like the variety of conditions which exist here.

The founders of the Constitution insisted on local self-government because they knew also that under a centralized government democracy would never be permanent. In case of violent revolution of course it is much easier to overturn a centralized government than a Federal Government. This may be a remote contingency but under conditions in the world today, nothing is too remote to be guarded against.

One of the forces making a Federal form of government more certain to remain democratic is the fact that through frequent elections the general tenor of the government is kept in accord with the wishes of a majority of the people, whether those wishes are wise or unwise. Most people come in touch more with their local affairs than with national affairs. Their schools and roads and city services affect their everyday life. It is vitally important that they be able to change the administration of their local affairs from year to year as they see fit, and that there be no swelling resentment against the necessarily arbitrary action of Federal bureaus.

On the other hand, the growing complexity of modern life, and particularly of commerce between the States, is such that Fed-

eral activity must be constantly expanded. More and more matters have moved into the field beyond the powers of the States and into the field where they must be regulated, if at all, by the Federal Government. Nothing any State can do can affect the prices or control of basic commodities moving in interstate commerce. Nothing the States can do can control business organizations or public utilities operating on an interstate basis throughout the United States. Nothing the States can do can affect the control of money and banking or the distribution and marketing of securities. Much of the opposition to the extension of Federal power comes from people who know that they are beyond the powers of the States and do not wish to be subjected to any Government power whatsoever.

Because private organizations were able to monopolize certain markets and destroy competition, the Federal Government was forced to step in, through the Sherman Act, the Clayton Act, and other legislation, to control this field. Because of abuses in the sale of securities, the Federal Government was forced to set up the Securities and Exchange Commission. Interference with interstate commerce produced by labor disputes in this national field led to the enactment of the National Labor Relations Act. The courts have found difficult problems in determining what is properly for national control and what is properly within the State or local field. They have had to steer a careful course. They may have erred this way or that way. Every local matter may have a remote effect on national interests, but the court must be guided in part by a determination to preserve the fundamental right of each locality to run its own business unless it interferes substantially with the welfare of the entire country.

One great field of Federal activity has been recently developed. As government expands its activities into fields in which no government has previously moved, it has increased the tax burden in proportion to total income. Where individuals used to pay 5 percent of their income for government, today they pay 20 percent of their income for government. Much of this expansion falls properly within the State field, like old-age pensions and relief. But the States are very limited in their power of taxation. They cannot reach wealthy persons, because such persons can move their residence to States where the taxation is lower. They cannot impose a complete taxation on industry without encouraging the development of industry in other States where taxation may be lower. Consequently, it has been necessary for the Federal Government to finance various local activities.

From some of these fields, like the Public Works Administration, the Federal Government should retire. In others, like old-age pensions, mothers' pensions, relief, Federal assistance, will probably always be necessary. There is always a tendency, when the Federal Government puts up the money, to tell the cities and school districts and States how they shall run their affairs. If this is permitted to go on, it means the indirect elimination of State sovereignty and local self-government. A stimulation of wise Government activity by States and localities is desirable in some fields, but Federal legislation should always make it definitely clear that Federal Government has no interest in the method of administration except for certain simple fundamental ideals of honesty and good intention. Possibly it would be a better system to have the Federal Government act simply as a tax collector for the States and turn back to each State a lump sum to supplement its general tax resources, without any further strings on the manner in which those moneys are used.

Local self-government is the key to democracy. In every little community in the United States today the people take a vital interest in their local elections. They do so because they know that their voice is final. Young men and women in any walk of life are able to run for local office; and when they attain that office, they have a feeling of responsibility, not to some high mogul in Washington, not even usually to a party organization, but to the people of their community.

There is hardly a man in public life who has not come up from the people through his interest in local government. There is hardly a man who has not served his State before he served his Nation. Most people take an intelligent interest in national affairs only after they have been drawn into the field of politics through a vital interest in some local problem. There is everything to be said in favor of career men in Government bureaus, but if the whole Government is to consist of career men, picked out by the National Government from school and college, it will be a short time before the National Government is completely beyond the control of the people back home. A government by bureaucrats and experts may do very well in Germany, but it is a long way from Americanism.

The people would be reduced more and more to the right of deciding by a plebiscite once in 4 years who is going to be their dictator for the next 4 years. It is only a step from that position to a dictator for 8 years, and 12 years, and for life. Democracy can only succeed if all the people take an intelligent interest in public affairs. If States are mere subsidiaries of the Federal Government, and local governments are directed from Washington, it will be a short time before all public interest vanishes and a small group controls the destinies of the Nation. Undoubtedly there will be a gradual expansion of Federal power, but in permitting that expansion Congress and the courts must be inspired with the determination and necessity of preserving local self-government and the sovereignty of the States as great ends in themselves, and bulwarks of the Republic.

Former High Commissioner McNutt Endorses H. R. 7096

REMARKS
OF
HON. LOUIS LUDLOW
OF INDIANA
IN THE HOUSE OF REPRESENTATIVES
Thursday, July 27, 1939

Mr. LUDLOW. Mr. Speaker, I have asked for this time in order that I may direct attention to H. R. 7096, a bill of urgent importance affecting the future relations between the United States and the Philippines. It would seem most unfortunate if this bill should be caught in the log jam and sacrificed in the urge for speedy adjournment. The Committee on Insular Affairs, of which the distinguished gentleman from Illinois [Mr. KOCIALKOWSKI] is chairman, is asking that this bill be enacted immediately, so that those directly interested, as well as the world at large, may know the attitude of the United States Government toward those phases of United States-Philippine relationships which are dealt with in the bill, and so that the Filipinos themselves may be in position to make those readjustments in their economy which are essential to a constructive preparation for independence.

Perhaps no other person in the United States is more conversant with the affairs of the Philippines or better qualified to pass judgment on the merits of this measure than the former High Commissioner, Hon. Paul V. McNutt, now the Administrator of the Federal Security Agency. For the information of the House, I ask permission to read a letter I have received from Mr. McNutt, which expresses his opinion of this legislation and explains the necessity for early action in reference thereto. He feels that the problems dealt with in the bill are of an emergency nature, and that there is a pressing need for enactment of the bill at this session. In view of the great importance of this measure, may we not hope that it will soon get the green light? The letter is as follows:

THE FEDERAL SECURITY AGENCY,
Washington, July 26, 1939.

Hon. LOUIS LUDLOW,
House of Representatives, Washington, D. C.

DEAR LOUIS: In response to the inquiry contained in your letter of July 24, 1939, concerning my views on the Philippine bill (H. R. 7096), I wish to say that the bill has my endorsement.

The primary purpose of this bill is to modify certain provisions of the Tydings-McDuffie Act so as to prevent serious and unnecessary injury to the Philippine cigar, tobacco, coconut oil, embroidery, and pearl-button industries. Such injury would adversely affect not only Americans and Filipinos actually engaged in these industries but also United States-Philippine trade generally. The bill also contains certain very desirable provisions relating to the bonded indebtedness of the Philippines and the excise-tax proceeds on Philippine coconut oil and sugar which are remitted to the Philippines.

The time element in connecton with this bill is extremely important and it would, in my opinion, be extremely unfortunate if the bill is not passed during the present session of Congress.

Sincerely yours,

PAUL V. MCNUTT.

[Applause.]

Our Present Economic Status

EXTENSION OF REMARKS
OF
HON. ELMER THOMAS
OF OKLAHOMA
IN THE SENATE OF THE UNITED STATES
Thursday, July 27 (legislative day of Tuesday, July 25), 1939

STATEMENT BY ROBERT M. HARRISS

Mr. THOMAS of Oklahoma. Mr. President, I ask unanimous consent to have printed in the Appendix of the RECORD

a statement on the subject Our Present Economic Status, by Mr. Robert M. Harriss, of New York City.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

OUR PRESENT ECONOMIC STATUS

(By Robert M. Harriss, New York City)

Bills S. 2759 and H. R. 7120, at the best can prove of very little and but temporary benefit and will later only add to the already overwhelming economic, financial, and tax difficulties of our country. These uneconomic, crushing, and destructive taxes of all kinds block and make sound recovery impossible. These taxes extract or take from the people $16,000,000,000 annually. This is 25 cents out of every dollar of an already impaired national income, and still the governmental debts and taxes mount higher and higher. These ever-increasing taxes are now 200 percent more than the entire farm or agricultural income. In other words, the tax burden is so great it requires 2 years' work and the total income of the 40,000,000 of our people who live and work on farms to pay the Nation's tax burden for 1 year. Another way to look at the picture is that the agricultural group who are feeding and clothing the Nation and who represent approximately 35 percent of our population, are receiving only 12 cents out of every dollar of national income, whereas the tax gatherers are collecting 25 cents out of every dollar. This unjust and inequitable condition cannot continue much longer.

No wonder not only agriculture but business, industry, and labor are in such a depressed if not chaotic state. These destructive and crushing taxes naturally destroy purchasing power, curtail consumption and production, lead to unemployment, then relief, more debts and taxes, and thus the vicious circle continues. Also many taxes are so uneconomic and punitive that they destroy incentive for capital, business, and industry to go to work and continue the progress and development heretofore going on in our wonderful country.

The Nation's tax burden is now more than $8,000,000,000 larger than it should be, based upon an economic and equitable system of taxation and efficient and businesslike Government. Imagine what such saving in taxes would mean to increased purchasing power, employment, and prosperity. It would be equivalent to a saving or increase of purchasing power of more than $300 yearly to every family in the United States. As we know, a large percent of present taxes go to pay interest on Government debts, relief, W. P. A., nonproductive Government projects, and to pay salaries to an ever-increasing army of Government bureaucrats and political parasites.

As we know, in the final analysis, these impossible governmental debts and crushing taxes must largely be paid, if paid, through the sweat and toil of our farmers, laborers, and workers. Therefore, it is self-evident that we can have no semblance of sound recovery, and conditions will continue to grow basically worse until our people are given relief from these strangulating and cancerous taxes which are undermining the principles and the very foundation of our constitutional and representative Government.

The underlying cause or the cancer of this unbelievable situation is the old inflated war debts of the Federal Government. These war debts have extracted more than $20,000,000,000 in taxes from the people to pay the interest. Despite all this, the Federal debt has not been lowered but has now mounted to the staggering sum of more than $40,000,000,000.

These inflated war debts were incurred when the price of cotton, other commodities, and agricultural products, labor, farms, and realty were 50 to 200 percent higher than they are today. In other words, when the farmer's and laborer's income was 50 to 200 percent more than today. Therefore, it is neither equitable nor possible for these debts to be paid and the Budget balanced until the price of commodities and agriculture's income are restored to the approximate level where these debts were incurred.

For the past 10 years no administration has had the vision or courage to face our fundamental economic trouble, which is simply a debt, tax, or money problem. During these 10 long years we have tried many uneconomic, if not destructive programs, attempting to restore prosperity. Among them have been the A. A. A., curtailment and regimentation, the N. R. A., Government interference and competition in business, the P. W. A., the W. P. A., sterilization or hoarding of gold, Government borrowing and spending, etc. During 1933 and 1934 I testified before congressional committees and stated such programs could not solve our economic trouble, but if continued would make matters worse and end in disaster; that the only solution was constructive monetary action. Many of the so-called self-liquidating features under these latest proposed spending bills H. R. 7120 and S. 2759 are bound later to increase the interest or tax burden of our people, a people who are now being bled white under crushing and impossible taxes.

Let me here introduce a front-page editorial on taxes from the New York Journal and American of July 17, 1939:

[From the Evening Journal and New York American of July 17, 1939]

"TAXES

"Taxes are impoverishing the people of America.

"Taxes are impairing the people's purchasing power.

"Taxes are closing shops and factories and putting people out of work.

"Taxes are increasing prices and lowering the American standard of living.

"Taxes taken from the industrious and thrifty are wasted on the lax and lazy.

"Taxes are plundering useful industry.

"Taxes are robbing productive labor.

"Taxes are subsidizing nonproductive politicians.

"Taxes are supporting politicians' entire families.

"Taxes are supporting politicians' sycophantic friends.

"Taxes are supporting politicians' obedient henchmen.

"Taxes are building a dangerous parasitic bureaucracy.

"Taxes are undermining democracy.

"Taxes are creating despotism.

"Taxes are promoting militarism.

"Taxes are projecting America into foreign wars.

"Taxes are financing foreign conflicts.

"Taxes are involving America in alien political, social, and racial disputes.

"Taxes are destroying faith in the practicability of self-government.

"Taxes are weakening faith in the elemental wisdom of the people.

"Taxes are on everything you eat.

"Taxes are on everything you wear.

"Taxes are on everything you use.

"Taxes are on everything you see.

"Taxes are destroying prosperity.

"Taxes are destroying liberty.

"Taxes are destroying opportunity.

"Taxes are destroying the land you live in.

"Taxes are destroying the things you live by and the people you live with.

"Taxes! Taxes! What are you going to do about them?

"Taxes! Taxes! Taxes! Are you going to be a shorn sheep and endure them, or an independent American and end them?

"Undesirable taxes—unendurable taxes—unnecessary taxes—unjust taxes—un-American taxes—are bearing us down—breaking us down.

"Your forefathers knew what to do about such taxes. Why do you not know what to do?

"Taxes once wrote a great declaration of independence which set men free.

"Taxes today should write another if we are of the same mettle as our fathers."

What has been the result of these futile, uneconomic, if not destructive programs over this period of years:

Agriculture: Our greatest and basic industry upon which not only the livelihood but prosperity of the Nation depends is in a deplorable condition. Despite crop reduction, control, and regimentation, the price of agricultural commodities in terms of gold is almost the lowest in history. We have lost many of our great foreign and export markets for these commodities and have actually been paying our farmers not to produce. Despite all this, the agricultural income is only 12 percent of an impaired national income and it might be well to bear in mind that the farmers and rural population immediately dependent upon the farmer represents more than one-third of our people.

Business and industry: It is needless to elaborate on the most unsatisfactory conditions existing in business and industry. Generally speaking, they are not operating at a profit nor is there incentive for business and industry to go forward with the existing Government interference and uneconomic and punitive taxes.

Labor: After all these years we have just about as many millions unemployed as when the depression started. Besides this we have millions directly or indirectly on Government relief or pay roll, thus increasing the Government debts and taxes.

Finance: Our Budget has not been balanced in more than 9 years. During the past 6 years the Federal debt has more than doubled and now stands at the almost unbelievable sum of more than $40,000,000,000. Yet all these put together are not our greatest loss. They are small and infinitesimal in comparison with the losses suffered by our people in morale, in courage, self-reliance, respect for Government, spiritual, together with class, religious, and racial hatreds and the spread of communism and other subversive, alien doctrines. These moral or spiritual losses are beyond computation to our country.

In my opinion, if our constitutional Government is to be preserved, it is essential that we have the courage to face our basic or fundamental trouble—the debt, tax, or money problem—and that we adopt the following program:

1. Restore to Congress the greatest economic privilege of all—"the right to coin and regulate the value of money" where it belongs, according to the Constitution. This is to be followed by a sound monetary program, free of either private or political control, with a constructive expansion of the currency instead of bonds issued against the billions of dollars of sterile or hoarded gold until the commodity and general price level is restored to where the people can pay their interest, debts, and taxes, the country made solvent, and Budget balanced.

2. The prompt lowering and revision of taxes, including tariff barriers, with the outright repeal of certain punitive and uneconomic taxes.

3. Businesslike and practical economy in Government.

A representative constitutional government cannot support and care for the people. This can only go with dictatorships, or the totalitarian state. A constitutional government can only be

expected to make fair and equitable laws and enforce them. Therefore, our form of government cannot survive if the citizens look to the Government to support and take care of them. If our constitutional Government is to last, the citizens must instead support and take care of their Government.

As we are the world's great creditor Nation, with more than 60 percent of the world's gold, naturally foreign nations must look to us for economic and financial leadership. During recent years we have not been giving them such leadership, but deflation to our people and them. Gold is the only recognized medium of exchange throughout the world. Therefore, the sterilization or hoarding by us of this more than $16,000,000,000 of gold is bound to have a depressing or deflationary effect not only on our country but the world. Undoubtedly this is one of the basic causes of the break-down of economic conditions, world trade, tariff barriers, radical nationalism, hatreds, heavy armaments, and unrest existing throughout the world.

Therefore, if we adopt a sound constructive monetary, tax, and economic program along the lines mentioned, it will not only end the depression in our Nation but it will enable our Nation and the world to go forward into a great era of commercial development, prosperity, and peace.

In conclusion, we have the choice of two roads ahead. One road is the road we are traveling, the wrong road—the road of Government borrowing, spending, crop reduction, regimentation, interference, and competition with agriculture, industry, labor, business, banking, increasing governmental debts, and unecomonic, punitive, and strangulating taxes. The end of this road is inflation, repudiation, and disaster.

The other road is the right road, the constitutional road. It will require courage, and fortitude to take the constitutional road because we must have the strength of mind and justice to face and equitably adjust the tax, debt, or money question and adopt a sound, constructive, economic, and financial program. Delay may mean the loss to us and our children of that wonderful God-given form of constitutional government we inherited from the founding fathers. Therefore, before it is too late, whether we be Democrat, Republican, or independent, let us all unite in this most serious crisis in the history of our country and demand that Congress take the right road, the patriotic road, the constitutional road. "The price of liberty is eternal vigilance."

Prevention of Pernicious Political Activities

EXTENSION OF REMARKS

OF

HON. JOSEPH F. GUFFEY

OF PENNSYLVANIA

IN THE SENATE OF THE UNITED STATES

Thursday, July 27 (legislative day of Tuesday, July 25), 1939

EDITORIAL FROM THE FORT WORTH STAR-TELEGRAM OF JULY 25, 1939

Mr. GUFFEY. Mr. President, I ask unanimous consent to insert in the RECORD an editorial from the Fort Worth Star-Telegram of July 25, 1939. This editorial was forwarded to me today by air mail with the request that it be inserted in the RECORD. The title of the editorial is Hatch Bill Motive.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

[From the Fort Worth Star-Telegram]

HATCH BILL MOTIVE

Whatever virtues may be possessed by the Hatch bill, which started life as a more or less well-intentioned effort to forestall possible utilization of the W. P. A. as a political machine, the section of the bill which attempts to dictate membership of the 1940 Democratic nominating convention is a dead giveaway of the real purpose of the bill.

Most Members of Congress who voted for this section did not deceive themselves that it is constitutional. It was not intended to stand past 1940, and those who voted for it were comfortably certain that either the courts would knock it out after the 1940 convention afforded a test, or that, in any event, it would be repealed before another convention.

The key to the whole suprising performance, in which a large number of Democrats in Congress joined with a solid block of Republicans to enact a bill which strikes at the very heart of democratic government, and in which there was an astonishing letdown of resistance by accredited leaders of the Democratic majority, is hate and fear of Roosevelt.

The bill obviously was intended to affect only the Democratic convention, and at any time would affect only the convention of the party in power. Attaching this provision to a bill which was aimed at prevention of corruption in relief administration constituted an attempt to trap the President.

But Mr. Roosevelt will be fully justified in vetoing the Hatch bill because of the party convention section. An informed public will place the blame for loss of the other sections where that blame belongs—upon the Roosevelt haters in Congress who overreached themselves in their eagerness to destroy his influence in the party's next convention.

Prevention of Pernicious Political Activities

EXTENSION OF REMARKS

OF

HON. CARL A. HATCH

OF NEW MEXICO

IN THE SENATE OF THE UNITED STATES

Thursday, July 27 (legislative day of Tuesday, July 25), 1939

NEWSPAPER ARTICLE AND EDITORIALS

Mr. HATCH. Mr. President, the Senator from Pennsylvania [Mr. GUFFEY] called my attention today to the editorial which he has just had inserted in the RECORD. Very courteously he did that, and said he was going to have it inserted at a time when I was present in the Chamber.

It also happened, exactly at the same time that the Senator from Pennsylvania told me about the editorial in the Fort Worth newspaper, which I have read, and with which I do not at all agree, that the Senator from Georgia [Mr. RUSSELL] had placed on my desk a newspaper from his State, the Atlanta Constitution, calling my attention to another editorial concerning this bill, which I ask unanimous consent to have printed in the RECORD.

Also, Mr. President, it happened that today there appeared in the Washington Daily News a statement on this bill by that great liberal Member of this body, the Senator from Nebraska [Mr. NORRIS], which I ask to have printed in the RECORD.

Also, I ask that the editorial on the statement of the Senator from Nebraska [Mr. NORRIS] which appeared in today's Washington Daily News be printed in the RECORD at this point.

There being no objection, the editorials and article were ordered to be printed in the RECORD, as follows:

[From the Atlanta Constitution]

THE HATCH BILL

The Hatch bill, which prohibits Federal employees, of any capacity, from taking part in politics, either in elections or nominations, has been passed by Congress. All that remains for it to become the law of the land is the signature of President Roosevelt.

It is doubtful if any measure in a decade was as important as this. Its contribution to the improvement and better working of democracy should be historic and all factions, New Deal and anti-New Deal, Democrat and Republican, radical and conservative alike, should rejoice in its enactment.

The Hatch bill provides that no one receiving salary or wages from the Federal Government may take part in either party nominations or elections of President, Vice President, or Members of Congress. It thus debars all such Federal employees in Georgia, for instance, from active roles or from the use of influence in State primaries for these offices, or in the elections that follow.

Aimed originally at the W. P. A., following disclosures in 1938 that, in some States, W. P. A. workers had been told how they should vote by higher-up officials, the measure was broadened, during its progress through the two Houses of Congress, to its present sweeping scope.

No one should welcome this bill more sincerely than the New Dealers. They have been the chief targets for criticism of office-holders' activity in politics.

And, of all the New Dealers, no man should approve the Hatch measure more heartily than President Roosevelt himself. For it has been charged, maybe maliciously, that a large portion of his third-term hopes hinge upon the convention support next year of office-holding delegates to the Democrat gathering. Men who would nominate him simply because they would hope thereby to hang onto their jobs for another 4 years at least.

No man of ethical standards at all would wish the nomination for such an office as the Presidency, whether it be for first or third term, upon such conditions. The office itself carries such dignity that any man fit for consideration for the Presidency would surely decline the honor unless he felt he was the true

choice, uninfluenced by money, of a majority of the voters and the electors of the Nation.

For an office secured through the influence of Federal-salaried officials is an office bought with the people's money, no matter how it may be considered.

The Hatch bill, properly enforced, removes this danger from national politics for all time. It not only lifts the onus of suspicion from all candidates, including the President if he seeks a third term, but it purifies the American system and thus adds to the strength of American democracy itself.

[From the Washington Daily News]

(By Charles T. Lucey)

Reports that pressure is being applied to bring a veto of the Hatch bill were met today by Senator GEORGE NORRIS, Nebraska progressive, with a statement that approval of the legislation offers President Roosevelt a "great opportunity."

Senator NORRIS said he had done everything he could to help pass the Hatch bill, and termed it a "great step in advance—a step that I have often tried to take, and have just as often failed, because of the opposition of politicians.

"The people of the country will applaud him (the President) again and again when he signs this bill, as I am confident he will," Senator NORRIS added.

The veteran leader in Government reform, a consistent supporter of the New Deal, has been close to Mr. Roosevelt. It is known his opinion is valued highly at the White House.

Passed by Congress last week, the Hatch bill lifts politics out of relief and bans political activity by Federal employees. It would keep jobholders from devoting part of their time to building political fences, and would prohibit their attendance as delegates at political conventions.

[From the Washington Daily News]

NORRIS ON THE HATCH BILL

Some commentators have superficially interpreted Congress' passage of the Hatch bill as a slap at President Roosevelt. They might do well to read the interview with Senator GEORGE W. NORRIS, on page 1 of The News.

The President has no firmer friend than the rugged old warrior from Nebraska. And the Hatch bill, to divorce politics from relief and from the Government administrative service and to guarantee to every voter complete freedom of the ballot is legislation of the type which Senator NORRIS has advocated for years. As he points out, such legislation has always been favored by lawmakers of the minority, and always resisted by the politicians of the party in power. But this time—perhaps because a series of scandals had dramatized the issue—the precedent was broken and a group of Democrats took the initiative in the drive against corrupt political practices. The Republican minority merely followed along.

Senator NORRIS, an independent, beholden only to the people, has fought the party bosses on this issue through one administration after another. President Roosevelt also has championed clean government, in season and out, says Senator NORRIS, and therefore can be counted upon to approve the Hatch bill.

We think Senator NORRIS knows what he is talking about; and that he knows more about what is in the President's mind than do all the dopesters who are predicting a veto. For if any one theme runs through the Roosevelt administration more consistently than all others, it has been F. D. R.'s happy practice of making Senator NORRIS' dreams come true.

The Spending Program

EXTENSION OF REMARKS

OF

HON. JOHN G. TOWNSEND, JR.

OF DELAWARE

IN THE SENATE OF THE UNITED STATES

Thursday, July 27 (legislative day of Tuesday, July 25), 1939

EDITORIAL FROM THE JOURNAL-EVERY EVENING, WILMINGTON, DEL.

Mr. TOWNSEND. Mr. President, I ask leave to have inserted in the RECORD an editorial from the Journal-Every Evening, Wilmington, Del., of July 26, 1939, on the subject of the ineffectiveness of the administration's spending program as a cure-all or even a palliative for the Nation's economic languishing.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

[From the Wilmington, (Del.) Journal-Every Evening, of July 26, 1939]

"DOCTOR" BARKLEY

It is curious logic which Senator BARKLEY uses to explain his insistence that Congress pass the President's $3,000,000,000 lending-spending bill. The program should be given a chance, says the majority leader, because previous New Deal efforts have failed to solve the unemployment problem.

Put in somewhat homelier phrases, the Barkley reasoning amounts to this: If a sick patient takes a certain kind of medicine for years and fails to get well, the way to cure him is to give him more of the same and in larger doses. Any physician who prescribed in conformity with this rule would not only lose his business but might even run the risk of being charged with malpractice.

However, it is clear enough that this kind of argument has an appeal for the New Dealers. Ever since 1933 they have been committed to spending as the right remedy for our economic disease. In that time they have distributed more money than all of the rest of the world put together, and they have secured the poorest results. All of which is one reason for the growing demand that the Nation get a new doctor, one who has the willingness and the temperament to profit by experience.

There is some solid basis for Senator BARKLEY's further demand that the spending measure be permitted to come to a vote in Congress. Although the reluctance of the Banking and Currency Committee to report out the bill reflects the popular opposition, a definite decision by either the House or the Senate would put the stamp of finality upon it. The Senate, declares Mr. BARKLEY, must act "one way or the other." We trust it will be "the other," and by so thumping a majority that Government hand-outs will lose their caste as measures of American statesmanship.

Discharge of Relief Workers in West Virginia

EXTENSION OF REMARKS

OF

HON. RUSH D. HOLT

OF WEST VIRGINIA

IN THE SENATE OF THE UNITED STATES

Thursday, July 27 (legislative day of Tuesday, July 25), 1939

LETTER FROM HON. RUSH D. HOLT, OF WEST VIRGINIA

Mr. HOLT. Mr. President, I ask unanimous consent to have printed in the RECORD a copy of a letter written by me, under date of July 27, 1939, in regard to the discharge of W. P. A. workers in West Virginia.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

JULY 27, 1939.

DEAR FRIENDS: Relief workers have been fired because the administration claims there is not enough money. In West Virginia, between ten and fifteen thousand workers have been discharged. My battle has always been to see these workers get a fair deal. Here is one incident:

Forty-five West Virginia W. P. A. project bosses who receive $200 or more per month had salary raises since the November election. These are charged to the projects, not to administration.

Eighteen of the forty-five were receiving $200 or more before the raises were given. Twenty-seven were boosted into the select $200 or more class.

These 45 favorites had received at the rate of $97,240 a year in November. They were boosted to a rate of $115,560 a year in May.

The raise of these 45 would pay the salaries of 44 W. P. A. workers for an entire year. Every one of the 45 bosses could still be employed at their former salary and the salary raise would have paid the wages of 44 workers for a year.

Forty-five W. P. A. project workers received $18,900 a year for a year's work (without any loss for any cause). They continued to get $18,900 a year. No raise with them.

My other letters have shown the rise of W. P. A. rolls before election and a decline afterward. The cause given to many workers was "lack of funds," yet, money was available to raise the salary of those in the $200 class.

Who has been the real friend of the W. P. A. workers? I say salaries should not be raised when thousands are begging for work to feed their families. Five hundred W. P. A. workers in West Virginia could receive their next monthly check if the salary raises had not been given. Could these raises have been caused by work in the November election? You be the judge.

Sincerely,

RUSH D. HOLT.

The Du Pont Co.

EXTENSION OF REMARKS

OF

HON. JOSEPH F. GUFFEY

OF PENNSYLVANIA

IN THE SENATE OF THE UNITED STATES

Thursday, July 27 (legislative day of Tuesday, July 25), 1939

EDITORIAL FROM THE PHILADELPHIA RECORD

Mr. GUFFEY. Mr. President, I offer for the RECORD an editorial from a recent edition of the Philadelphia Record.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

[From the Philadelphia Record]

E. I. DU PONT AND THE GOVERNMENT

We have just read an open letter in which Mr. Lammot du Pont, president of E. I. du Pont de Nemours & Co., attacks the New Deal.

Mr. Du Pont declares that the New Deal has created "paralysis and fear" in business, that it is levying a "heavy burden of taxes," and that it is delaying recovery.

These are serious charges. To see what they were based upon, we turned to the earnings reports of E. I. du Pont de Nemours & Co.

At this point we must confess curselves puzzled. Here is what we found:

Net income of the du Pont Co.

HOOVER YEARS	
1929	$78,171,730
1930	55,962,009
1931	53,190,059
1932	26,234,778
ROOSEVELT YEARS	
1933	38,895,330
1934	46,701,465
1935	62,335,410
1936	89,884,449
1937	88,031,943
1938	50,190,827

We may be wrong, but this does not seem to us to be the picture of a corporation which is noticeably paralyzed. We would say it is in very good health; in fact, quite vigorous.

The amazing thing is that under Roosevelt the net income for 2 years topped the figure for the boom year of 1929 by $10,000,000.

This "paralyzed and fearful" corporation sold $235,000,000 of goods last year, almost double the $123,000,000 of sales in the last year under Mr. Hoover, of beloved memory.

The annual net income of Du Pont during the 4 years of Mr. Hoover averaged only $53,000,000—and that includes one of the biggest boom years in our history, 1929.

And the annual net income of Du Pont during the 6 years under Mr. Roosevelt has averaged $62,000,000—during a period of "no confidence" and "paralysis."

We don't understand the reason for all the gloom.

Mr. Lammot du Pont talks of the "heavy burden of taxes." Possibly that is where the shoe pinches.

We can't see it. During 1932 Du Pont was very "lucky" as regards taxes. It paid the Federal Government only $997,235.

And in 1937 Du Pont had to pay the Federal Government $11,210,000—more than 11 times as much.

But in 1932 Du Pont earned only $26,000,000, while in 1937 it earned $88,000,000. Its tax bill went up about $10,000,000, but its income went up $62,000,000.

Which year was really better for Du Pont? Which year would you pick for yourself, gentle reader?

If $11,000,000 seems like a husky tax bill, remember this: It was at least partly because of Federal taxes and spending, which Mr. Du Pont denounces, that Du Pont made such huge profits. They stimulated business volume; Du Pont received its share.

That spending policy was cut down late in 1937. That should have given Du Pont & Co. more "confidence." It didn't. It led to the recession which is reflected in Du Pont's lower earnings for 1938.

We are not too disturbed by Mr. Du Pont's attack on the New Deal. We remember something. We remember that at Christmas, 1933, after Mr. Roosevelt came in, Du Pont cut an $8,375,000 extra-dividend melon for its stockholders.

Right after that Mr. Lammot du Pont issued a statement announcing that he foresaw "a future charged with considerable uncertainty." His company then went on to a steadily increasing prosperity for 4 long years, including 2 years in which earnings rose $10,000,000 above 1929. What price pessimism!

Mr. Du Pont is a great businessman. He is head of a company which is the archtype of the best in American business, vigorous, enterprising. His firm has contributed hugely to the wealth, the comforts, the number of jobs in this country.

We believe, however, that he errs in not recognizing that the New Deal is contributing much to his organization, in stimulating business volume, ending fear of bank panic, preventing sudden catastrophic decline, giving confidence to the plain people on whom all business ultimately depends.

Block Booking and Blind Selling in Motion-Picture Films

EXTENSION OF REMARKS

OF

HON. MATTHEW M. NEELY

OF WEST VIRGINIA

IN THE SENATE OF THE UNITED STATES

Thursday, July 27 (legislative day of Tuesday, July 25), 1939

EDITORIAL FROM THE SEATTLE STAR OF JULY 21, 1939

Mr. NEELY. Mr. President, I ask unanimous consent to have printed in the RECORD an editorial which appeared in the Seattle Star on July 21, 1939, entitled "Antidote for Box-Office Poison." I commend the editorial to those Senators who voted against the block-booking and blind-selling bill.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

[From the Seattle Star of July 21, 1939]

ANTIDOTE FOR BOX-OFFICE POISON

A year or so ago motion-picture exhibitors were moaning over a slump in spite of general business recovery, and were muttering darkly of "poison at the box office."

The Senate now has concocted an antidote for that poison, which is happy news for both the public and the local film exhibitors.

The Senate's aid to better pictures is a law which would forbid block booking of pictures, which means that the Hollywood moguls cannot force an exhibitor to take practically all the product.

Such a law, if the House follows the Senate in passing it, will make your local exhibitor, who knows local tastes far better than the Hollywood barons, the judge of what pictures he will and will not show.

This will not only eliminate many flops now forced on the local exhibitor and so on the public but will also put the whole film industry on its toes to turn out a better product.

In no other industry that we can think of is the local merchant forced to accept an inferior and unseen product from his manufacturer. The film makers say they cannot afford to take the loss in scrapping poor pictures; but should the public be forced to take that loss?

The making of better pictures probably will mean the making of fewer pictures, and that in turn may eliminate the annoying double feature, and bring back a shorter program of one fine feature and a really good short subject (plus, we'll always hope, a Mickey Mouse).

Many persons stay away from shows today because even if they get there as early as 7 o'clock, they often can't see the whole show before 11 p. m.—and then must take a B picture along with the good one.

The Senate, having found a happy solution to the block-booking evil, now perhaps can figure out some way to get our four favorite actresses—Hedy LaMarr, Virginia Bruce, Sonja Heinie, and Shirley Temple—into every picture that's made.

Taps for the Profiteer

EXTENSION OF REMARKS

OF

HON. ERNEST LUNDEEN

OF MINNESOTA

IN THE SENATE OF THE UNITED STATES

Friday, July 28 (legislative day of Tuesday, July 25), 1939

ARTICLE BY HON. HOMER T. BONE, OF WASHINGTON

Mr. LUNDEEN. Mr. President, I ask unanimous consent to have printed in the RECORD an article from the June 1939

issue of Foreign Service, an outstanding veterans' magazine, entitled "Taps for the Profiteer," by the able Senator from Washington [Mr. BONE].

There being no objection, the article was ordered to be printed in the RECORD, as follows:

[From Foreign Service]

TAPS FOR THE PROFITEER—V. F. W. PLAN TO TAX WAR PROFITS IS SAFEGUARD FOR ENDURING DEMOCRACY

(By Hon. HOMER T. BONE, United States Senator)

Another world war involving great modern nations would probably shatter modern civilization. The mounting cost of preparation for such a war is appalling. Two years ago Chamberlain of Great Britain publicly declared that if something were not done to reduce the terrible burden of armaments, it would become unbearable and pull down the standard of living for generations to come. The cost of preparation for war is coming to be regarded as the incredible folly of a civilization.

But terrible as these preparatory financial burdens are, they are but a small part of that which would be imposed upon civilized nations who participate in a new world war. The cost of such a war if reflected in bonded debt would, in my judgment, render impossible the further payment of pensions to veterans; it would also wash up the last hope of the aged in this country for any kind of old-age pensions; America would face complete economic and fiscal collapse. However grim these forebodings, they are the considered opinion of some of the wisest men in public life. It is with the realization that the onerous and oppressing economic problems of our time could never find solution if war was our lot, that the V. F. W., and millions of other patriotic Americans, have earnestly set themselves to the task of keeping America out of another such international horror.

On Americanization Day, April 27, 1938, the V. F. W. presented to the Congress of the United States petitions bearing the names of 4,000,000 citizens, which carried an earnest plea to keep this country out of war. While few realize how completely the scientific achievements of this age are being marshalled in deadly preparation for the mass murder we know as war, there is a general recognition that this is being done. The fear of war reflected in the petitions I have mentioned rests upon a very substantial basis.

It is a happy omen for America that as the present crisis in Europe deepens we are not contemplating it as we did in 1914. Millions of Americans are altogether too familiar with the terrible burden the last war imposed upon us to have any illusions regarding another one. They know that for a thousand years European nations have engaged in murderous wars, none of which has solved their problems. The World War will impose an ultimate burden of $100,000,000,000 on the United States and that frightful outpouring of money, with the attendant loss of life and health of those who participated, has brought nothing but disillusionment and a feeling of frustration and futility. If our contribution had enthroned democracy and made life happier and safer for the peoples of the earth, the sacrifice would have been justified. The ghastly aftermath of the World War ought to be sufficient answer to those who would thrust us into a new conflict with the hope that we might do a better job than we did 20 years ago.

Veterans, and all other patriotic Americans who place peace as the first objective in their program, are mindful of the fact that careless and thoughtless acts may again involve America in another conflict. Because of this, they have set themselves to the task of attempting to eliminate, in advance, one of the most vicious and unholy practices that characterized our part in the World War. That unnatural and un-American thing was war profiteering. It has no defenders and yet efforts to get at it by legislation have so far proven futile. It is difficult to understand why this should be so, since both the Democratic and the Republican Parties have bitterly assailed this abuse, and ever since the war ended, some veterans' groups throughout the country have been insistent in their demands that during another war property should be drafted along with men.

Let me set forth two typical platform declarations so that there may be a clear understanding of how far our major parties have gone in this respect. In 1924, the Democratic Party in its national platform said:

"War is a relic of barbarism, and is justifiable only as a measure of defense. In the event of war in which the manpower of the Nation is drafted, all the resources should likewise be drafted. This will tend to discourage war by depriving it of its profits. Those who must furnish the blood and bear the burdens imposed by war should, whenever possible, be consulted before this supreme sacrifice is required of them."

In the same year, the Republican national platform contained this language:

"We believe that in time of war the Nation should draft for its defense not only its citizens but also every resource which may contribute to success. The country demands that should the United States ever again be called upon to defend itself by arms, the President be empowered to draft such material resources and such services as may be required."

At the outset let us have a clear understanding of this language. When our major parties bluntly called upon the country to "draft" property—every resource—as we draft men, this plain language should mean exactly what it says, or it is a monstrous fake and fraud. When we pass the inevitable selective-service act, which will be our first act in a new war, we will not draft 80 percent of your boy's body. We will draft 100 percent of him, and we will use up 100 percent of his body if necessary. We will not guarantee to him any part of his pre-war earnings. If he has been receiving $5,000 a year, he will be compelled to take the wage of a soldier—$30 a month if he is a buck private.

A lot of folks think that we had very high income taxes during the last war, but the tax laws were so drawn that men piled up monstrous war-profit fortunes which the Government was not able to capture by the tax levels then in force. The percentage of profits left after the tax was applied left a margin so great that the inevitable and frightful rise in prices made actual dollar profits rise to scandalous levels. Prominent newspapers have pointed out many times that during the World War we created thousands of new millionaire incomes in America, besides which we added inordinately to the size of the vast private fortunes then in existence. The whole wretched business became a national disgrace that smelled to high heaven. This unholy scramble for profits explains why there was such a revolt against the practice of war profiteering and why the great political parties place in their platforms the demand that property be drafted in another war exactly as we draft men.

Students of our Constitution, however, know very well that you may not lawfully draft property—that is, take it without paying "just compensation." Therefore, those who would try to make the pledges of our great parties actually mean something are compelled to apply the only really available remedy under our Constitution. That remedy is taxation applied against net profits.

That tax should be high enough to make it utterly impossible for a human being to profit inordinately out of war. There is and can be no question of the constitutionality of such a tax and it is the one effective way to make a so-called draft which will achieve the end sought by veterans and other patriotic citizens. That is why the V. F. W. has sponsored the introduction of S. 1885, which bears the names of 50 Senators. Companion bills were introduced by 14 Members of the House about the same time.

This particular legislative proposal has been before Congress since 1935 and has had the attention of committees. Members of Congress have had ample opportunity to examine its terms. I would not undertake to state the precise attitude of the Veterans of Foreign Wars with respect to all the tax levels prescribed by this bill. There is honest divergence of opinion as to whether a corporation should be allowed to retain a profit of 5 percent or more than 5 percent. There may be an honest difference of opinion as to whether individuals should be allowed to keep more net income than the amount prescribed in the bill. I think I correctly state the attitude of the Veterans of Foreign Wars in saying that this organization approves the general principles of the bill, because it is the first fundamental approach to the problem of war profiteering, and it is the first genuine legislative effort to take the profit out of war. Veterans, and the authors of the bill, are not going to quarrel with anyone over details or over matters that can be easily ironed out in committee. They want to make party pledges mean something, and above all they want to keep faith with the American people and with those who made the supreme sacrifice of life and health in the last war. All of us can surely agree with the declaration of one great party in 1932 that:

"A party platform is a covenant with the people to be faithfully kept by the party when entrusted with power, and that the people are entitled to know in plain words the terms of the contract to which they are asked to subscribe."

When we lay such a declaration alongside the pledges of both of our major parties to draft property like we draft men, it will be difficult for anyone honestly to quarrel with the fundamental principles embodied in the war-tax bill.

A few publicists have criticized the bill as being too drastic. It is not nearly so drastic as seizing the body of your boy and using it up in the hell of modern war—and let it be always remembered that the boys who make such a sacrifice are helping preserve the property and the lives of those who remain at home in safety and security. I doubt if a single economist can be found bold enough to assert that the financial cost of another war would not in itself completely upset our economic system. More the reason why we should pay for the war as we fight it, if we are ever forced into another war. This would, in my judgment, be the only course that would prevent financial ruin for America.

At the very outset of the World War, 250 of the leading economists of the United States sent a petition to Congress urging the adoption of the principles embodied in S. 1885, and they pointed out that unless we paid for the war out of current net income through a war-profits tax, we would leave a hideous burden of debt and deflation and depression after the war. That is exactly what happened. One need not be a student of economy to know that this country would have been infinitely better off had we been able to complete the war without the frightful debt that it left. Financing a war by going into debt always leads to inflation during the war, followed by deflation and depression after the war. It is this universal experience which was so clearly pointed out by the great body of economists I have mentioned. On this list of names, you will find some of the leading, and certainly some of the most conservative, economists in America.

It may be of interest to readers to know that studies covering national income during the war indicate that the provisions of this bill, had they been in effect during that time, would have raised sufficient money to pay for our part of the cost of the war. Modern wars are not fought by rather small bodies of professional soldiers. They involve mobilization of entire populations in one vast cooperative effort. The day is past when we can shirk the responsibility

of equalizing the burdens of war and bringing every resource of the Nation into the struggle.

In view of the inevitable consequences of another world war participated in by America, the capture of the larger part of the profits stay-at-home Americans make during war would be a comparatively slight contribution to preserve America and keep it safe and solvent in such a mad world. Paying as nearly as possible for the war while we fight it would be common horse sense and good social insurance, in view of the fact that our whole economic structure might and probably would collapse under the impact of another frightful war debt added to the present debt burden.

These are some of the reasons why the war-tax bill seems to so many of us to be grounded on fundamental morality and financial sense.

One final consideration: It would be the supreme tragedy of all time for us to engage in a war for democracy abroad when the price might be the destruction of democracy in America. It is my honest opinion that that is the price we would probably pay for participation in another world war. Bills have been prepared by the War Department for introduction the moment war is declared. I know of seven of these legislative proposals; and if they are passed, as undoubtedly they would be in the hysteria that accompanies a declaration of war, they would clamp down upon this country a complete dictatorship. They are so drawn that they would give the President of the United States the autocratic powers now enjoyed only by the heads of dictatorships in Europe. No one knows how long they might remain on the books. The least they would do would be to transform America from a democracy into a dictatorship.

It is the certainty that democracy would perish in America during war—that the cost of war would smash our system unless it was financed from war profits—and the great fear of so many men in Congress that war might utterly destroy the Republic, which explains why so many Members of Congress are now engaged in an attempt to keep this country free from any and all entanglements that might involve us.

Equal Sacrifices for All

EXTENSION OF REMARKS
OF
HON. HOMER T. BONE
OF WASHINGTON
IN THE SENATE OF THE UNITED STATES
Friday, July 28 (legislative day of Tuesday, July 25), 1939

ARTICLE BY MILLARD W. RICE

Mr. BONE. Mr. President, I ask unanimous consent to have printed in the Appendix of the RECORD a brief article appearing in the April 1939 issue of Foreign Service, the official organ of the Veterans of Foreign Wars, by Millard W. Rice, legislative representative of the Veterans of Foreign Wars, under the caption "Equal Sacrifices for All."

There being no objection, the article was ordered to be printed in the RECORD, as follows:

EQUAL SACRIFICES FOR ALL—50 SENATORS SIGN V. F. W. BILL TO TAX EXCESS WAR PROFITS

(By Millard W. Rice, legislative representative, V. F. W.)

Bills to tax the profits out of war by steeply graduated income and other taxes, in order to provide for an effective national defense, to promote peace, to encourage actual neutrality, to discourage war profiteering, to distribute the burdens of war, and to keep democracy alive, and for other purposes, were introduced on March 21, 1939, under the sponsorship of the Veterans of Foreign Wars of the United States, by 50 joint authors in the Senate and by 4 authors in the House.

The joint authors in the Senate were Senators HOMER T. BONE, BENNETT CHAMP CLARK, GERALD P. NYE, ARTHUR H. VANDENBERG, MATTHEW M. NEELY, LYNN J. FRAZIER, ERNEST LUNDEEN, HENRIK SHIPSTEAD, ARTHUR CAPPER, ROBERT M. LA FOLLETTE, JR., ROBERT R. REYNOLDS, WILLIAM J. BULOW, CARL A. HATCH, JOSH LEE, EDWIN C. JOHNSON, PAT MCCARRAN, ELMER THOMAS, JAMES E. MURRAY, WILLIAM H. SMATHERS, VIC DONAHEY, RUSH D. HOLT, GUY GILLETTE, H. H. SCWARTZ, JAMES H. HUGHES, CLAUDE PEPPER, HENRY ASHURST, CHARLES W. TOBEY, BURTON K. WHEELER, RUFUS C. HOLMAN, D. WORTH CLARK, PRENTISS M. BROWN, CLYDE M. REED, ALEXANDER WILEY, FREDERICK VAN NUYS, WALTER F. GEORGE, THEODORE G. BILBO, DENNIS CHAVEZ, CHAN GURNEY, JOSEPH C. O'MAHONEY, FRANCIS T. MALONEY, ERNEST W. GIBSON, LISTER HILL, HARRY S. TRUMAN, CHARLES O. ANDREWS, W. WARREN BARBOUR, TOM STEWART, CLYDE L. HERRING, SHERIDAN DOWNEY, ROBERT F. WAGNER, and RICHARD B. RUSSELL, JR.

The separate authors in the House were Congressmen JERRY VOORHIS, FRANCIS H. CASE, JOE STARNES, and JAMES E. VAN ZANDT, past commander in chief of the V. F. W., whose bills, respectively, are H. R. 5184, H. R. 5176, H. R. 5183, and H. R. 5177.

The Senate bill, S. 1885, has been referred to the Senate Committee on Finance, whereas the House bills have been referred to the Ways and Means Committee.

It will be remembered that the V. F. W. sponsored the introduction of similar bills late in the Seventy-fifth Congress. Last year S. 3912 had 27 joint authors, a greater number than on any bill ever introduced in the Senate, except the so-called cancer clinic bill, which, about 2 years ago, had all 96 Senators as joint authors. Introduced by 50 joint authors in the Senate, S. 1885 would seem to have strong support toward enactment.

Detailed tax schedules, to go into effect whenever Congress shall declare the United States to be in a state of war, are provided for in this proposed War Profits Taxation Act. Taxing the profits out of war, by steeply graduated personal income and corporation profits taxes, is the primary objective of this taxation measure.

As to individuals, there would be a normal tax of 6 percent on all incomes above a personal exemption of $500, plus $500 for a spouse, plus $100 for each dependent, together with superimposed surtax rates ranging from 10 up to 93 percent on net incomes in excess of $20,000.

As to corporations, there would be a tax of 15 percent on net incomes not in excess of 2 percent of their adjusted declared value, 25 percent of net incomes not in excess of 6 percent of such value, and 100 percent of net incomes in excess thereof.

The only honest and effective way to take the profits out of war is by steeply graduated personal-income and corporation-profits taxes—not by any regimented control of prices of commodities, quotas of production, or by any semblance of fascism, communism, state socialism, or any other form of dictatorship—which would be very difficult, if not impossible, to discontinue after the termination of war.

Drafting income by imposing the drastic profits taxes here proposed would make it possible to pay for the costs of war on a pay-as-you-fight basis. The profits of war would be made to pay for the burdens of war by this taxation method, which in turn would tend to equalize the profits and burdens of war. Everyone would thus be made to realize in advance that paying for the costs of war out of income received would leave less net income than during time of peace. This realization would encourage a universal desire for perpetual peace.

By making profiteering impossible through this taxation method during time of war the necessity for any dictatorship control to accomplish the same end would be avoided. No control of prices, priorities, quotas, finance expansion, conscription of industry or labor, control over securities, commodities, or capital is provided for in this bill.

This proposed legislation would honestly strive to accomplish what its title indicates—tax the profits out of war.

Its enactment would cause residents of this country to realize that any future war would result, not only in the sacrifices of the lives and bodies of young men, but would also result in the sacrifice of nearly all profits, above those needed to pay for living expenses, on the part of all those behind the lines. The burdens of war would thereby be more evenly distributed. Potential profiteers of any possible future war, realizing that net profits, after payment of war taxes, would be less during time of war than during time of peace, would very probably be instilled with a strong desire for a policy by our country of actual neutrality. This bill would take the "pay" out of "pay-triotism."

A more effective national defense would be promoted by this legislation because all citizens would be required to contribute toward the costs of war, and none would be permitted to profit abnormally by reason of the Nation's emergency in war. Such a policy would help to arouse the enthusiastic cooperation and determined patriotism of all citizens to win any such war as speedily and as successfully as possible.

The Hatch Bill

REMARKS
OF
HON. CHARLES A. PLUMLEY
OF VERMONT
IN THE HOUSE OF REPRESENTATIVES
Friday, July 28, 1939

Mr. PLUMLEY. Mr. Speaker, in common, I take it, with many Members of the House, I have received requests for information with respect to the practical effects of the Hatch bill.

I have obtained from what I consider an authoritative source an analysis of the bill, if and when it becomes a law, which analysis I have studied, amended, and for the substantial accuracy and correctness of which I vouch.

The statement referred to follows:

WHAT THE HATCH BILL ACTUALLY DOES

Just now the discussion relative to the Hatch bill pertains to the possibility of a veto, even of a pocket veto, in which connection it

will be recalled that the Constitution provides that: "If any bill shall not be returned by the President within 10 days (Sundays excepted) after it shall have been presented to him, the same shall be a law, in like manner as if he had signed it, unless Congress by their adjournment prevent its return; in which case it shall not be a law." Thus, it is obvious that Congress will not adjourn until, or after, the expiration of the 10 days; that is, not until after Wednesday next.

In the *Pocket Veto case* (279 U. S. 655) it was held that: "A bill which is passed by both Houses of Congress and presented to the President less than 10 days (Sundays excepted) before the adjournment of that session, but is neither signed by the President, nor returned by him to the House in which it originated, does not become a law."

However, if and when it becomes the law its practical application would appear to be that the law does not affect nor change the status of any official or employee of the Federal Government. It does not induct anyone into the classified civil service, nor remove anyone from it. It does, however, place those in the unclassified civil service under many of the political prohibitions and affords them much of the protection against political exploitation that civil-service regulations provide for those in the classified civil service.

The following are declared to be unlawful by this legislation:

For any person, no matter who it may be, including employers, to "intimidate, threaten, or coerce" anyone to vote other than as the voter pleases in any election where Federal officials are elected.

For any official or employee in the executive branch of the Government to use his or her official authority to influence or affect the nomination or election of any Federal official or take any active part in political management or political campaigns. (Excepted from this prohibition are the President, Vice President, heads and assistant heads of executive departments, and Presidential appointees who determine foreign policies and those policies that affect Nation-wide administration of Federal laws.)

For any person to promise, directly or indirectly, any employment work, compensation, or other benefit, provided for or made possible by an act of Congress, to anyone as a reward or consideration for any political activity, including a vote.

For any person to deprive, or threaten to or attempt to deprive anyone of such Federal employment, compensation or benefit on account of political activity, race, creed, or color.

For any person to solicit, or receive—without solicitation—any subscription or contribution from anyone receiving compensation or employment benefits from any Federal relief appropriation.

For any person to provide for political purposes to anyone a list of the names of those receiving employment or compensation under relief appropriations.

The measure provides also that no part of any appropriations made for relief purposes shall be used for the purpose of interfering with, restraining, or coercing any individual in the exercise of his right to vote at any election.

The law covers primary as well as general elections, where Federal officials are to be elected, and nominating conventions. It bans from public employment, where Federal funds are paid, any person who advocates the overthrow of constitutional government in the United States.

It will be seen, therefore, that the bill as it went to the President for his signature protects every Government employee to say what he pleases, to vote as he pleases, to keep whatever money he earns. It does not infringe anyone's constitutionally guaranteed liberty, but, on the contrary, it cramps the style of those who would undertake to tell Government employees what to say, how to vote, or how much they must pay in cash, "on the line" or by promissory note, to campaign chest or for "dinner" tickets. It is true it forbids any administrative official of the Government to threaten, intimidate, or coerce a voter, or to deprive anyone of a W. P. A. job, or to threaten directly or by indirection to deprive anyone of a job because of their politics, their race, their color, or their creed.

It provides, moreover, that money appropriated for relief purposes cannot and shall not be taken or solicited for use for political purposes or ends. The solution of the problem is found in the statement that if there is anything unconstitutional in saving, conserving, protecting, and defending the constitutional rights of the people, then the act is, to be sure, unconstitutional; otherwise not.

United States Housing Authority Program Popular Throughout the Nation—The Cities Contribute Their Share to Public Housing

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EXTENSION OF REMARKS

OF

HON. CHARLES H. LEAVY

OF WASHINGTON

IN THE HOUSE OF REPRESENTATIVES

Friday, July 28, 1939

Mr. LEAVY. Mr. Speaker, in considering the expansion of the U. S. H. A. low-rent housing program definitely misleading statements have been made concerning the amounts contributed by local housing authorities to get rents down. I want to correct these misunderstandings and to give the House the facts. The housing program has been pushed forward with such speed in recent months that ample evidence now exists to show that every year the localities are actually contributing half as much as the Federal Government contributes annually. I submit that it is a very remarkable and encouraging thing when localities are so enthusiastic in their sponsorship of a program.

It is the more remarkable when you consider that the act which we passed 2 years ago requires that the community contribute only one-fifth of the Federal subsidy. If now the cities are contributing annual amounts equal to not one-fifth but to one-half of the Federal subsidy, we can only conclude that our cities want public housing, want it badly, and know that they gain far more than what they seem to be spending for it.

The fact that this local contribution has in many cases taken the form of exempting low-rent housing projects from local taxation does not alter the case in any particular. There is the project; it is worth so much; it is to be taxed so much. When the city has determined to exempt these new homes from local taxation in order that rents may be brought down low enough to rehouse those families of low income now living in slums it is precisely the same thing as the city contributing exactly the same amount of money in cash. It has the exact same effect in lowering rents. And that is the object of the low-rent housing program: to get rents down so that those families desperately in need of housing can get it.

REAL DEMAND FOR UNITED STATES HOUSING AUTHORITY

When this Congress created the United States Housing Authority, it did so in response to a clear-cut demand that low-income groups be housed. We had seen experiments in low-cost housing, so-called, that had failed in this primary purpose. We wanted a program that would achieve its purpose, that would reach the really low-income families of the Nation. We wanted a program that would get into income brackets that private builders have never reached and probably will never reach; we wanted a truly noncompetitive program. We now have that program. It has been made possible with practically no substantial drain on the Treasury because of the system of annual contributions shared by the Federal Government and the cities.

PLAN HAS BEEN A GREAT SUCCESS

In the face of the brilliant success of this program in the past year, and the whole-hearted cooperation given by cities wherever this program is in operation, I believe it is malicious that this great Nation-wide effort should be belittled. In these days, when we are everywhere striving to get cities to shoulder their own burdens or at least to share them fairly with the Federal Government, it seems to me that we should at least have the common sense to recognize that here is a program—I might say a unique program—in which the cities are willingly doing just that. When a city comes forward with its contribution to get rents down, when it pays far more than anything in the Housing Authority Act requires, and far more than any Member of this Congress ever dreamed cities would when we passed this act 2 brief years ago, I say that we should hail this fact with glad cheers instead of perverting the facts and refusing to recognize the local enterprise and initiative represented by it.

I am glad to be able to stand here and say that the cities of America are doing their share in the war against slums. I am glad that this Congress has finally created a sound and workable low-rent housing program to remove forever the menace of the slum. But I am proud that such willingness to tackle their own problems has been shown by our cities in this tangible way. When the Housing Act specifies that the cities shall put up one-fifth of the annual contribution, and 2 years later we find from actual experience that they are putting up one-half—I say that is news that every Member of this House should be able to understand and should be eager to hear.

COMMITMENTS MADE AND REQUESTS PENDING

In order that we may have the figures showing allocations to States that have enabling legislation and requests now pending, which are contingent upon the passage of the present housing bill, I include as a part of my remarks, complete lists. Every Member can readily see what this means to the less fortunate and ill-housed constituents in his district. I am sure, if he will examine these tables, he will never vote against this bill.

The complete list of commitments by the United States Housing Authority (including earmarkings outstanding and loan contracts approved) for 161 local housing authorities in 29 States, the District of Columbia, the Territory of Hawaii, and Puerto Rico is as follows:

State and city	Earmarkings outstanding	Loan contracts approved	Total commitments for the State
Alabama:			
Anniston		$550,000	
Birmingham		9,705,000	
Gadsden	$900,000		
Mobile		1,649,000	
Phenix City		702,000	$13,506,000
California:			
Los Angeles City	22,507,000	2,493,000	
Los Angeles County		5,682,000	
Oakland	2,409,000	2,591,000	
San Francisco	3,628,000	11,372,000	50,682,000
Colorado:			
Denver		3,132,000	
Pueblo	1,000,000		4,132,000
Connecticut:			
Bridgeport	767,000	5,733,000	
Hartford	4,500,000		
New Britain	1,500,000		
New Haven	1,964,000	3,536,000	
Norwalk		578,000	
Waterbury	1,000,000		19,578,000
Delaware: Wilmington	2,100,000		2,100,000
District of Columbia: Washington	4,142,000	10,858,000	15,000,000
Florida:			
Daytona Beach		458,000	
Fort Lauderdale		439,000	
Jacksonville		3,537,000	
Miami		3,281,000	
Orlando		548,000	
Pensacola		1,055,000	
St. Petersburg		959,000	
Sarasota	87,000	183,000	
Tampa		3,916,000	
West Palm Beach	19,000	731,000	15,213,000
Georgia:			
Athens		625,000	
Atlanta		15,011,000	
Augusta		2,357,000	
Columbus		3,459,000	
Macon	108,000	1,642,000	
Rome		829,000	
Savannah		3,791,000	27,822,000
Hawaii	547,000	2,853,000	3,400,000
Illinois:			
Chicago	7,326,000	8,674,000	
St. Clair County	1,500,000		
Peoria		4,227,000	21,727,000
Indiana:			
Anderson		880,000	
Delaware County		427,000	
East Chicago	1,000,000		
Fort Wayne	1,500,000		
Gary	1,787,000	1,013,000	
Hammond	1,800,000		
Kokomo		634,000	
Marion	500,000		
Muncie		1,141,000	
New Albany	450,000		
Richmond	600,000		
Vincennes		317,000	12,049,000
Kentucky:			
Covington	753,000	1,947,000	
Frankfort	102,000	348,000	
Lexington	159,000	1,191,000	
Louisville	5,060,000	8,446,000	
Newport	750,000		
Paducah		906,000	19,602,000
Louisiana: New Orleans		25,311,000	25,311,000
Maryland:			
Annapolis		478,000	
Baltimore	1,409,000	21,591,000	
Frederick	1,000	449,000	23,928,000
Massachusetts:			
Boston	555,000	28,445,000	
Cambridge	2,685,000	1,815,000	
Chicopee	1,000,000		
Fall River	159,000	2,341,000	
Holyoke	972,000	828,000	
Lawrence	1,500,000		
Lowell		2,619,000	
New Bedford		2,013,000	
Somerville	2,000,000		
Worcester	3,800,000		50,732,000
Michigan:			
Dearborn	$1,500,000		
Detroit	13,436,000	$16,564,000	
Flint	3,500,000		$35,000,000
Mississippi:			
Hattiesburg		744,000	
Laurel		868,000	
McComb		558,000	
Meridian		1,228,000	3,398,000
Montana:			
Billings		402,000	
Butte		962,000	
Great Falls		632,000	
Helena	6,000	294,000	2,296,000
Nebraska: Omaha	810,000	3,433,000	4,243,000
New Jersey:			
Asbury Park		675,000	
Atlantic City		1,855,000	
Camden	1,219,000	1,281,000	
Elizabeth	1,481,000	2,019,000	
Harrison		993,000	
Jersey City	3,004,000	4,496,000	
Long Branch		546,000	
Newark	765,000	11,835,000	
North Bergen		863,000	
Perth Amboy		1,145,000	
Plainfield	900,000		
Summit		391,000	
Trenton		2,429,000	35,897,000
New York:			
Buffalo		8,424,000	
New York City	12,370,000	40,630,000	
Schenectady	1,400,000		
Syracuse		3,930,000	
Utica		900,000	
Yonkers		2,976,000	70,630,000
North Carolina:			
Charlotte		2,014,000	
Raleigh		1,756,000	
Wilmington		1,825,000	5,595,000
Ohio:			
Akron	3,855,000	1,145,000	
Canton	2,000,000		
Cincinnati	5,071,000	8,429,000	
Cleveland	8,847,000	9,153,000	
Columbus	1,098,000	5,402,000	
Dayton	2,890,000	3,110,000	
Portsmouth	1,000	999,000	
Toledo	2,458,000	2,942,000	
Warren		990,000	
Youngstown	438,000	4,397,000	
Zanesville		1,349,000	64,574,000
Pennsylvania:			
Allegheny County	1,475,000	1,325,000	
Allentown		1,446,000	
Bethlehem	1,000,000		
Chester		1,948,000	
Harrisburg		1,843,000	
McKeesport		980,000	
Philadelphia	11,886,000	20,114,000	
Pittsburgh		16,623,000	
Reading		1,804,000	60,444,000
Puerto Rico:			
Mayaguez	1,000,000		
Ponce		1,063,000	
Puerto Rico Housing Authority	7,000,000		
San Juan	2,212,000	788,000	12,063,000
South Carolina:			
Charleston		3,564,000	
Columbia		1,851,000	
Greenville	800,000		
Spartanburg	800,000		7,015,000
Tennessee:			
Chattanooga	155,000	3,945,000	
Johnson City	300,000		
Kingsport		541,000	
Knoxville	245,000	3,259,000	
Memphis		7,767,000	
Nashville		2,516,000	18,728,000
Texas:			
Austin		1,158,000	
Brownsville		534,000	
Corpus Christi		1,521,000	
Dallas	2,848,000	3,152,000	
El Paso		2,407,000	
Fort Worth		2,028,000	
Houston	7,000,000	3,002,000	
Laredo		898,000	
San Antonio	5,612,000	3,588,000	
Waco	90,000	810,000	34,648,000
Vermont: Burlington		436,000	436,000
Virginia:			
Bristol		644,000	
Portsmouth	1,500,000		2,144,000
West Virginia:			
Charleston	325,000	2,175,000	
Huntington		2,101,000	
Martinsburg		344,000	
Mount Hope		263,000	
Morgantown	270,000		
Parkersburg		672,000	
Wheeling	595,000	755,000	7,500,000
Wisconsin: Superior	675,000		675,000
Total	197,323,000	472,745,000	670,068,000

LIST OF UNFILLED REQUESTS FOR HOUSING LOANS FROM U. S. H. A.

NOTE.—The following is merely a list of the requests already received for housing loans and more requests are being received each day. These requests do not include any applications from the many local public-housing agencies which will be created in the States which have recently enacted enabling legislation, nor does it reflect the needs of many communities throughout the country which are disinclined to make requests until there is some prospect of additional funds being available.

Unfilled requests for earmarking

Alabama:	
Anniston	$5,000,000
Birmingham	15,000,000
Mobile	3,000,000
Montgomery	4,000,000
Phenix City	1,500,000
Red Level	55,000
Total	28,555,000
Arizona:	
Flagstaff	300,000
Mesa	500,000
Nogales	400,000
Phoenix	5,000,000
Prescott	500,000
Tucson	3,500,000
Yuma	500,000
Total	10,700,000
California:	
Los Angeles County	10,000,000
Oakland	5,000,000
Total	15,000,000
Colorado:	
Denver	5,000,000
Pueblo	1,250,000
Total	6,250,000
Connecticut:	
Bridgeport	5,000,000
Waterbury	3,000,000
Total	8,000,000
Florida:	
Daytona Beach	500,000
Fort Lauderdale	500,000
Jacksonville	5,000,000
Key West	500,000
Lakeland	700,000
Miami	3,000,000
Miami Beach	720,000
Orlando	1,000,000
Pensacola	2,000,000
St. Augustine	500,000
St. Petersburg	3,750,000
Tampa	3,000,000
West Palm Beach	1,926,000
Total	23,096,000
Georgia:	
Athens	2,294,000
Atlanta	15,000,000
Augusta	2,000,000
Brunswick	2,500,000
Columbus	3,000,000
Decatur	1,500,000
Macon	3,000,000
Marietta	2,500,000
Milledgeville	1,750,000
Rome	1,000,000
Savannah	5,000,000
Total	39,544,000
Idaho:	
Coeur d'Alene	500,000
Idaho Falls	800,000
Lewiston	500,000
Wallace	500,000
Total	2,300,000
Illinois:	
Alexander County	1,500,000
Chicago	60,000,000
Galesburg	2,000,000
Granite City	500,000
La Salle County	1,500,000
Peoria	4,000,000
Springfield	2,800,000
St. Clair County	2,000,000
Total	74,300,000

Unfilled requests for earmarking—Continued

Indiana:	
Alexandria	$500,000
Bluffton	375,000
Dunkirk	500,000
Greenfield	250,000
Huntington	900,000
Jeffersonville	270,000
Lawrenceburg	500,000
Terre Haute	2,000,000
Total	5,295,000
Kentucky:	
Covington	753,000
Dayton	200,000
Frankfort	450,000
Lexington	3,000,000
Paducah	1,250,000
Total	5,653,000
Louisiana: New Orleans	50,000,000
Maryland:	
Annapolis	1,753,000
Baltimore	25,000,000
Salisbury	630,000
Total	27,383,000
Massachusetts:	
Boston	30,000,000
Fall River	5,000,000
Lowell	6,000,000
New Bedford	3,000,000
Somerville	3,500,000
Worcester	4,200,000
Total	51,700,000
Michigan:	
Dearborn	1,000,000
Detroit	40,000,000
Total	41,000,000
Mississippi:	
Biloxi	800,000
Laurel	630,000
Meridian	750,000
McComb	600,000
Total	2,780,000
Missouri: St. Louis	40,000,000
Montana:	
Anaconda	900,000
Butte	1,800,000
Great Falls	750,000
Total	3,450,000
Nebraska: Omaha	1,300,000
New Jersey:	
Asbury Park	2,000,000
Atlantic City	3,025,000
Beverly	750,000
Bridgeton	1,000,000
Camden	5,000,000
Elizabeth	3,500,000
Hackensack	810,000
Harrison	1,100,000
Jersey City	2,500,000
Long Branch	600,000
Morristown	800,000
Newark	10,000,000
North Bergen	1,500,000
Passaic County (less Passaic and Paterson City)	9,000,000
Summit	700,000
Perth Amboy	1,500,000
Ocean City	450,000
Total	44,235,000
New Mexico:	
Albuquerque	3,500,000
Clovis	2,000,000
Gallup	400,000
Raton	1,000,000
Roswell	1,750,000
Santa Fe	1,500,000
Total	10,150,000
New York:	
Buffalo	10,000,000
New York City	150,000,000
Peekskill	750,000

Unfilled requests for earmarking—Continued

New York—Continued.	
Syracuse	$4,500,000
Tuckahoe	1,000,000
Yonkers	4,500,000
Total	170,750,000
North Carolina:	
Charlotte	6,000,000
Raleigh	2,500,000
Wilmington	2,000,000
Total	10,500,000
Ohio:	
Cincinnati	11,500,000
Cleveland	30,000,000
Lorain	1,500,000
Portsmouth	2,000,000
Toledo	10,000,000
Warren	1,500,000
Youngstown	2,500,000
Zanesville	1,500,000
Total	60,500,000
Oregon: Clackamas County	1,050,000
Pennsylvania:	
Allegheny County	14,700,000
Allentown	3,000,000
Chester	2,500,000
Erie	1,600,000
Harrisburg	6,000,000
McKeesport	1,000,000
Philadelphia	64,000,000
Pittsburgh	10,000,000
Reading	1,500,000
Total	104,300,000
Puerto Rico: Puerto Rico Housing Authority	3,000,000
Rhode Island:	
Pawtucket	5,000,000
Providence	20,000,000
Total	25,000,000
South Carolina:	
Charleston	5,000,000
Columbia	2,000,000
Total	7,000,000
Tennessee:	
Johnson City	150,000
Kingsport	750,000
Knoxville	6,000,000
Memphis	8,000,000
Nashville	15,000,000
Total	29,900,000
Texas:	
Alice	400,000
Big Spring	50,000
Brownsville	500,000
Corpus Christi	1,000,000
Dallas	3,000,000
El Paso	1,500,000
Fort Worth	2,000,000
Harlingen	300,000
Houston	9,998,000
Laredo	5,000,000
Pelly	180,000
San Antonio	10,000,000
Total	33,928,000
Virginia:	
Bristol	700,000
Newport News	1,000,000
Total	1,700,000
Washington:	
Everett	3,000,000
Grays Harbor County	3,000,000
King County	500,000
Seattle	25,000,000
Spokane	2,000,000
Wenatchee	1,000,000
Total	34,500,000

Unfilled requests for earmarking—Continued

West Virginia:	
Charleston	$1,000,000
Huntington	1,100,000
Williamson	450,000
Total	2,550,000
Wisconsin: Madison	2,000,000
Grand total	977,369,000

Credit for Small Business

EXTENSION OF REMARKS

OF

HON. ROBERT M. LA FOLLETTE, JR.

OF WISCONSIN

IN THE SENATE OF THE UNITED STATES

Friday, July 28 (legislative day of Tuesday, July 25), 1939

RADIO ADDRESS BY HON. ROBERT M. LA FOLLETTE, JR., ON JUNE 15, 1939

Mr. LA FOLLETTE. Mr. President, I ask unanimous consent to have printed in the RECORD a radio address delivered by me and broadcast by transcription over station WHA, Madison, Wis., on June 15, 1939, on the subject Credit for Small Business.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

Last year the United States Department of Commerce called a Nation-wide conference of businessmen for the purpose of discussing the problems confronting small, independent business. Out of that conference came an almost unanimous appeal for legislation which would provide adequate credit to small business on reasonable terms.

There is no doubt about the fact that our smaller businesses have not shared as much as they should in what measure of economic recovery we have achieved, and the lack of credit suitable to their purposes has certainly been a primary factor in holding them back. The conference called by the Department of Commerce served to focus public attention upon the problem, and there is legislation now pending in the Senate which I want to call to the attention of the businessmen of Wisconsin.

The average independent businessman needs long-term credit these days. Our economy has had to weather some bad years since 1929, and most businesses, especially the small ones, have had to live off their capital more or less. Those which did not have sufficiently large cash reserves to keep them going have had to take it out of their capital resources by way of delaying repairs, neglecting to provide for depreciation of equipment, postponing improvements vital to the continued success of the business, and reducing personnel to the point where it is inadequate to make the most efficient use of capital resources.

In other words, business has been forced in many instances to practice the kind of false economy which is being urged upon the State and Nation as a whole by some short-sighted individuals.

These businesses have reached a point now where the long-delayed repairs must be made in their capital resources if they are to survive competitively. They need capital for new and more efficient machinery, new buildings, improved sales methods, more complete lines of goods, and many other similar forms of expansion and improvement.

These requirements cannot be financed on 60- or 90-day notes. They require credit extending over a period of years and terms which will not overburden the fixed obligations of the business in the meantime.

Unfortunately the interests of the depositors in the ordinary commercial banks require a high measure of liquidity. As a result the banks are unwilling to tie their funds up in obligations which will require a long period of time to yield the expected return.

It is customary to assume that business can secure its long-term credit from the investment bankers who underwrite stock and bond issues, but the present organization of this investment market is of little use to the smaller businesses. Any stock or bond issue aggregating less than $1,000,000 is considered small, and the underwriting costs run as high as 20 percent. Anything less than $100,000 is considered so small that it is exempt from the requirements of the Securities and Exchange Commission. That kind of a set-up obviously offers little to the businessman who wants to borrow $25,000 or $50,000.

As a consequence of this state of affairs the average businessman has no place to go to secure the kind of credit he needs.

We cannot afford to let this situation continue. Our national economy in 1929 produced a national income of over $80,000,000,000; by this time it should be able to produce well over $100,000,000,000. Yet even after 6 years of partial recovery, it is

operating far below capacity. Increased governmental activity and public works have taken up some of the slack, but the bulk of our economic enterprise is in private hands. To get our economy functioning efficiently again near capacity, we must stimulate this great segment of private enterprise to full production. This cannot be done without adequate credit provided for capital expansion.

Generally speaking, there are two ways of attacking that problem and stimulating credit expansion. One way is to pave the way for the established local banks to make additional loans by relaxing the requirements they are obliged to observe and by taking other steps which are designed to reduce the risk. The other method is more direct. It is to supplement the activities of present banking institutions by the extension of credit directly to business by the Government or some of its agencies.

Congress has tried measures of both kinds. The Federal Reserve System was modified to allow liberalization of reserve requirements and free local banks to extend additional credit. And then both the Federal Reserve banks and the Reconstruction Finance Corporation have been empowered to extend loans directly to business enterprises which are unable to secure necessary credit from their own local banks.

The results of these efforts have been disappointing on the whole. The trouble with most of them has been the rigidity of the conventional banking standards which have governed the administration of these programs. The efforts of Congress have been victims of a conflict of purposes. Congress has undoubtedly aimed to provide ways through which credit could be expanded where needed. The banks, however, by their very nature, cannot be expected to work on that basis. Their motive in lending money is to make money on the loans. And this purpose, ingrained in the practice of commercial bankers, has colored the administration of the Government's loan programs. Trying to stimulate credit expansion by supplying credit only on short-term loans where there is little risk is like pulling yourself up by your bootstraps.

There is legislation now before the Senate Committee on Banking and Currency which proposes a further effort to utilize existing financial institutions and to encourage them to extend the credit needed by minimizing the risk involved in such loans. The proposal is to authorize the R. F. C. to insure small-business loans up to 90 percent of their face value for periods extending from 1 to 10 years.

I am strongly in favor of the bill, for I think it represents a possible aid which can be made available at once. However, I do not think it will solve the problem completely.

Under present economic conditions it is difficult to make long-term loans attractive to commercial banks. The soundness of the individual loan will depend upon the extent of our general recovery. That, in turn, will depend upon a large-scale stimulation of business activity. The individual bank has no appreciable control over the general economic situation and cannot take recovery for granted in its decisions. Consequently it must necessarily for its own interests be extremely cautious in its lending policies, relying more upon past earning records of its borrowers than upon their future earning prospects as a criterion in judging loan applications.

Credit is a social instrument. It is money, just as much as are the bills of currency issued by the Federal Government. So far the Government has been willing to delegate the powers of credit creation to commercial banks, just as it once allowed them to create paper currency and circulate it. We have been unwilling to disturb that delegated authority so long as it served the purposes of the Nation's business, and every possible effort is being made to work through existing banking facilities in extending aid to business at the present time.

The question is, Will such efforts do the job? They will help, of course, but I am convinced that more thoroughgoing methods are needed.

Since the expansion of credit to private business is essential if the Nation is to prosper, and since credit is a social instrument properly placed under the authority of the Federal Government by the Constitution, there can be no valid objection to the Government's use of its credit powers for the purpose of stimulating private enterprise.

I believe in giving our existing financial machinery every encouragement and opportunity to solve the problem in its own way. If it can meet business needs, there is no need for making any changes. I do not believe in change simply for the sake of keeping things stirred up. However, the limitations of the commercial banks in meeting a national need on a national scale are obvious, and we need not replace the existing institutions to do the job, but instead simply supplement them by extending credit of a kind which they cannot and will not extend themselves.

If the Federal Government would assume the responsibility for extending credit to business on a large scale, where it is needed and could be used to advantage, the program could be its own protection. The loans would be extended on a basis of social need and worth. Past earning records could be largely disregarded as a basis for judging the loan and attention could be focused upon future prospects. Interest charges might be put upon a contingent basis; it would be paid out of the profits of the business. Such a program of expansion would not need to involve any increase in the national bonded debt. The aim of the program would be to stimulate private enterprise and the production of real wealth. It would be paid for out of the dividends of recovery. In such a program the lending agencies could protect their investments by means of their comprehensive control over the recovery process.

There are plenty of businesses in Wisconsin that want and need credit. I know that from first-hand knowledge. Practically every day I receive letters from business friends who are struggling to keep their businesses above water. In many cases their troubles are directly traceable to a lack of immediate funds. Many have applied for aid from the R. F. C. or the Federal Reserve bank and have discovered that the security requirements there are about as stringent as at their local banks.

I hope that we can secure the immediate aid offered in the proposal to insure small-business loans, and I hope we can then go ahead and work out a system of Government credit agencies whose purpose and function will be to supply long-term credit for capital expansion of our business enterprise where such credit cannot be secured from the local banks. Such a program would not only help business and solve many of the businessman's problems, but it would also be of great benefit to the whole country. The welfare of the entire Nation depends upon our ability to put our productive capacity to work producing more real wealth each year.

Railroad Legislation Lags

EXTENSION OF REMARKS

OF

HON. HARRY S. TRUMAN

OF MISSOURI

IN THE SENATE OF THE UNITED STATES

Friday, July 28 (legislative day of Tuesday, July 25), 1939

ARTICLE FROM THE CHRISTIAN SCIENCE MONITOR

Mr. TRUMAN. Mr. President, I ask unanimous consent to have printed in the RECORD an article entitled "Rail Legislation Lags," which was published in the Christian Science Monitor of July 26, 1939.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

[From the Christian Science Monitor, July 26, 1939]

RAIL LEGISLATION LAGS

Already far behind time and now in danger of being sidetracked, the Wheeler-Truman transportation bill, passed in May by the Senate, could stand as one of the important actions of the present session of Congress if the House of Representatives would pass it before the rush for adjournment gets too strong.

This is strikingly emphasized by the round-table report on national transportation policy just published in the August issue of Fortune. Briefly, the report recommends adoption of six major principles to aid in increasing railroad earnings "without doing an injustice to any form of transport or imposing a heavier transportation cost on the country as a whole."

That a group which includes two railroad presidents, leaders of two railroad labor organizations, and the head of the I. C. C., has agreed on a broad basic approach to questions relating to rates, costs, labor, and centralized regulation of competing transportation systems is an important step toward the solution of this serious national problem. Their finding of an "area of agreement" should help to hasten action on the transportation measure now before Congress.

The Wheeler-Truman bill represents the consensus at this time of much thought brought to bear on the critical problem of the railroads in the United States, and while some may oppose it as unduly favorable to the railroads, it seems on balance to have much more in its favor than against it. Primarily the bill would bring inland-waterway carriers under the jurisdiction of the Interstate Commerce Commission, which now exercises regulation over railroads, motor carriers, and pipe lines. It would call for an investigation by the I. C. C. of freight-rate differentials complained of by the South and Southwest. A companion measure would establish a special court for railroad reorganizations.

But of paramount significance in the long view of the transportation problem is the provision contained in the bill for appointment of an independent board of three members to investigate "the relative economy and fitness of rail carriers, water carriers, and motor carriers" to determine in what fields each may excel and where each should be encouraged, and to investigate the degree of subsidies or other advantages at public expense enjoyed by the various forms of transportation. This is the great subject on which the public needs reliable, objective information in order to equalize the terms of competition among rail, water, motor, and possibly air carriers. That is the long-run need of the transportation business.

It should not be assumed because railroads are the chief petitioners for relief that either the Interstate Commerce Commission or the proposed investigative committee is to operate merely or chiefly as a protector for the railroads. Competition needs to be kept fluid in the transportation field, as in any other. Restrictions on motor trucking should not be made arbitrarily at the caprice

of a State or the behest of a railroad. It is gratifying to note, for instance, that the Associated Motor Carriers of Oklahoma have won in that State a repeal of the statute which set up "ports of entry" at the State line and of a license tax on out-of-State trucks, which had brought down retaliations from neighboring States on Oklahoma truckers.

But every one of the competing forms of transportation ought to be paying as nearly as possible its own way, each then to carry such business as it can obtain on its efficiency and rates under those conditions. The most likely way of bringing about this condition of fair competition appears to be through unified regulation by the Interstate Commerce Commission plus such effect on State and National laws as might come from an authentic, impartial study of the three principal forms of transportation.

Electrified Farms in Louisiana

EXTENSION OF REMARKS
OF
HON. OVERTON BROOKS
OF LOUISIANA
IN THE HOUSE OF REPRESENTATIVES

Friday, July 28, 1939

Mr. BROOKS. Mr. Speaker, sometimes I believe that the last 4 years will be known in history as the age of the electric development of the American farm. With all of the other plans benefiting the farmer, I doubt that within the last 4 years any single one has been as uniformly successful in providing help and comfort to the people of our land who do not live in cities as has rural electrification.

The amount of money which has been spent nationally on this development has been great and yet additional funds are necessary. We who believe in this program of giving the farmer the advantage of electricity are even now fighting to obtain $500,000,000 more money for this purpose. The past is merely a beginning and a prophecy of what the future holds in rural electrification.

With all of this money being spent, it is interesting to know that the finest part of the program is the guaranty of the Government against the loss of one single penny in this work. Groups of farmers locally organize their rural-electrification unit, and when a number of them agree to take monthly a minimum amount of electricity, the Government will then lend to the unit money sufficient to build the lines and bring the electric current to the front door of the farm home. All that remains for the farmer to do is to have the wires actually installed in his home and to turn the switch, giving him light and power for his use, convenience, and comfort. Surely the last 4 years should be known by our farmers as the golden age of electric development.

Someone may ask, "What does this mean to our farmer?" It means cheap electricity. It means electricity cheap enough to permit him to have lights in his home in the evening, giving to himself and his wife and children the advantages of study and reading at night. It means electric current cheap enough to operate his radio and to obtain from it the news of the day from the metropolitan cities of the country and amusement from the finest and most talented artists. It means electricity cheap enough to operate electric fans, electric irons, and water pumps for his home and an infinite number of machines for reducing labor on his farm. In some communities where natural gas is not obtainable, it may even mean the use of electricity for cooking and heating purposes, reducing the labor of his wife and adding to the convenience and pleasure of living.

I will not attempt at this time to indicate the vast development in this respect which has occurred in all of the States of the United States. So much has occurred in Louisiana in the last few years in fact, that for the present I will confine myself to this local field. Several years ago two large rural-electrification projects were authorized by the Federal Government, one being the Teche Electric Membership Corporation in south Louisiana, and the other being the Valley Electric Membership Corporation in north Louisiana.

The first mentioned at that time had 343 members who were cooperative users of electricity and 104 miles of line. Shortly after the project was authorized, because of the unusual demand it was extended some 34 miles and added some 80 new members. It is certainly worthy of mention that the field representative of the R. E. A., in visiting this project recently, reported to Washington:

> This is one project that started in the black and has more than met its obligations every month since the lines were energized.

The Valley Electric Membership Corporation has grown since it started its operations until it operates over 345 miles of line in Grant and the seven neighboring parishes, and serves more than 1,200 members. It is this project that has been extended from time to time by the demand of the farmers until it has reached up to Red River and De Soto Parishes, and has for the first time provided cheap electricity for many little towns and hundreds of stores and farmhouses.

One member-user of the Southwest Louisiana Electric Membership Corporation is the county agricultural agent. In his home the kitchen is completely electrified, and he is developing an entirely electrified farm. It has been well said by an expert on home electrification that:

> The farm agent living there is a living example of using electricity to advantage in agriculture.

In Panola County, Tex., a large rural-electrification project was started several years ago. Shortly after it began its operations the people of De Soto and Caddo Parishes clamored that these lines be extended into Louisiana and they be given the same cheap electricity that east Texas was receiving. The Rural Electrification Administration made an investigation as to whether or not a project could legally cross the lines from one State to another, and I compliment the Administration on its ruling, which established a precedent, and for the first time permitted the power lines of Rural Electrification to cross the State boundaries. As a result of this fact the farmers and people living in the small towns in parts of Caddo and De Soto Parishes are now receiving electric current.

About 60 days ago two history-making projects were authorized in northwest Louisiana—one being assigned the territory included in Claiborne and parts of Webster and Bienville Parishes and the other being assigned to the Parish of Bossier, parts of Webster, and parts of Bienville Parishes. The two projects were allotted the sum of $279,000 and are designed to serve approximately 1,000 farms with some 344 miles of electric line. The building of these power lines is now going forward and within a very short time electric current will be brought to the front door of every farmer in this area. In the next 12 months, as a result of this great work, many towns in north Louisiana will for the first time be lighted with electricity and many a fond parent will thank Rural Electrification as he watches his children nightly study their school lessons for the next day.

In a special report recently received from the Rural Electrification Administration offices at Washington, it is stated that Louisiana possesses approximately 170,000 farms and that at the beginning of our work in 1935 only 3,000 farms had access to electric service. In contrast with this, at the present time approximately 10,000 Louisiana farms are using cheap electricity resulting from actual service by sponsored Rural Electrification units or as a result of extensions of private utilities under the guidance and planning of Rural Electrification. To date a total of two and one-half million dollars has been allotted to the State of Louisiana for this purpose, which will bring the electrified farms to the number of some 16,000 in our State.

It has been my privilege to work diligently in the development of all of these projects located in north Louisiana. Sometimes as I have worked upon them I have grown impatient, feeling that our people who have been denied the advantages of cheap electricity for so many years should not longer be prevented from having access to it. At times the work has progressed more rapidly and we who are interested so much in this development have felt pleased. But whether slow or rapid, the work of electrifying the farms of the Nation, and of Louisiana especially, must go on. It remains unfinished work, commanding the attention of Congress and

of our people until every person, whether he lives in the great cities along the palaced boulevards of the rich, or whether he lives in the humble cottage of the poor farmer in the cotton-producing States of the Nation, shall have the advantages coming from the use of cheap electric current.

Railroad Reorganization Act of 1939

EXTENSION OF REMARKS
OF
HON. BURTON K. WHEELER
OF MONTANA
IN THE SENATE OF THE UNITED STATES
Thursday, July 27 (legislative day of Tuesday, July 25), 1939

EDITORIAL NOTE IN COLUMBIA LAW REVIEW FOR JUNE 1939

Mr. WHEELER. Mr. President, I ask unanimous consent that there be inserted in the Appendix of the RECORD an editorial note in the June 1939 issue of the Columbia Law Review entitled "The Railroad Reorganization Act of 1939," together with captions and footnotes. The note is published in Thirty-ninth Columbia Law Review, pages 971–986. The Columbia Law Review is among the most distinguished of the American legal periodicals. This note is a most excellent discussion of Senate bill 1869, which passed the Senate during this session and which is now pending before the House Committee on the Judiciary, where hearings thereon have been concluded.

I wish to call special attention to the conclusion of that editorial note, which reads as follows:

While the bill is likely to emerge from Congress in some altered form, it is to be hoped that its major features will be preserved. For it has been recognized for some time that the continued efficient operation of the railroads in private hands depends in large measure upon a thorough overhauling of the reorganization process and of the capital structures which emerge from it.

There being no objection, the editorial note was ordered to be printed in the RECORD with captions and footnotes, as follows:

THE RAILROAD REORGANIZATION ACT OF 1939 *

A critical aspect of the general railroad problem [1] is reflected by the roads representing about one-third of the Nation's mileage now in receivership and reorganization proceedings.[2] That this is a special problem involving more than the general conditions of depression and competition [3] is indicated by the fact that from the beginning of the century, if not earlier, railroad reorganization and receivership has been a persisting phenomenon of large proportions.[4] The financial history of many roads supports the conclusion that their present difficulties are in large measure traceable to financial abuses, mismanagement, and emergence from prior reorganizations with unsound capital structures.[5] Although the need for reorganization may thus stem in part from causes other than depression and competition, railroad insolvency intensifies an already existing crisis in the entire industry and retards rehabilitation.[6] As a result, major policies suggested as means for bettering the situation, such as consolidation [7] and Government loans [8] cannot be fully effective while a large proportion of the roads are in unsound financial condition.

From the beginnings of railroad finance until the enactment of section 77 of the Bankruptcy Act [9] in 1933, the only available procedure for coping with the problem of railroad reorganization has been the equity receivership. The suggestion that this expensive and cumbersome procedure be supplanted had been made as early as 1895.[10] The hastily enacted section 77 did not indeed provide an alternative, a reorganization procedure in bankruptcy.[11] And the 1935 amendments made some much-needed improvements in the procedure of formulating and ratifying a plan, and introduced a measure of control over administration of the debtor's estate and the activities of reorganization committees.[12] However, both acts failed to displace the equity receivership which remained as an alternative procedure, wholly unregulated.[13] Both the original section 77 and the 1935 amendments gave undue prominence to the debtor company.[14] The 1935 amendments were also subject to a number of ambiguities, notably in the provisions relating to sale at not less than a fair upset price,[15] valuation of the properties,[16] and treatment of priorities.[17]

The proposed Wheeler-Truman Act introduces two far-reaching innovations in the jurisdictional aspects of railroad reorganization, the assimilation of equity receiverships into its amended section 77,[18] and the creation of a new tribunal, the Railroad Reorganization Court, to exercise exclusive jurisdiction in all equity receivership and section 77 proceedings.[19] The bill seeks also to clarify and expedite procedure under section 77; to afford closer regulation of the administration of the debtor's estate and the activities and compensation of committees; and to prescribe standards for insuring the soundness of the financial structures which will emerge from the reorganization.[20]

For a long while there has been recognition of the desirability of a single body for handling the railroad-reorganization problem.[21]

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* S. 1869, 76th Cong., 1st sess. (1939). The bill was introduced in the Senate on March 20 (legislative day, March 16) by Senator WHEELER for himself and Senator TRUMAN. It was passed, with amendments, by the Senate on May 27, and referred to the House of Representatives Committee on the Judiciary on May 29.

[1] See the analysis of the present situation presented in I. C. C. Annual Report (1938) 1–26.

[2] Id. at 2.

[3] Id. at 9.

[4] Cf. Taft, Recent Criticism of the Federal Judiciary (1895), 18 A. B. A. Rept. 237, 261.

[5] See I. C. C. Annual Report (1938) 4; St. Louis and San Francisco R. R. Investigation, 29 I. C. C. 139 (1914); Financial Investigation of N. Y., N. H. & H. R. R., 31 I. C C 32 (1914); Financial Transactions of the Chicago, R. I. & P. R. R., 36 I. C. C. 43 (1915); Pere Marquette R. R. Co. & C. H. & D. R. R. Co., 44 I. C. C. 1 (1917); Chicago, Milwaukee & St. Paul Investigation, 131 I. C. C. 615 (1928); Hearings before Senate Committee on Interstate Commerce on S. 1869, 76th Cong., 1st sess. (1939) 48.

[6] S. Rept. No. 454, 76th Cong., 1st sess. (1939) 2.

[7] See Chicago, R. I. & Pac. Reorganization, 212 I. C. C. 89 (1935), for the difficulties encountered in effecting consolidation when the constituent roads are in receivership or reorganization.

[8] R. F. C. loans to the "weak" roads have in fact created further dislocations in already unsound capital structures. Spero, R. F. C. Loans to the Railroads, 1932–1937 (Unpublished Ph. D. thesis in Columbia University Library, 1939); Hearings on S. 1869, supra note 5, at 338, 386. And the precarious position of junior lien and equity interests has thereby been rendered even more untenable. Wehle, Railroad Reorganization under Section 77 of the Bankruptcy Act: New Legislation Suggested (1934) 44 Yale L. J. 197, 202.

A policy of unsecured loans to distressed roads would seem to make the filling of a bottomless pit a Government project. As Jesse H. Jones, chairman of the R. F. C., tersely expressed it, "Just lending don't make sense." N. Y. Times, Nov. 13, 1937, p. 2.

[9] 47 Stat. 1474 (1933).

[10] See Taft, supra, note 4. Some of the inadequacies of equity receivership are the need for ancillary receiverships, delay in I. C. C. examination of a plan, and requirement of cash payment to dissenters. See memorandum of Commissioner Eastman in Hearings on S. 1869, supra, note 5, at 292; Craven and Fuller, the 1935 Amendments to the Railroad Bankruptcy Act (1936), 49 Harv. L. Res. 1254, 1256; Rhyne, Work of the I. C. C. in Railroad Reorganization Proceedings under Section 77 of the Bankruptcy Act (1937), 5 Geo. Wash. L. Rev. 749, 753; Weiner, Reorganization under Section 77; A Comment (1933), 33 Columbia Law Rev. 834; Hearings before Subcommittee of Senate Committee on Interstate Commerce on S. Res. 71, 74th Cong., 1st Sess. (1937), 9731–9741.

[11] See note 9, supra. For discussion of the original section 77 see Rodgers and Groom, Reorganization of Railroad Corporations under Section 77 of the Bankruptcy Act (1938), 33 Columbia Law Rev. 571; Weiner, supra, note 10, at 834; Lowenthal, the Railroad Reorganization Act (1933), 47 Harv. L. Rev. 18.

[12] 48 Stat. 911 (1935), 11 U. S. C. A., § 205 (1937). For discussion of the 1935 amendments see Craven and Fuller, supra, note 10; Friendly, Amendment of the Railroad Reorganization Act (1936), 36 Columbia Law Rev. 27; Rhyne, supra note 10.

[13] See Lowenthal, supra, note 11, at 23.

[14] See discussion, infra, p. 977; cf. Hearings on S. Res. 71, supra, note 10, at 3066–3067; Hearings on S. 1869, supra, note 5, at 332.

[15] See infra, p. 979.

[16] See infra, p. 980.

[17] See infra, p. 978.

[18] S. 1869, May 29, 1939, p. 7, pp. 15, et seq. (the amendments to sec. 77 are throughout made applicable to receivers and railroad corporations in receivership), pp. 18, ff. 15–25, 19, ff. 1–3. See hearings on S. 1869, supra note 5, at 134, 435, 520.

[19] S. 1869, May 29, 1939, pp. 1–14. The bill provides for five judges of the Railroad Reorganization Court to be of the rank of circuit court judges, and to be appointed by the President. Id. at 2 ff. 1–5. A single judge of the court may be assigned any matter for final determination except the questions of confirmation of a plan and sale at not less than a fair upset price which must be passed upon by a quorum of the court. Id. at 2 ff. 18–25. There may be a rehearing before a quorum of the court of any matter decided by a single judge. Id. at 2 f. 25 3 ff. 1–8. Any determination of a quorum of the court or of a single judge or district court where a rehearing has been denied may be reviewed by the Supreme Court on certiorari. Id. at 12 ff. 3–20.

[20] See S. Rept. No. 454, 76th Cong., 1st sess. (1939) 3.

[21] Taft, supra note 4, at 264; see Hough, J., in *Guaranty Trust Co.* v. *International Typesetting Co.* (S. D. N. Y. Feb. 19, 1916) (unreported), cited in Rosenberg, A New Scheme of Reorganization

In coping with so large and complex a question, the ordinary Federal court is placed under such disadvantages as the press of other business, unfamiliarity with the problem, lack of consistent policy, and disinclination to subject reorganization plans to a thorough scrutiny.[22] An informed tribunal having as its sole business this intricate problem should conduce toward the formulation of uniform principles and the prompt dispatch of business.[23]

The creation of the Railroad Reorganization Court and assimilation of equity receiverships into its jurisdiction will not, under the bill, result in the sacrifice of any progress already made in pending receivership or section 77 proceedings. The bill provides that any action hitherto taken under section 77 or in receivership proceedings is not invalidated; [24] that pending actions and appeals are to be transferred to the new court at its discretion and shall continue as if begun in the Railroad Reorganization Court; [25] that matters submitted for final decision in other courts are to be disposed of in those courts; [26] and that independent trustees and counsel may be substituted in pending reorganizations in the discretion of the court.[27] Plans approved and certified by the I. C. C. prior to this act or within a period of 9 months after its passage may be made effective without meeting the standards required by the bill as prerequisites for I. C. C. approval of pending or future plans.[28] The large volume of cases now pending and already partially disposed of make these provisions of special significance.

I. PROVISIONS FOR ADMINISTRATION OF THE DEBTOR'S ESTATE

In providing for an independent trustee and counsel, although permitting the employment of ex-employees by the trustee,[29] the present bill is enacting for section 77 what the Chandler Act purports to do for reorganizations generally.[30] For many reasons it may be undesirable to retain the old management during reorganization proceedings. The necessity for reorganization, possibly indicating a certain inadequacy in the old management, would seem to demand a change of control in order to continue operations efficiently.[31] And it has been suggested that the removal of executives from salaried positions during and after the reorganization proceedings might well induce greater care in the handling of affairs before the corporation is brought into court.[32] The objection that a new trustee, presumably being unfamiliar with the organization, will not be as efficient as the old management [33] is partially overcome by the provision allowing him to choose his staff from among the ex-employees. Moreover, since, unlike section 77B, section 77 will be administered by a special court, peculiarly experienced for its task,[34] it is more probable that a well-qualified trustee will be chosen than is the case in a Federal district court. The potential inefficiency of an independent trustee in continuing the operation of the debtor may be of less detriment than the potential laxity of a trustee recruited from the old management.[35]

Insofar as a trustee's duties include the payment of interest on charges and payment of compensation to the debtor, it is desirable that he be impartial.[36] This is more easily secured by creating an independent trustee than by continuing the old management in office or by appointing a "friendly" trustee. The function of evaluating the worth of the old executives [37] and prosecuting causes of action against them for fraud or mismanagement [38] can only be carried out effectively by an independent trustee and counsel. Not only will an independent trustee not assist the debtor in composing a plan of reorganization partial to the debtor,[39] but he should have the effect of discouraging manipulation designed to secure control of the enterprise for various groups,[40] and he will tend to bring the proceedings to a close more rapidly than has been the case in the past.[41]

In view of the reluctance with which investigation of and prosecution for prior irregularities has been conducted,[42] the statutory requirement of prompt action by the trustee [43] should aid in the recovery and preservation of the debtor's assets. The power to obtain files, papers, and records which the bill gives to the trustee gives him a potential effectiveness for this work greater than that of any of the bondholders' committees.[44] Further protection is afforded by the provision which prohibits persons whom the court has probable cause to believe to be guilty of misconduct from holding office in the reorganized company.[45]

Since it is necessary that the corporate organization of the debtor be maintained during reorganization proceedings, the bill provides, as does the present law, for compensation to the debtor from the income of the estate during the pendency of proceedings.[46] However, the bill seeks to eliminate the advantage possessed by interests in control of the debtor company under the existing law, which places the debtor company under a duty to formulate a plan,[47] and which permits compensation to the debtor even though the plan may have been primarily for the benefit of those in control of the debtor company.[48] Thus the bill requires that the compensation to the debtor be for services rendered in the interest of the entire estate and not merely for the benefit of a particular class.[49] The preservation of the estate's assets is also furthered by the provision that the court may allow compensation to committees rendering services to particular classes, to be paid by the class benefited and not from the assets of the estate.[50]

The value of the provision for the payment of interest to bondholders or on other fixed charges during reorganization proceedings,[51] like many other provisions of this bill, depend almost entirely on the diligence with which the court and trustee will supervise these dispursals. Although there can be no objection to payment of legitimate interest,[52] payment at the expense of operating or financial efficiency, or on charges which are of dubious value to the estate,[53] is undesirable.

Designed to obviate the injustice sometimes done to interested parties by narrow dispensation of the privilege of intervention in the Federal district courts [54] is the provision that "intervention

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(1917) 17 Columbia Law Rev. 523. ("There is a good deal to be said in favor of a new scheme of law which would in some way confer upon an impartial and disinterested tribunal the entire supervision of corporate reorganization. * * * But no such system of legal procedure now exists.")

[22] Taft, supra note 4, at 263; Rep. Fed. Coordinator of Transportation (1934), H. Doc. No. 89, 74th Cong., 1st sess. (1935) ("The business has grown to such an extent that regular judicial labors are much interfered with by the consideration of mere questions of railroad management"); 79 CONGRESSIONAL RECORD 13764 (1935); Weiner, supra note 11, at 852; Craven and Fuller, the 1935 amendments to the Railroad Bankruptcy Act (1936) 49 Harv. L. Rev. 1254, 1256.

[23] See hearings on S. 1869, supra note 5, at 70, 71. The court is authorized to impose upon a district judge some of its duties and powers in connection with actual operation of the property. But such imposition is revocable, and the action of the district judge is subject to rehearing and reconsideration before the court. S. 1869, May 29, 1939, p. 8, ff. 7–25.

[24] Id. at 71, ff. 9–11.

[25] Id. at 9, ff. 22–25, 10, ff. 1–10.

[26] Id. at 10, ff. 10–25, 11, ff. 1–3.

[27] Id. at 24, f. 25, 25, ff. 1–10.

[28] Id. at 40, ff. 1–22. The foregoing provisions would seem to obviate the delay which the I. C. C. fears will ensue when the newly created court seeks to take jurisdiction in pending cases. See testimony of Commissioner Eastman before the House of Representatives Committee on the Judiciary, June 21, 1939. N. Y. World-Telegram, June 22, 1939, p. 30, col. 1.

[29] Id. at 24, ff. 2–25, 25, ff. 1–10.

[30] 52 Stat. 888, 11 U. S. C. A., sec. 556 (Supp. 1938).

[31] Hearings on S. Res. 71, supra, note 10, 5763–5764; S. E. C. Rept. on Strategy & Techniques of Protective and Reorganization Committees (1937), 899.

[32] Hearings on S. Res. 71, supra, note 10, 5763–5764; see Taft, supra, note 4, at 263–264.

[33] See Dodd, The Security and Exchange Commission's Reform Program for Bankruptcy Reorganizations (1938), 38 Columbia Law Rev. 223, 227.

[34] S. 1869, May 29, 1939, pp. 1–14. I. C. C. approval of the independent trustee is no longer required under the proposed amendments. If, however, no new court is created it would be desirable to retain the present provisions for I. C. C. approval.

[35] Hearings on S. Res. 71, supra note 10, 6454–6462, 3010–3013.

[36] Id. at 3593–3596.

[37] S. E. C. Rep., supra note 31, at 899.

[38] Ibid.; Hearings on S. Res. 71, supra note 10, at 6446–6450, 9635–9643, 6453.

[39] Id. at 9635–9643.

[40] S. E. C. Rep., supra note 31, at 1–243; Moulton, The American Transportation Problem (1933), 324.

[41] Moulton, op. cit. supra note 40, at 335.

[42] Hearings on S. Res. 71, supra note 10, at 3622–3626, 7350–7353, 9635–9643; S. E. C. Rept., supra note 31, at 157.

[43] S. 1869, May 29, 1939, pp. 31, ff. 12–25, 32, ff. 1–10.

[44] Id. at 28, ff. 5–25, 29, ff. 1–8; S. E. C. REP., supra, note 31, at 902.

[45] See note 43, supra; Hearings on S. Res. 71, supra note 10, at 6063–6066, 6566–6567.

[46] S. 1869, May 29, 1939, pp. 33, ff. 3–25, 34, ff. 1–21.

[47] 49 Stat. 917 (1935), 11 U. S. C. A., sec. 205 (d) (1937). See p. 977, infra.

[48] 49 Stat. 916 (1935), 11 U. S. C. A., sec. 205 (c) (12) (1937); hearings on S. Res. 71, supra, note 10, at 6451–6454.

[49] See note 46, supra.

[50] 1869, May 29, 1939, p. 34, ff. 7–21; see Dodd, supra, note 33, at 241–242, S. E. C. report, supra, note 31, at 902; cf. Eastman, Commissioner, dissenting in Acquisition and Stock Issue by N. C. & E. R. R., 86 I. C. C. 617, 620 (1924) (objecting to issuance of stock by the new company to defray reorganization expenses); McManamy, Commissioner, dissenting in Missouri-Kansas-Texas Reorganization, 99 I. C. C. 330, 341 (1925) (reorganization expenses should be borne by creditors and shareholders of the old company; it is economically unsound and contrary to the public interest to saddle the new company with the expenses of reorganization).

While the bill does not provide for allocation of securities to one allowed compensation for rendering services on behalf of a particular class, it does give such a person or committee a lien upon the securities issued to such a class. S. 1869, May 29, 1939, p. 34, ff. 15–21.

[51] S. 1869, May 29, 1939, pp. 64, ff. 18–25, 65, ff. 1–2.

[52] Hearings on S. Res. 71, supra, note 10, at 6448–6449, 6009–6011.

[53] Id. at 6455–6462.

[54] Cf. *Jameson* v. *Guaranty Trust Co.*, 20 F. (2d) 808 (C. C. A. 7th, 1937); *In re Denver & R. G. Western Ry. Co.*, 13 F. Supp. 821 (D. C. Colo. 1936); *Blumgart* v. *St. Louis-San Francisco Ry. Co.*, 94 F. (2d) 712 (C. C. A. 8th, 1938).

shall be liberally allowed." [55] Like the Chandler Act,[56] the bill permits representatives of employees "to intervene and be heard on all matters affecting the interests of the employees."[57]

II. PROCEDURAL CHANGES TO FACILITATE FORMULATION AND RATIFICATION OF A PLAN

The proposed changes in the procedure of submission and approval of a plan would seem to further the end of reducing delay. A recognized source of delay, occurring at the very outset of the proceedings, has been the reluctance of the debtor to offer a plan promptly.[58] Court consideration of a plan is now accelerated by relieving the debtor of the duty of initially submitting a plan; for, while other parties in interest could submit plans prior to this bill, their examination would be deferred until the debtor put forward its plan.[59] This change also tends to eliminate the inequitable and dilatory consequences of permitting the debtor to draw upon the resources of the estate to prepare a plan probably favorable to the equity interests.[60]

Another measure designed to bring about the early formulation of an acceptable plan is afforded by the provision that the court may request the I. C. C. to designate a member of its staff to act as mediator between interested parties.[61] This mediator's prestige, informed judgment, and access to information [62] should aid in the resolution of conflicting interests.[63]

As soon as the court has fixed the time for the filing of plans the I. C. C. is directed to make prompt determination of the size of the new company's maximum financial burden which could be safely imposed on the properties consistently with the public interest.[64] The I. C. C. may make this finding before any plan is submitted, or may defer it until its study of a proposed plan for the purpose of the issuance of a certificate of approval.[65] If this determination is forthcoming before the formulation of any plan, it should undoubtedly facilitate the preparation of plans. Even if deferred until the certification of a plan, the early initiation of the investigation should render it possible for the I. C. C. to make prompt disposition of a plan when presented.

The inflexibility of the present section 77 in denying the court all power to modify a plan after its certification by the I. C. C.[66] is sought to be remedied by the proposed bill. The court is to be permitted to modify a plan without resubmission to the I. C. C. when it is satisfied that the plan as modified conforms to the policy and standards laid down by the act or when the plan is one which has been certified by the I. C. C. before the effective date of the act or within the 9-month period following its enactment.[67]

While these innovations bring about closer interaction between the court and the I. C. C. from the very outset of the proceedings, there is a clear segregation of the duties and functions of court and Commission.[68] Thus the I. C. C. is confined to arriving at a sound capital structure in the public interest without regard to the questions of participation of interests and distribution of securities under a plan.[69] And it is the exclusive province of the court to pass upon the fairness of the plan in its treatment of the various creditor and stockholder interests.[70] The clear separation of these functions should go far toward removing one of the most potent causes of unsound reorganizations, the expansion of capital structure beyond safe limits in according concessions to various interests during the bargaining process.[71]

The bill purports to offer guidance to the court in its task of appraising the fairness of the allocation of securities to the various claimants under a plan by explicitly adopting the Boyd [72] rule of equity receiverships.[73] The broad language at present in section 77 [74] seems to have held out undue hope to tenuous equity interests, on whose behalf it has been argued that section 77 is essentially a composition statute under which the Boyd rule, barring the equity from participation until creditor claims are as fully satisfied as is reasonably possible, is not applicable.[75] Although this doubt would now be dispelled, all the difficulties involved in the Boyd rule itself would be left for the new court.[76]

The hold-up value of securities of little or no value may well have been enhanced by the ambiguities concerning the right to a sale at not less than a fair up-set price left by the 1935 amendments to section 77.[77] The original section 77 explicitly provided that nonassenting minorities might be dealt with only by way of either appraisal of their claims, or valuation, or sale at not less than a fair up-set price.[78] In 1935, however, these provisions were eliminated, and in their stead the court was given power to confirm a plan, even though not accepted by two-thirds of each class of creditors and stockholders voting on the plan, upon a finding that the plan accorded fair and equitable treatment to the interests or claims rejecting it.[79] Insurance companies and other creditor interests, doubtful as to the constitutionality of this provision, were reluctant to rely on this section to make a good title to the propery in the reorganized company, and sought rather to provide for a sale.[80] The I. C. C., however, until very recently has interpreted the 1935 amendment to deprive the creditors of their right to a sale.[81] The present bill now explicitly vests in the court the power to order such sale.[82] In providing that the minority of a class shall be bound if sale is made pursuant to a plan approved by two-thirds of the members of that class voting on the plan,[83] the bill also eliminates any justification for the undesirable practice of fixing the up-set price at a low figure to coerce dissenters into approval of the plan.[84] If the arbitrary method hitherto utilized to fix the up-set price [85] is thus rendered obsolete, it would now be possible for the up-set price to reflect the "value" of the property in some significant manner.

The provision for valuation of the property by the I. C. C. for the purpose of sale at not less than a fair upset price or for any other purposes of a plan does, indeed, seek to achieve this end by making earning power the major determinant.[86] The 1935 amendment, which sought to place a like stress upon earning power, failed to express this with sufficient clarity.[87] The bill is now so worded as to

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[55] S. 1869, p. 35, ff. 13–15; see Hearings on S. 1869, supra, note 5, at 24.

[56] 52 Stat. 894, 11 U. S. C. A., sec. 606 (Supp. 1938).

[57] S. 1869, May 29, 1939, p. 35, ff. 15–22.

[58] I. C. C. Annual Rept. (1938) 18; Hearings on S. 1869, supra, note 5, at 243, 365.

[59] Ibid.

[60] Hearings on S. Res. 71, supra, note 10, 6451–6454; see notes 47 and 48, supra.

[61] S. 1869, May 29, 1939, p. 65, ff. 3–17.

[62] "The mediator may utilize the staff, records, and facilities of the Commission. * * * He may exercise all powers of investigation conferred in the Commission." Ibid.

[63] See note (1937) 47, Yale L. J. 247, 256.

[64] S. 1869, May 29, 1939, p. 36, ff. 11–25, 37, ff. 1–17. For the substantive aspects of the standards of I. C. C. approval, see page 981, infra.

[65] S. 2869, May 29, 1939, p. 37, ff. 17–21. Waiting until the presentation of a plan sometimes entailed a delay of 3 or 4 years from the beginning of the action. See Hearings on S. 1869, supra note 10, at 253, 462.

[66] 49 Stat. 918 (1935), 11 U. S. C. A., sec. 205 (e) (1937).

[67] S. 1869, May 29, 1939, p. 40, ff. 1–22. See Hearings on S. 1869, supra note 5, at 254.

[68] Of the 1935 act it was said, "However, the amendment, like the original act, leaves the respective functions of Commission and court shrouded in obscurity." Friendly, supra note 12, at 33. Under 49 Stat. 917, 918 (1935), 11 U. S. C. A., sec. 205 (d), (e) (1937), both the court and the I. C. C. go over the same ground in passing upon a plan. See Hearings on S. 1869, supra note 10, at 248.

[69] S. 1869, May 29, 1939, p. 37, ff. 24–25, 38 ff. 1–5.

[70] Id., at 41, ff. 10–20.

[71] See Hearings on S. 1869, supra note 10, at 6848–6855; A Problem in Railroad Reorganization—Reorganization Plans as Causes of Recurrent Insolvencies, S. Rept. No. 25, pt. 1, 76th Cong., 1st sess. (1939) 22–23; Hearings on S. 1869, supra note 5, at 64.

[72] *Northern Pacific Ry.* v. *Boyd* (228 U. S. 482 (1913)).

[73] "The court shall approve the plan if satisfied that * * * it * * * does not provide treatment to any creditor or class of creditors or stockholders superior to that which might lawfully be accorded them in equity receivership" (S. 1869, May 29, 1939, p. 41, ff. 12, 17–20).

[74] "The court shall approve the plan if satisfied that * * * it * * * will conform to the requirements of the law of the land regarding the participation of the various classes of creditors and stockholders" (49 Stat. 918 (1935), 11 U. S. C. A., sec. 205 (e) (1937)).

[75] Hearings on S. Res. 71, supra, note 10, at 2977–2978, 6106–6108; Hearings on S. 1869, supra, note 5, at 331; cf. Spaeth and Winks, the *Boyd case* and sec. 77 (1938), 32 Ill. L. Rev. 769.

[76] See recent decision, p. 1030, infra.

[77] See Friendly, supra note 12, at 31; hearings on Senate Resolution 71, supra note 10, at 6630–6635.

[78] 47 Stat. 1478, 1479 (1933). See Friendly, supra note 12, at 30.

[79] 49 Stat. 919 (1935), 11 U. S. C. A., sec. 205 (e) (1937).

[80] Hearings on Senate Resolution 71, supra note 10, at 6630–6635.

[81] In a decision in the Spokane International Railway, handed down on May 1, 1939, the I. C. C. held that section 77 does not deprive the bondholders of the right of sale. Hearings on S. 1869, supra note 5, at 425.

[82] S. 1869, May 29, 1939, p. 45, ff. 6–25, 46, ff. 1–5.

[83] Id. at 45, ff. 19–25, 46, ff. 1–5.

[84] See Eastman, Commissioner, dissenting in Chicago, Milwaukee & St. Paul reorganization, 131 I. C. C. 673, 703 (1928); Moulton, the American Transportation Problem (1933) 323; Lowenthal, the Investor Pays (1933), 349. Lawyers for the reorganization managers in the *St. Paul case* warned the court against requiring "a price for the property which would make the cash part of the bondholder's option approach too nearly the market value of the bonds" for then there could "never be a reorganization." Ibid.

[85] The fair up-set price has frequently been arrived at by a formula which fixes the cash payment to dissenters at a fraction of the lowest market value of the bonds during the reorganization proceedings. See note 84, supra.

[86] Some objection has been raised against the utilization of earning power to fix total capitalization for all purposes (Bonbright, Earning Power as a Basis of Corporate Capitalization (1921), 25 Quarterly Journal of Economics 482). But the propriety of its use in determining fair value for the purpose of issuing securities in a railroad reorganization has been acknowledged (Bonbright, Railroad Capitalization (1920) 70).

[87] 49 Stat. 920 (1935), 11 U. S. C. A., sec. 205 (e) (1937): "The value of any property used in railroad operation shall be determined on a basis which will give due consideration to the earning power of the property—past, present, and prospective—and all other relevant facts. In determining such value only such effect shall be given to the present cost of reproduction new, and less depreciation and original cost of the property and actual investment therein, as may be required under the law of the land, in light of its earning power and all other relevant facts."

make consideration of such factors as original cost, reproduction cost, or actual investment, obligatory only if required by the Constitution in fixing value for the purposes of a reorganization.[88] There is at present ample authority that the principles of valuation for rate-making purposes are not applicable to determinations of value in reorganization cases.[89] The precise technique of valuation provided for in the instant bill, that of capitalizing at a reasonable rate the expectable future average earnings of the property, has already received the approval of the Supreme Court in a railroad reorganization proceeding.[90]

Another potent means for releasing the stranglehold of worthless securities might be a definition of insolvency by some such formula as is employed here for valuation.[91] The definition of insolvency afforded by the bankruptcy act[92] seems to have little meaning for railroads[93] and apparently involves the prohibitively expensive and interminable process of physical valuation.[94] A workable definition of insolvency which could enable the court to deprive worthless securities of any vote on a plan might profitably have been embodied in this bill.[95]

III. STANDARDS WHICH REORGANIZATION PLANS MUST MEET

One of the most significant reasons for unsound reorganizations in the past has been the lack of effective supervision of plans by the courts and the I. C. C. The courts, unequipped to deal with technical problems of railroad financing, have rested content to give effect to the bargain struck by the various interests without regard to the kind of capital structure which it engendered.[96] The modicum of supervision over railroad reorganization which the I. C. C. had under section 20a of the Interstate Commerce Act[97] was, in equity receivership proceedings, exercised by it only after interested parties had accepted a plan and secured court confirmation.[98] Apparently disinclined to upset the agreement already reached after prolonged proceedings and to cause the tedious process to begin anew, the I. C. C. rarely disapproved or substantially modified a plan even though admittedly unsound.[99] This negative policy[100] of choosing what was apparently the "lesser evil"[101] in the belief that the public interest was better served by the consummation of any reorganization at all than by delay to reach a sound one,[102] has in fact been one of the major factors contributory to the cycle of recurrent insolvencies and reorganizations.[103]

Section 20a prescribed no standard more definite than that the proposed security issue be in the "public interest."[104] The need for some positive and firm policy on the part of the I. C. C., which would guide the parties in their negotiations and further the public interest in the achievement of a sound result, has been expressed by Commissioner Eastman,[105] who on more than one occasion sought to formulate such a policy.[106] Nevertheless the present section 77, except for a provision that the fixed charges provided for under a plan be adequately covered by the probable prospective earnings,[107] sets up only the vague public interest formula as the criterion of I. C. C. approval.[108] The instant bill seeks to enunciate standards for a sound financial structure which would bar from future reorganizations the shortcomings fatal to so many of them in the past.[109]

The provision that a plan is not to be approved if there is substantial evidence that fixed charges will not at all times be adequately covered by the probable earnings[110] expresses what is, perhaps, the most elementary condition for achieving a sound reorganization.[111] Yet, a plan had been approved under which the ability of the company to meet its fixed charges and yet maintain adequate operation was admitted by the I. C. C. to be highly doubtful.[112]

While the section insuring that the plan have adequate means for necessary and possible future financing[113] is formulated in somewhat general terms, there can be little doubt that it is primarily designed to reach what is perhaps the most pervasive defect of railroad capital structures—too high a ratio of fixed indebtedness to total capitalization.[114] Inability to meet the inflexible fixed charges on bond indebtedness in times of restricted earnings is generally the occasion for insolvency.[115] And when the fixed-charge requirements threaten to absorb the earnings, successful financing by stock is rendered unlikely.[116] Thus, when a road emerges from reorganization with a relatively high ratio of fixed indebtedness, a vicious cycle ensues.[117] A sorry attempt to avoid this impasse is represented by extensive use of the income bond.[118]

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[88] S. 1869, May 29, 1939, p. 46, ff. 13–23: "The Commission shall determine the value of any operating railroad property by capitalizing at a reasonable rate the expectable future average annual net railway operating income of the property, as determined by the Commission under subsection (d), and giving only such effect, if any, to the present cost of reproduction, either new or less depreciation, or the original cost of the property, or to the actual investment therein and other factors as may be required by the Constitution of the United States in the determination of value for the particular purpose involved."

[89] *Atlanta, B. & C. R. R. Co.* v. *United States*, 296 U. S. 33 (1935); *Guaranty Trust Co.* v. *Chicago, M. & St. P. Ry. Co.*, 15 F. (2d) 434 (N. D. Ill. 1926); *Kansas City Terminal Ry. Co.* v. *Central Union Trust Co.*, 28 F. (2d) 177 (C. C. A. 8th, 1928), cert. denied, 278 U. S. 665 (1929).

[90] *Atlanta, B. & C. R. R. Co.* v. *United States*, 296 U. S. 33 (1935), aff'g, *In re Atlantic Coast Line R. R. & Atlanta, B. & C. R. R.*, 201 I. C. C. 645 (1934).

[91] See Douglas, Protective Committees in Railroad Reorganizations (1934), 47 Harv. L. Rev., 565, 589.

[92] 30 Stat. 455 (1898), 11 U. S. C. A., sec. (15) (1937): "A person shall be deemed insolvent * * * whenever the aggregate of his property * * * shall not, at a fair valuation, be sufficient in amount to pay his debts."

[93] "Experience has shown that the real security of a railway mortgage rests less upon property than upon earnings." Copper Range R. Co., Reorganization, 212 I. C. C. 479, 489 (1936).

[94] See Craven and Fuller, supra, note 10, at 1269.

[95] See I. C. C. Annual Report (1934), 18.

[96] See note 22, supra.

[97] 41 Stat. 494 (1920), 49 U. S. C. A., sec. 20 (a) (1934).

[98] See Chicago, Milwaukee & St. Paul Investigation, 131 I. C. C. 615, 671 (1928).

[99] Ibid.; Chicago, Milwaukee & St. Paul Reorganization, 131 I. C. C. 673, 699 (1928).

[100] See Eastman, Comm., dissenting in Denver & Rio Grande Western Reorganization, 90 I. C. C. 141, 158 (1924).

[101] See Eastman, Comm., dissenting in Chicago, Milwaukee & St. Paul Reorganization, 131 I. C. C. 673, 711 (1928).

[102] Id., majority opinion at 699.

[103] See note 101, supra.

[104] See note 97, supra.

[105] See dissents in Missouri-Kansas-Texas Reorganization, 76 I. C. C. 84, 108 (1924); Denver and Rio Grande Western Reorganization, 90 I. C. C. 141, 158 (1924); Chicago, Milwaukee, and St. Paul Reorganization, 131 I. C. C. 673, 713 (1938); cf. Spaeth and Windle, Valuation of Railroads, under section 77 of the Bankruptcy Act (1938), 32 Ill. L. Rev. 517, 521 (that I. C. C. is at fault for delay in reorganizations because "it has failed to enunciate standards by which it is prepared to judge the plans submitted").

[106] See the policy outlined in the Missouri-Kansas-Texas Reorganization, 76 I. C. C. 84, 108 (1924), that (1) the reorganized company should have a capitalization which will enable it not only to keep clear of bankruptcy but also to attract the capital necessary for future development, (2) I. C. C. should not approve an issue of bonds in excess of one-half of the property investment unless it is clearly shown that such limitation of the funded debt is impracticable, and (3) capitalization should not be in excess of I. C. C.'s best estimate of the original investment in the property, and in most cases should be lower.

[107] 49 Stat. 913 (1935), 11 U. S. C. A. § 205 (b) (4) (1937). In Denver and Rio Grande Western Reorganization, 90 I. C. C. 141, 158 (1924), Commissioner Eastman summarized the policy of the I. C. C. as one of approving the new financial structure "if it seems better than the old structure and if there is reason to believe that earnings will be sufficient to cover the new fixed charges," characterized it as "negative and inadequate."

[108] 49 Stat. 917 (1935), 11 U. S. C. A. § 205 (d) (1937): " * * * The Commission shall approve a plan * * * that will in its opinion * * * be compatible with the public interest." See note (1937) 47 Yale L. J. 247, 260.

[109] S. 1869, May 29, 1939, pp. 65–69.

"It is hereby declared to be the policy of the United States to eliminate unsound financial structures of railroad corporations and to promote and encourage such financial reorganizations as will not be followed by recurring insolvencies, inability to meet maturing obligations, or need for further reorganizations." Id. at 66, ff. 3–9.

[110] Id. at 66, ff. 13–21.

[111] See Denver and Rio Grande western reorganization, 90 I. C. C. 141, 158 (1924); Locklin, Regulation of Security Issues by the Interstate Commerce Commission (1927), 110.

[112] Reorganization of Georgia & Florida Railway, 117 I. C. C. 473 (1926). The Commission stated: "In the case now before us, the ability of the new company to carry its proposed indebtedness and to maintain adequate operation must be considered more than usually problematical." Id. at 489.

[113] S. 1869, May 29, 1939, p. 67, ff. 1–7: "No plan shall be made effective * * * if it appears upon substantial evidence—that the plan leaves inadequate means for such future financing as may be requisite and possible, or that the effect of any future financing, or of the exercise of any options, warrants, or other rights for which provision is made in the plan will be to create a capital structure not in conformity with the policy and standards set forth in this subsection. * * *"

[114] See Bonbright, Railroad Capitalization (1920) 147; Moulton, American Transportation Problem (1933) xli. While in the four major British railway systems bond indebtedness represents 28.7 percent of capital, in the American Class I roads it amounts to 62 percent. Bussing, Railroad Debt Reduction (1937) 8.

[115] Hearings on S. 1869, supra, note 5, at 273.

[116] See Denver & Rio Grande Western Reorganization, 90 I. C. C. 141, 157 (1924); Chicago, Milwaukee & St. Paul Reorganization, 131 I. C. C. 673, 694 (1928).

[117] See Foster, Conflicting Ideals for Reorganization (1935) 44 Yale L. J. 923, 953; Sen. Rep. No. 25, part 1, 76th Cong., 1st sess. (1939) 24.

[118] The income bond pays interest only if earned. It may be wholly contingent, or may be cumulative, sometimes to become a fixed charge at a future date. Its use has been widely criticized by legal and financial writers. Bonbright, Railroad Capitalization (1920) 49; Rosenberg, Reorganization—The Next Step (922) 22 Columbia Law Rev. 1; Rosenberg, Corporate Reorganization and the Federal Court (1924) 75 ("* * * the worst form of security ever devised * * *"); Foster, supra note 117 at 945 ("nebulous securities"); Chicago, Milwaukee and St. Paul Reorganization, 131

These obligations, present as bonds in the debt structure, cut down the margin for sale of stock and themselves afford no possibilities for future financing.[119] When the charges are cumulative, to become fixed charges at some future date not too distant, the prospect of another insolvency is rendered less than speculative.[120] Since future financing must be by stock issue if the railroads are to continue in private hands with adequate maintenance and improvements,[121] curtailment of the use of income bonds and conversion of the obligations which formerly emerged in this form into stock would seem to be results which the instant requirement dictates.

The requirement that probable earnings be sufficient to provide some earnings applicable to every class of securities under the plan[122] is apparently designed to eliminate securities of doubtful value which are included for purposes of control, or out of sheer optimism. It is believed by some that there is no danger in retaining stock as "rain checks" since they represent no charge on earnings.[123] But to the extent that little or no dividends are earned on the outstanding stock, future stock financing is made unattractive to the public, which will invest only where there is an expectation of dividends, making the latter, if not a legal, at least a "psychological" fixed charge against the earnings.[124]

The valuation method utilized to determine a fair upset price seems also to be prescribed as a major determinant of the maximum allowable total capitalization of a new company.[125] The objection is suggested that by the use of depression earnings in the base, undercapitalization will result and the company will thereby be prejudiced in seeking a fair return in rate proceedings.[126] The decisions of the I. C. C., however, leave no legitimate ground for such fear, since they clearly distinguish between actual capitalization and value for rate-making purposes.[127] But even more strongly is it urged that the utilization of some fixed period as a basis for predicting probable future income, such as that embodied in the 12-year rebuttable presumption,[128] will result in an automatic cutting off of equity or junior creditor interests from participation in a plan when taking into account future prospects might justify their retention.[129] But the terms of the bill, in providing for the consideration of "such changes as may reasonably be expected," [130] would not seem to require any such mechanical use of the capitalization figure arrived at on the basis of past earnings in passing upon the conformability of a plan to the standards of the statute.

Somewhat as an omnibus clause, there is a provision that no plan is to be approved if the new company will probably become insolvent or in need of reorganization "in the reasonably foreseeable future." [131] In more than one past reorganization the prospect of future insolvency was not a remote one.[132] Such devices as cumulative income bonds and practices like calculating fixed charges on the basis of a peak period carry with them the threat of probable insolvency.

In the requirement that the plan shall make equitable provisions with respect to voting rights, control of the company, and selection of officers,[133] the Interstate Commerce Commission is endowed with powers of wide import. The perpetuation of control by groups retaining little or no interest in the new company by the utilization of such means as the voting trust or retention of residual stock of little value could be prevented.[134] Where a bond obligation represents an interest in the company hardly distinguishable from stock participation, a vote in the affairs of the company might properly be accorded it.[135]

CONCLUSION

While the bill is likely to emerge from Congress in some altered form, it is to be hoped that its major features will be preserved. For it has been recognized for some time that the continued efficient operation of the railroads in private hands depends in large measure upon a thorough overhauling of the reorganization process and of the capital structures which emerge from it.[136]

I. C. C. 673, 694 (1928) ("* * * securities of this sort are hybrid things and have no place in a thoroughly sound financial structure * * *").

[119] The piling up of unpaid charges before the stock eliminates sale of stock as a means of raising new capital. Income bonds have never been offered on the market as new issues. It is unlikely that the public would be attracted to junior securities carrying contingent interest. See Sen. Rep. No. 25, part 1, supra, note 117, 9–12.

[120] Cf. Chicago, Milwaukee and St. Paul Reorganization, 131 I. C. C. 673, 705 (1928).

[121] See Eastman, Comm., dissenting in Denver & Rio Grande Western Reorganization, 90 I. C. C. 141, 157 (1924); Moulton, American Transportation Problem (1933) 294.

[122] S. 1869, May 29, 1939, p. 67, ff. 8–18. Options or warrants are exempted. But if the effect of the exercise of options or warrants issued under a plan would be to create an unsound capital structure, the plan is to be disapproved. *Id.* at 67, ff. 3–7.

[123] Bonbright, Railroad Capitalization (1920), 50.

[124] *Ibid;* see *Hearings on S. 1869, supra,* note 5, 274.

[125] "No plan shall be made effective under this section * * * if there is substantial reason to believe—That the total capitalization, fixed charges [etc.] * * * are in excess of the maximum to which the property may be safely subjected consistently * * * with any determination of value which may have been made pursuant to the next to the last paragraph of subsection (e), after all due consideration of the probable prospective earnings of the property in the light of its earnings experience and of such charges as may be reasonably expected * * *." S. 1869, May 29, 1939, pp. 67, ff. 19–25, 68, ff. 1–6.

[126] *Cf.* Spaeth and Windle, *Valuation of Railroads under Section 77 of the Bankruptcy Act* (1938), 32 I ILL. L. REV. 517.

[127] See Stock of Chicago, Burlington and Quincy R. R., 67 I. C. C. 156, 159 (1921); Stock of Delaware, Lackawanna and Western R. R., 67 I. C. C. 426, 432 (1921); Kansas City Southern Ry., 84 I. C. C. 113, 116 (1924); Chicago, Burlington and Quincy R. R., 134 I. C. C. 1, 53 (1927).

[128] "For the purpose of this section, it shall be a rebuttable presumption that the expectable future average annual net railway operating income of any railway operating property will not exceed the annual average thereof during the 12 calendar years preceding the date of the close of the hearings by the Commission on any matter to which such presumption may be relevant, provided, that there shall be no presumption that the expectable future average net railway operating income will equal such past average." S. 1869, May 29, 1939, p. 68, ff. 17–25.

[129] *Hearings on S. 1869, supra,* note 5, 260, 315, 480, 631; *N. Y. Times,* June 18, 1939, § 3, p. 2, col. 2.

[130] S. 1869, May 29, 1939, p. 68, ff. 3–6; *cf. id.* at 37, ff. 7–9.

[131] Id., at 66, ff. 22–25.

[132] See Stock of Denver & Rio Grande Western R. R., 70 I. C. C. 102, 108 (1921); Denver & Rio Grande Western Reorganization, 90 I. C. C. 141, 157 (1924); Reorganization of Georgia & Florida Ry., 117 I. C. C. 473, 489 (1926); Chicago, Milwaukee & St. Paul Reorganization, 131 I. C. C. 673, 714 (1928).

[133] S. 1869, May 29, 1939, p. 69, ff. 1–10.

[134] See Commissioner Eastman's consistent protests against permitting voting control of the company to reside in stock interests of insignificant value: Missouri-Kansas-Texas Reorganization, 76 I. C. C. 84, 109 (1922); Denver & Rio Grande Western Reorganization, 82 I. C. C. 745, 766 (1923); Acquisition & Stock Issue by N. C. & E. R. R., 86 I. C. C. 617, 621 (1924); Denver & Rio Grande Western Reorganization, 90 I. C. C. 141, 159 (1924).

[135] Cf. Chicago, Milwaukee & St. Paul Reorganization, 131 I. C. C. 673, 706 (1928).

[136] See Recommendations of National Transportation Committee in Moulton, The American Transportation Problem (1933) 355 et seq. Cf. Burgess, Book Review (1938) 32 Ill. L. Rev. 766, 767; I. C. C. Annual Rep. (1938) 9.

The American Way of Life

EXTENSION OF REMARKS

OF

HON. CHARLES H. ELSTON

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 27, 1939

RADIO ADDRESS BY HON. ROBERT A. TAFT, OF OHIO

Mr. ELSTON. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following address which was delivered over the radio by the junior Senator from Ohio, Hon. ROBERT A. TAFT:

It is a pleasure and a privilege for me to join in this series of broadcasts on the foundations of democracy with Representative T. V. SMITH. In the theoretical field I cannot hope to compete with one who is a full-fledged professor of philosophy at the University of Chicago, and even in the practical field it will not be easy to compete with a professor who has been able to translate his theoretical knowledge into political success in a great State like Illinois. This series is intended to be not so much a debate as a development of two points of view regarding present-day conditions in the United States. Perhaps it is the same point of view with merely a difference in emphasis.

What is the American way of life? To determine that, we must look back over the 160 years of this Nation's existence. In that period it has grown from a small community of 4,000,000 people along the Atlantic seaboard to the greatest and most prosperous nation in the world today, with 30 times that population. This success has been achieved under an economic and constitutional system which was unique when established, and formed the basis of an American way of life which has remained, certainly until today, peculiarly American.

The basis of the American business and constitutional system is political and economic liberty. The basis of the American way of life has been equal opportunity to improve one's condition by one's own effort. The Declaration of Independence declared that all men are created equal, that they are endowed by their Creator with certain inalienable rights, and that among these are life, liberty, and the pursuit of happiness. It is somewhat significant that the right endowed is not one of happiness but merely of its pursuit.

The rights asserted by the Declaration of Independence and conferred by the Constitution are individual rights. They are conferred in each individual, not on any class of people or on society in general. The whole history of America reveals a system based on individual opportunity, individual initiative, individual freedom to earn one's own living in one's own way, and to conduct manufacture, commerce, agriculture, or other business; on rugged individualism, if you please, which it has become so fashionable to deride.

The American way of life has attempted to reward, by increase in material welfare, those individual qualities of intelligence, ability, industry, genius, and daring which have played such a great part in building up the Nation as we see it today. The basis of the system has been opportunity for all. The motive power has been the incentive to effort provided in material reward; that is, a better standard of living, a better education for one's children, a better provision for one's family after death.

I, too, believe that the American way of life is not synonymous with its governmental or constitutional system, but unquestionably Government and Constitution have protected the conditions which make it possible. The American way of life is a flexible, living, breathing philosophy, which is continually adjusting itself to meet the changing needs of a growing nation. The Government was designed to fit that philosophy and be controlled by it, and not to regulate and control that philosophy. Government has been generally conceived to be a keeper of the peace, a referee of controversies, and an adjuster of abuses, not a regulator of the people or their way of life or their business and personal activities. Throughout a large part of our history the maxim was accepted that that government was best which governs least. Life has become so complex that we feel today that more positive Government action is necessary to preserve the American way of life; but the statement of President Garfield is still true: "It is a safe and wise rule to follow in all legislation, that whatever the people can do without legislation will be better done than by the intervention of the State and Nation.

The ideal of opportunity characterizing the American way of life led very quickly to universal free education. Obviously a child who is not taught to read and write does not have the same opportunity to succeed in life. The public school became the typical American institution. Obviously this does not mean the same education for every child. If it did, we would have to send every boy and girl through college and add perhaps 3 years of training in some professional or vocational school. It does mean a good foundation in reading, writing, arithmetic, and other fundamentals, and access to the books on which an education can be built. Abraham Lincoln had a most elementary education, and yet that education gave him the opportunity to rise to the greatest position which any American has ever occupied. The American way of life certainly does not guarantee equality in mental power or in character or in energy. It has only guaranteed that a man who had the necessary qualities might rise in public life and acquire a greater influence, a greater fame, a greater power than his fellows; that he might rise in material wealth and acquire a greater comfort and luxury, if he desires it, for himself and his family; that he might earn a simple living on which he could base the development of true happiness for himself and his family without either wealth or power.

It is no reflection on the present plans for social security to point out that security has not been an important factor in the American way of life. Perhaps it should have been. In a country of great natural resources and the ability to begin life over again in a new field, there has perhaps been too much of the spirit of the gambler in America. But even today, while social security may be a desirable adjunct, it is no American ideal. The slaves of good masters in the South, before the Civil War, enjoyed social security. So did the lotus-eaters. If American progress is to continue, the greater rewards must still be for industry for intelligence, for ability. Opportunity, and not security, is still the goal of young America, and even of middle-aged and old America. The burden of security for those who cannot work must not be so heavy as to destroy or seriously reduce opportunity for those who can work.

No system is perfect. The American way of life has not proceeded without injustice to some, but in general it has worked. The names of the Presidents of the United States, together with all those who have succeeded in public life, reveal a long list of men who rose from nothing, men who were no better off when they began than millions of their fellow countrymen. And this is true today. Not long ago I attended a dinner of the Gridiron Club, where were gathered leaders in every field of activity in the United States—politics, journalism, industry, agriculture, the professions. I checked over that list as far as I was able. Four-fifths of those men, even today when the system does not work quite so satisfactorily as in a simpler age, were men who had no privileges when they began, men whose families were not different from four-fifths of the families in the United States. They have succeeded through their own individual efforts, not because they belonged to any class or any family. The system has even worked to permit the success of men handicapped by wealthy and privileged parents; witness the present President of the United States. And that is not intended to be humorous; even the Christian philosophy makes it almost impossible for a rich man to enter the kingdom of heaven, but the true American way of life recognizes no distinction of origin.

But it is said today that we are not preserving the American way of life and that we must engage in unlimited Government interference and regulation in order to preserve it. It is said that wealth has acquired privileges, and that it has caused one-third of the people to be underprivileged and has deprived them of the opportunity to improve their position; and therefore we must redistribute wealth. Fundamentally, I do not think that the American way of life has changed, though unquestionably the long depression and particularly the serious unemployment conditions have interfered with opportunity to a very considerable group of families and their children. I would estimate that loss of opportunity as affecting rather one-sixth of the people than one-third, but even then it presents a serious challenge to the American ideal of opportunity. The increase of industrialization makes the problem much greater in urban industrial districts than it is in rural America. Last year I traveled through every county in the State of Ohio, and it is interesting to see that in most of the small towns and country districts the American system is still more popular than in the cities. The people realize that the leaders of their communities, whether they like them or not, have usually succeeded by reason of their own ability, character, and intelligence; that those who have failed have failed because they lack those qualities.

Nevertheless, a condition of poverty in city and country alike does interfere with opportunity. The Government, therefore, must and has undertaken to relieve this condition, to provide a minimum through relief, old-age pensions, unemployment insurance, or otherwise, which will enable a family to live, and the children to go to school and pursue their education. The Government has undertaken to provide housing for the poorer people.

I doubt whether the condition has been brought about by excessive accumulation of wealth, but certainly the Government should see that wealth is not improperly acquired through monopolistic or other unfair practices. The policies of inheritance taxation are rapidly cutting down the larger fortunes, and I think that in America there is plenty of evidence that the old maxim still prevails, "From shirt sleeves to shirt sleeves in three generations." Certainly the arbitrary redistribution of wealth would not assist in restoring the American way of life, because it would absolutely destroy all the incentive and initiative through which our success has been created.

There is one other mistake which economic planners are too likely to make. People cannot be made happy by opportunity and education alone. We cannot legislate them into leadership and equality. They can only secure happiness through their own individual effort. We cannot make their work pleasant and agreeable, because nine-tenths of all work in this world is drudgery and can only be made agreeable by the person who is doing it—teaching himself to enjoy the accomplishment of a task—no matter how uninteresting that task may appear to others.

We cannot accomplish the American ideal by education alone. There has never been a time when people have had so many means of education—public schools, the movies, the radio, libraries with books of every type. We have made it exceedingly easy to acquire knowledge, but we have fallen down in our job of teaching men to think. No man ever succeeded or progressed until he acquired the ability to do his own thinking.

What the Government must do is to provide the conditions under which it is possible for the people to achieve individual progress, and much of the increased Government activity in recent years is justified on that ground. But Government help cannot even produce the increased standard of living which we would all like to see, and there is one danger in it which threatens the very foundation of the American way of life. It must be administered so that the people generally are not taught to lean on the Government and let other people think for them. It must be administered with the determination to retain and not destroy the rewards which heretofore we have always given for industry, thrift, and intelligence. In improving the condition of one-third of the people, we must not drag down the other two-thirds to a lower standard of living and a lower incentive to intelligent, directed effort. In the tendency to rely on Government to cure every ill, we stand in danger of depriving the people of initiative, of thinking power, and ultimately of happiness itself. The Government certainly must assure every family of conditions on which opportunity may be based. It must prevent interference with individual and commercial liberty wherever it is threatened by the power of wealth, but it must be certain that it does not substitute for this threat from the power of wealth the threat from the power of arbitrary government itself. The American way of life is still substantially with us. If we pursue the proper policies, it can be preserved.

Why I Like President Roosevelt

EXTENSION OF REMARKS

OF

HON. ANTHONY J. DIMOND

DELEGATE FROM ALASKA

IN THE HOUSE OF REPRESENTATIVES

Friday, July 28, 1939

STATEMENT OF JACK MARTIN, AN AVERAGE CITIZEN

Mr. DIMOND. Mr. Speaker, under permission granted by the House, I offer for insertion in the RECORD the following

illuminating statement concerning the President written by Mr. Jack Martin, of Unalaska, Alaska:

WHY I LIKE PRESIDENT ROOSEVELT

He, consciously or unconsciously, puts across with me the feeling that in him is exemplified the typical American father as I conceive him to be.

Although firm and sometimes austere, he is ever sympathetic and admittedly humane. I am conscious of his interest in me—not as an unseen entity in an organized group of persons, but interested in me personally as an individual.

I have a childlike belief that he is sincerely trying to understand me, my problems, my point of view, and my conduct which is their natural outgrowth—not with any idea of pampering or coddling me; but to direct the way for me to help myself into a more abundant life at a time when I am actually puzzled over my present problems and confused and worried as to whether I may enjoy any degree of economic security in old age.

I believe that he knows and understands the horrors of war, the anguish of mothers of uniformed boys striken in its inferno. I believe that he is fully cognizant, in the event of war, that the folks at home are no more safe than their boys "at the front," and that the distress and desolation which is certain to follow among them is limited only to the capacity and ingenuity of fiendish enemy minds.

Because of what he knows and understands, I believe that he will never approve of our country going to war, except where there is involved an indisputable principle which challenges our national honor, threatens our national safety, or our constitutional form of government and which is the bulwark of a free people.

And, lastly, should we be drawn into such a conflict, I shall feel more secure, for my family, my country, and myself, with him in the White House, in the role of Commander in Chief of our Army and our Navy. Whether the struggle be short or long, under his calm, wise leadership I shall entertain no doubts as to the ultimate outcome. And in the final negotiations I shall know that he can be relied upon to fully safeguard our rights and deal fairly and justly with the enemy as he may deserve, having a consecrated devotion to a single purpose; this time—a lasting, permanent world peace.

God bless President Roosevelt. Long may he live.

JACK MARTIN,
(An average citizen.)

UNALASKA, ALASKA, *July 4, 1939.*

Light in the Darkness

EXTENSION OF REMARKS
OF
HON. GEORGE W. GILLIE
OF INDIANA
IN THE HOUSE OF REPRESENTATIVES
Friday, July 28, 1939

EDITORIAL BY RAYMOND E. WILLIS

Mr. GILLIE. Mr. Speaker, in the Senate the other day the junior Senator from Indiana [Mr. MINTON] made certain uncomplimentary remarks about the section of Indiana which I represent. He also referred to Raymond E. Willis, the Republican candidate for Senator in my State last year, as "a Republican editor up in the dark corner of Indiana." I replied to the Senator's remarks at some length in the RECORD of July 24. Mr. Willis also has replied to the Senator in the following editorial from the Steuben Republican, of Angola, Ind.:

[From Steuben (Ind.) Republican of July 27, 1939]

LIGHT IN THE DARKNESS

"I have in mind one Republican Representative from my State who inserted in the RECORD some figures which had been tabulated by a Republican editor up in the dark corner of Indiana."

Junior Senator SHERMAN MINTON, a man who introduced in Congress a bill to compel the newspapers to print the truth, doesn't like it because this newspaper way up in the corner of the State—"the dark corner," he describes it—printed figures compiled by the Bureau of Agricultural Economics showing that the annual farm income for the past 6 years, under the New Deal, was less by a billion and a half dollars than it was during the last 6 years of the Republican administration. The junior Senator apparently isn't willing to accept the truth of the New Deal statistics bureau, and he attempts to divert attention from the embarrassing truth to discrediting the portion of his native State where the figures were compiled.

We feel that it is more important to defend the slur on the good name of northeast Indiana than it is to enter a contest in juggling statistics. This newspaper is printed in the northeast corner of Indiana, and presumably to the junior Senator, the darkest corner.

Yet, in this humble county, we find that there is only one-half of 1 percent of foreign-born population. It has the lowest rate of illiteracy of any county in the State of Indiana. Its sons have gone out volunteering their services in three wars as freely as they have from any county in the whole Nation.

From out of this county have gone many splendid men and women to serve in all the avenues of life. It has furnished a Representative in Congress more of the last 50 years than any other small county in the State of Indiana.

Last week it laid to rest a distinguished citizen who had been Vice Governor of the Philippine Islands.

Out of this county came a gracious lady who became the wife of Vice President Marshall, and who today still likes to call this her home community.

In this county is located Tri-State College, into whose halls come each year young people from a score of foreign countries and from every State in the Union, to go out and spread through the rest of the world the enlightenment of science and letters.

Steuben County's rolling fields are teeming with fattened cattle, and it is a top-notch sheep-breeding county of Indiana.

Within its borders are located 100 beautiful lakes, whose sparkling waves and laughing waters smile a welcome to weary men and women who come here for rest. The thousands of happy children who play on their beaches are caressed by the lapping waves, and the beautiful trees of the forest waft cooling breezes over them.

Why, Steuben County is the paradise on earth! The people up here are not in darkness; neither are they dumb. Their intelligence tells them that the New Deal has failed in its experiments and that further travel in the wilderness of confusion will lead the country into ruin.

They are not dumb enough to want to limit the freedom of the press, but they believe that the truth will continue to make a people free.

They are not dumb enough to want to eat the Constitution, but they are smart enough to know that one can live and prosper under a compact which assures freedom of opportunity.

They are not even dumb enough to mail letters to General St. Clair, who a century and a half ago retrieved this region from the Indians.

The junior Senator looks this way through the darkened glasses of gloom and despair. The New Deal eclipse was almost total here last November, and its shadow is growing darker.

Oh, boy, how he will shiver when in 1940 he looks up this way at the black clouds of disapproval of his senatorial record.

Taxes and Depression

EXTENSION OF REMARKS
OF
HON. ARTHUR B. JENKS
OF NEW HAMPSHIRE
IN THE HOUSE OF REPRESENTATIVES
Friday, July 28, 1939

EDITORIAL FROM THE CHICAGO DAILY NEWS OF JULY 25, 1939

Mr. JENKS of New Hampshire. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following editorial which appeared in the July 25 edition of the Chicago Daily News:

[From the Chicago Daily News of July 25, 1939]

TAXES AND DEPRESSION

This has been the longest depression we have ever known.

Why has it been so long?

Because, under a Republican administration, we tried to maintain a prosperity price and wage level in the face of a disastrous depression that reduced national income from $80,000,000,000 to $40,000,000,000. The Democrats continued this mistake.

Because, under a Democratic administration we tried to spend ourselves into prosperity, and, in so doing, incurred twenty billions of debts and raised taxes to unprecedented heights.

In earlier editorials we have dealt with prices and their relation to depression. In this we propose to dwell upon taxes.

President Roosevelt's stock answer to those who cry out against high taxes is a question. He asks: "If you want taxes reduced, what would you cut first?" The implication is that whoever wants taxes cut is a flint-hearted wretch who cares nothing for those who are unemployed, or destitute, or aged, or unfortunate.

The answer to the President's question is that reduction should be made in every department of Government, most emphatically including relief, where waste, extravagance, political graft, and favoritism have been more notorious than in almost any other field of expenditures. There is not a single department of the Federal Government under the New Deal that is free from the charge of

reckless, wholesale extravagance. Indeed, this charge is usually answered not by denial but rather by asserting that the distribution of large sums by the Government helps to fill the void in purchasing power created by the disappearance of private capital for investment. This childish reasoning completely ignores the fact that one of the chief reasons for the disappearance of "venture" capital is the high taxes and the huge deficits, made necessary by Government spending.

But we are not concerned here with a discussion of past mistakes.

What demands our attention is such revision of the taxing system as will restore business confidence, coax out of hiding the available billions of private capital for industrial expansion, and the launching of new enterprises, and thus provide employment for the jobless by putting the free enterprise system back on the rails with a clear track ahead.

Production creates wealth.

One of the prime purposes of organized society is the more equitable distribution of wealth. To divide up equally the present amount of wealth would get us nowhere. You cannot provide for a more equitable distribution of wealth unless more wealth is constantly created.

The creation of new wealth through increased production means more employment. It is through increased employment, not through increased taxation, that fairer distribution of wealth can be accomplished.

It is the part of wisdom, then, to relieve the wealth-producing agencies as much as possible of their tax burden and transfer these taxes to the individual incomes of those who share in the greater dividends thus made possible. This means the elimination of all corporation taxes and a proportionate increase of individual income taxes upon incomes, made larger by increased dividends.

This would do two things—release the wealth-producing corporation from a tax that has become destructive of all expansion and enterprise, and more firmly base the personal income-tax structure on the sound principle of "ability to pay."

It may be urged that elimination of corporation taxes would invite withholding of some corporate earnings from distribution. It probably would, but, up to a certain point, this is sound business practice, for this would mean, in most cases, reinvestment of such earnings in the business, with consequent reduction in unit costs, increased volume, and inevitably icreased employment.

When hoardings of earnings by a corporation, in order to avoid increased personal income taxes of some large stockholders, become evident, this evil can readily be reached by a specific penalty for such practices.

Under the present hodgepodge system of taxes, nearly one-half of the Federal taxes levied are so-called hidden taxes. These include nuisance taxes, excise taxes, production taxes of one sort or another.

The total of such hidden taxes has now reached a point where a workingman, earning $80 a month, is compelled to pay $123 a year in taxes, or 13½ percent of his income.

Both fair play and sound taxing methods demand the repeal of all these hidden taxes, and the substitution of a straight personal income tax for everyone earning $1,000 a year, or more.

Under such a system, no man earning $80 a month would be required to pay anything like the $123 he pays now in hidden taxes.

This broadening of the base of the income-tax structure must be accompanied by a graduated increase in the tax on incomes up to, say, $50,000 a year, in order to make up for the revenues lost by the repeal of the hidden taxes. This would mean less taxes for those least able to pay, and more income taxes for the great middle group, but not more in taxes than is exacted from them now by the various nuisance, indirect, and hidden taxes, plus their present income tax.

And all this would have a great advantage. It would make everybody, from the poorest to the richest, tax-conscious, and consequently make everybody interested in economy in government.

We cannot hope to preserve our democratic form of government unless we can banish the fallacy that only the rich pay taxes.

Another change essential to recovery is tax relief for venture capital—those excess earnings from businesses that are willing to take risks on the chance of making a profit. The present excessively high tax rates for large incomes, and especially the tax imposed on capital gains, have driven this "risk" money into hiding. It can be coaxed out only by a sharp reduction of the tax rates in the high brackets, and the repeal of the tax on capital gains.

This does not mean taking less money for the support of the Government from the rich. Present rates in the upper brackets have already gone far beyond the point of diminishing returns. Lower rates for large incomes will actually produce more revenue from this source. But what is far more important, lower rates for large incomes will release billions of dollars of "risk" capital for investment in new enterprises. This means reemployment for the jobless.

Finally, since increased production, and through it, increased employment, is our goal, it is obvious that all forms of pay-roll taxes must be done away with. A tax on a pay roll is a serious depressant on employment. It puts a premium on fewer instead of more employees.

Taxes for a reserve against unemployment should be paid in part by the beneficiary, that is, the insured worker, and the rest paid out of the general Federal funds.

A tax on a pay roll is a tax at the expense of the unemployed.

The objectives of such a program would be:

To relieve the tax burden of business engaged in producing a new wealth, and thus increase employment.

To substitute a simple direct income tax for the multiplication of hidden taxes from which Government now derives a large part of its revenue.

To make every citizen tax-conscious and hence interested in economy in Government.

To repeal the capital-gains tax, and to reduce the rates in the upper brackets of the income tax, in order to bring venture, or "risk" money into investment in new enterprises.

It is from new enterprise that we can hope to reduce unemployment and bring back prosperity.

The Amendment Mood

EXTENSION OF REMARKS

OF

HON. LUTHER PATRICK

OF ALABAMA

IN THE HOUSE OF REPRESENTATIVES

Friday, July 28, 1939

Mr. PATRICK. Mr. Speaker and fellow Members of Congress, it does not appear that we shall be here such a great while longer this session, and perhaps it is well enough. We have gotten into the amendment mood. No bill can hope to walk peacefully down the shady lane of procedure and into the green pasture of passage unmolested—not when Congress is in its amendment mood. Why? Because the Members of Congress must sick on the dogs of amendment.

In the main, Congress is composed of three classes of amenders. There you may find the nouner. We shall place him as No. 1. He amends by adding or striking out the word "wheat" or "railroad" or by striking at some other definite object of the bill. As it is clear precisely what such amendment will probably do, it is usually rejected with fair ease.

You may then see No. 2, the verber. He strikes at the enacting clause or comes forward with a "shall be," a "must consider," or even a "this is to annul." Since all he intends is quite clear and apparent, he is likewise fairly easy to disperse.

But deliver us from Mr. Amender No. 3. He is the adjectivor. Beware of the lawmaker who comes onto the floor with an amendment under his arm and an adjective in it. He approaches the bill with a pleasant smile and disarming manner, and before you realize what has happened he has deftly turned loose his adjective. Men who talk grammar insist that an adjective is a little chap that modifies a noun. Brother, how it can moderate, modify, and stultify a noun. Not only that, but it will modify a whole clause, a sentence, a paragraph, or a bill, and may throw a court or commission into cold chills on a hot day. Oh, an adjective can be as deceitful as a chameleon, fickle, changeable, indefinite, and uncertain, and can make one judiciary see him as one thing and another see him as quite something else. He meets opposition with change of color. Nothing has come along that I know of that can be quite as innocent looking and still as surreptitious and mischievous as an adjective.

Why are adjectives created? Ask any intelligent noun and he will tell you they are born into the world to annoy, injure, restrict, circumscribe, torment, hamstring, and sometimes actually destroy nouns. Did you ever notice how a healthy noun will tremble when a particular adjective gets around? Well, oblige me by noticing it. Thank you. I have seen a strong, live, capable noun standing erect in purpose and flushed with promise until it found itself stalked by a vicious adjective. I have seen that stalking adjective approach, strike, miss, go away, and come again. I have seen it draw near from this side, that side, front, rear. Some adjectives, like those old Greek mythological creatures you know about, have the distracting ability to change form and to move from one disguise to another. Then I have watched that adjective, when it was apparent the appointed time had come, his eyes flashing fire, his fangs dripping venom—you understand this is an adjective of the most dangerous and

violent type—until he finally drove home his writhing blows to a critical spot. Pity then, the poor noun, and the bill that rested upon it for succor, force, and strength!

To be sure, there are gentle, kind-hearted adjectives who have no malicious intent and display no ill will, and who would not intentionally do bodily harm to any noun that ever lived. Such an adjective delights to go along with the poet, the promoter, the salesman, the minister in the pulpit, and even with the politician on the stump, and how it cavorts in the mellow moonlight where young-eyed love abides. But on the floor of Congress one meets the adjective whose inspiration is iniquity and whose baptism was hell fire. He is here today, and in the clever hands of the expert amender whose presence, strongly reflected in this Congress, is bound to do some harm, or something.

Therefore, if you agree with the Representative of the Ninth District of Alabama that we have reached the amendment mood in this the hot season of the year, and if you further agree that the able adjectivor is active and alert in our midst, you should further agree that it is a good time to wind up our necessary business and go home, where amendments, especially amendments by the adjective route, do not arise to haunt our very dreams at night.

I thank you.

Republican State Administrations Save Millions for Taxpayers Throughout Nation

EXTENSION OF REMARKS

OF

HON. GEORGE H. BENDER

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Friday, July 28, 1939

Mr. BENDER. Mr. Speaker, in the face of a new drive in Washington to spend-lend the Nation's way out of the second Roosevelt recession, Republican State administrations throughout the land have been waging a stern battle to cut down the cost of government. The elimination of needless services, the removal of unnecessary employees, the close scrutiny of pay rolls have replaced the slipshod practices of Democratic administrations with a resultant saving amounting to $100,000,000 in the next biennium.

Perhaps the most notable economies effected have been registered in New York. There, in spite of the presence of a Democratic Governor, the Republican-controlled State legislature cut the budget submitted by the Governor to the tune of $24,000,000 and balanced it for the year 1940 with a surplus to replace the deficit contemplated by the Governor's office. The achievement was rendered all the more notable because of the bitter opposition of entrenched Democrats.

In Ohio Gov. John W. Bricker and the completely Republican State assembly reversed the trend of State expenditures by presenting for the first time a biennial budget which listed all the expenditures anticipated for the 2-year period, including relief, old-age contributions, school subsidies, as well as normal governmental costs. In the words of the Governor, the purpose of his administration was "to restore efficiency and economy in government." He declared that—

> More than $13,000,000 has been cut from maintenance cost. Three thousand employees have been removed from the public pay roll. Payment and refunding of a $20,000,000 debt have been provided for. No new taxes have been levied. When too great a portion of the investor's capital, the laborer's pay, and the businessman's profit are taken for the cost of government people flee from that government and turn to other forms. The best assurance for the perpetuation of our beneficent form of government is to lessen the burden and encourage business and labor. Then money will flow into the channels of business and industry. We have here the resources, the people, the will to do, and the desire to live better. Confidence alone is needed. That confidence will flow from the recognition by public officials of the will of the people as expressed last November.

In Connecticut, Republican Gov. Raymond E. Baldwin has balanced the budget of his State without new taxes for the first time in the last 10 years. Estimates indicate a surplus of $200,000, in spite of the fact that included in the general-fund expenditures are $3,250,000 toward the liquidation of a $13,000,000 deficit run up during 8 years of Democratic State administrations.

Gov. Arthur H. James, of Pennsylvania, faces a $42,000,000 deficit left by former Governor Earle, an ardent disciple of the New Deal. Yet, despite this tremendous obstacle to sound economy, Republican Governor James will save his State at least $13,000,000 even if relief costs remain on exactly the same level as they were in the 2 years preceding his election.

In Massachusetts, Gov. Leverett Saltonstall took office with just $15,000 left in the State treasury. His Democratic predecessor had gone through over $4,275,000 in State funds. No less than $10,000,000 of the 1939 budget was directly traceable to the extravagance of the Democratic State administration which was repudiated at the November elections.

Government costs in South Dakota under Gov. Harlan Bushfield were slashed by almost $1,000,000 and a property tax was eliminated with a saving of more than $1,400,000 to real-estate owners.

Gov. Payne Ratner, of Kansas, and Gov. C. A. Bottolfsen, of Idaho, have affected savings of more than a million dollars between them for their respective States. Governors William H. Vanderbilt, of Rhode Island; George A. Wilson, of Iowa; and Lauren Dickinson, of Michigan, have succeeded in reducing expenditures by millions for the fiscal year of 1940 through rigid adherence to an economy program.

Reporting these substantial economies to the Nation, Republican National Committee Chairman John Hamilton pointed out that—

> The importance of the savings made this year lies in the fact that at a time when President Roosevelt and the New Deal are encouraging reckless and extravagant public spending, there are men with the courage to wrestle with this problem. The important thing, after all, is that the trend toward ever-mounting Government costs has been reversed in some States. Few people really know the thorny problem with which the Republican Governors have been forced to struggle this year. In practically every instance they inherited from their Democratic predecessors unbalanced budgets, policies which called for increase spending, and commitments requiring appropriations to be made. But despite these obstacles in the way of orderly State finances, many of our Governors have succeeded in restoring sanity to their budgets.

The difficulties which confront Republican State administrations in their efforts to check the spending orgy are clearly illustrated by the New York experience. When Democratic Gov. Herbert Lehman submitted the largest budget in the history of the State, the action of the Republican legislature in cutting it down was followed by an outburst of unrestrained fury. The heads of every State department affected by the savings shrieked in protest. The commissioner of correction declared to the press that the cuts were "inconceivable." Highway bosses said that their work would be crippled. Howls from organized teachers' groups, backed by a $6,000 protest march on Albany, filled the city of New York. But the legislature stood by its guns. In spite of the outcry, its members, who had been elected on an economy platform, maintained their position.

Those who believe that economy can be simply won are due for a rude awakening. The clamor of the States will be as nothing by contrast with the fury which will rise when the Republican Party insists upon paring down Federal expenditures. No surgeon enjoys the thought of an impending operation. Yet he must do his duty as he sees it. The Republican Party does not relish the job of pruning which lies ahead. Yet we shall undertake it in the conviction that it alone offers prospect for the ultimate restoration of the Nation's economic wealth.

Spending-Lending Bill

EXTENSION OF REMARKS

OF

HON. JOSEPH J. O'BRIEN

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Friday, July 28, 1939

COMMENTS BY FRANK E. GANNETT, OF ROCHESTER, N. Y.

Mr. O'BRIEN. Mr. Speaker, under leave granted to extend my remarks in the RECORD, I include the following comments by the distinguished New York publisher Frank E. Gannett, of Rochester, N. Y.:

GANNETT SEES RECOVERY STIMULUS IF CONGRESS DEFEATS LENDING PLAN

Defeat by Congress before adjourning "of the spending-lending bill, lock, stock, and barrel, will give the strongest possible stimulus to Nation-wide recovery," Frank Gannett said in a statement here last night.

The statement was wired to the members of the Rules Committee and the Banking and Currency Committee of the House of Representatives.

Speaking as chairman of the National Committee to Uphold Constitutional Government, Gannett continued:

"Business leaders and investors will know that a nightmare of Government competition and business uncertainty is ending. Private enterprise will know once more that the elected representatives of the people are in control of national policy, and the country will be grateful to Congress.

"This committee's detailed reports from every State indicate that public opinion is swinging rapidly against the spending-lending policy.

"Too long, the inexperienced young men of the White House "brain trust," applying a British economist's rejected-at-home remedy for the depression, have usurped the direction of this Nation's policy. Ignorant of the principles on which private enterprise has been built, or preferring a collectivist economy, they have interfered with legislation and as a result America lags far behind other nations in recovery.

"After J. Maynard Keynes, the British economist, sold his formula to the White House, he is reported, on his American lecture tour, to have said: 'I envy the young men around the President their opportunity to experiment on a whole Nation.' But what about the guinea pigs? One-half of the unemployed of the world here in America, huge debts and taxes stifling new enterprise, the most efficient and most productive machine in the world's history stalled at two-thirds capacity.

"Members of Congress should throw the Keynes spending-lending theory into the Capital ash can, then go home and watch recovery.

"Wire to your Senators and Members of Congress urging them to kill this spending-lending bill and adjourn so that business can go ahead."

Puerto Rico's Day at the New York World's Fair

EXTENSION OF REMARKS

OF

HON. SANTIAGO IGLESIAS

RESIDENT COMMISSIONER FROM PUERTO RICO

IN THE HOUSE OF REPRESENTATIVES

Friday, July 28, 1939

ADDRESS BY HON. SANTIAGO IGLESIAS, RESIDENT COMMISSIONER FROM PUERTO RICO, ON JULY 25, 1939

Mr. IGLESIAS. Mr. Speaker, under leave granted to extend my remarks in the RECORD, I include the following speech delivered by me commemorating Puerto Rico's day at the New York World's Fair:

The authorities of the New York World's Fair set this as Puerto Rico's day, commemorating the date of the change of our sovereignty and the beginning of a new course in the life of our working masses and the freedom of our people.

We are beholding one of the most magnificent spectacles in the heart of this wonderful fair to honor the people of Puerto Rico. We should sincerely like that all the people of the island might be here to enjoy this pleasant moment and thus contribute to exalt the name of our beloved island and its people.

The building which represents Puerto Rico is modest. The diversity of industries exhibited in it constitute a praiseworthy task that renders tribute to our country at this moment when it is being honored by officials who represent the World's Fair—Mayor La-Guardia, Mr. Grover Whalen, our Governor Winship, and Admiral Leahy, the latter of whom will shortly direct the destiny of our country.

We congratulate the Legislature and the authorities of Puerto Rico who carried out the arrangements in order that this work might make known among the nations of the world and the States of the American Union, the place of honor which Puerto Rico occupies.

The satisfaction that I feel is great. The ideals which we and other leaders of our country have maintained for so long to unite permanently with the United States and defend the democratic principles which President Roosevelt has set forth during the years of his fruitful administration of social justice assume at this moment the most emphatic indication that we, the American citizens of Puerto Rico, are not mistaken in fostering the great idea of becoming definitely and permanently an integral part of the American Nation.

History has proclaimed that the landing of Gen. Nelson A. Miles' United States Army troops in Puerto Rico July 25, 1898, was a happy event for the people of the island, who rejoiced when they saw that the reactionary and unjust domination had been terminated. The people at large felt that they were to be free under the new republican regime.

After 40 years of wonderful progress in government, civil liberties, social legislation, culture, sanitation, agriculture, and industry, some invisible forces directed by individuals from the island and the mainland have tried to initiate a campaign of sinister propaganda against the peaceful life of Puerto Rico, with the purpose of creating discord and hatred against our people and American institutions in the island but failed.

Puerto Rico is an organized Territory of the United States, founded on a democratic constitution formulated by the Congress of the United States. Civil liberties have prevailed. In the 1936 elections a coalition, which includes Unionist, Republican, and Labor Parties, cast 298,059 votes for the Resident Commissioner; the Liberal Party polled 254,470, thus giving the Resident Commissioner a majority of 46,563. The legislature of the island was elected by the people and entrusted to maintain our loyalty and preserve our American institutions of the United States.

As soon as the island became a part of the United States in 1898, and particularly since the Puerto Rican people became citizens of the United States, unprecedented progress has been made along almost every conceivable line. To believe that statement, one must have lived on the island in the old days. Humble as their circumstances may seem today, the people in general and the working classes now are immeasurably better off in every way.

Wages for agricultural laborers are relatively low, but they are higher than those prevailing in many of the independent countries in the Caribbean area and in Central America. In short, we have made many advances that we rightly can be proud of.

When Puerto Rico first became a part of the United States there was only one building on the island which had been built to serve as a government school; today there are more than 2,000 school buildings, many of them made from concrete and fine enough to do credit to any rural community in the States. In 1898 fewer than 23,000 children were in school, the total budget for education was only $130,000, and the investment in school property was negligible. At the present time, however, we have more than $12,000,000 invested in school buildings and equipment, more than 265,000 children attend school, and the insular and municipal governments spend in excess of $6,000,000 annually on public education.

The Farmers Not Afforded Fair Hearing

EXTENSION OF REMARKS

OF

HON. HARRY R. SHEPPARD

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Friday, July 28, 1939

Mr. SHEPPARD. Mr. Speaker, I wish to call attention to the Members of the House of Representatives of the hearings on the wage and hour amendments before the House Committee on Labor that took place yesterday and which shows that the farmers and their representatives were not afforded a fair and reasonable opportunity to appear before the committee.

Wires were received by four of the national farm organizations from Chairman MARY T. NORTON, of the House Labor Committee, at varying times between 9 a. m. and 9:51 a. m., July 27, 1939. The National Cooperative Council never did receive an invitation to appear.

A telegram sent by the lady from New Jersey [Mrs. NORTON] to these four organizations was as follows:

WASHINGTON, D. C., *July 26, 1939.*

Today I requested Mr. BARDEN to name a representative from the five agricultural groups who were responsible for preventing consideration of amendments to wage and hour bill to appear before the Labor Committee tomorrow morning at 10 o'clock in the caucus room, old House Office Building, to present their reasons for opposing these amendments. Mr. BARDEN declined to accept responsibility of naming spokesmen for the groups. I am therefore suggesting to each of the five organizations represented that you name one representative to speak in your behalf.

MARY T. NORTON,
Chairman, Committee on Labor.

Obviously, with less than an hour's notice, and in one instance but 9 minutes' notice, it was impossible for these groups to meet and select one spokesman to represent their diverse interests before the committee, which convened at 10 a. m.

Each of the farm organizations sent a statement to the lady from New Jersey [Mrs. NORTON], explaining the reason why they could not appear, but she failed to make known the contents of these statements during the public hearing, even though repeatedly requested to do so. I think the House should be advised of these wires.

On April 5 and 6, 1939, these groups requested the House Labor Committee to hold public hearings and allow them time to appear and present their views on proposed amendments to the wage-and-hour law. The chairman of the Labor Committee, in a written communication, advised that such permission would not be allowed and that the committee had agreed not to hold public hearings on the proposal.

The attempt yesterday to force these farm groups to explain their position in the 15 minutes allotted to them did not offer a fair and reasonable opportunity for them to present their position.

The statements sent to Chairman MARY T. NORTON in answer to her wire were as follows:

JULY 27, 1939.

Your wire requesting us to join in the selection of a representative to speak for agriculture before your committee at 10 a. m. today was first seen by me when I arrived at the office this morning. It is obviously impossible for me to call or attend a conference for this purpose in the time allowed. Also, it is impossible for any one representative to present all the various problems involved in agriculture. On April 5 this organization requested a hearing before your committee, and this was refused. In view of the lateness of the session, it is apparent that you could not afford us ample time to properly present our views.

FRED BRENCKMAN,
Representative, National Grange, Washington, D. C.

WASHINGTON, D. C., *July 27, 1939.*

Mrs. MARY T. NORTON,
Chairman, House Labor Committee,
House Office Building, Caucus Room, Washington, D. C.:

Your telegram addressed to President O'Neal, requesting that the farm organizations join in designating a spokesman to appear at a hearing at 10 o'clock this morning was received in his absence from the city at 9 a. m. today. Your telegram states that the purpose of this hearing is to hear the objections of the farm organizations to your proposed amendment to the Fair Labor Standards Act. We requested of you an opportunity to be heard before your committee in April. This request was refused. Our reasons for opposing your amendments have already been set forth in joint letters to all Members of Congress on previous occasions when consideration of your bill was sought. As to the Barden bill, we reiterate it is but a clarification of the exemption provisions of the existing act affecting agriculture, which the Administrator has so narrowly construed. At this late date in the session we feel that further delay would be unfortunate. We therefore respectfully urge that the subject be placed before the House of Representatives without further delay.

AMERICAN FARM BUREAU FEDERATION,
By W. R. OGG.

Mrs. MARY T. NORTON, JULY 27, 1939.
Chairman, Committee on Labor,
House Office Building, Washington, D. C.

MY DEAR MRS. NORTON: At 9:51 o'clock this morning your telegram of July 26 was delivered, requesting that the five major agricultural groups, of which our organization is one, choose a representative to speak for all agriculture this morning with respect to proposed amendments to the wage-hour bill.

Manifestly it would be impossible for the representatives of these groups, even if they had the power which they do not without consultation with their respective boards, to get together and agree upon a single individual who would be competent to discuss the technical labor problems of all of the agricultural trades in time to present evidence at this morning's hearing of the Committee on Labor. Furthermore, the leaders of our federation, being responsible for direct employer relationships with thousands of dairy workers, would not be willing to entrust to any person outside of the dairy cooperative field, the task of such representation.

May I further remind you that this organization on April 6, in writing, requested a public hearing, and an opportunity to be heard upon these proposals. On April 7 you replied with the statement that "The committee has agreed not to hold hearings on this matter." Subsequently, it became necessary for us to join with other agricultural groups and take our case to the Members of the House of Representatives in an attempt to protect our people from the injury which would have been done to them by the bill (H. R. 5435) sponsored by you and which you attempted to get through the House without recourse to the normal legislative procedure of amendment on the floor.

Under the circumstances, this late hearing, following as it does the conferences between you and your colleagues and the Rules Committee, appears to us to be purely a device to prevent the Barden amendments from reaching the floor for action in this session.

I regret, Mrs. NORTON, that we cannot allow our organization to be put in the position of being parties to delay with respect to necessary and urgent legislative action. The present wage and hour law, and the administration of it, are most unpopular among farmers at the present time. There is need of both amendatory legislation and reform of administration.

Sincerely yours,
THE NATIONAL COOPERATIVE MILK PRODUCERS' FEDERATION.
CHAS. W. HOLMAN, *Secretary.*

JULY 27, 1939.

Mrs. MARY T. NORTON,
Chairman, House Committee on Labor,
House Office Building, Washington, D. C.

DEAR MADAM: We learned at 10 o'clock this morning that you had invited certain national farm organizations to send a single representative to appear before your committee this morning at 10 o'clock as a spokesman for the entire agricultural industry with reference to wage-hour legislation. This council, representing over 4,000 farmer cooperative marketing and purchasing associations, with a total farmer membership of 1,700,000, received no invitation to participate. Obviously, this council will not be represented.

May we remind you, however, of our request of April 6 this year for hearings on amendments to the wage-hour law. This request was denied. The official delegates and officers of this council have stated their position with reference to the needed agricultural amendments as embodied in those introduced by Congressman BARDEN. We reaffirm our position in support of the Barden amendments.

Sincerely yours,

EZRA T. BENSON,
Secretary-Treasurer, National Cooperative Council.

WASHINGTON, D. C., *July 27, 1939.*

Mrs. MARY T. NORTON,
House Office Building, Washington, D. C.:

Your telegram requesting the agricultural producers labor committee to participate in naming a spokesman to present the view of agriculture on the wage-hour bill at a 10 o'clock hearing today was received at 9 o'clock today. No one person could be expected to present agriculture's views in all their particulars. About April 1 I had several conversations with you asking for a hearing before the Labor Committee but had evasive replies. On April 5 I requested a hearing by letter to which you replied on April 6 politely refusing a hearing. This is indeed a late hour for a change of mind and it should be apparent that an adequate presentation of our viewpoint cannot be made in the time appointed. Our reasons for opposing your bill have been explained in joint letters to the House Members. Our reasons for supporting the Barden bill have been briefly outlined in similar letters. Your tardy request for testimony has every appearance of being a dilatory move to delay action by the Rules Committee. On the heels of your various misrepresentations of the farmers' position and your abuse of their spokesmen and in the light of the very apparent prejudice of some members of the committee against farmers we regard the present occasion as one in which cooperation with you is impossible under existing circumstances.

IVAN G. MCDANIEL.

Now, Mr. Speaker, I want to call to the attention of the House that I was one of the signers on the discharge petition to bring out the wage and hour bill for enactment in the Seventy-fifth Congress, and I am in sympathy and still supporting wage and hour legislation, but I do not feel that the interpretations of the act—area production—has been

fairly administered in its application to the farmers of this Nation, and I feel that the committee handling this legislation should at least give the agriculture representatives an opportunity to present their side of the picture in order that they have necessary consideration and exemption under the wage and hour law.

Referendum on War

EXTENSION OF REMARKS

OF

HON. ROBERT M. LA FOLLETTE, JR.

OF WISCONSIN

IN THE SENATE OF THE UNITED STATES

Friday, July 28 (legislative day of Tuesday, July 25), 1939

LETTER FROM MAJ. GEN. WILLIAM C. RIVERS

Mr. LA FOLLETTE. Mr. President, I ask unanimous consent to have printed in the Appendix of the RECORD a communication which appeared in the New York Times on Tuesday, July 25, 1939, from Maj. Gen. William C. Rivers, United States Army, retired, on the subject of War Referendum.

There being no objection, the communication was ordered to be printed in the RECORD, as follows:

[From the New York Times of July 25, 1939]

WAR REFERENDUM DISCUSSED—IN SUPPORT OF THE BILL

TO THE EDITOR OF THE NEW YORK TIMES:

Maj. Gen. John F. O'Ryan states his conviction that the war referendum bill pending in Congress is an impracticable and dangerous measure.

I would like to commend the above proposal; it appears to me to be a wise step for our people to take. Practically, it would call for a national referendum only when it is intended to send an American army to engage in a foreign or overseas war. It would not prevent sending our forces to fight in a foreign war, if the people so desired and so voted.

I have had opportunity for considerable service in wars and active field operations—in the later Indian troubles in our West, Santiago in Cuba, the Philippines, and in France, where I had a line-of-battle command in all our major combats. Years of study by able historians have failed to develop agreement as to the principal causes for our entry into the last two wars. It does seem clear, however, that we drifted into both our last wars—and at the very time we were declaring that we had no desire to go to war.

WILLIAM C. RIVERS,
Major General, U. S. A. (retired).

NEW YORK, *July 23, 1939.*

Salem (Ill.) Soldiers and Sailors Reunion

EXTENSION OF REMARKS

OF

HON. CLYDE L. HERRING

OF IOWA

IN THE SENATE OF THE UNITED STATES

Saturday, July 29 (legislative day of Tuesday, July 25), 1939

ADDRESS BY HON. JAMES M. SLATTERY, OF ILLINOIS

Mr. HERRING. Mr. President, I ask unanimous consent to have printed in the Appendix of the RECORD an address delivered by the junior Senator from Illinois [Mr. SLATTERY] at the Salem (Ill.) soldiers and sailors reunion.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

Mr. Chairman, distinguished guests, and friends, an invitation to speak on this occasion—Democratic Day at Salem's Soldiers' and Sailors' Reunion—is an honor so complimentary to its recipient that I accepted, even though the closing days of a congressional session are ones filled with major responsibilities.

On my way here I stopped in Springfield for a brief visit with our beloved Governor. You will rejoice with me in knowing that he is rapidly regaining that health which he sacrificed by his devotion to this State. I bring to you his most cordial greetings; his best wishes. He asked me to express his deep regret at his inability to be here today. This event is one near to his heart, as he has been your guest and speaker on many similar occasions.

Mingled with our rejoicing for the return to health of Governor Horner is a deep note of sorrow at the absence from this meeting of my distinguished predecessor, James Hamilton Lewis. His death has taken from us that inspired eloquence and wisdom which has so often delighted those attending this reunion.

I know you will pardon a personal note if I digress for but a moment. I feel a deep obligation in the position I now hold. Appointed to the Senate, as I was, by a Governor whose unfailing integrity and devotion to the public good is common knowledge in every Illinois household, I was called upon to succeed a Senator whose scholarly attainments and knowledge of public affairs were international in scope.

In the position I now hold I am ever conscious of the fact that Governor Horner demonstrated great confidence in me by my appointment. I am ever conscious of the fact that I am endeavoring to fill the role so ably played by the late Senator Lewis. Accordingly, I feel that if I chart my course by those high ideals of government as exemplified by Henry Horner and as portrayed by James Hamilton Lewis I will best serve my State.

Fortunate, indeed, was I upon entering the Senate to have there as my friend and counselor SCOTT W. LUCAS, senior Senator from Illinois.

Senator LUCAS has more than met the responsibilities of his office. As Illinoisans, you and I both can rejoice in the knowledge that he is high in the councils of our Government; that he was designated as spokesman of those Senators coming from the great agricultural Midwest.

Firm in the fundamental principles of our great party, Senator LUCAS possesses wide knowledge of our present-day problems, and, unhesitatingly, I say that he, as your Senator, brings added luster to our great State.

I would not miss the opportunity that this occasion presents to pay my compliments to my good friend, your neighbor, JOHN C. MARTIN, who, as Congressman at large, represents this entire State in the National House of Representatives. He and your district Congressman, LAURENCE ARNOLD, both command positions of influence in the National Capital; both are esteemed in the high councils of our party, and I am happy to say that I delight in their friendship and that I have profited immeasurably by their advice.

As I drove into Salem today I was happy to see the many evidences of the new-found prosperity which has come to this community.

This huge oil development—already one of the largest in our country—has proved a boon not only to your locality but to our entire State. The prosperity of one part of Illinois is reflected, you know, in all others; even as is the prosperity of one State, or the lack of it, reflected throughout our entire Nation.

As a Senator I have been called upon, in the brief time I have held office, to vote on many measures affecting the welfare of our Nation. I have sought to do so on the principle that whatever aided a part of our people any place in our Nation was also an aid to the people of Illinois.

My senatorial experience—brief as it has been—afforded me an ideal opportunity to compare the programs of the Democratic and Republican Parties. You know of the many great and constructive measures which the Democratic administration has advanced for the welfare of our people.

Since 1933 the Democratic Party, headed by that matchless leader, Franklin D. Roosevelt, has been in control of the administration at Washington.

When our party came into power our Nation was well nigh desolate. Banks were closed; crops sold only at ruinous prices; millions walked the streets in fruitless search of jobs; fear and misery gripped our entire Nation.

With superb and matchless leadership, Franklin D. Roosevelt, aided by a Democratic Congress, drove from our midst the specter of fear. Despite the opposition of reactionaries; despite the criticism of those timid souls who said it should not be done because it had never been done; despite the wailing of those whom he deprived of special privileges, Franklin D. Roosevelt, firm in the belief that in this Nation there is plenty for all, drove relentlessly forward to the achievement of a great program of social justice.

My friends, only Monday, in the city of Chicago, there was presented the first unemployment-compensation check drawn in the State of Illinois. Now that great program is in full operation in our State. Great as it is, far reaching as will be its consequences, it is but one of many humanitarian and beneficial measures which have been enacted at the insistence of our far-sighted President, whose only concern is the welfare of our people.

Roosevelt and Americanism have become synonymous. This Nation was founded upon the principle of equal justice and equal opportunity for all. That, my friends—equal justice and equal opportunity for all—is the very essence of what Roosevelt has sought to accomplish since 1933.

He and the Democratic Party have given to America old-age pensions; they have given to America the Federal guaranty of bank deposits; they have given to America opportunity for the unemployed to engage, at a living wage, in gainful employment until such a time as private industry can absorb them; they have given to America many beneficent and far-reaching measures—so many that I cannot take the time to enumerate them all.

Suffice it to say that Roosevelt and the Democratic Party have sought to give America back to Americans; that they have sought to make America a land of equal justice and equal opportunity for all.

And, my friends, despite the opposition of the reactionaries; despite the inertia of the timid, we have gone a long way since 1933.

Now that we are on the verge of complete fulfillment of this great humanitarian progress of Americanism, the opposition, from their remaining citadels of privilege, are engaging in a desperate and frantic, albeit futile, struggle.

During my occupancy of a Senate seat—and I am told that the same was true prior to my incumbency—there was not heard from the Republican Party or from any of its spokesmen a single constructive proposal for the advancement of the welfare of the common people.

All the Republican Party has to offer, all that it has ever offered, whether it be in the United States Senate or elsewhere, is a program of carping criticism. As an opposition party it is as befuddled as it is reactionary. It has long since ceased to have any plan or purpose other than to slander and libel the Democratic administrations. As a substitute for democratic action and progress it offers nothing save a return to the reaction of Herbert Hoover and the inactivity in behalf of the people that is traditional of the Republican Party. The American people will never forget the Hoover depression and the utter impotence of the Republican Party in meeting the problems arising from it.

The Republican Party promises but the Republican Party does not perform.

All that the Republican Party can think of is "on to '40." The Republican Party is not interested in your problems of 1939.

No! "On to '40." That is their only purpose. Assassinate characters. Vilify reputations. Hurl reckless charges with abandon. Anything! Everything! Just so it helps "on to '40."

The Republican Party in both State and Nation has demonstrated it is not interested in the empty stomachs of 1939; it has no interest in the farm crops or farm prices of 1939; it is not concerned with the jobless man of 1939.

None of these pressing problems of 1939 mean anything to a hungry mob of politicians who are hell-bent "on to '40."

Well, my friends, "on to '40" it is. But let the people of Illinois and the Nation beware lest "on to '40" takes them back, by the election of the Republican Party, to the dark days of 1929, of 1930, of 1931, and of 1932.

When Republican orators promise next spring and again in the fall of 1940; when they promise you the solution for all the problems besetting us; when they promise every jobless man a job; when they promise the farmer a bumper crop and new highs in prices; when they promise all this—and heaven, too—recall their utter impotence of 1929, 1930, 1931, and 1932, and recall their utter inability to present a constructive solution for our present-day problems.

The Republican Party, as I have said, promises but it does not perform. The promissory note of the Republican Party is not worth the paper on which it is written.

In Illinois we expect promises to be redeemed. Governor Horner has accustomed the Illinois voters to that. So if we, as a Democratic Party, continue to redeem our pledges; if we continue to work for the common good of all our people; if we remain, as we now are, a united harmonious democracy those Republicans who now are lustily chanting the "On to '40" refrain will, when '40 has come and gone, awaken from their daydreams and say:

"There was no difference between 1940 and 1932, or 1934, or 1936, or 1938."

We of Illinois are ready. Under the matchless leadership of Governor Horner, inspired by the knowledge that, as Democrats, we have diligently sought to do the right, as God has given us to see the right, we say:

"On to '40; a united and harmonious democracy. On to '40 and another great victory for the rank and file of our people by the election of the entire Democratic ticket."

Moral Rearmament Program

EXTENSION OF REMARKS

OF

HON. HARRY S. TRUMAN

OF MISSOURI

IN THE SENATE OF THE UNITED STATES

Saturday, July 29 (legislative day of Tuesday, July 25), 1939

RADIO ADDRESS BY HON. ELBERT D. THOMAS, OF UTAH, JULY 22, 1939

Mr. TRUMAN. Mr. President, the junior Senator from Utah [Mr. THOMAS] has for a number of years been preparing and sending weekly radio messages to the various stations in Utah. On July 22 he took for his theme sentiments and ideals in connection with the Moral Rearmament movement. I ask to have printed in the Appendix of the RECORD one of these messages.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

I hold in my files a brief communication from London, in which it is stated to me in full: "Those members of the House of Lords who sent a message to the meeting for moral and spiritual rearmament in Washington desire to thank you for your kind response. We feel with you that such an interchange of messages is, to use Senator TRUMAN'S words, a sure means of 'strengthening those spiritual qualities which are the common heritage of our peoples and the strongest bond between us.'" Senator TRUMAN is Senator from Missouri and had the honor to represent the President in the moral rearmament conference. It was held in Constitution Hall on June 4. I had the honor to be listed and to take part as a sponsor.

The words Senator TRUMAN carried from President Roosevelt are, it will be remembered, as follows: "The underlying strength of the world must consist in the moral fiber of her citizens. A program of moral rearmament for the world cannot fail, therefore, to lessen the danger of armed conflict. Such moral rearmament, to be highly effective, must receive support on a world-wide basis." General Pershing was quoted, in part, as stating: "Today, confronted by conditions so threatening to world peace, we must rededicate ourselves to the faith of our forefathers if we are to be worthy of our heritage."

All this is rather vague, if we are looking for vagaries. Morality in a person is an indefinite quality. In a nation it is so also. But we all know morality when we are brought face to face with it. At no other time have nations been so greatly menaced through the suspected disappearance of this quality among some nations than now. We may not direct the affairs of other nations, but we may set our own house in order.

I believe the Moral Rearmament Conference was given good coverage in the newspapers, so I shall not take the time here to describe it. It was conducted at the time the King and Queen were among us.

A few days afterward it was my pleasure and honor to address the Third Conference on Canadian-American Affairs on the subject of Defense and External Obligations. This was at the request of Secretary Hull, of the State Department. The event was celebrated in an eastern Canadian-American border city. There I repeated the four great freedoms in relation to person, to mind, to soul, and to property, and said that it was and is our obligation nationally and internationally to see that no act of ours shall ever deprive others of the attainment of these political and social rights. Nor may one be on the side of a wrongdoer without contributing to the wrong.

I make these general statements and recall these thoughts tonight because we soon are to adjourn Congress without a significant foreign policy and without adequate domestic neutrality legislation.

Men in Washington are making statements, and I am making mine. We do so not because we fear an international war before Congress may meet again but because we fear the possibility, perhaps even the likelihood of one. I do not want to become dramatic, but, for the record, I am unhappy about our national unconcern over things international, and over the refusal of Members of the United States Senate as much as to give the time to talk about it.

If an ounce of prevention is worth a pound of cure, it will be best that consideration of our foreign policy be taken up not after such an outside conflagration but before. Our debates should be held while we are yet unimpassioned and as nearly unprejudiced as a nation with free thought and an ample news coverage of foreign events could be expected to be.

For the record, let me say that the subject of American neutrality has been passed off too lightly in 1939 and in many other years, but notably in 1939. We have domestic ills which have occupied too much of our time, relatively. While we have been watching them to the exclusion of the larger picture, a changing world has left us with only a laboratory record of meager and poor experiments based on our own history, no text on the experiments of others outside, and no particular desire for learning. I think it would be better for those of us who believe that world morality is part of our national code to go onto the floor of two houses and have the stuffing beaten out of us, as we probably would have, and thus at least serve notice to other nations where we stand than to let them get so many and so conflicting impressions on American relations, American peace and American neutrality. America today is something like a man under mild intoxication, she wants to be everybody's friend but does not know why or how.

I thank you.

Appointment of Paul V. McNutt and the Hatch Bill

EXTENSION OF REMARKS

OF

HON. SHERMAN MINTON

OF INDIANA

IN THE SENATE OF THE UNITED STATES

Saturday, July 29 (legislative day of Tuesday, July 25), 1939

ARTICLE FROM THE CHRISTIAN SCIENCE MONITOR

Mr. MINTON. Mr. President, I ask unanimous consent to have printed in the Appendix of the RECORD an article published in the Christian Science Monitor, in the column headed "Intimate Message From Washington."

There being no objection, the article was ordered to be printed in the RECORD, as follows:

[From the Christian Science Monitor]

INTIMATE MESSAGE FROM WASHINGTON—MCNUTT'S APPOINTMENT AND THE HATCH BILL RAISE QUESTIONS OF THE FINANCING OF AMERICAN POLITICAL PARTIES

WASHINGTON.

Sooner or later Americans must do some hard thinking about the organization of political parties. It is one of the most fundamental problems in the United States. We are in the main proud of the party system and committed to its perpetuation, though it finds no mention in the Constitution. But how should these parties be organized and, above all, how financed? This question is raised by two recent news events: The national attention given to Paul V. McNutt, who, as Governor of Indiana, organized the "Two Per Cent Club," which was a frank salary assessment on State officeholders, and the passage of the Hatch bill, which forbids political activity by an army of Federal workers.

Few writers have written more ardently than this one in support of civil-service reform and the merit system. That Government business should be done on a nonpolitical basis goes without saying. But a mere statement does not end the matter. We also believe in the party system. Are these two ideas in conflict? Theoretically there is no clash. Parties should be the grouping of men of like views, held together by common ideals. As a matter of fact, everyone knows that this is only part of it. Parties have to have money to win elections. How shall they get it?

Reformers have been unrealistic about this whole matter. Many of them have preferred not to look behind the scenes. We know that one way of keeping parties together is by patronage. Most of us agree it is a bad way. The Hatch bill may do a good deal to end it, if (and it is quite an if) it can be enforced. Another way is by party war chests raised by gifts. Is this a good way? Reformers decry the McNutt scheme of making every employee pay 2 percent of his salary. This writer believes it is a vicious system. But there is danger of being smug about it; after all the McNutt scheme was brutally frank, it was relatively open and above board, it dragged the forbidden subject into the air. Is it worse to have a party financed and held together by that method, or by secret political contributions of special interests in return for favors made after the election?

QUESTION REQUIRES REPLY

This is an uncomfortable but a very real question, and it demands reply. We are just approaching a great new presidential election. Recall for a minute what such an election costs. The 1928 campaign cost Hoover headquarters $10,000,000 and Smith $7,500,000. In 1932, in the depression, Republicans spent $2,900,052 and Democrats $2,245,775 (ending the fight with deficits of $195,100 and $769,056 respectively). In 1936 the Lonergan Committee estimated the Republican National Committee spent $8,892,971, State committees $4,969,129, and miscellaneous Republican organizations $336,102, or a total of $14,198,202; while Democrats spent in the same categories $5,651,118; $2,757,236; and $820,052 or a total of $9,228,406. Even this only begins to tell the story, for when other parties and State contests are taken into account, the total may have reached the astonishing figure of $48,000,000!

How shall parties be made effective? There is not any bigger domestic subject than the Government of the United States, and this question of party financing and patronage goes to the heart of the matter. It is high time some thought was given to it. Politics abhor a vacuum. If the Hatch bill destroys one form of party support, some other will be created. It is not sufficient in carrying out a reform simply to destroy; something must be created to take its place. What should it be in this case?

MONEY HAS TO BE RAISED

This writer simply does not know. European parties are financed in large part by the dues of members. Campaign chests are small. Furthermore, compact, single-issue parties like the Socialists, Communists, or, let us say, Prohibitionists, are simpler to manage and get mass contributions more easily. Nobody can deny that at present money has to be raised. The question is, Shall it be by "2 percent clubs," by contributions from the wealthy, by patronage, or by some other means as yet unexplored in America?

The Hatch bill raises other urgent problems. With commendatory zeal it would divorce Federal officeholders from politics. This strikes a blow at the New Deal's control of the 1940 convention. It was largely to achieve this highly political end that the nonpolitical measure was passed. But it does nothing to halt State machines. Obviously, similar measures should be passed in the States. But until they are passed the whole political balance is (theoretically at least) upset, and power shifts from Federal patronage to State patronage. The Governors win and the Senators lose. Local bosses get power at the expense of Federal bosses.

The workings of the Hatch bill, it must be said, are still viewed here with considerable skepticism. Worthy as are the motives, the Hatch bill must still prove in actual practice that it is a real remedy for the problems it seeks to handle. But provided enforcement is fully effective, the public must realize it leaves two major problems unsolved, (a) political coercion of State officeholders, and (b) the much bigger and intrinsically more difficult subject, how to run political parties without patronage and without selfish dividends.

RICHARD L. STROUT.

Silver Purchase Program

EXTENSION OF REMARKS

OF

HON. JOHN G. TOWNSEND, JR.

OF DELAWARE

IN THE SENATE OF THE UNITED STATES

Saturday, July 29 (legislative day of Tuesday, July 25), 1939

EDITORIALS FROM THE BANGOR (MAINE) NEWS, HARTFORD (CONN.) COURANT, AND THE NEW YORK SUN

Mr. TOWNSEND. Mr. President, I ask unanimous consent to have inserted in the RECORD an editorial from the Bangor (Maine) News entitled "Silver Farce and Tragedy," an editorial from the Hartford (Conn.) Courant entitled "Foreign Silver Purchases," and an editorial from the New York Sun entitled "Silver."

There being no objection, the editorials were ordered to be printed in the RECORD, as follows:

The Bangor (Maine) News in an editorial of June 27, 1939, discussed the question of our silver policy and Japan as follows:

"SILVER FARCE AND TRAGEDY

"Hard pressed by the Japanese and having faith in the might of the British Navy, the Chinese Government some time ago stored most of what remained of its once huge silver hoard in the British concession at Tientsin. The amount now lodged there is reported to be approximately $25,000,000 at the price the United States Treasury pays for foreign silver. That is not a great deal, as war costs go, but Japan feels the financial pinch and could use that much money in its effort to exterminate Chinese and close more tightly the Chinese trade doors against American and other foreign exports.

"Demand has been made on the British to deliver that silver to the puppet government set up by the Japanese, and this is said to be at the bottom of the Tientsin dispute. To turn over the silver would be tantamount to British relinquishment of all claim to territorial sovereignty in China, and it probably would merely hasten the time for a fresh "incident." It happens that Senator TOWNSEND has introduced a bill in Congress to repeal the Silver Purchase Act, under which the Treasury feels obligated to buy all the foreign silver offered to it. The opportunity is an excellent one for abandoning the anomalous position this country now holds of lending money to the Chinese Government to fight the Japanese and giving gold to the Japanese in exchange for the silver they seize in China. The Tientsin silver is worth nothing to anybody except Uncle Sam, who at the same time he refuses to buy it might also cease to subsidize the Mexican Government with monthly gold payments for silver to fill the West Point storage vaults."

The Hartford (Conn.) Courant on July 10, 1939, published an editorial entitled "Foreign Silver Purchases," a portion of which reads as follows:

"Next week Secretary Hull will attempt publicly to justify the silver purchases abroad on the ground that they implement the

State Department's foreign policy by enabling this country to confer favors on the silver producers. If, for the sake of argument, it be granted that the Executive ought to have such powers, there are more effective and more honest ways of carrying them out then by debasing the currency to maintain the international price. Under the present set-up, Japan—which the State Department is apparently not anxious to favor—is one of the principal benefactors, for it enjoys a better market for the Chinese silver it has taken over than it would if it had to throw the metal on the open market for what it would bring. Even were it desirable to pay Mexico an inflated price for its silver—which it is not—there is no practical means of paying more for Mexican metal than for that of any other country."

The New York Sun of May 3, 1939, printed an editorial, Silver, which is now of interest because of the attention being given to Japanese relations. The editorial, which points out that all along we have been financing both sides in the Sino-Japanese conflict, reads as follows:

"Having moved a huge pile of silver stored in the old assay office to West Point, the Coast Guardsmen who were using the building for a barracks have now gone to other parts, but the old building is filling up again as the Treasury continues to take silver from all senders, having it delivered to the Wall Street address. One of the interesting sidelights of the silver movement lately has been the arrival of several million ounces from Japan, which probably seized the metal from the Chinese. By buying it, the United States Treasury is generously helping the Japanese to pay for the conquest of China, while giving the Chinese credits in gold, against shipments of silver, in order to provide money to fight Japan. It may not be unique in modern history for one government to finance both sides of the same conflict. Japanese silver shipments were 650,000 ounces in January, 1,500,000 ounces in February and 1,200,000 in March. In April shipments fell off, presumably because the pickings were not so good. During 1938 Japan sent here, and the Treasury bought, 6,900,000 ounces of white metal. Mexico continues to send large amounts averaging 3,500,000 ounces monthly. Mexican shipments here in 1938 were 76,800,000 ounces, exclusive of silver ore."

Paul V. McNutt

EXTENSION OF REMARKS

OF

HON. STYLES BRIDGES

OF NEW HAMPSHIRE

IN THE SENATE OF THE UNITED STATES

Saturday, July 29 (legislative day of Tuesday, July 25), 1939

EDITORIALS FROM THE WASHINGTON EVENING STAR AND WASHINGTON POST

Mr. BRIDGES. Mr. President, I ask unanimous consent to have printed in the Appendix of the RECORD an article from the Washington Evening Star of yesterday entitled "McNutt Wants No Federal Cash Promoting Him" and an article from the Washington Post of this morning entitled "McNutt Disallows Expense of Magazine Praising Him." The other day in this body I raised the point that a publication of an agency of the Social Security Board was promoting Mr. McNutt's candidacy at the expense of Federal funds. I am very glad that Mr. McNutt has had this change of heart and that he is disallowing the expense of the publication. I hope this change of heart will be consistent in the months ahead.

There being no objection, the articles were ordered to be printed in the RECORD, as follows:

[From the Washington Evening Star of July 28, 1939]

M'NUTT WANTS NO FEDERAL CASH PROMOTING HIM

"The overenthusiasm of friends sometimes rises to embarrass," Paul V. McNutt, Federal Security Administrator, said in commenting on a recent bulletin issued by the Indiana Unemployment Compensation Commission.

The pamphlet carried Mr. McNutt's picture on the cover page with the caption "Again, 'the Boss.'" Beneath was a chart showing in chronological order positions Mr. McNutt has occupied and a picture of the National Capitol over the date, 1941.

Earlier in the week, Senator BRIDGES, Republican, of New Hampshire called the pamphlet to the attention of the Senate, saying the commission which published it was financed wholly or partly by Federal funds administered by Mr. McNutt. He added, "Mr. McNutt is to be congratulated on starting his campaign as soon as he has."

Mr. McNutt said he believed the pamphlet had been prepared before he took office as Security Administrator, adding, "I don't want any Federal money spent in promoting me personally."

[From the Washington Post of July 29, 1939]

M'NUTT DISALLOWS EXPENSE OF MAGAZINE PRAISING HIM—INDIANA HOUSE ORGAN CARRIED HIS PICTURE ON COVER PAGE; SECURITY CHIEF WRITES: "I HAVE BEEN EMBARRASSED"

Paul V. McNutt, in his first major decision yesterday as Federal Security Administrator, directed the Social Security Board to disallow publication costs of the June-July issue of the Indiana Unemployment Compensation Adviser, which carried his picture on the cover page and an editorial praising him.

It was McNutt's answer to criticism provoked by the fact that he was featured in the pamphlet. The cost of putting out the issue, it is understood, was about $128. As a result of McNutt's order the Indiana unemployment compensation division will be "docked" this amount. Who will be out the money, or how it will be made up, was not clear.

Clarence A. Jackson, State unemployment compensation director, is author of the editorial, and presumably was responsible for the cover-page picture, underneath which appeared a graph showing McNutt's upward climb, step by step, toward the Presidency in 1941. Jackson put into operation the gross-income-tax law enacted by the Indiana Legislature when McNutt was Governor.

In a memorandum to Oscar Powell, executive director of the Social Security Board, McNutt said that, "Although this publication is nothing but a house organ, I have been embarrassed by the cover page of this particular issue, evidently the result of thoughtless action of overenthusiastic friends."

"I am anxious," he said, "to avoid anything which could possibly be construed as promoting partisan or political interests in connection with the work of this agency.

"Therefore, it is my desire that the Social Security Board disallow a sum equal to the cost of this particular issue, and that instructions be issued that the policy outlined above be followed in connection with any partisan activity."

McNutt has been assigned offices in the old National Institute of Health administration building at Twenty-fifth and E Streets NW.

Shall We Send Our Youth to War?

EXTENSION OF REMARKS

OF

HON. GERALD P. NYE

OF NORTH DAKOTA

IN THE SENATE OF THE UNITED STATES

Saturday, July 29 (legislative day of Tuesday, July 25), 1939

ARTICLE BY HON. HERBERT HOOVER

Mr. NYE. Mr. President, I ask unanimous consent to have printed in the Appendix of the RECORD a very splendid article appearing in the current number of the American Magazine entitled "Shall We Send Our Youth to War?" by the Honorable Herbert Hoover.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

[From American Magazine for August 1939]

SHALL WE SEND OUR YOUTH TO WAR?

(By Herbert Hoover)

The American people are today tense with anxiety lest they be led into another great war.

And some of our people seem to be accepting glib talk of war as if it were something more good than evil. Truly many years have already gone by since we ceased to feed boys to the cannon. It seems difficult to believe that only about one-third of the living American people are old enough to remember the World War well.

We have urgent need today to recall the realities of modern war. And we have desperate need to take into our national thinking the gigantic yet invisible forces behind war which are again moving in Europe.

I am perhaps one of the few living Americans who had full opportunity to see intimately the moving tragedy of the World War from its beginnings down through the long years which have not yet ended. I saw it not only in its visible ghastliness, but I lived with the invisible forces which moved in its causes and its consequences. I am perhaps justified in recalling that experience.

Before the war I knew Europe—Russia, Germany, France, Italy, and England—fairly intimately, not as a tourist but as a part of their workaday life.

I was drafted in 1914 to preserve the lives of 10,000,000 people in Belgium and northern France who had been overrun by the German armies. Here was a service that by common consent was a sort of semiofficial state. It covered not alone food, but the economic life of these people. It operated within the lines of a hostile army and moved through the blockade of a hostile navy. In that service I moved constantly in and out behind the trenches on both sides of the conflict. I witnessed the misery and backwash from war in their most hideous forms. My duties required

that I meet constantly with high military and civil officials in England, Germany, France, and the neutral countries in contact with the invisible forces behind the war.

When America joined in the war I was asked by President Wilson to return to America to become a member of our American War Council and to administer the food supplies of our country and for our Allies.

At the armistice I was drafted back to Europe to direct activities of the allied and associated governments to defeat unparalleled famine and pestilence, to restore economic life among both the victors and the vanquished. In this service I spread an organization of thousands of American men and women over 23 nations—many of them boiling with revolution. Our job was not alone the extension of a hand of kindness. Its purpose was to secure order out of which peace could be made.

Constant dealing with those many peoples and their officials brought a flood of knowledge of the political, economic, and social currents which sprang from the war.

I did not participate in making the peace. I was daily called upon for advice and information. And I observed its disastrous course. Subsequently, during a period of 8 years in Cabinet position I dealt with the troubled seas of unceasing political and economic storms the world over.

As President, I dealt unceasingly to bring about reduction of arms, economic readjustment, and peace.

A year ago I spent some months in Europe with unique opportunity to discuss its problems with leaders in 14 nations.

That is 20 years of opportunity to observe European peoples and their leaders, with all the forces of good and evil in which they live, and to relate them to our American scene. The searchlight of this experience can well be turned upon some phases of the present scene.

First, let me say something from this experience of what war really is. Those who lived in it, and our American boys who fought in it, dislike to recall its terribleness. We dwell today upon its glories—the courage, the heroism, the greatness of spirit in men. I, myself, should like to forget all else. But today, with the world driving recklessly into it again, there is much we must not forget. Amid the afterglow of glory and legend we forget the filth, the stench, the death, of the trenches. We forget the dumb grief of mothers, wives, and children. We forget the unending blight cast upon the world by the sacrifice of the flower of every race.

I was one of but few civilians who saw something of the Battle of the Somme. In the distant view were the unending trenches filled with a million and a half men. Here and there, like ants, they advanced under the thunder and belching volcanoes from 10,000 guns. Their lives were thrown away until half a million had died. Passing close by were unending lines of men plodding along the right side of the road to the front, not with drums and bands, but with saddened resignation. Down the left side came the unending lines of wounded men, staggering among unending stretchers and ambulances. Do you think one can forget that? And it was but one battle of a hundred.

Ten million men died or were maimed for life in that war. There were millions who died unknown and unmarked. Yet there are miles of unending crosses in a thousand cemeteries. The great monument to the dead at Ypres carries the names of 150,000 Englishmen who died on but a small segment of the front. Theirs was an inspiring heroism for all time. But how much greater a world it would be today if that heroism and that character could have lived.

And there was another side no less dreadful. I hesitate to recall even to my own mind the nightmares of roads filled for long miles with old men, young women, and little children dropping of fatigue and hunger as they fled in terror from burning villages and oncoming armies. And over Europe these were not just a few thousands but over the long years that scene was enacted in millions.

And there was the ruthless killing of civilians, executed by firing squads who justified their acts not by processes of justice but on mere suspicion of transgression of the laws of war. Still worse was the killing of men, women, and even children to project terror and cringing submission. To the winds went every sense of justice. To the winds went every sense of decency. To the winds went every sense of tolerance. To the winds went every sense of mercy. The purpose of every army is to win. They are not put together for afternoon teas. They are not made up to bring good cheer or justice or tolerance. They are made up of men sent out to kill or be killed. Whatever the theory, the act that wins is justified in war.

And there were the terrors of the air. In a score of air raids I saw the terror of women and children flocking to the cellars, frantically, to escape from an unseen enemy.

In another even more dreadful sense I saw inhuman policies of war. That was the determination on both sides to bring subjection by starvation. The food blockade by the Allied Governments on the one side, and the ruthless submarine warfare by the Central Powers on the other, had this as its major purpose. Both sides professed that it was not their purpose to starve women and children. But it is an idiot who thinks soldiers ever starve. It was women and children who died of starvation. It was they who died of the disease which came from short food supplies, not in hundreds of thousands but in millions.

And after the armistice came famine and pestilence, in which millions perished and other millions grew up stunted in mind and body. That is war. Let us not forget.

We were actually at the front in this war for only a few months, but it cost us the lives of 130,000 men. It has placed 470,000 persons on the national pension list already. It has cost us $40,000,000,000. And that represents more than just dollars. Today we have a quarter to a third of the American people below a decent standard of living. If that forty billions of wealth had remained in America these people would not be in this plight. A large segment of our people have already been impoverished for a quarter of a century. And the end is not yet.

We may need to go to war again. But that war should be on this hemisphere alone and in the defense of our firesides or our honor. For that alone should we pay the price.

The endless books tell us how the Great War originated. They do not agree. But some salient facts do stand out that are pertinent today. It began by a quarrel between three dictators—the Czar of Russia and the Emperors of Germany and Austria. They were competing for "power." France, a democracy, was dragged in because, out of fear of the dictators of Germany and Austria, she, a democracy, had made a military alliance with the Czar. The British democracy was drawn in partly out of idealism to defend liberty, but also partly to save its trade and its possessions from too great a concentration of "power" on the Continent. We finally joined in the war wholly out of idealism.

I dodge no responsibility. I reluctantly joined in the almost unanimous view of our countrymen that America must go into that war. We had been directly attacked. But, more important, I believed we could bring the endless slaughter to an end. I believed that with our singleness of purpose we could impose an enlightened peace; that we could make it a war to end war. I believed we could make the world safe for the spread of human liberty. If experience has any value to nations, there are in the wrecking of these hopes a thousand reasons why we should never attempt it again.

When President Wilson arrived in Paris the common people of the world were praying for a real peace. There were good men there, and there were high aspirations. But there were also concentrated there the invisible forces of age-old hate and greed. Mr. Wilson met a determination to crush the enemy in a Carthaginian peace. He met the sinister demands for power. He met a greed for possession of world resources. Above all, he met with the pressures of populations and the unsolvable problems of European boundaries and economic life. He worked valiantly to combat the evil forces. He spread American idealism at the peace table. He argued and cried out for reason and justice—not because he felt the enemy was guilty, but because he felt that mankind must turn its face to the future and its back on the past. When Germans blame him, little do they know what Germany would have looked like had it not been for Woodrow Wilson.

To Mr. Wilson I criticized bitterly the provisions of the peace treaties before they were signed. I felt that instead of healing the wounds of the world they would spread disaster over a generation. I have before me a memorandum that I gave to Mr. Wilson 2 months before the treaties were signed, urging their lack of vision and the dangers to America. He won some victories for sanity. He helped some nations to freedom. He hoped that, with time for hate and avarice to cool, the League of Nations could reconstruct the failures of the treaty.

Americans will yet be proud of that American who fought a fight for righteousness, although he partially lost. But he proved that American idealism and American ignorance of the invisible forces in Europe can only confuse the grim necessities of European peace.

What is happening today? Europe is suffering repeated earthquake shocks from the fault of the Treaty of Versailles.

But, beyond all this which is obvious, something else is moving. Europe is again engaged in a hideous conflict for power. Stripped to its bones, today the quarrel is much the same. Dictators in Germany and Italy rise to power on opposition to communism, launched into their peoples by the dictator of Russia. Again the dictators are in conflict for power. Again France, a democracy, ties herself to the dictatorship in Russia, England becomes endangered should the dictators of Germany and Italy overwhelm France. And thus again begins this dreadful treadmill.

What is proposed? That we join to stop inevitable movements and readjustments of peoples; that we engage in ideological wars. Who will pay for it in blood and treasure? Our children.

In Europe they constantly use the word "power" in a connotation that is strange to many Americans. That is the "power" of peoples and over peoples. This "power" may be a political authority held in a man. It may be the "power" of a nation, the "power" of alliances, or the balance of "power." And they speak daily of international "power" politics. They often speak of it in terms of a game. They play power politics as sheer necessity for national defense, and they play it for national aggression.

The players change and the forces in the games shift constantly. It is a game of delicate moves. It is not a game of open covenants openly arrived at. Nor is the self-determination of nations one of the rules. Those who play with power politics, like those who play with matches, always deny that they intend to set the conflagration of war. Their moves are based not alone on bluff but on guns. When we take sides in their controversies, when we talk of using force of any kind, we are playing power politics at the European chess table.

I do not believe we should sit in that game, either in their interest or ours. Our idealism and our uncertainties of policy only befuddle the movements of expediency and delicate adjustments in which they are compelled to live. And our stakes are the lives of

millions of sons of America. The stakes are another 25 years of hideous national impoverishment. The stakes are the progress of all mankind for half a century. The stakes may be the sinking of intellectual and spiritual liberty for a century to come.

The time may come when we could arbitrate the quarrels which arise in that game at some point before shooting begins. But if we sit in the game, we shall never be arbitrator, and we may be drawn into the shooting.

And let me inject that Europe plays power politics against us. There is the instance of the European war debts to us. Part of the debt was for supplies and cash to carry on the war. From one-third to one-half of that debt, however, was material and money we supplied after the armistice to aid in reconstruction. At that time the war was won. We had no need in our own interest to loan another dollar. We settled the debts for much less than the full sum. The whole, including the reconstruction advances, has been repudiated.

The repudiation has a double sting, for over years following the Balfour note the Allies publicly and repeatedly informed the former enemies that the reason they exacted reparations and indemnities from the enemy was because they had to pay it over to the Shylock of the Western World. They stated they would reduce the indemnities by whatever the United States, in turn, would cancel to them. By such power politics they consolidated central Europe into their propaganda and pressures to cancel the debts. Moreover, their propaganda told us, and a host of Americans re-echoed, that they could not pay because they could not transfer money in such great quantities from one nation to another. That is true in a depression, but let me recall that these very nations today have shipped four billions of money to this country for investment since they repudiated their debts.

I have no desire to recall these incidents.

My purpose is to stir up reason among the American people against doing it again.

The dangers of our being dragged into war lie in these directions:

1. Foreign propaganda to inflame our emotions and to mold our minds to war.

2. Preachments of our own mistaken officials and citizens which, in effect, support these propagandas.

3. Steps taken by our own Government, which, while denying that they are intended to take us into war, yet entangle us with these very controversies, the end of which may be war.

If deliberate attack were made upon women and children, which modern airplanes and modern food blockade make possible, our indignation might not be restrained from action. Remember the part indignation over Belgium played in our entry into the last war.

And here we can examine one of the methods of power politics. That is propaganda. During the World War propaganda was first developed into a national weapon no less potent than killing men. When peoples and governments believe that independence or their national survival or their possessions are at stake, they instantly justify untruth and lies as a part of national policies. When they weigh the sacrifice of their sons, then truth, honesty, tolerance, and justice are thrown to the winds if a lie will serve better.

The Great War was the first time in history when all the powerful agencies of publicity and manipulation of news were organized without moral restraint under the genius of skilled men. There were built up a skill and a technique in front of which every citizen was helpless to know the truth. And since that time the radio has become an additional weapon.

We, ourselves, when we entered the war imitated the others. We created great propaganda agencies. The managers of them have since confessed frankly that they distorted fact and created news without truth. They built hate as well as altruism as a necessary emotional foundation of modern war. And no man dared question or answer under this fierce organized condemnation.

Propaganda has three directions: Internal, to mobilize emotions; external, to influence neutral nations; and aggressive, to influence the enemy.

From the beginning of the Great War I saw the development of the propaganda directed at the United States from both sides. I was so impressed that I collected this material for years. The War Library at Stanford University holds stack after stack of this emanation from every government at war. And, in the light of what we now know really happened, it comprises the greatest collection of part lies on the face of the earth. It ought to be studied.

There are certain types of propaganda in motion today which fertilize our soil for our entry into war. For instance, one of these volleys of propaganda asserts that a great war in Europe is inevitable. That is a half truth. The set-up in Europe has made a general war inevitable every hundred years since the Romans kept the peace. And until mankind makes much greater progress it will continue to be inevitable. But the pounding in of that phrase is either sensational journalistic speculation or European propaganda of the preparatory type.

We are told that we must join in war or democracy will disappear from the earth. From the alliance of the democracies with several totalitarian states that ideological issue seems somewhat confused.

My sympathies are with the democracies. But the democracies of western Europe have the resources to defend themselves. They comprise great empires of hundreds of millions of people with all the resources needed to secure their defense. Whether they preserve their democracies is a question of their own will.

We are told that if they fall we shall be the next victim. I do not agree that they will fall. But if they do fall, the exhaustion of the dictators will be such that these countries will leave us alone for a quarter of a century at least.

It is dinned in our ears that we shall inevitably be drawn into this inevitable war whether we like it or not. That just simply depends upon our own will to keep out.

And propaganda showers upon us in other forms. I have for the past few months checked back on headline stories from Europe which have subsequently proved untrue. There are 20 such stories on the list. That is not the fault of our news services. These stories usually start as "information from a responsible source." That means a foreign government official. But they leave a trail of fear, of hate, and prejudice and help to condition our minds for war.

One of the curious happenings of these days is that our newspapers print more alarming war news than the European press.

And another form of war conditioning of the public mind is the firing of words by our Government officials at the nations we don't like. So long as we confine it to words, the dictators will fire back an equally insulting lot of words, and we wind up even. Soapbox oratory is the necessary equipment of modern dictators, and they excel. Only the really neutral nations could judge as to who wins in these jousts of billingsgate. But they build up hateful emotions both ways.

And that does not imply that we should ever neglect to express indignation at great wrong. But the terms we use are important if it is results we seek and not propaganda.

The second danger of war comes from the policies of our own Government. President Roosevelt has taken a seat at the table where power politics is being played. He has joined in the chessboard of Europe. He lines us up in the balance of power. It is said we can do this without joining in war.

It is said we will do something more than words and less than war. When we open fire on the front we are in the fight. The enemy will fire back with more than words. If the more than words fail to overcome him we have to go further. For then we have to win or be overcome on our side. Let nobody say that you can do such things without danger of war itself.

If the dictators believe we will stop short of war they will credit us with having small chips in this game. Their chips are soldiers and guns. If our partners believe our chips of more than words and less than war are valuable, it is because they believe that when we have exhausted these chips we will put our soldiers and guns into the game and they will edge us in.

And right before our eyes the game shifts. We were originally going to quarantine dictators and again save democracy. Today we have two or three dictators on our team. We have had to drop the "democracy front" and "dictators" and talk of "aggressors." That only indicates how rapidly we can move from sheer idealism into combat.

We may think we can take part in controversies and quarrels in Europe without going to war. We may think our strong will to keep out permits us to start down this road and stop when it looks as though we are being involved in war. But when we get to that point our will to stay out is not only weakened but our angers and hates are aroused to a point where our will to stay out no longer has any control.

Today the European antiaxis press is confident we intend to join in their wars if they come. If they are rudely awakened, their peoples will hate us for a generation. And they will deluge us with cries of cowardice by way of further propaganda.

Space prevents adequate discussion of another phase of this situation. The whole totalitarian structure upon which these aggressive dictators are supported is weakening. That is equally true for the Communists, the Fascists, and the National Socialists. Their concepts of brutal intolerance, of suppression of every right of free men, is raising its own opposition within them. Peoples who have known liberty will yet regain it for themselves. The vicious persecutions of Jews and other religious groups has raised the hate of the world. Their economic systems are failing to produce the standards of living they have promised. It is a sad thing that we in America have to endure the propaganda of the Communists trying to get us into war, and of the Bund trying to implant nazi-ism in the United States. We endure it only because we hold to free speech. And both of them take advantage of our tolerance to tear down our liberties.

And what profit it if, by our joining in war to extinguish these systems, we also lose our own American life? It is not alone the price of war we lose. But we can never go through another great war without becoming a totalitarian state in order to effectively fight such a war. When we have finished we shall not have established peace in the world. We shall have sacrificed liberty for generations in the United States.

America can be of service to the world. We can hold up the standards of decency in the world.

We should hold that the basis of international relations should not be force, but should be law and free agreement.

The greatest immediate service that we can render is to join in economic cooperation with other nations to relieve the economic pressures which are driving the world constantly to instability. A great part of these pressures for war are economic. The greatest healing force that could come to the world is prosperity. There is a vast field for American action which is free from political entanglements. We should resume the conferences which were started under such good auspices by our country in 1932.

But, far beyond that, we can hold the light of liberty alight on this continent. That is the greatest service we can give to civilization.

We as a people can keep out of war in Europe if we have the resolute will to do so. Our will can be weakened by propaganda. It can be insidiously undermined by sitting in the game of European power politics.

We hear much of laws that will preserve our neutrality. But the question is not legalisms; it is our will to stay out. Staying out is a matter of tactics and strategy almost as difficult as the strategy and tactics of war. And, if there is not the adamant will to stay out, no amount of law can keep us out. The first thing required is a vigorous, definite statement from all who have responsibility, both publicly and privately, that we are not going to war with anybody in Europe unless they attack the Western Hemisphere. The second thing is not to sit in this game of power politics.

These are the American policies that will make sure that we do not send our youth to Europe for war.

South Dakota

EXTENSION OF REMARKS

OF

HON. CHAN GURNEY

OF SOUTH DAKOTA

IN THE SENATE OF THE UNITED STATES

Saturday, July 29 (legislative day of Tuesday, July 25), 1939

ADDRESS BY IVAN A. BICKELHAUPT

Mr. GURNEY. Mr. President, I ask unanimous consent to have printed in the RECORD an address delivered on June 14, before the Gyro Club of the City of Washington, by a former South Dakotan by the name of Ivan A. Bickelhaupt.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

This year South Dakota celebrates its golden jubilee of statehood. In the galaxy of States it is one of the youngest, but in progress it ranks with the foremost. Although modest in size among Western States—250 miles wide by 450 miles long—it would, if superimposed, completely blanket the six New England States, with enough left over to cover all of the habitable land in the State of Texas.

Few places on this earth have the diversity of scenery that generous Nature has allotted to South Dakota. In the midst of fertile farming sections of the eastern half of the State are wooded lakes, surrounded by gentle elevations which give way to extensive sweeps of prairie, broken here and there by clusters of verdant hills. Beyond the Missouri River is a land of ranches whose bounds are beyond the reach of the eye, with cairns topping the buttes to guide the ranchers on their rounds. Overlooking all are the Black Hills, their lofty peaks interrupting the rays of the rising sun to cast shadows over the plains of Wyoming and in the evening laying a gentle blanket of shade over the range country of South Dakota.

South Dakota is not an old State, but energy and enterprise has brought it in one short generation to leadership. The territory which was to become South Dakota has a history dating back over a century before its admittance to the Union. In 1743 Francois and Louis Joseph Verendyre reached the Missouri River at a point where the Bad River enters. On a high bluff above the river they buried a lead plate claiming the territory for France. That plate can now be viewed in our State Historical Museum.

Shortly after the Revolutionary War fur traders established trading posts along the Missouri River and for a century this river was the main artery of travel into the untamed expanses of the region. Broad-beamed mackinaws and sharp-prowed bateaux labored up its restless course and returned with fabulous fortunes in gold, silver, and furs.

In 1803 President Jefferson bought the Louisiana Territory from Napoleon and South Dakota became a part of the United States. Lewis and Clark, on their mission to explore this vast country included in this purchase, passed through South Dakota. Sakakawea, the "bird woman" who guided them on their exploration, and to whom they attributed much of their success, lies buried on the banks of the Missouri in South Dakota. In 1825 Gen. Henry Atkinson and his troops were established at Fort Pierre (now the capital of the State). Permanent settlement was first established in 1857, preceding by 15 years the first railroad to reach the State's borders. With the coming of the railroads the eastern part of the State settled rapidly and the rich farm lands there drew hardy pioneers from every part of the world. At the same time discovery of gold in the Black Hills precipitated a gold rush that became historic. While the gold fever still seethed cattlemen discovered the lush grazing lands that surround the mountains and range cattle from the South took possession of the grass lands criss-crossed by the paths of millions of buffaloes.

On the strength of rapidly increasing population South Dakota petitioned Congress for statehood in the early 80's. Refused then and again in 1885, these hardy pioneers persisted, and in 1889 President Benjamin Harrison signed the act making South Dakota a State.

Today South Dakota annually produces $20,000,000 worth of gold, silver, and other minerals. From its 2,000,000 head of beef and dairy cattle choice meat and dairy products are produced. It markets 2,000,000 head of fat hogs annually; 10,000,000 pounds of wool come from its 1,300,000 sheep, besides the Dakota lamb—well known to epicures the world over. Its 30,000,000 bushels of wheat are reserved to make the finest flour. Corn, oats, barley, alfalfa, sweet clover, flax, and other crops give it a high rank among great agricultural States of the Nation. Under its sun-kissed plains a billion tons of lignite coal lie awaiting development by industry.

South Dakota is a land of sportsmen and for sportsmen. One person out of every 10 South Dakotans, including residents of all ages and both sexes, take out hunting licenses each fall. Thousands come from other States. The annual bag of pheasants is 1,500,000. It is believed that the pheasants alone eat more grain each year than Texas raises. In a recent hunting season 800 buck deer were shot. South Dakota trout fishing is famous (since President Coolidge's visit).

Many personalities have passed across the pages of South Dakota history. The names of Wild Bill Hickok, Calamity Jane, Deadwood Dick, General Custer, and others are well known. Rushmore Memorial, in the Black Hills, is the greatest piece of sculpture ever undertaken by man. The busts of Washington, Jefferson, Lincoln, and Theodore Roosevelt are proportionate to men 450 feet high. (Parenthetically I might say that if it were not for our delightfully cool climate the perspiration from the brows of these great figures would, if piped to Texas, send the Rio Grande roaring out of its banks.)

Visit South Dakota. Its history is a pageant of great adventure.

Black Hawk War Anniversary

REMARKS

OF

HON. STEPHEN BOLLES

OF WISCONSIN

IN THE HOUSE OF REPRESENTATIVES

Saturday, July 29, 1939

Mr. BOLLES. Mr. Speaker, 107 years ago, on August 2, there occurred an event which had wide historical and economic significance to this entire Naticn. On that day in 1832 came the defeat of Black Hawk, the last Indian tribal head, militant and menacing, east of the Mississippi River. But there was something else in this Indian war which has a wider, more personal signficance. It lies in the personnel of those who participated.

From that war came two Presidents of the United States—Abraham Lincoln and Zachary Taylor. One was a captain, then a private of militia who had three times enlisted. The other a colonel in the Regular Army. And then a third, whose name is deeply carved upon the tablets of historical chronicle, Jefferson Davis, a Regular Army officer, who had at Fort Crawford, in Wisconsin, married the daughter of Zachary Taylor.

Strange are the mysteries of fate. Among those who participated in this war were others whose names are inscribed in deathless memory in history. There was Joseph E. Johnston, great Confederate commander, who fought to the finish in the War between the States. There was Albert Sydney Johnson, who died at Shiloh. There was Robert Anderson, who commanded at Fort Sumter and surrendered. There was Col. William Hamilton, son of Alexander Hamilton, who swore Lincoln into service in his third enlistment. There was Gen. Winfield S. Scott, in general command, first commander of United States forces in the Civil War. E. D. Baker, picturesque Senator from Oregon, who died at Balls Bluff, was a part of this flower and chivalry of the Nation in this campaign against Black Hawk.

Mr. Speaker, there are a score of other names who in their after life, following the Black Hawk war, helped to write glorious pages of history.

When the Black Hawk war came to reality all the country involved was chiefly wilderness. Only a small area in the lead mines around Galena, Ill., or a few isolated settlements existed. The rest was a forest, silent except for the songs nature might sing and a maze of trails known only to the Indians.

The ruling Indian of these trails was Black Hawk, a Sac Indian. He was not the chief of a confederation or the head

of organized tribes. He was more potential for trouble than active in warfare. He had always hated and suspected the American white man. He was a British agent. He wore British medals. He received British pay long after the treaty of 1814. His spies kept the last lingering British outpost commanders supplied with information of Yankee movements.

Black Hawk had fought with Tecumseh. He had taken many white scalps. He met intrigue with intrigue and craft with craft. He finally settled in the Sac and Fox lands at the mouth of the Rock River. On this stream he depended for food. His people went up the river to make gardens around Lake Koshkonong in Wisconsin, where the soil was easy to hoe and the larder could be filled from lake with fish or wild fowl.

Black Hawk was the symbol of Indian power. He was the dam, the barricade across the highway of civilization—the unstoppable western movement of white people, the inevitable pioneer who dared and lost and dared again. For 20 years Black Hawk held in check the peaceful settlement of that entrancing country between the Mississippi River and the Great Lakes on the east.

There had to come a time when the question of domination should be settled forever. The United States Government prepared a place of pilgrimage for the Sacs west of the Great River. Keokuk, one of the subchiefs, drunk on United States Government whisky, sold his tribe across that river. Black Hawk, angry, refused to agree. White men destroyed his gardens at Rock Island. They pettily persecuted the Indian people.

Black Hawk did not go on the warpath. He started to move from Rock Island to some other place, probably Koshkonong. But, whatever was in his path, he slew.

There has always been a lure to southern Wisconsin. It beckoned to Indians; it invited the white adventurer. It was the garden of the savage red man, the fishing ground and supply station for his sustenance. Long before the feet of white man trod the trailless woods or moved across the flower-filled prairies, Indians paddled canoes up and down the rivers and creeks, along lake shores, planted their beans and corn, gathered the honey from the wild bees' storehouse, and lived in a barbaric paradise. For centuries they had buried their dead in strangely architectured mounds, many still in existence and now annually visited by thousands of tourists—and generation had succeeded generation.

From the day, now more than 300 years ago, when Nicollet, in the colorful panoply of the Court of France, landed at Green Bay to the time of the treaty with Great Britain which gave Wisconsin as a part of the Northwest Territory, there had filtered into the East some of the stories of these glories which God and nature had given to this land west of Lake Michigan.

Of course, the Indian did not want to give it up. Of course, he did not want to leave his corn and bean patches, his hunting and fishing preserves, and be pushed out into the prairies of Iowa, unfamiliar lands, to pine and die of homesickness.

So Black Hawk started north. He could no longer remain at the mouth of Rock River. The Illinois River was gradually becoming a forbidden thoroughfare. He sharpened his tomahawk, got new bullets for his rifle, furnished by the British agents, honed his scalping knife, and began the trek.

Black Hawk knew there was no turning back. The land in southern Wisconsin, its fish and deer, its flowers, its garden spots and village sites, its glories of woodland trails and prairie beauty would either be his or the Indian would be conquered, a subject race, forever disappearing, a vanished race into the obscurity of yesterday. His indignities from white people who had lied and stolen from him had reached the climax of murderous hate and a homicidal praecox.

On the other hand, settlers with rifles, axes, cows, horses, oxen, plows, bibles, few articles of furniture, hungry for land, looking to the sunsets out of the sunrises, were waiting for this exaggerated barricade of threat to be removed.

Black Hawk's march north was the trail of tragedy. He was unwelcomed by Winnebago Indians who were devoid of principle and ready to sell either way. They could see the hopelessness of the Black Hawk revolt. They saw in it the last act of the Indian's tragic drama. Whatever refuge Black Hawk sought there was no such refuge. It was as inevitable for defeat and destruction of these fugitive Indians as is told in the story of Waterloo for Napoleon written by Victor Hugo.

For these Indians were fugitives, rather than a war party. None knew it better than Black Hawk when he reached Koshkonong. His only hope then was to either find asylum with the Winnebagos or get west of the Mississippi. Between him and the Great River was Fort Crawford, on the Mississippi, at the mouth of the Wisconsin River. From there came Jefferson Davis and Zachary Taylor, names to conjure with. Such a reader of the future could have looked at the awkward 6-plus-footer from the Sangamon River valley down in "Illinoy" and known that in a nation's crisis he was to be President, to meet extreme national danger, and save the Union, in the end would rest in the Valhalla of the gods, forever the greatest of America's national heroes—Abraham Lincoln.

Coming up out of Illinois along Rock River, one may follow from Dixon to Fort Atkinson the path that Lincoln trod. You may see the heroic statue of Black Hawk, by Lorado Taft, face turned down the river, forever looking, forever hoping that out of the sunshine or mists there will come the thousand canoes of his dreams, manned at paddles by his warrior Indian people, to reclaim the land he lost—the Land of Black Hawk. Lost of him, yes, but regained by thousands of happy, prosperous people, city dwellers and farm dwellers, who may have been—long have been—inarticulate to tell the story of scenic loveliness of this land.

Even now, in a night when a fog settles on the river, it is told that one may hear the rhythmic dip of paddle, the guttural command from the phantom band of red warriors as they make their slow and steady way, only to vanish when dawn comes into the inevitable pages of history where finis has been written, and all the chanting requiems have been sung over the bones of disaster.

No sooner had Black Hawk's band of Indians been destroyed and the remnant placed on reservations than the land named after him became a populous region. In 2 years 300,000 people had entered southern Wisconsin. For a hundred years they have lived here and made it one of the most prolific agricultural sections of the world. When wheat failed, when the destroying bugs and flies made a crop unprofitable, these farmers of the South went into dairying. They began in a small way and gradually grew until their own State became first of all of the dairying States of the Union.

The Indian long ago has vanished. It is hard to find one in all this area. He belongs to history—to the storied past. He played his part and lost. His losing built a new empire—the empire which now is made up of the States of Illinois and Wisconsin.

Lending and Spending Legislation

EXTENSION OF REMARKS

OF

HON. HOMER D. ANGELL

OF OREGON

IN THE HOUSE OF REPRESENTATIVES

Saturday, July 29, 1939

LETTER FROM THE NATIONAL GRANGE

Mr. ANGELL. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following letter from the National Grange:

THE NATIONAL GRANGE,
Washington, D. C., July 28, 1939.

We desire to register an earnest protest against the enactment of the pending bill for the construction and financing of self-liquidating projects, H. R. 7120 and S. 2759. After a careful reading of

this measure we are thoroughly persuaded that it would be contrary to the best interests of the country to pass it.

It must simply be regarded as a camouflage to hide the mounting figures of the public debt, and it is intended to circumvent and violate the provisions of an act of Congress, passed at the time of the World War, fixing the limit of national indebtedness at $45,000,000,000. According to official estimates that limit will be reached before the end of the present fiscal year.

It cannot be successfully denied that the repeated efforts that have been made to "prime the pump" by Government lending and spending on an unprecedented scale have been a colossal failure. While each fresh shot in the arm was followed by temporary improvement, after the effects had worn off our basic condition was rendered more desperate than before.

The truth is that in pursuing this unsound and misguided policy the people of the United States are progessively being reduced to one of the most hopeless forms of slavery, the slavery that goes with debt. Even at the low-average rate of 2.57 percent the interest on the national debt amounts to the staggering sum of a billion dollars a year. Roughly, 20 cents out of every dollar collected by the Government in taxes goes in payment of interest.

The pending bill would make permanent the present lending and spending policy of the Government, and all the losses involved would automatically be taken out of the Federal Treasury.

There can be no doubt that the vast lump-sum appropriations that have been voted in recent years have done more to destroy the independence and self-respect of Congress than all other factors combined. This system of making appropriations has made a grab bag of the Federal Treasury and has had a demoralizing effect on the people. Surely the time has come when Congress should resume its constitutional prerogatives and put an end to this orgy of deficits, waste, and unbridled extravagance.

Mentioning just one of the self-liquidating projects contained in the bill now being considered, the Bureau of Public Roads, in a voluminous report published some months ago, clearly indicated that the dream of a system of superhighways supported by tolls was not feasible on the financial side, because the revenues to be derived from tolls would not pay for the cost of constructing and maintaining such roads. There are scarcely any toll roads left in the country, and there is a prejudice against toll bridges. It may therefore be taken for granted that if the proposed roads should be built, in a few short years the attempt to recover the cost of construction through the collection of tolls would be abandoned, saddling a heavy financial responsibility upon the Treasury.

Another item contained in the bill authorizes the sum of $500,000,000 for rural-electrification projects. The Grange has given its hearty support to the plan launched in this connection several years ago. We consider it one of the soundest steps ever taken by the Government to improve conditions in the farming sections. However, since the basic act for rural electrification, passed in 1936, authorizes the appropriation of $40,000,000 annually over a 10-year span for loans on such projects, there would seem to be no necessity for this provision in the measure now being debated in Congress. Several other items contained in the bill are open to many objections.

One of the fundamental reasons why this bill should not be enacted is that it would discourage private initiative and would take us farther along the road toward making America a collectivist state. If President Roosevelt should issue a clear, definite, and positive statement to the effect that it was our fixed purpose to continue our traditional American system of private enterprise, and if such legislation as this were thrown into the discard, it would do more than anything else could to bring about such an upturn in every branch of American industry and business as would give cause for universal rejoicing.

Yours very sincerely,

THE NATIONAL GRANGE,
FRED BRENCKMAN,
Washington Representative.

Judge Wilfred Bradshaw's Tribute to the Mother of Lincoln

EXTENSION OF REMARKS

OF

HON. LOUIS LUDLOW

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Saturday, July 29, 1939

SPEECH BY JUDGE WILFRED BRADSHAW, OF INDIANAPOLIS, IND.

Mr. LUDLOW. Mr. Speaker, on July 9, 1939, standing at the grave of Nancy Hanks Lincoln in Indiana, Judge Wilfred Bradshaw, a distinguished jurist and orator of Indianapolis, paid a beautiful tribute to the mother of Abraham Lincoln. It was an occasion of extraordinary interest, sponsored by the Boonville, Ind., Press Club. The subject of Judge Bradshaw's address was, "Nancy Hanks—Immortal Mother of Abraham Lincoln." He spoke as follows:

NANCY HANKS—IMMORTAL MOTHER OF ABRAHAM LINCOLN

Mr. President, ladies and gentlemen, members, and friends of the Booneville Press Club. February 12, 1809. In America, democracy was in control of Congress, and the popular idol, Thomas Jefferson, was President. His successor had been elected and James Madison was about to be inaugurated. For 5 years Alexander Hamilton had been in his grave. France and England were at war. From the bench of the Supreme Court of the United States, Chief Justice John Marshall was writing his great opinions that made constitutional history. Daniel Webster, then 27 years of age, had not yet entered Congress; Henry Clay was already in the Senate, and started on his unprecedented and unequaled career; John C. Calhoun, also 27, was still in the Legislature in South Carolina. Robert E. Lee was a child of 2 years, and General Grant had not yet been born.

While in America the foundations of the Union trembled and democracy was struggling for a foothold, and while war made brilliant with uniform and pomp every capital of Europe, far from the turmoil, across the mountains in a log cabin in the heart of Kentucky, Abraham Lincoln was born.

Other speakers on the platform today will pay tribute to the character and the life of Lincoln, the man. I wish to confine my remarks to the woman who gave him life, Nancy Hanks Lincoln, his mother.

It was the pioneer mother who suffered most in the conquest of the wilderness. Transient and inadequate homes, a man's place in the field, lack of medical care, and a constant fear robbed her of the comforts and security enjoyed by women today. The mother of President Lincoln was one of these self-sacrificing pioneer women who quietly made their contribution to civilization and passed on. Her short and obscure life may not have impressed the people of her day, but the offering she made to the Nation gave it a new birth. Today the whole world brings its tokens of appreciation to the cabin door of Nancy Hanks Lincoln.

The picture of Nancy Hanks is as uncertain and confused as that of Thomas Lincoln is fixed and clear. Dim as the dream of a shifting mirage, her face and figure waver through the mists of time and rumor. Those who knew her disagree even as to the color of her eyes, the shade of her hair, her physical build, and height. No signature of Nancy Hanks has yet been discovered. Whenever she had to sign a legal document she made her mark. At the very best, she was simply an attractive young pioneer woman, having the least and poorest opportunities for any kind of education such as the primitive schools of that time afforded.

But the qualities of her mind and character were impressed more distinctly than was her physical appearance. All remember that she was uncommonly intelligent, had remarkably keen perception, and extraordinary strength of mind. All testify that she was inordinately kind and affectionate. Between Abraham Lincoln as a boy and this backwoods mother there was a powerful bond of sympathy. They understood each other without words; perhaps she felt in him her own fierce hunger for learning, for a larger, richer world.

"Abe's mind and mine—what little I have—seems to run together," she is reported to have once said.

She has become one of the world's greatest mothers.

And that is why on this day descendants of neighbors of the Lincoln family, who lived in the crude log cabin here a century and a quarter ago, gather today on Lincoln City's highest hilltop to honor the memory of the mother who Abraham Lincoln as a boy of 9 helped to bury in Hoosier soil. The whole Nation honors his memory, but southern Indiana pays tribute at the grave of Nancy Hanks Lincoln, who died 2 years after coming with her husband and two children from Kentucky to make a new home in the wilderness. And so today from the countryside and neighboring towns come the faithful to place wreaths on her grave, just across the valley from the log cabin which was their home.

We stand on sacred soil today, where rest the precious remains of this great mother. It was here that Lincoln learned to read. It was here that in the crucible of hard and stern fate the character was formed that proved sufficient unto the task of striking the shackles from the slave ground by centuries of unrequited toil, making America forever a union of indestructible States. It was here that the heavens rained sorrow on him when he helped build his mother's rude coffin, and helped carry her up the hill to the little graveyard, and saw her laid away.

"Here in a quiet beauty spot,
Where Lincoln's mother sleeps,
The wild birds sing a vesper song,
The sky a long watch keeps.

"She was his guiding star through life,
The beacon light along his way,
That led him in his darkest hour,
When sorrow filled his day.

"And when his secret soul rebelled,
At fame so dearly bought,
In humbleness and faith he breathed
The prayers his mother taught."

It was in 1816 that the Lincolns decided to leave forever Kentucky's contentious soil, because they had become discouraged over the uncertainty of land titles. They made off to find another home beyond the Ohio River. If consulted at all, Nancy Lincoln

readily agreed to go. She appears to have accepted her lowly state in life as fixed and irrevocable. She was very humble, unprotesting, thankful for a friendly word or act. They drifted across and down the great river to a landing on the Indiana bank, like a piece of human flotsam thrown forward by the surging tide of immigration, the black and prodigious depths of the mighty woods before them. Albert J. Beveridge, in his Life of Lincoln, has described southern Indiana as the Lincolns saw it in these words:

"When, on the barren peak of some rocky hill you catch a distant view, it generally is nothing but an undulating surface of impenetrable forests. Vast, forbidding, tremendous, this mighty forest stretched northward from the Ohio, its trees like giant sentinels, guarding the wilderness."

There was hardly more than one adult white man to every 4 square miles. Into this abode of gloom and solitude the Lincolns made their slow and toilsome way in midautumn of that year.

Abraham Lincoln lived here until 21 years of age, when he moved to Illinois; but when he moved on he left with us his mother, in whose memory this great shrine has been built, and in whose honor we meet here today.

It is hard for us to accurately judge the influence of Nancy Hanks upon Abraham Lincoln. He was so young when he lost her. We do know that many years later, when he had achieved the ultimate in success, he said:

"All that I am or ever hope to be, I owe to my angel mother."

Someone has said:

"Give me a child until he is 7 years of age and the world can have him."

Abraham Lincoln was 9 years old when his mother died. He had her during the formative years of his life, when his childhood mind was plastic, like clay in the hands of the potter, which can be molded and made into a thing of beauty. She had given him everything in her power, a strong physique, a great mind, and a noble character. Hers was a great life; it needs no false dramatization or embellishment to enhance its inspiration.

"They say that man is mighty,
He governs land and sea,
He wields a mighty sceptre
O'er lesser powers that be;

But a mightier power and stronger
Man from his throne has hurled,
For the hand that rocks the cradle
Is the hand that rules the world."

As judge of the juvenile court of Marion County, in which is located the capital city of our State, my chief concern and interest today is in the welfare of young people, particularly the great problem of delinquency among children. If every boy in Indiana had a mother like Nancy Hanks Lincoln crime among young people would be materially reduced, and our boys and girls would grow into men and women with strength of character sufficient to enable them to meet the many temptations that come to men in a world seething with confusion and complexity. Poor and humble as the Lincoln home was, yet if every home in Indiana today had in it a Nancy Hanks Lincoln as the mother, fewer of our young men would be leading a life of crime. We all know that the greatest contributing cause of delinquency today is the lack of proper home influence. Yet this awful truth is not fully realized until it is known that 7 out of 10 young men in the Indiana reformatory come from homes broken by death, separation, or divorce.

During the darkest days of the Civil War, President Lincoln met with the Governors of the several States to honor the men who had fallen under the singeing fire at Gettysburg. There the great orators of the day gave eloquent accolades to the men who had sacrificed their lives in that great battle. Lincoln dedicated the cemetery in an address of 266 words, which will remain, as long as the English language endures, one of its greatest examples of purity of diction, of elcquence of expression, and elevation of thought.

"It is for us, the living, rather, to be dedicated here to the unfinished work which they who fought here have thus far so nobly advanced. It is rather for us to be here dedicated to the great task remaining before us."

And so today let us catch the spirit of the Great Emancipator and here rededicate ourselves to the great task remaining before us—that of making more secure in the world today the great principles for which Lincoln stood. We are pioneers but not in the sense that the Lincolns were when they moved to Indiana. We have no more frontiers such as they had. If the early American did not like things as he found them, he could pull stakes and move on, and the majority of them did that. The majority of them never dug in for the lifelong, patient, creative effort to shape their environment to meet their needs. Now the frontier has closed, leaving us no choice but to try to solve our social and economic problems where we are. The virtue we need terribly today is endurance in the face of the absence of material hardships. Our modern lives are threatened by the subtle poison of safety, comfort, security, and hours of leisure, such as no generation before ever dreamed of. We were brought up to believe that the work of conquering a continent was the destiny of America. Now we find that continent conquered, and find ourselves in need of civilizing it, a process which cannot be carried on with spades and axes. What threatens the welfare of our country is within us. The real danger is the triviality of character and mind among our well-fed, well-dressed, educated citizens who do not seriously concern themselves about the great problems confronting our people.

And let us also today reconsecrate and rededicate ourselves to the keeping alive the memory of this great mother. Let us make this a shrine to motherhood. Where else in the world is there such an outstanding monument to the mothers of great men? We pay tribute to Nancy Hanks Lincoln, the pioneer mother, who was eminently successful in her life's mission. Here lies the mother of one of the greatest men America ever produced.

Mr. Roosevelt Admonishes America

EXTENSION OF REMARKS

OF

HON. KARL E. MUNDT

OF SOUTH DAKOTA

IN THE HOUSE OF REPRESENTATIVES

Saturday, July 29, 1939

Mr. MUNDT. Mr. Speaker, in spite of the fact that the New Deal's grandiose program of spending our grandchildren's money has collapsed completely as a method of either curing or curbing our 10-year-old depression—three times as long a period of panic and poverty as ever before experienced by this country—we are again faced with the same monotonous and badly disproved proposal to engage in another reckless spending spree.

So repeatedly has the Rooseveltian ruse of flirting with national bankruptcy by profligate political spending been exposed as a fiction and a fraud that this time even its sponsors are trying to camouflage its content by calling it a "lending" program. It is difficult to understand just who the New Deal dreamers intend to fool by disguising the new financial dance with death as a lending program, because for the past 7 years their entire program of careless squandermania has been based on the lending idea because they have borrowed so much money "lent to the Government" that our national deficit now is crowding $45,000,000,000. Such a prolonged Roman holiday with the taxpayers' money may be profitable for the politicians drawing rich dividends for their connections with this spend-yourselves-into-totalitarianism trickery, but to the millions of taxpayers who must pay these fiddlers from the fruits of their own toil it represents one of the most devastating eras in the history of any nation.

"Roosevelt economy"—remember he said he would cut Government expenses 25 percent—has increased taxes and boosted living costs to the point that despite the great pyramiding of unmet expenses resulting in our $45,000,000,000 debt, the money which is raised to meet the portion of this extravagance not permitted to accumulate as unpaid balances is so great that its back-breaking burden is already reducing living standards and denying happiness to a great portion of our populace. Witness the way in which New Deal expenditures are already reaching down into the pockets of the workingman and the farmer to take from him a generous portion of his already far too meager income—and remember, my colleagues and Mr. Speaker, that we have not yet even begun to pay any portion of the huge debt which previous lending programs have tied around our necks like an ugly and relentless millstone.

Figures computed by A. A. Ballantine, former Undersecretary of the Treasury, show just how the man who labors is not "the forgotten man" when the tax collector exacts his pound of flesh for the spending carnival which has brought so much opportunity and comfort to a privileged coterie of political favorites. In the following compilation the New Deal exacts the part of the price labeled "tax" in each of these items of everyday use:

Article	Normal price	Tax included in price
Cotton dress	$7.85	$2.85
Electric-light bill	3.00	.50
Telephone bill	2.50	.41
Cigarettes (2 packages)	.25	.12
5 gallons gasoline	.90	.30
Loaf of bread	.10	.01

When the American workingman and the American farmer finally realize the inevitable and eternal truth that only a little over two-fifths of the money received by Government through taxation comes from income taxes, and that the workers of the land are paying the balance through a wide variety of indirect and largely hidden taxes, he will know the full story of just how completely the New Deal and its spending-lending-borrowing-bankrupting policies are denying him and his children of the opportunities for success and happiness, which have been traditionally American for 150 years prior to the past 7 New Deal years.

Mr. Speaker, under leave granted me, I shall insert at this point an editorial taken from the Sioux Falls Argus Leader, published in Sioux Falls, S. Dak. The comments of Fred Christopherson, the capable editor of this splendid paper, are brief but highly pertinent. I urge you all to read the following editorial carefully before casting your votes on the huge spending programs to be confronting us next week. I am sure that not only the comments of Mr. Christopherson will be helpful to you, but that the statements of a fellow running for President by name of Franklin D. Roosevelt, and of America's premier historian and student of government, James Truslow Adams, will be illuminating. If what Mr. Roosevelt said in 1930, 1932, and 1933 was true and correct, then what President Roosevelt says in 1937, 1938, and 1939 is false and uneconomic. Each of you can decide in your own conscience whether the candidate or the officeholder was enunciating a sound governmental doctrine; none of you can seriously contend that the squire of Hyde Park is right in both instances. Upon your decision as to which preachment of the man who is now President you select to follow may depend the very existence of solvent government and democracy itself. It is my hope that a dispassionate and unprejudiced study of the following editorial will help us all to forget partisanship and to display patriotism in meeting the challenge soon confronting us as we approach the hour of decision in connection with what may well prove to be the "spending straw" to break the camel's back of Uncle Sam's national solvency.

[From the Sioux Falls (S. Dak.) Argus Leader of July 25, 1939]

ON THE BRINK

With the gigantic spend-lend bill now before Congress we give space today to the opinions of two distinguished commentators on the general subject of Government expenditures and credit.

One of these is Franklin D. Roosevelt. The following quotations are from speeches and public statements he issued in 1930, 1932, and 1933:

"We are not getting an adequate return for the money we are spending in Washington, or to put it another way, we are spending altogether too much money for Government services that are neither practical nor necessary. And then, in addition to that, we are attempting too many functions. We need to simplify what the Federal Government is giving to the people.

"I accuse the present (Hoover) administration of being the greatest spending administration in peacetimes in all our history. It is an administration that has piled bureau on bureau, commission on commission, and has failed to anticipate the dire needs and the reduced earning power of the people. Bureaus and bureaucrats, commissions and commissioners have been retained at the expense of the taxpayer. * * *

"If we do not halt this steady process of building commissions and regulatory bodies and special legislation like huge inverted pyramids over every one of the simple constitutional provisions, we shall soon be spending many billions of dollars more. * * *

"The credit of the family depends chiefly upon whether that family is living within its income. And that is equally true of the nation. If the nation is living within its income, its credit is good.

"If, in some crises, it lives beyond its income for a year or two, it can usually borrow temporarily at reasonable rates. But if, like a spendthrift, it throws discretion to the winds and is willing to make no sacrifice at all in spending, if it extends its taxing to the limit of the people's power to pay and continues to pile up deficits, then it is on the road to bankruptcy. * * *

"And on my part I ask you very simply to assign me to the task of reducing the annual operating expenses of your National Government. We must move with a direct and resolute purpose now. The Members of Congress and I are pledged to immediate economy. When a great danger threatens our basic security it is my duty to advise Congress of the way to preserve it. In so doing I must be fair not only to the few but to the many. It is in this spirit that I appeal to you. If the Congress chooses to vest me with this responsibility it will be exercised in a spirit of justice to all, of sympathy to those who are in need, and of maintaining inviolate the basic welfare of the United States. * * *

"Taxes are paid in the sweat of every man who labors because they are a burden on production and are paid through production. If those taxes are excessive, they are reflected in idle factories, in tax-sold farms, and in hordes of hungry people, tramping the streets and seeking jobs in vain. * * *

"I know something of taxes. For 3 long years I have been going up and down this country preaching that government—Federal and State and local—costs too much. I shall not stop that preaching. * * *

"And I propose to use this position of high responsibility to discuss * * * the duty of reducing taxes, of increasing the efficiency of government, of cutting out the underbrush around our governmental structure, of getting the most public service for every dollar paid in taxation. That I pledge you, and nothing I have said in the campaign transcends in importance this covenant with the taxpayers of the United States."

The other commentator is James Truslow Adams, author of the Epic of America and other famous books. In a statement issued to the press for publication today, he makes the following observations concerning public spending:

"The defeat of the spending-lending bill, the billions it would add to the public debt, are of vast importance to all Americans. In 6 years, besides reducing the gold value of the dollar by about 40 percent, we have attempted to prime the pump by adding about $25,000,000,000 to our debt without solving the unemployment problem or restoring prosperity.

"To continue longer on this spending-lending road is, I believe, to ruin the Government's credit beyond repair and to bring on us all the intolerable suffering of heavy inflation as happened in France, Germany, and elsewhere.

"I am not an economic royalist nor a politician but a hard-working private citizen of modest means, with only one house and some savings in securities, savings-bank accounts, and life insurance which I am struggling to preserve. From study and long experience, I am convinced that our savings will be almost totally lost if we do not stop this debauch of national spending; that small people like myself financially, men and women who have savings and insurance, will eventually be ruined.

"Members of Congress at this critical moment are under terrific pressure not only from the administration but from groups back home who, while they demand economy in general, also press for money for local projects.

"Congress should hear at once from all those who realize that George Washington was right when he said that for the payment of debt there must be revenue, and that to have revenue there must be taxes, and that while the cherishing of sound public credit is the duty of Congress, public opinion must cooperate in guiding Congress to a sound course.

"We are fast reaching, if we have not already reached, the brink beyond which lies the crash of our private security and hope. If we slide over this brink, we shall have ourselves to blame if public opinion is not sound and if, as Washington advised, we do not cooperate with Congress by letting them know what it is.

"If we do not want printing-press paper money, with all its intolerable consequences, I believe there is no time to lose in asking your Congressmen and Senators to halt spending. I suggest beside telegraphing your Congressmen and Senators you discuss this with your friends and neighbors, precinct committeemen, and county chairman of your own party."

The Argus-Leader can add little to the foregoing discussions except to suggest that they be read and reread and their contents carefully digested. Then clip them out and show them to your friends and neighbors. They present a philosophy that most surely deserves our exacting attention at this critical period in American history.

General Anthony Wayne Memorial Parkway

EXTENSION OF REMARKS

OF

HON. CLIFF CLEVENGER

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Saturday, July 29, 1939

STATEMENT BY HON. CLIFF CLEVENGER, OF OHIO, BEFORE THE HOUSE COMMITTEE ON APPROPRIATIONS

Mr. CLEVENGER. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following statement made by me before the Committee on Appropriations:

History has said that General Greene was the strong right arm of Gen. George Washington. Granting the truth of this statement, surely then Gen. Anthony Wayne must have been his strong left arm.

Serving from the frozen reaches of the St. Lawrence in the Arnold campaign, with the Pennsylvania line at Germantown and Brandywine, what American has not thrilled at his capture of Stony Point? It was of him and the safety of West Point that Washington first

thought when came the betrayal of Arnold. He redeemed the Colony of Georgia, swept up through the Carolinas, and helped in the final consummation at Yorktown; was sent to the House of Representatives from the new State of Georgia, in which body his right to sit was questioned, he being a Pennsylvanian.

After the defeat of General Harmar in 1790 at the site of the present-day Fort Wayne, Ind., and the destruction of a second army at the hands of the British and Indians northwest of Greenville, Ohio, in 1792, and the consequent opening of the whole northwest country to ravages of Indian attack, President George Washington called him back from his retirement in private life and made Gen. Anthony Wayne Commander of the Army of the United States. He proceeded to Pittsburgh, thence to Cincinnati, where, under the greatest of handicaps, he drilled and disciplined his forces and then moved up the Miami River into the Indian country.

At the site of St. Clair's defeat he built Fort Recovery, buried 693 of the skeletons of that force, defeated a strong attack, moved up the Auglaize to its junction with the Maumee, where he built Fort Defiance and "defied all hell to take it." Proceeding down the Maumee to within a few miles of Toledo, he fought on August 20, 1794, the Battle of Fallen Timbers. Almost under the guns of the British fort he built a wooden post at the site of Toledo—Fort Industry—then, retracing his steps to Fort Defiance, he passed some 40 miles upward to the junction of the St. Marys and St. Joseph Rivers, where he built the post named after himself, now Fort Wayne, Ind.

Meeting the Indian tribes in council, he, after months of negotiation, made and signed on August 7, 1795, the famous treaty of Greenville. This great soldier of Pennsylvania saved what a great soldier of Virginia, George Rogers Clark, had won—six States of the American Northwest.

From the human material this brilliant military achievement made secure, these States have molded no less than 10 Presidents of the United States, together with uncounted other men and women of note. We want to make along the Miami-Auglaize-Maumee Rivers a lasting out-of-door memorial to a great American—one of its greatest soldiers whose fate it was in 1796 while on his way home from Detroit, to die from illness and exposure in his country's cause.

"As oft has happened in America's story
The path of duty is the road to glory."

We want to make this great waterway an American memorial parkway, to give along its way refuge to wildlife; places of recreation and enjoyment. To mark the resting places of men—white and red—who made history here. Let the memory of the savage Indian chiefs who made covenants and kept them, even to the loss of their most highly prized lands, in this day of covenant breakers, be remembered as men of probity and honor. My State and its people pray for this Anthony Wayne Memorial Parkway that all who pass this way may renew the wellsprings of their patriotism—to the glory of God and our native land.

The Spending-Lending Bill

EXTENSION OF REMARKS
OF
HON. NOAH M. MASON
OF ILLINOIS
IN THE HOUSE OF REPRESENTATIVES
Saturday, July 29, 1939

ARTICLE BY H. I. PHILLIPS

Mr. MASON. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following article by H. I. Phillips:

THE ONCE OVER
(By H. I. Phillips)
FATHER AND SON DIALOGS

"Popper, what is a self-liquidating loan?"

"Sonnie, go out and play. The boy next door is whistling for you."

"Daddy, I've been reading about the plan to lend $4,000,000,000 to industry for self-liquidating projects, and I don't understand it."

"It's too deep to try to understand fully, my boy. Go ride your bicycle."

"But, popper, I wanna know about it."

"Well, I guess what it all means is that the Government still holds the notion that anybody pays back all money he borrows."

"But what is a self-liquidating loan, popper?"

"Let's see. Assume I am a manufacturer of doorknobs and the doorknob business is in a bad way all over America. All the doorknob factories are closed, and no doorknob worker can get a job."

"But why, popper, is the doorknob business in such a bad way?"

"Nobody is buying doorknobs. They have enough. Well, suppose I run a big doorknob factory. I haven't any money to spend for advertising, and I can't afford to put any money into new type doorknobs and a big selling campaign."

"So what, popper?"

"So I wake up some morning and read that the Government has a plan to revive my business. It will lend me a million dollars, maybe, to open full blast and turn out more doorknobs."

"Will that be a self-liquidating project, popper?"

"The Government says so. It says the people have always used doorknobs, that the old doorknobs are worn out and that if I go at it right I can turn out a bumper crop of doorknobs, create a big demand, sell 'em all and pay back the loan."

"What next, popper?"

"I take the loan, I put on a big selling campaign and I spend all the money I borrowed but nobody buys the doorknobs."

"What do you do then, popper?"

"You mean what does the Government do then? Well, it issues an appeal to the people to put an extra set of doorknobs on every door. Then it lends me another million to sell the country the idea that two sets of doorknobs on every door are necessary. I get up an advertising campaign with the slogan 'Wise Americans Do Not Depend on One Set of Doorknobs!' "

"Does it work, popper?"

"No."

"Is that loan self-liquidating?"

"No; so I get another self-liquidating loan to liquidate all the previous loans."

"Is it difficult, daddy?"

"It's compulsory. Then with the new loan Congress passes a law making it compulsory for every house in America to have three sets of doorknobs on every door."

"Does that clear up everything?"

"I'm afraid not. But I am not downhearted. I still have an ace in the hole so all the loans can be liquidated."

"What is it, popper?"

"I get together with all the doorknob makers and get Congress to pass a law requiring doorknobs on windows!"

Racketeering Patriots

EXTENSION OF REMARKS
OF
HON. JAMES E. VAN ZANDT
OF PENNSYLVANIA
IN THE HOUSE OF REPRESENTATIVES
Saturday, July 29, 1939

RADIO ADDRESS OF MAJ. EUGENE I. VAN ANTWERP, AND AN EDITORIAL

Mr. VAN ZANDT. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following radio address delivered by Maj. Eugene I. Van Antwerp, commander in chief of the Veterans of Foreign Wars of the United States, over the red network of the National Broadcasting Co. from station WWJ in Detroit, July 19, 1939, and also an editorial from the Detroit News:

The year 1939 has marked the advent of a tremendous discovery! Certain superpatriots and opportunist demagogs have suddenly discovered Americanism!

Prompted by the success in Europe of individuals who climbed to fame in the role of dictators, scores of would-be dictators have suddenly appeared on the scene in the United States.

These self-appointed red, white, and blue Stalins, Hitlers, and Mussolinis are today spewing forth much of the evil propaganda with which the American public is being bombarded from all sides. Clothed in the garb of Americanism, they are preaching ideas and principles that are directly in conflict with the Bill of Rights and the Constitution of the United States. Conveniently they ignore the fact the Bill of Rights is the mother of Americanism and without the enforcement of the Bill of Rights in every respect Americanism ceases to exist.

Some of these imitation dictators would even have us believe that Americanism sanctions the organization of secret uniformed bodies, trained and prepared to take over the duties of our law-enforcing agencies at a moment's notice. Hiding behind the American flag, they would have us believe the spirit of Americanism approves the promotion of class and racial hatreds. In one voice they sing the Star-Spangled Banner. In the next they sing a hymn of hate to incite murder and riot.

Of course, there is a catch to all this, and their glorious promises of riches and prosperity for the American people, if we accept their guidance and counsel. These hatemongers, ego-maniacs as well as plain racketeers, have some very definite purpose in mind. You can be sure those purposes are all selfish ones. Regardless of the

glamorous titles with which they identify themselves and their societies—the man in the street knows them to be plain, ordinary, cheap, every-day chiselers who have visions of getting rich on the contributions they can wheedle from a gullible public. As specialists in the organization of hate societies, these self-crowned saviors belong to our newest class of racketeers.

The formula is simple. You pick out some special group to hate—by color, by race, by religion, or their politics. You create breath-taking, fabulous lies. Then with constant repetition, you eventually force your audience to suspect that where there is smoke there must be fire. Real success lies in the ability to fabricate the most amazing falsehoods. Falsehoods that produce fear are most effective—because when people are frightened they are more willing to pay for promised protection.

It all boils down to the fundamental purpose of collecting dues, donations, or subsidies, and the sale of uniforms and emblems. If they can't sell you a uniform they are prepared to dress you up in a shirt that is guaranteed to be both colorful and distinctive.

One or two of our most currently prominent made-in-America dictators have taken a tip from the Broadway producer who finds a so-called angel for his theatrical ventures. They have proved it is not impossible to find persons with more money than brains—persons who are willing to part with huge sums, either as an investment for greater riches or under the pathetic impression they are doing a patriotic service for their country.

The organizer who finds an "angel" is especially fortunate. He has money with which to immediately buy and distribute millions of pamphlets. He can put out millions of alleged copies of forged documents designed to prove his daring fabrications. He also has the money to hire agents in different sections of the country, to publish periodicals, and buy time on the radios. This type of racketeer, armed with an oily tongue, a magnetic voice, and a poisonous pen, goes after his profits with scientific, big-business methods.

The fact that some of these parasites are meeting with remarkable success has been publicly verified by the Federal Bureau of Investigation, by the investigations of the Dies Committee on un-American Activities, and articles that have been published from time to time in reputable magazines.

These developments indicate the rank and file of the American people are clear thinking and intelligent. They are smart enough to know that you don't have to pay dues to any organization or society, or subscribe to some terrifying pledge of hate for your neighbor, to be a loyal American citizen. They know you don't have to join any private armies, or vigilante groups, to prove your allegiance to the Government of the United States.

The rise of such men as Stalin, Hitler, and Mussolini proves to us it is wise to inquire into the motives and the sincerity of the demagogues in our own country who come before us disguised as apostles of Americanism.

After offering this bit of advice, I think you have the right to know why the members of the Veterans of Foreign Wars of the United States are peculiarly qualified to champion the cause of Americanism. First, I want it plainly understood that we are not asking you to join any secret societies. We are not trying to sell you any Sam Browne belts or funny-looking shirts. We are not soliciting donations or subsidies, nor do we want a mailing list of your friends. We have nothing to sell to the American public. We are asking you to do only one thing. We ask you to do your own thinking—to think for yourself. If we can encourage you to think for yourself, with an open mind, we know logic will prevail. And if logic prevails, we know that our Americanism will be safe and our efforts will be well rewarded.

I think you will agree with me that any man who has served in the Army, Navy, or Marine Corps of the United States in a zone of danger in time of war has every right to champion those ideals he was prepared to defend with his life if necessary. The overseas veteran, in my mind, needs no further proof of his sincerity than his record at Washington when he talks to you about love of country.

Amazing as it may seem to many of our superpatriots, the overseas veterans who compose the Veterans of Foreign Wars enjoyed the experience of discovering Americanism long before 1939. In fact, many of our comrades made that startling discovery long before 1898, and long before they sailed for the Philippines, the Chinese Boxer Rebellion, the islands of Cuba and Haiti, and the harbors of Santiago and Vera Cruz, in the War with Spain. It was the men who returned from these wars, campaigns, and expeditions in 1898–1900 who founded our organization and conceived our objectives.

To those who belong to the Veterans of Foreign Wars, Americanism has been a daily religion ever since our organization was formed back in 1899. Our ranks were greatly swelled by the World War, which gave America approximately 2,000,000 overseas veterans. These men came home from the American Expeditionary Forces ready to give what was left of their lives in the continued defense of Americanism. Since 1918 these veterans of the World War, and our previous campaigns, have been working side by side in the promotion of Americanism—banded together by a mutual respect for each other's sacrifices in the actual zone of warfare.

The men in whose behalf I bring you this message of Americanism proved they have a right to speak up in defense of Americanism when they learned what it means to fear death in the form of an enemy submarine, a burst of shrapnel, the deadly fire of a machine gun, or the sudden explosion of a hand grenade. They know what it means to seek shelter from a hail of lead in the mud and filth of a stinking trench. They know the utter weariness and the hunger and suffering of endless marches under the cover of darkness. They know, too, the scream of a dying comrade—crucified on a cross of barbed wire because he was willing to give his life to protect our Americanism.

To these men—members of the Veterans of Foreign Wars of the United States—Americanism is something worth living for in time of peace—as well as dying for in time of war.

Of course, I speak of a different type of Americanism than the brand our various hate societies are trying to sell to the American public. Our brand of Americanism keeps strict faith with every word in the Bill of Rights and in every line of the Constitution. We believe in the kind of Americanism that gives you and me a right to express our opinions, to approve or disapprove, to commend or criticize, as we see fit. Our brand of Americanism does not say you and I can give vocal support to our ideas, but our neighbor down the street—who has different views—must keep his lips sealed for fear of being brutally assaulted or jailed.

The philosophy of Americanism in which we believe gives us a legal right to meet under the same roof as coworkers in the ranks of labor, as farmers in our local granges, as businessmen in our chambers of commerce, as fraternal brothers in a Masonic order, or the Knights of Columbus, the Eagles, the Elks, Odd Fellows, or Moose. There is nothing in our brand of Americanism that says you must belong to my particular lodge—or else.

We recognize and cherish the Americanism spirit which leaves our newspapers free to print anything that does not conflict with the laws of libel or decency. As veterans, as business leaders, as laborers, or farmers, we appreciate the right that is ours to publish our own periodicals without the heavy hand of a censor to tell us what our members are allowed to read. In our desire to maintain a free press for ourselves, we know a free press must also be available to others under our flag. If it is denied to those with whom we happen to disagree today, it may be denied to us tomorrow.

As taxpayers and law-abiding citizens, the Americanism we advocate gives us the privilege of presenting our petitions to the highest court in the land if we feel we have been wronged. We insist nothing must interfere with that right which belongs to every other citizen as well as to ourselves.

If our public servants, our duly elected representatives in our town councils, our county and State legislatures, or in the Congress of the United States enact laws that are contrary to our ideas, we believe in the kind of Americanism which grants us the opportunity to petition our law-making bodies for corrective legislation. We want that opportunity as individuals. We want it also as ex-service men, as farmers, as laborers, as lawyers, doctors, or bankers, if we feel that our mutual welfare is being endangered.

Back in 1620 our Pilgrim Fathers migrated from England in search of individual liberty. One of their most important objectives was to establish homes in a new land where they could cling to the religious faith in which they believed.

The Americanism which veterans have made personal sacrifices to protect—the Americanism which has given us steadfast faith in the spirit of comradeship and the brotherhood of man—teaches us the blessing of religious freedom must be ours forever if America is destined to survive. There is no compromise with this fundamental truth. You and I would be throwing Americanism overboard if we should tell our neighbors there is room for only one church in this country.

Tolerance for the rights and privileges of others is the essence of Americanism, applied either to religious freedom, free speech, a free press, or other individual liberties. There must be freedom for all or we have freedom for none. Those who would have America half free and half slave are traitors to the spirit of Americanism.

When you hear any man preach a gospel of hate and vengeance for your neighbor; when you read a scurrilous pamphlet that uses the right of a free press to denounce freedom for others; when you hear a radio talk that subtly spreads ideas that are popular only with the dictators of Europe—be on your guard and think clearly. Be wary of those who use Americanism to cover up ideas that are plainly un-American. Be prepared to turn a deaf ear to the missionaries of communism, nazi-ism, or fascism, who would have you believe your security is at stake if you fail to swallow their prescriptions.

Keep this fact uppermost in your mind at all times. Americanism is not something you can sell for a price, nor is it something you can take off or put on when you own a certain kind of uniform. Americanism is a way of life—a way of living—and not something you acquire by paying membership dues in a secret society.

These are the basic principles of the Americanism program our organization has been supporting from the first day it was founded back in 1899. These ideals have been the inspiration for all our endeavors as a veteran organization. When we plead for loyalty to the United States of America and to the flag of our country we are pleading for the preservation of every principle in the Bill of Rights. In our veteran welfare work, in patriotic programs, in our youth activities, in the things we are trying to do to help the communities in which we live, we are constantly striving to demonstrate there is no substitute for Americanism.

[From the Detroit News]

BEWARE SUPERPATRIOTS

The creed of the American is defined in the Bill of Rights and other parts of the Constitution, and one who is born here and

stays here, or one who adopts this as his land, is assumed to subscribe to them as wholeheartedly as any other American. When an organization professes to be devoted, beyond the rest of us, to American principles, it is best, as Commander in Chief Van Antwerp, of the V. F. W., suggests, to look beyond its claims.

If it is suggested that he needs more than his status as a citizen to establish his patriotism, it is wise to examine the purposes of those with other memberships to offer. If they are collecting dues or donations or looking for subsidies or have paraphernalia to sell, it is safe to say they lack even the slight merit of meaning well. And there are many such. Others are so far from being devoted to the American way that they would, under guise of a superior patriotism, change its pattern to one of their own, somewhere in conflict with the principles of tolerance and equality and freedom of expression set up in the Constitution.

These principles have worn well, and will outlast the creeds, lately arisen, in which they are denied. To embody them in his everyday point of view is all the subscription any American need make, to them, and to membership in the American community.

The Importance of the Housing Bill—Slums and Diseases

EXTENSION OF REMARKS

OF

HON. JERRY VOORHIS

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Saturday, July 29, 1939

Mr. VOORHIS of California. Mr. Speaker, I want to talk about slum clearance and low-rent housing—about the bill we will soon have before us, not in terms of dollars and cents, land values, or construction costs; I want to talk about it in terms of human beings—people like ourselves—subject to the same ills and the same dangers. I want to talk to you about the relation of slums to ill health.

Ill health and juvenile delinquency flourish in the shadow of the slums. Studies made over the last half century in city after city have shown that the areas of bad housing are almost invariably the areas with the highest disease, death, and juvenile-delinquency rates.

One of the most striking illustrations of the evil effects of bad housing is found in the studies of infant mortality. A survey made by the United States Children's Bureau in 8 cities indicates the effect of overcrowding—a prime characteristic of slums—upon a baby's chance of survival. In homes with less than 1 person per room, the infant mortality rate was 52 per 1,000 births. Where there were between 1 and 2 persons per room, the rate was 94 per 1,000 births. In homes with 2 or more persons per room, the rate was 135.7, or more than two and one-half times as high as in favorable surroundings.

In Cincinnati the Public Health Federation sought to answer another question: "If children live past babyhood in slums, how safe are they, then, from sickness and death?" A study of four groups of homes, ranging from slums to extremely pretentious neighborhoods, revealed that there were more deaths from measles and whooping cough in the worst housing district investigated than in all the other survey districts combined.

Medical authorities attribute the excess death rate from communicable children's diseases in overcrowded areas to the lower age incidence, since these diseases are more often fatal when contracted at very early ages. A study made in this country has shown that in diphtheria, scarlet fever, whooping cough, and infantile paralysis, as well as measles, cases "are more concentrated in the earlier years of life as aggregation of population increases." The excess contacts through which young slum children get such diseases arise from their congregation in congested tenement hallways and cramped play areas and in their overcrowded homes.

Children of the slums are also the easiest victims of rickets, which may cause them to go through life with twisted limbs and bodies. Lack of sunshine is chiefly responsible for this disease. In New York City a 5-year study revealed that three out of four babies in tenement districts had rickets, while the disease was almost unknown in better neighborhoods.

Only recently has the significance of ultraviolet light in preventing rickets been recognized. Since ultraviolet light does not pass through ordinary windowpanes and would not, at any rate, penetrate far into a room, the prevalence of rickets in the slums is due not only to lack of windows that admit sunlight but to lack of outdoor spaces in which infants and children can get sunshine. Satisfactory play space is also vital in promoting the actual physical development of children.

Other diseases menace the existence of slum dwellers. When a person with an advanced case of tuberculosis lives in a dark, congested household, the danger of infecting others is increased many times. The tubercle bacillus in sputum is destroyed in the outdoors by sunlight in about 15 minutes; in a completely dark room it may live for months. Consider the danger, then, from tuberculosis alone, of thousands upon thousands of inhabited windowless rooms in America, and of an even greater number of rooms with windows opening onto mere shafts or courts.

In Detroit it was found that pneumonia kills three and a half times as many people in certain slum areas as in the most desirable residential sections. Diphtheria was likewise a greater menace in areas of bad housing. And statistics show that Detroit does not differ greatly from other cities in this respect.

Decent occupancy standards, if not protection against contagion, would call for no more than one person per room in any home, to insure adequate privacy for all members of a household. Yet in the United States some 3,000,000 families live in homes with more than one person per room. Though running water for drinking and bathing, and sanitary sewage disposal are among the first essentials of sanitary living, more than a million and a half urban homes in this country have no private bathing facilities, and nearly a million and a quarter households lack private indoor water closets. It is common knowledge that many diseases, including common colds, sore throats, bronchitis, and influenza, spread because of close personal contacts. In congested slum dwellings and neighborhoods the chances of infection are greater. Overcrowding in sleeping accommodations is particularly dangerous.

Disease is not, of course, confined to slum areas; it takes its full toll by spreading. Communicable diseases may be transmitted by laundresses, domestic workers, and like contacts to other parts of the community as well.

Regulation of the Sale of Fireworks

EXTENSION OF REMARKS

OF

HON. JOHN C. KUNKEL

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Saturday, July 29, 1939

Mr. KUNKEL. Mr. Speaker, I was so impressed by the information contained in the following resolution which I received this morning from my friends, Wilber Goodhart, of Shippensburg, and Lester Meily, of Mount Holly Springs, that I want to bring it to the attention of my colleagues. I hope that those of you who do not already have a law in your State regulating the use of fireworks on the Fourth of July will be sufficiently interested to promote or aid in the promotion of similar campaigns.

RESOLUTIONS PROPOSED BY OSCAR M. HYKES POST, NO. 223, SHIPPENSBURG, PA.

Whereas 5 years ago Oscar M. Hykes Post, No. 223, of Shippensburg, Pa., realized that continued deaths and injuries from Fourth of July fireworks should be ended; and

Whereas the said post inaugurated a vigorous campaign to secure the passage of legislation to accomplish this purpose and secured the aid and cooperation of the Cumberland County Council, the

Nineteenth District, and, finally, the Department of Pennsylvania; and

Whereas this campaign so inaugurated and so supported resulted in the passage of the act of assembly of 1939 forbidding the sale of fireworks in the Commonwealth except to civic organizations, to be handled and set off only by capable and experienced persons; and

Whereas, as a result of the enactment of the said act of assembly the number of persons injured by fireworks in 1939 was 2, compared to 1,242 injured in 1938, and while 6 persons were fatally injured in 1938 none were fatally injured in 1939: Therefore be it

Resolved, That at the instance and suggestions of Oscar M. Hykes Post, No. 223, of Shippensburg, Pa., the Department of Pennsylvania respectfully recommends to the national convention that in each State now permitting the unrestricted sale of fireworks, that State department institute and vigorously support a campaign to prohibit by law the sale of fireworks, except to civic organizations for the purpose of public display under the direction of competent and experienced persons.

Respectfully submitted.

OSCAR M. HYKES POST, AMERICAN LEGION,
Shippensburg, Pa.

Approved July 11, 1939.

CUMBERLAND COUNTY COUNCIL, AMERICAN LEGION.

The Oscar M. Hykes Post, No. 223, of Shippensburg, the original sponsor of this movement, may feel well repaid for their efforts and justly proud of their accomplishments, as may the Mount Holly Springs Post, No. 674, the Cumberland County Legionnaires, and the Legionnaires of the Nineteenth Congressional District of Pennsylvania, who actively cooperated in having the legislation enacted.

For the added safety of loved ones it is hoped that the Nation as a whole will adopt the policy outlined in the above resolution.

Is John Lewis the New "White House Spokesman"?

EXTENSION OF REMARKS
OF
HON. FRANK O. HORTON
OF WYOMING
IN THE HOUSE OF REPRESENTATIVES
Saturday, July 29, 1939

EDITORIAL FROM THE WASHINGTON STAR

Mr. HORTON. Mr. Speaker, inasmuch as John L. Lewis, hard-hitting leader of the C. I. O., has a $470,000 mortgage on the New Deal corner of the Democratic Party, he is of course somewhat entitled to speak for the party, to the party, or about the party leaders. But when he makes a bitter personal attack upon the Vice President of the United States, Mr. Lewis is definitely exceeding even the generous rights which are his as the largest individual contributor to the Democratic campaign funds.

I am going to insert at this point an editorial from the Washington Evening Star which throws something of a new light upon the backstage activities leading up to the attempt of John Lewis to "smear GARNER." It smacks somewhat of the same craftsmanship which initiated and projected the equally heartless and bitter "smear Hoover" campaign of 1932, and which to a greater or lesser degree has endeavored to "smear anybody" who has dared to oppose Franklin D. Roosevelt, whether that opposition come from within or without his own party.

This editorial tells its own story. Let those who read it decide for themselves in view of all the circumstances whether John Lewis was speaking as a new White House spokesman trying to smear the biggest present hurdle to Roosevelt's grim drive for the third-term nomination, whether it was another purge concoction of Tommy the Cork and his palace brigade of schoolboy strategists, or whether Mr. Lewis was simply once more demonstrating that the Democratic Party had better pay him back his $470,000 mortgage or resign itself to permitting him to continue to speak as its sugar-daddy and principle contributor.

The editorial following is from the Washington Star for July 28 and is entitled "Tut, Tut, Mr. Lewis."

TUT, TUT, MR. LEWIS

When John L. Lewis' eyebrows are as white as those of the Vice President of the United States he may understand that name-calling carries a powerful kick-back on the name-caller. Indeed, he may have this fact forced upon him almost immediately, as a result of his characterization of Mr. GARNER as a "labor-baiting, poker-playing, whisky-drinking, evil old man." That remark, unless Senators and Representatives commenting upon it are wrong, has lost to Mr. Lewis and his labor organization the Congress of Industrial Organizations, many votes in both Houses.

Mr. Lewis is a public figure. For any man to use the language he used in attacking the Vice President of the United States and the President of the Senate before a congressional committee indicates bad temper and worse judgment. Out in the country and among the rank and file of the people Mr. Lewis, as a result, will lose caste, just as he has in Congress.

If Mr. Lewis' unmeasured attack upon the Vice President was reprehensible, what of the attitude of the House Labor Committee, before which the attack was made? No member of that committee did more than sit and gape—except the chairman, Mrs. MARY NORTON, who thanked Mr. Lewis for his contribution when he had concluded his tirade. No member suggested that the Lewis remarks about Mr. GARNER be expunged from the record. The committee took it lying down, although there are certain rules of courtesy that are supposed to guide the proceedings in congressional committees as well as in the House and Senate themselves.

Mr. Lewis has a perfect right, of course, to be against Mr. GARNER, as he said, in 1939 and in 1940, "personally, concretely, and in the abstract." He does not wish Mr. GARNER to be nominated by the Democratic Party for President next year. Presumably his attack upon the Vice President was intended to lessen his chances for the nomination. The probable effect, however, will be to win friends for Mr. GARNER, even though they may not be enough to insure him victory in the Democratic National Convention.

Mr. Lewis is a bold operator. When President Roosevelt failed to support actively some of his ideas for labor Mr. Lewis openly said that the President had supped at labor's table, that labor had been responsible for his election to the Presidency, and that the President was expected to come across. It is true that he did not accuse Mr. Roosevelt of being an evil young man. But Mr. Lewis did imply that he was an ungrateful one. Mr. Lewis' labor organization had put up half a million dollars for the Roosevelt campaign—the largest single contributor. The President was annoyed, but he let the remark pass. Perhaps, with his present attack upon Mr. GARNER, Mr. Lewis hopes to win a more cordial feeling on the part of Mr. Roosevelt.

Mr. Lewis has not been a success in his recent political campaigns—except in 1936, when he supported President Roosevelt in a big way. Last year his candidates were knocked about by the voters. Particularly was this true in Pennsylvania, where, because of the United Mine Workers, of which he is president, Mr. Lewis was supposed to be influential. How much good he will do Mr. Roosevelt by his attack upon the Vice President—if that was his purpose—is decidedly problematical. Mr. Lewis enjoys a wide reputation as a clever politician and labor strategist. His outburst yesterday leaves one wondering where he got that reputation.

Some Arguments That Cannot Be Answered—W. P. A. Bill Must Be Changed

EXTENSION OF REMARKS
OF
HON. JERRY VOORHIS
OF CALIFORNIA
IN THE HOUSE OF REPRESENTATIVES
Saturday, July 29, 1939

Mr. VOORHIS of California. Mr. Speaker, since the so-called Woodrum bill, Emergency Relief Appropriation Act of 1939, was passed every Member of Congress has been in receipt of letters and messages descriptive of the problems which hundreds of thousands of American citizens are now facing as a result of the action of Congress when it passed that bill.

In speeches at one time and another I believe I have said about all that I can say in opposition to what certain features of the bill have done to the unemployed people of the country.

I should now like to let the people speak for themselves. Congress has no right to adjourn until it has corrected the inequities of the so-called relief bill.

Here is some of the testimony regarding it: First, from a woman in her forties:

LOS ANGELES, CALIF., *July 25, 1939.*

HON. JERRY VOORHIS,
Member, House of Representatives, Washington, D. C.

DEAR SIR: I am a W. P. A. worker who will be seriously affected by the vacation clause in the Woodrum W. P. A. Act. I have not

been able to save one dime and am terribly worried about how I am going to pay my rent, eat, and be clothed during this enforced vacation without pay. I have no one who can help me. My application has been on file for months in all the large aviation companies in this part of the country. I am a divorced woman in my forties. Am a capable typist and secretary. As you know, it is indeed a difficult task for a woman in her forties to obtain employment nowadays.

Who can help but worry when faced with the immediate prospect of being forced to go on direct relief? I understand that I can obtain about $20 per month on relief, but the attendant shame and humiliation of having to take charity is awful punishment to people with pride, folks capable, healthy, able, and willing to work. I need $20 per week to live on.

Very sincerely,

Next concerning two veterans' cases:

John ———, now working as a senior statistical clerk on project N 9134. * * * Mr. ——— will be dismissed from this project July 31. * * * The man is positively unable to do heavy work. In fact, I doubt if he could even carry water on a W. P. A. project (the sun would get him). He is 57 years of age, has an F. H. A. loan on his home on which he must pay $31.70 a month. He was getting $85 per month. Was reduced to $65 2 months ago. Most of his life he has been with either large lumber companies and the Standard Oil Co. Was dismissed from the Standard Oil Co. 6 years ago, mostly because of age. Now, I just don't know what to tell a man like that. Any suggestions from you would be truly appreciated.

And the other:

——— ———, a veteran living here, whose physical condition is such that his wife has been made head of the family and is employed on the sewing project * * *, under this 18 months' ruling she will, in all probability, be given a "vacation." I sent Mrs. ——— to the W. P. A. employment office yesterday to see if it would be possible for her to claim his veteran exemption. The man in charge of the ——— office informed him that it could not be done.

Next from a group of mothers:

JULY 19, 1939.

HON. JERRY VOORHIS,
Congress of the United States, House of Representatives, Washington, D. C.

DEAR JERRY VOORHIS: We the undersigned, as mothers of children in the Federal Nursery School of Alhambra, Calif., strongly protest the Woodrum bill in general and the 30-day lay-off of persons on W. P. A. rolls over 18 months in particular.

We have it on good authority that the application of this clause will close down our nursery school. All of our W. P. A. workers, who have done such excellent work, have been on the rolls over 18 months, and we are told that there will be no new personnel trained to replace them.

This nursery school is of great material and educational benefit to low-income families. Its closing down will work a hardship on approximately 85 persons in our community (W. P. A. and N. Y. A. workers, children, and their parents).

We urge you, as our representative in Congress, to do everything in your power to have the Woodrum bill amended.

We want our nursery school and our present staff of W. P. A. and N. Y. A. workers.

Yours truly,

Celia Wilby, Alhambra, Calif.; Beverly Adams, Alhambra, Calif.; Marjorie Tatro, Alhambra, Calif.; Mary Harrison, San Gabriel, Calif.; Lucille Housey, Alhambra, Calif.; Ann Battaglin, Alhambra, Calif.; Eva S. Tenell, San Gabriel, Calif.; Mildred Arturi, San Gabriel, Calif.; Betty Wingerter, South Pasadena, Calif.; Lois Hahesy, Alhambra, Calif.; Ruth Novak, Alhambra, Calif.; Jeanne Ranscher, Alhambra, Calif.; Mrs. R. A. Burkhart, Monterey Park, Calif.; Mrs. Franco Morris, Alhambra, Calif.; Mrs. Doris B. Webster, Alhambra, Calif.; Mrs. Valda Johnson, Alhambra, Calif.; Louise Petersen, Alhambra, Calif.; Mrs. J. D. Paul, Alhambra, Calif.; Zephyr D. Stains, San Gabriel, Calif.; Mrs. E. O. Hoffman, San Gabriel, Calif.; Mrs. F. C. Burton, San Gabriel, Calif.

Now, from a city engineer regarding a most worth-while project which will be ruined:

JULY 21, 1939.

MR. JERRY VOORHIS,
House of Representatives, Washington, D. C.

DEAR JERRY: Knowing your interest in our center-line survey and mapping project here in ———, I am asking your advice and help in the present situation brought about by the new act, which threatens to disrupt the entire organization which I have built up during the past 3 years, and to ruin much of the $25,000 investment made by W. P. A. to date.

This project, operating now under O. P. ———, is known as the model job of its kind in the county, and has on it the only really capable men available in this part of the county. For instance, the county surveyor advises me that there are just four men on W. P. A. in the county that are competent to make the necessary cadastral computations in connection with the project (one in ———, one in ———, and two in the county offices). The project is operating in close cooperation with the county surveyor and the engineer of the title companies, and has their active backing, as shown by letters on file with W. P. A., as being a job of inestimable value to the entire area. The project is now in the midst of securing topographic data upon which to base location of property lines, etc., prior to the actual drawing of the map. The men I have been working are those who have been selected from a host of men supplied to the project in past years and are, as I have said, the only ones available from the relief lists for work of this kind, where the primary traverses are closed with an accuracy of 1 in 50,000.

It appears from news dispatches and from information given me in the Los Angeles office of W. P. A. that the 30-day layoff will eliminate the civil engineer Mr. ——— who is indispensable to the project, Mr. ——— and Mr. ———, engineering draftsmen who are the key men at the backbone of the project, having worked it out with me from the beginning. If as indicated, the layoff is permanent, I am afraid I will have to close the project and scrap what has been accomplished. This would be most unfortunate, and will subject us all to no end of criticism from those who know the worth of the job. Due to the flood, ——— has no funds with which to complete the work.

I hope that there is some way out. Some way to eliminate in this case the 30-day requirement, or if this is not possible, to get them back again at the close of the layoff. This job is so different from the usual works job, and of such particular worth to the future of the area that I feel sure that the last word has not been said. I have gone out and by public subscription financed the materials needed when the city was unable to help, and hate to say "quit" now.

Very sincerely,

HARLAN EDWARDS, *City Engineer.*

And finally from an administrative officer of W. P. A. who explains as dispassionately as possible in response to my inquiry just what is going to happen.

(1) Even though we were pretty well down to bottom on administrative expenditures, we are forced to cut this cost more than one-third, resulting in laying off more than 250 of our administrative employees immediately.

We are making these separations on the basis of those having the least number of dependents, and by setting up a fair qualifying board and letting those go whose record is least efficient for the work to be done.

We know of no other method to be free of charges of favoritism and unfairness to these people.

(2) The fact that the new bill gives prior preference to need rather than veterans is going to bring a great deal of criticism from the veterans' organizations.

(3) The requirement that local sponsors contribute 25 percent of the cost of projects will seriously affect many of our white-collar projects.

(4) The laying off of those who have been on our program for more than 18 months, coming along with greatly reduced quotas means that those people will never be assigned to our rolls again until our quotas are increased, and I know from contact with these people they are generally of the opinion that they will be off for only 30 days and immediately rehired.

(4) In southern California we have approximately 13,000 who will be laid off on the 18-month clause, but our quota during the next 2 months is to be decreased nearly 15,000, and we have an available file from the State relief administration rolls, of nearly 30,000 who have never been on W. P. A., or, if so, only a short length of time.

(5) The 130-hour month will undoubtedly be followed in the immediate future by a reduction in the schedule of monthly earnings in southern California when the Washington administration finally adjusts Nation-wide security wages to conform to the new law.

We have lengthened the hours of some of the W. P. A. workers by more than 100 percent; we have cut most of their wages; we have reduced total employment on the program by one-third; and we have ruined thousands of projects by the enforced lay-off provision applying to all who have been at work 18 months or more.

Keep a Keen Eye Cut Toward Infringement

EXTENSION OF REMARKS

OF

HON. LUTHER PATRICK

OF ALABAMA

IN THE HOUSE OF REPRESENTATIVES

Saturday, July 29, 1939

Mr. PATRICK. Mr. Speaker and fellow Members of Congress, what is this? It seems that the Federal Communications Commission has had an inspiration, or urge, or some-

thing. It has decided to go after the telephone business and would like to be vested with the power to regulate the whole telephone industry. I have been unable to find exactly how far that investigatory power, and so forth, is to extend, if granted; but most of the telephone business in this country is in the hands of the American Telephone & Telegraph Co., and I suppose a regulation of the business would practically be simply regulating that outfit.

Now, since I do not know what the F. C. C. may have seen, heard, found out, or caught onto, I shall not make any gesture at deciding whether or not the telephone business, or the American Telephone & Telegraph, should be investigated, regulated, or set right; but I do recall that only a short while back the F. C. C. made a threatening pass at radio, one that appeared to edge over toward sacred ground in this country.

You know Americanism is greatly a matter of free speech and action. Newspapers quite frequently get away with stuff we do not like, but we charge it all up to the freedom of speech and freedom of the press. We, in this country are like that—and we are very proud of the fact.

This is the pass the F. C. C. made at radio:

It took the position that when a short-wave broadcast is sent out from this country it must reflect nothing but refinement, culture, and good will.

We are to suppose whoever happens to be in the proper pivotal position to judge at the time of any given broadcast is to have the power of life and death over such broadcast. Do you, gentlemen, see any other way it could be worked out? I think not. Well, we are pretty jealous of our personal rights in this country and we believe the mind, heart, and general culture of this country is keen enough, safe enough, and strong enough to put any public agency in its place that begins to break out of due bounds.

Eternal vigilance is the price of many fine things in a democracy and while I am numbered among the staunchest new dealers there are morsels of freedom so sweet and rights of action so dear that I cannot for a moment consider their surrender to any agency or arm of the Government for supervision and control.

The radio as a speech-conveying agency has no counterpart and is one medium of intercommunication that we must always carefully attend and see to it that it does not get away from the American way for the American people. And please let me state that I think that wonderfully well have that great industry kept the faith and held to the ideals that make for the things we hold so dear. Violations of propriety and indiscreet broadcasts have been few and far between when we consider the volume of releases that fill the air every day.

Oh, if the American Telephone & Telegraph Co. is running its rates too high or is giving poor service or is in any way managing to gyp Mr. and Mrs. America we have no objection to that being cracked wide open, but let us keep a keen eye out toward anything that has a tendency to curtail our freedom of speech in this country.

I thank you.

The Lea Transportation Bill

EXTENSION OF REMARKS

OF

HON. JOHN M. COFFEE

OF WASHINGTON

IN THE HOUSE OF REPRESENTATIVES

Saturday, July 29, 1939

Mr. COFFEE of Washington. Mr. Speaker, under leave to extend my remarks in the RECORD, I desire herewith to include expressions typical of communications received by me from proponents and opponents of the transportation legislation known as the Lea bill, being S. 2009, as amended by the House.

Mr. Speaker, there was room for honest difference of opinion in the consideration of this legislation. All intelligent citizens are agreed that the railway industry is a sick enterprise and needs many "shots in the arm" of one form or another. Opinions differ as to the measures to be employed, calculated to accomplish this desirable objective. It has long been felt that it is not advisable or sensible to lift one industry while pushing down another—to strengthen one competitor while correspondingly weakening a rival. One of the curses of America is that we are embarked upon a form of restriction and implementation of an economy of scarcity, which runs absolutely counter to the experience and teaching of all schools of economics, to the effect that an economy of abundance must be supported and permitted to function.

When the railroads first came into existence they brought about the decay and decline of the stagecoach. The ascendancy of the automobile was coeval with the moribundity of the horse. The shingle industry has sustained serious setbacks because of the development of asphalt, rag, and slate substitutes. The coal industry is fighting desperately to keep from succumbing by reason of the substitution of oil and gasoline for coal as fuel in engines of propulsion and heating apparatus.

Today the railroads face increasing competition from the airplane, the truck, the autobus, the private automobile, and marine transportation. The railroad industry is sick from the germs brought about by the sins of its fathers. For years railroads owned and operated State legislatures, maintained their lobbyists in the Halls of Congress, were instrumental and influential in affecting the appointment of their attorneys as members of the highest judicial tribunals in America, accomplished the election and defeat of city councilmen, county commissioners, State legislators, and Members of Congress and the United States Senate. They were all-powerful and were riding high. The story of the corruption and boodle of the railroads embraces one of the blackest periods in American history. The early operation of the Goulds, the Harrimans, the Huntingtons, the Vanderbilts, and their ilk is a national disgrace.

But, Mr. Speaker, space does not permit me to recount in detail the counts of the indictment I place against the railroads. The fact remains that they are an indispensable and integral segment of our national economy. They must be preserved, protected, and fortified, but, I submit, not at the expense of their rivals but in cooperation with them.

I attach herewith expressions typical of those in support of the measure:

SEATTLE, *Wash., July 21, 1939.*

Hon. JOHN M. COFFEE,
House Office Building, Washington, D. C.:

As representative of express employees of Washington who are members Brotherhood of Railway Clerks, I earnestly solicit your support of the Lea transportation bill in the interest of a fair and equitable transportation policy.

T. E. HINTON, *General Chairman.*

CHICAGO, *June 20, 1939.*

Hon. JOHN M. COFFEE,
House of Representatives, Washington, D. C.

HONORABLE SIR: As an industry located in your district, we are asking your earnest consideration in promoting and effecting early passage of transportation legislation which is now pending in your body. We are suppliers of car wheels for railroads and sincerely believe that any help given the railroads will be of decided benefit to us and our employees, and will have a real stimulating influence upon all business.

We express the hope that you will actively interest yourself in the passage of measures now pending, which we are informed are known as H. R. 2531 and H. R. 4862.

Yours very truly,

GRIFFIN WHEEL CO.

BROTHERHOOD OF LOCOMOTIVE FIREMEN AND ENGINEMEN,
Cleveland, Ohio, July 18, 1939.

To all Representatives in the United States Congress, House Office Building, Washington, D. C.

MY DEAR CONGRESSMEN: I am assuming to communicate with you relative to the Transportation Act of 1939, and especially in behalf of the Lea bill (substitute for S. 2009), which it is understood has been favorably reported by the House Committee on Interstate and Foreign Commerce.

It will not be my purpose to undertake to analyze this important measure. However, its object is to regulate transportation by rail, highway, and water, with a view to placing all competitive forms of transportation on a basis of equality. This bill embodies certain of the recommendations made by the committee composed of three railroad presidents and three labor executives appointed some time

ago by the President to carefully study the general transportation situation. The bill will contribute greatly toward correcting the inequitable situation now existing.

I understand the indications are this matter will be placed before the House of Representatives for action during the course of the next few days. I am accordingly writing to request that you kindly give your support to the bill as reported by the House committee, to the end that it may receive favorable consideration by the House.

Yours sincerely,

D. B. ROBERTSON.

INTERNATIONAL ASSOCIATION OF MACHINISTS,
Washington, D. C., July 20, 1939.

Subject: Transportation legislation.

DEAR CONGRESSMAN: In behalf of 200,000 members of the International Association of Machinists, an organization whose members are employed in the mechanical departments of all forms of transportation service, we want to recommend to you S. 2009 as a legislative measure which establishes regulation that is fair to all branches of the transportation industry.

S. 2009, which has been favorably reported out by the House Committee on Interstate and Foreign Commerce, is an original House measure, as the House committee struck out all of the Senate bill except the enacting clause and wrote in a bill of its own. This bill is based on principles endorsed by the Committee of Six, representing employers and labor appointed by the President to recommend an equitable national transportation policy.

We respectfully request your vote in favor of S. 2009 and urge your support in securing its enactment by the House of Representatives.

Very truly yours,

H. W. BROWN,
Acting International President.

The following are fairly representative of statements and communications received by me in opposition to the measure. These opinions and observations are all self-explanatory:

INLAND EMPIRE WATERWAYS ASSOCIATION,
Walla Walla, Wash., February 27, 1939.

Hon. JOHN M. COFFEE,
House of Representatives, Washington, D. C.

DEAR CONGRESSMAN COFFEE: It is my understanding that hearings have been held before the Committee on Interstate and Foreign Commerce of the House of Representatives with reference to the so-called Lea bill, H. R. 2531, which would give the Interstate Commerce Commission the power to move in over the water carriers very much as it has over other forms of transportation.

It has long been the opinion of this association that instead of additional, cumbersome, ineffective, costly interference with the free movement of commerce by the enactment of additional legislation that the Congress should find some way of clarifying the situation by the repeal of much of the power of the Interstate Commerce Commission in the regulation of minimum rates.

As far as we can see, the bill represents the effort of the railroads and allied interests to force all rates and services into railroad patterns and to aid the railroads by handicapping competing forms of transportation.

The Commission has had control over joint rail and water rates for many years. In recent cases decided by the Commission they have arbitrarily set up divisions of from 85 to 95 percent of the all-rail rates. In other words, there has been no study of water-carrier costs, but this differential is an arbitrary one decided upon by the Commission for the reason that the rail rate is established at a certain level.

As an example, the all-rail rate from The Dalles to Portland, Oreg., on wheat was $2.10 per ton. The river boats moved in, started to take some of the traffic, and they immediately established a rate of $1.40, or an immediate cut of one-third. The rail rate immediately dropped to $1.60. However, the Commission, deciding joint rail and water rate schedules, disregarded this low cost of water-carrier service and in territory just outside of The Dalles established a joint water and rail rate and a differential of 1 cent per hundredweight, or 20 cents per ton.

We are unable to see any advantage to the producer, to the shipper, and to the consumer by additional, cumbersome legislation granting authority and making it mandatory upon the Interstate Commerce Commission to virtually eliminate the savings that will accrue to the farmers of this area through the competition of water-carrier service on the Columbia and Snake Rivers.

If the Commission is given the authority to control these rates, as is proposed in the bill, it is only reasonable to assume that they will be raised to the formula now in effect in joint rail and water rates. This means higher costs to the shipper, manufacturer, the farmer, and the merchant, and will also result in retarding development of natural resources which have laid dormant for years, due to exorbitant all-rail transportation charges.

There is no public demand for regulation of the water carrier and such regulation would not be in the public interest. The Columbia and Snake Rivers, when adequately improved and maintained, will afford the cheapest method of transportation in the interior Pacific Northwest. By this same token, when all of our inland waterways of the Nation are developed, it will likewise afford the cheapest known method of transportation.

Cheap transportation is necessary for the development of our now latent natural resources and the shipping of our agricultural products, not only to the domestic markets but to the markets of the world. If the low-cost inland water routes are permitted to develop and are left free as they are in Europe, the public will benefit from the savings they make possible.

In conclusion, the association firmly believes that the interests of shippers, producers, and consumers must be protected, and this interest cannot be if additional regulation by the Interstate Commerce Commission is enacted to law.

The association would be very glad to develop some statistical information regarding rates as it affects the interior Pacific Northwest if this information would be of value to you. We do earnestly urge that you make a complete study of the Lea bill before voting in favor of this type of legislation, for we are unutterably opposed to this bill, for we believe it to be against the best interests of the farmers and of the development of the natural resources of the area.

With best wishes, I am,

Sincerely,

H. G. WEST,
Executive Vice President.

INLAND EMPIRE WATERWAYS ASSOCIATION,
Walla Walla, Wash., July 3, 1939.

Hon. JOHN M. COFFEE,
House of Representatives, Washington, D. C.

DEAR CONGRESSMAN COFFEE: With further reference to S. 2009, to amend the Interstate Commerce Act, and especially providing for the regulation of water carriers:

Upon an exhaustive search on our part, it is rather significant to find that all of the important agencies of the Government charged with dealing with the transportation problem have not been consulted or given approval to this legislation.

After a study of the bill, our people are of the opinion that if section 30, the rate-making rule, is retained with the same language as passed the Senate that we will be afforded maximum protection. In other words, if the bill must pass, then we do request your full support in an effort to retain section 30 as passed by the Senate.

In further study of this bill, we do not find one single proposal that the railroads do anything whatever toward the amelioration or improvement of their own situation.

As an indication of what we might expect on the Columbia and Snake Rivers if our carriers are placed under the control of the Interstate Commerce Commission is the attitude of the Commission in prescribing joint rail and water rates in accordance with the Denison Act in conjunction with water service from Portland to The Dalles and thence by rail to immediate points within that area.

The Commission prescribed 10-, 12-, and 13-percent differentials as maximum. However, on port-to-port rates the same company operating from Portland to Umatilla made the following reductions: The rail rate from Portland to Umatilla on gasoline is 30 cents per hundredweight, or .019 cent per gallon, and the rate put into effect was 7½ cents per hundredweight, or .0049 cent per gallon.

In other words, we have had an indication that if the Interstate Commerce Commission is given the authority to prescribe minimum rates over water carriers that the rail level of rates will be their yardstick and water rates will be brought to that level rather than the level of rail rates brought down to the level of water rates.

We do hope that the House will be successful in defeating this legislation. However, as stated previously, if it must pass, then let's use every effort to retain section 30 in the form in which it passed the Senate.

With best wishes and kindest regards, I am,

Sincerely,

H. G. WEST,
Executive Vice President.

WEST COAST LUMBERMEN'S ASSOCIATION,
Seattle, Wash., July 24, 1939.

Hon. JOHN M. COFFEE,
House of Representatives, Washington, D. C.

Subject: Transfer of control over water rates to Interstate Commerce Commission.

MY DEAR CONGRESSMAN COFFEE: The trustees of the West Coast Lumbermen's Association have recently given this subject fresh consideration in connection with the Wheeler-Truman bill.

The west coast lumber industry, as of course you know, was built up upon water-borne commerce. Today the domestic cargo movement still takes 40 percent or more of our total production. Our two largest markets are reached by the coastwise water-borne movement to California and the intercoastal movement to the Atlantic seaboard.

Our industry has always been at a serious disadvantage in reaching the larger markets of the United States—because of distance. We, in common with other far western woods, have the longest hauls and highest transportation costs of any species of American lumber—in reaching the populous Central and Eastern States where 70 percent of the lumber is consumed. Our average cost for transportation today is about 60 percent of the average price realized by the sawmill; and for the third of our log which produces low-grade construction lumber, the average cost of transportation to market is over 150 percent of the price received at the mill. This is the primary reason why west coast logging operations appear so wasteful. Usually 15 percent of the standing timber just cannot be utilized, because we cannot get it to any market that will

pay back cost. The life of the west coast lumber industry could largely be summarized as a struggle against transportation costs that shut our mills off from essential markets.

In this struggle the competitive leverage of water transportation has been of incalculable value. Coastwise vessels move 75 percent of all the lumber we market in California and establish absolute competitive limits which railroad rates cannot exceed. Intercoastal steamships move 74 percent of all the lumber we sell in the States eastward from Chicago; and again have determined the rate levels by rail. Hence there has been impressed upon our industry for many years the vital economic function of free, competitive transportation by water and the necessity of keeping the competition of water-borne commerce free and open. The west coast lumber industry has always opposed efforts to place the regulation and control of coastwise or intercoastal carriers under the Interstate Commerce Commission from fear that this would—doubtless gradually and unconsciously—break down the free, competitive status of the water carriers.

With all the complexities in the transportation problem today and our desire to aid the rehabilitation of the railroads, our trustees believe that this fundamental necessity still remains—for protecting the competitive independence of the water carriers. Notwithstanding the safeguarding provisions of the Wheeler-Truman bill (rate-making rule stated in sec. 30), they believe it contrary to the interests of the Pacific coast, and of our industry particularly, to place water and rail carriers under the same Federal agency for regulation and control. I am requested to place this conclusion before you and to ask your serious consideration of it in connection with the pending legislation.

With warm personal regards,

Sincerely yours,

W. B. GREELEY,
Secretary-Manager.

AMERICAN TRUCKING ASSOCIATIONS, INC.,
Washington, D. C., April 24, 1939.

Hon. JOHN M. COFFEE,
House Office Building, Washington, D. C.

Re: S. 2009, transportation bill.

DEAR MR. COFFEE: Upon the convening of the legislative committee of the American Trucking Associations, Inc., on April 20, 1939, we were directed to say that the industry is opposed to S. 2009 in both principle and form.

Equality of regulation does not mean identical regulation, as stated by Commissioner Eastman before congressional committees. The Interstate Commerce Commission in its fifty-second annual report, states that the regulation of motor carriers, if anything, is more comprehensive than that of the railroads.

Amendments could never cure the confusion resulting from discarding the wealth of information which has been built up through 50 years of I. C. C. and court decisions, all of which are based on the present law by parts and sections.

The basic objection rests on the proposition that the proposed legislation fails to recognize the inherent differences in the various transportation agencies and proceeds to subject all of them to identical and inapplicable provisions. For example, long-and-short-haul clause and routing-by-shippers provisions, which were designed for railroads operating on a fixed route, are applied to motor carriers. This is so, even though the certificates may call for irregular routes only, and the operations are subject to different size and weight laws at every State line, and detours on account of weather conditions, etc., are general.

Similar impossible and impracticable provisions are to be found throughout the bill. Such results were to be expected when it is recalled that the bill, in its original form, was drafted by railroad management and railroad labor, and motor and water carriers were not consulted.

The universal experience of every administrator of transportation regulation has been that different treatment must be given to different conditions. No one has disputed this, and the only Federal agency competent to express an opinion, the Interstate Commerce Commission, has concurred in this view. They pointed out that the attempted codification in a few days of railroad and truck-carrier law, with water-carrier law superimposed on it, has resulted in endless errors of both omission and commission.

No one suggests that this codification of laws will benefit the railroads, except as they may escape regulation, by having applied to them some of the more simple procedures which were designed for the small-truck operator, such as consolidations without public hearings. That may be the answer to the desire of the railroads for codification.

The public notice and hearings were entirely too brief for full consideration of such comprehensive legislation.

Only 3 years ago Congress enacted a complete law governing motor carriers, and the administrative problems of bringing order out of chaos, arising from that legislation, are far from completed as to thousands of small trucking concerns.

We sincerely urge you not to codify the law at this time and to continue the established form of regulating each type of transportation by appropriate parts of the Interstate Commerce Act, such as part I for railroads, part II for motor carriers, etc., and to enact such additional legislation as may be deemed necessary by reference to the existing form and style of the Interstate Commerce Act, which recognizes the inherent characteristics of each transportation agency.

Respectfully,

AMERICAN TRUCKING ASSOCIATIONS, INC.,
TED V. RODGERS, *President.*

CONSOLIDATED FREIGHT LINES, INC.,
Spokane, Wash., May 2, 1939.

The Honorable JOHN M. COFFEE,
House Office Building, Washington, D. C.

DEAR SIR: We in the motor freight industry feel that Senate bill 2009 would be very injurious to the motor freight industry and to the millions of people directly and indirectly employed by this industry. For this reason, we are writing you to state our major objections to the bill, which are as follows:

1. Mr. Eastman has already indicated to the committee of Congress that equality of regulation does not mean identical regulation. As stated by the Interstate Commerce Commission in its fifty-second annual report, the Motor Carrier Act provides regulation for motor carriers which, if anything, is more comprehensive than that covering railroads.

2. The proposed legislation fails to recognize the inherent differences in the various transportation agencies and proceeds to subject all of them to identical and in many cases inapplicable provisions.

3. Amendments to S. 2009 could never cure the confusion resulting from discarding the wealth of information which has been built up through 50 years of I. C. C. and court decisions, all of which are based on the present law by parts and sections.

4. The bill would force reorganization of the Interstate Commerce Commission according to the nature of the work undertaken, rather than according to type of carrier, eliminating division 5. The present law permits flexible administration by the Commission itself.

5. The bill carries long-and-short-haul clause and routing by shippers provisions which were designed for railroads operating on a fixed route and would now be applied to motor carriers. Conflicting State laws, weather conditions, highway standards, construction detours, etc., frequently necessitate circuitous hauls, although the rates would be based on the direct route. The total charge via the circuitous route would generally be less than the aggregate of intermediate rates via the circuitous route.

6. The bill makes motor carriers subject to reparation proceedings, laying them open to possible trouble from "claim chasers."

7. The bill provides that if I. C. C. see fit valuation provisions of the Rail Act may be applied to motor carriers in rate making cases.

8. The bill provides for no regulation of forwarding companies or carloading companies.

9. The bill would remove all I. C. C. control from motor carrier operations of the Railway Express Agency as well as railroad pick-up and delivery service, insofar as present provisions of the Motor Carrier Act are concerned.

10. The bill provides that regulations covering hours of service for employees may be prescribed only for the purpose of promoting safety. This would make employees of common and contract carriers other than drivers and additional employees concerned with safety of operation subject to the hours provisions of the Fair Labor Standards Act, from which they are now exempt. This would be most unfair, as all railroad employees would be exempt from the hours provisions of the Fair Labor Standards Act.

We feel sure you will give our cause fair treatment and take into consideration the vital importance of this bill to the many thousands of people within your own State who are very gainfully employed by the motor freight industry and that the passage of this bill would be detrimental to the welfare of your State as a whole.

Very truly yours,

CONSOLIDATED FREIGHTWAYS, INC.,
J. H. HOWAY,
Division Superintendent.

GIG HARBOR, WASH., *May 5, 1939.*

Hon. JOHN M. COFFEE,
House of Representatives, Washington, D. C.

DEAR SIR: It is the opinion of the shipping men that the enactment of the Wheeler bill (S. 2009) will result in the strangulation of our waterways, by giving the railroads a practical monopoly; and will greatly injure shipping on inland rivers, canals, the Great Lakes, and coastal and coastwise waters; with resultant injury to our agricultural and manufacturing interests.

I ask that you oppose this bill.

Respectfully yours,

F. M. HUNT,
Member, National Rivers and Harbors Congress.

TACOMA, WASH., *May 13, 1939.*

Congressman JOHN M. COFFEE,
Washington, D. C.:

The Propeller Club port of Tacoma earnestly requests your efforts to defeat Wheeler Senate bill 2009 and Lea bill proposing to regulate water transportation by Interstate Commerce Commission as being eminently unfair water carriers and inimical to economical water transportation.

H. R. DAVIS,
President, Propeller Club, Port of Tacoma.

SUMNER-TACOMA STAGE CO.,
Sumner, Wash., May 3, 1939.

Hon. JOHN M. COFFEE,
Congressman, Washington, D. C.

DEAR SIR: There are several bills before the Senate committee, some of which may come before the Congress, pertaining to the

regulation of bus and motor transportation by the Interstate Commerce Commission.

We happen to come under the regulations of the Commission to some extent, as we have an I. C. C. permit, though we are not an actual interstate operator, but make connections with the actual operator of this service.

Under one section of Senate bill 2009 the Interstate Commerce Commission would have the right to fix and regulate the intrastate as well as the interstate rates. This we feel is unjust and uncalled for, since we are already regulated by the Washington Department of Public Service, and the natural demand of the service over our lines. The railroads, who we have reason to believe are behind this bill, would in all probabilities like to see the rates for the bus companies raised so that they could keep on losing business as the railroads have in the past.

Among other objectionable features of the bill is one authorizing and directing the Commission to proceed to investigate (a) concerning the economy and fitness of rail carriers, water carriers, and motor carriers for transportation service, or any particular classes or description thereof, with the view of determining the service for which each is especially fitted or fitted for and for which its use should accordingly be encouraged or discouraged in the interest or avoiding wasteful and destructive competition; and (b) concerning the extent to which right-of-way or other transportation facilities and special services have been or are provided from the public funds for the use, within the territorial limits of continental United States, of each of the three types of carriers without adequate compensation, etc.

We know we are paying adequately for any use we have of the highways, which fact has been investigated by the State highway department, and we believe that most of the States of the Union could give this information without any investigation. This would also avoid wasteful and destructive competition, so they say, for the three—water, rail, and bus—they have forgotten the air, which costs the public more per passenger hauled than any of the other three.

This is probably not to be taken into consideration, as the air probably comes under another department's regulation, but it is a fact, nevertheless.

We believe in adequate and ample compensation for any transportation service, or, for that matter, for any service, goods, or foods furnished to the public, if you can get it. Though we do not believe that legislation is the best way to make this possible. "He who is governed least is governed best."

You probably have considerable information of these bills; and we wish to ask that you use your influence against these two features at least. "The regulation of intrastate rates" and "the elimination of competition of rail, water, and bus."

Thanking you for anything you may do to eliminate these features, which we believe will be for the best interest of all concerned and, most of all, the public.

Yours very respectfully,

SUMNER TACOMA STAGE CO. (BLUE LINES),
P. O. CONLON, *Manager.*

PACIFIC HIGHWAY TRANSPORT,
Tacoma, Wash., July 19, 1939.

Hon. JOHN M. COFFEE,
House of Representatives Office Building, Washington, D. C.

DEAR JOHN: I have information that the Lea transportation bill is about to come to the House, in fact, it may have done so before you get this.

As I understand it, the most recent form of the bill exempts the Railway Express Agency from any kind of regulation. As you can well realize, this would be dynamite to all of the forms of transportation which compete with railroads, and if this is in the bill we think it would be much better to defeat the bill entirely than allow it to go through with this provision in it.

It would mean that regulated trucking in this State, and regulation is now, as you know, universally over both intrastate and interstate trucks, would have to compete with a regular truck line owned and operated by the railroads but not under regulation at all.

I was quite in favor of most of the provisions of the Lea bill, as we all were out here, until they stuck this absurd exemption into it.

This morning's paper indicates that you will soon be out of that very hot "vale of tears" and for your sake I certainly hope so.

Best regards.

Yours very truly,

C. S. REYNOLDS,
Secretary-Treasurer.

GRAND LODGE, BROTHERHOOD OF RAILROAD TRAINMEN,
Cleveland, Ohio, July 19, 1939.

DEAR CONGRESSMAN: You are soon to be confronted with the problem of enacting legislation calculated to aid the railroads of this country. This is a great responsibility, for the recovery of the American railroad system will, to a large extent, determine the course of recovery in all American industry.

You are, of course, aware of the fact that the Senate has already passed the so-called Wheeler-Truman bill (S. 2009) on railroads. It is my understanding that a substitute bill will be presented for your consideration by the House Committee on Interstate and Foreign Commerce. The Brotherhood of Railroad Trainmen vigorously opposed S. 2009, and we are just as strongly against the House substitute bill. For both measures contain provisions regarding railroad consolidation, the effect of which would be disastrous to our railroads and to our national economy.

What does railroad consolidation mean? It means the abandonment of many miles of track. It means impairment of service. It means the creation of ghost communities and the destruction of millions of dollars in property values. It means unemployment for 200,000 railroad workers and a consequent shrinkage in our national purchasing power. It means the continuation of the million-dollar-a-day waste in the industry—uncovered by the Wheeler committee—and the entrenchment of those railroad bankers who have found in this industry a very lucrative source of income.

For these reasons, I urgently request that you vote against the House substitute bill for S. 2009. In so doing, you will not only be acting for the best interests of the railroad industry, but you will also be preventing economic and social catastrophe by insuring that 200,000 men are not to be deprived of employment.

Respectfully yours,

A. F. WHITNEY, *President.*

PITTSBURGH, PA., *July 21, 1939.*

Hon. JOHN M. COFFEE,
House Office Building, Washington, D. C.:

In consideration of House transportation bill, your vote should not be much influenced by railroad demand, because waterway regulation will not solve railroad problem. Neither should you attach much importance to the favorable testimony of the Federal and Mississippi Valley barge lines (now regulated by the I. C. C.), because their combined efforts represent only about 10 percent of the total inland waterway tonnage. We, and others like us, originate and develop about 90 percent of this water-borne tonnage and our opposition should carry weight. Great Lakes exemption highly discriminatory. We suggested amendments but disapprove entire bill.

UNION BARGE LINE CORPORATION,
ALFRED S. OSBOURNE, *Vice President.*

SEATTLE, WASH., *July 22, 1939.*

Hon. JOHN M. COFFEE,
House of Representatives, Washington, D. C.:

We protest against adoption of House Interstate and Foreign Commerce Committee print No. 3 substitute for Senate 2009 and particularly that part of section 8 thereof called section 5, subsection 1, dealing with the subject of pooling or division of traffic or of service. Kindly advise by wire present position of measure and probable action this session of Congress.

HERB SHAW,
Manager, Motor Coach Association of Washington.

SEATTLE, WASH., *July 22, 1939.*

Hon. JOHN M. COFFEE,
Congress, Washington, D. C.:

Earnestly urge postponement any legislation affecting Motor Carrier Act, 1935, as contained in Senate bill 2009 or substitute committee print No. 3. Air-mail letter to you today.

R. T. WHITING,
Regional Director, National Association of Motor Bus Operators.

Why There Aren't More Jobs

EXTENSION OF REMARKS
OF
HON. GEORGE H. BENDER
OF OHIO
IN THE HOUSE OF REPRESENTATIVES
Saturday, July 29, 1939

Mr. BENDER. Mr. Speaker, before a single man ever goes to work, someone must be ready and willing to provide the funds with which to pay him his wages. Someone must be available who considers it economically desirable to risk his savings upon the venture which requires employment. In the system of capitalistic society by which our Nation has reached the tremendous development we have attained, the means through which our working men and women derive their assurance of continued earnings is the willingness of private investors to encourage enterprise.

Once the wellspring of private investment dries up the number of jobs must inevitably shrink. And the source from which the Nation's investors derive their sustenance is the confidence which they feel in the ability of their investments to earn them a fair profit. When this confidence fails the stream becomes sluggish; and unless it is quickly restored it ceases to flow altogether.

Many factors contribute to the destruction of this intangible confidence. Heavy taxes, constant harassment, uncertain future legislation, and the fear of long-continued labor battles make investment precarious and act as powerful deterrents to the establishment of new enterprises.

This is almost precisely the picture of what has happened in America during the last few years. The National Association of Manufacturers, the group representing the largest organization of factory owners in the Nation, has recently undertaken to discover, with some degree of exactness, just what investors in general regard as the difficulties confronting them under our present conditions.

One amazing conclusion reveals itself. Thousands of present investors in the United States who were asked two questions: (1) Do you have additional funds available for investment which you are not investing; and (2) if not, why not? Of those replying, 75.2 percent declared that they had money available which they did not choose to invest under present conditions.

The reasons for this refusal are even more illuminating. Analyzing their replies, it becomes apparent that—

(1) Thirty-eight and eight-tenths percent of our investing public declares that the primary reason for noninvestment today is the lack of adequate profit earnings.

(2) Seventy-seven percent of the replies declared that they seriously doubted the probability that adequate profits would be earned in the future because of already existing legislative restrictions upon industry.

(3) Seventy-five and four-tenths percent insisted that existing taxes upon business similarly rendered future profits extremely doubtful.

(4) Seventy-two and eight-tenths percent replied that the possibility of new taxes on industry made it advisable for them to restrict their investments.

(5) Sixty-two and seven-tenths percent observed that the likelihood of protracted labor troubles was acting to discourage them from using their available funds.

(6) Eighty-three and one-tenth percent were convinced that the Federal Government already takes so much in direct taxes from corporations that they do not care to risk their cash in corporate investments.

(7) Sixty-one and nine-tenths percent felt that taxes upon individual taxpayers were too high to encourage them to invest in the hope of earning profits, because those profits would simply be taxed into the Treasury.

It is interesting to observe the reaction of the investing public to those legislative enactments recently passed in theory for their protection.

(1) Fifty-nine and three-tenths percent believe that this new legislation places restrictions upon the sale of securities by individuals which are far too stringent.

(2) Fifty-two and seven-tenths percent believe that the purchase of securities by individuals is being too rigidly controlled.

(3) Forty-nine and eight-tenths percent declare their opinion that the regulations now surrounding the issuance of new securities by corporations are too rigorous.

No less informative are the suggestions of those polled as to steps which might be taken to correct these evils and start the stream of investment moving once more.

(1) Twenty and seven-tenths percent stated flatly that a change in the national administration would be of great value in solving the problem.

(2) Nineteen and two-tenths percent proposed a decrease in Government spending as a solution.

(3) Eighteen and six-tenths percent urged less governmental interference in private business by the Federal Government as a means to the desired end.

(4) Eighteen percent suggested a balancing of the Budget to do the trick.

(5) Fifteen and one-tenth percent felt that the lessening of governmental competition with private business would be effective.

(6) Fourteen and four-tenths percent observed that a reduction in existing taxes and the pledge to impose no additional ones would stimulate investment.

(7) Thirteen percent demanded changes in Federal labor legislation.

(8) Ten and five-tenths percent urged a change in the attitude of the administration and the radical alteration of its business policies.

(9) Ten and one-tenth percent believed that less Government legislation discriminating against industry would be signally helpful in overcoming their repugnance to investment of their available money.

Throughout all of these replies the one characteristic view is obvious. In virtually every instance the objection is directed at some Federal policy. The complaint of investors, echoed by businessmen throughout the Nation, is unmistakable. They are convinced that the policies of the New Deal are destroying the desire of men and women to invest their funds. Our banks are filled to overflowing with idle money. Our Nation is filled to overflowing with idle hands. Neither will be occupied so long as the people of our land lack confidence in the policies of those who determine our affairs.

There is but one answer—"Alter those policies." There is but one way to alter those policies. Change the administration of our Government. There is but one effective way to change the administration. Vote Republican in 1940.

Iowa

EXTENSION OF REMARKS

OF

HON. THOMAS E. MARTIN

OF IOWA

IN THE HOUSE OF REPRESENTATIVES

Saturday, July 29, 1939

Mr. MARTIN of Iowa. Mr. Speaker, after having received many very splendid and welcome letters from several of my colleagues portraying the beauty of their home States, I am delighted to find that the National Geographic Magazine for August 1939, in a 40-page feature article, has described and pictured the glorious beauty and the superior productivity of Iowa far more eloquently than I can present it by word or by letter.

I therefore urge you to read the article, Iowa, Abiding Place of Plenty, in the August issue of the National Geographic Magazine, so that you may better know, understand, and appreciate the attractive qualities of the great State of Iowa.

Distribution of Public Power in the Pacific Northwest—The Grange Has Played an Important Part in Developing Public Power Sentiment—Distribution as Vitally Important as Generation in Electrical Development—Bring Cheap Power to the People Through Government Cooperation—The R. E. A. Has Demonstrated the Possibilities

EXTENSION OF REMARKS

OF

HON. JOHN M. COFFEE

OF WASHINGTON

IN THE HOUSE OF REPRESENTATIVES

Friday, July 28, 1939

Mr. COFFEE of Washington. Mr. Speaker the magnitude of the power development in the Northwest has come to be recognized rather generally by this time. The Members of this Congress are familiar with the fact that the capacity of the power plants to be installed in connection with the Bonneville and Grand Coulee Dams, exceeds by a considerable amount the capacity of all power plants to be operated by the T. V. A. combined.

So much emphasis has been placed upon the generation of energy at Bonneville and Grand Coulee, that we are sometimes inclined to overlook the problem of effecting the most

economical distribution of this power—of making the largest possible quantities of it available to the homes, the farms, and the factories of the Northwest. The Federal Government has a vital interest in this phase of the matter. From the rather narrow viewpoint of a creditor, it wants assurance that the appropriations made to build these dams will be returned through the sale of the energy produced by them. From a broader, social viewpoint, it is obvious that producing power is just one phase of the greater task of making it available to the user, where it will produce all the beneficial results which a plentiful supply of electricity at low rates works in a modern civilization.

If we were to depend only upon the normal increase in consumption of electricity which results under present rate structures maintained by public and private agencies, the investment of the Federal Government in these projects eventually would be repaid. Some idea of the extensive potential demand for electricity in the Northwest may be gained from a few illustrations. It has been the experience of the municipally owned electric plants in both Tacoma and Seattle that up until the beginning of the depression, in 1929, the power consumption on the average has doubled every 5 years. The Bureau of Reclamation has conducted studies in reference to the potential power market in the area within a radius of 300 miles of the Grand Coulee Dam. Permit me to quote from the bulletin entitled "Columbia Basin Project, Grand Coulee Dam," of recent publication, in which the following very significant observations are made in reference to this area:

> During the 10-year period ending with 1930 the requirements for power in the territory described as constituting the power-market area increased at an average rate of 9.5 percent per year, compounded annually. * * * The effect of the depression was to suspend for about 4 years the normal growth of the power market. * * * If we may judge the future by the past, there is every reason to believe that the rate of increase in power production for the 10-year period prior to 1930, amounting to 9.5 percent compounded annually, will continue. But if we assume that the rate of increase starts off at but 8 percent, compounded annually, and decreases uniformly to 4 percent during the next 30 years; and if we assume, further, that Grand Coulee will absorb only one-half of the increase after its completion, leaving the other half to Bonneville and other new developments, all of the Grand Coulee commercial power will be absorbed by the market in 15 years. And if the commercial power can be sold at 2¼ mills at Grand Coulee, equivalent to 3 mills on the coast, the cost of the Grand Coulee Dam and power plant, with interest at 4 percent, can be liquidated in 50 years, with a surplus of $144,500,000 available for the partial liquidation of the irrigation investment or other purposes; and after the fiftieth year the annual surplus would amount to $15,000,000.

I share with others, however, the concern that a market for the power output of these projects, particularly of the Bonneville project, be developed at once. It is desirable that these projects commence as soon as practicable to repay to the Federal Government the moneys appropriated for their development. It is far more significant that the development of the entire region will be retarded unless the kilowatts are taken from the dams and put to work. The great problem which we now face is what steps might be taken to bring this about.

Up to a definite point, at least, all concerned can agree upon certain facts to be taken into account in solving this problem. First, it is generally agreed that a solution is not to be found by the Federal Government's causing existing power plants to be retired, assuming that these are reasonably efficient. Rather the problem is to bring about an increased consumption of electricity, so that the power from the dams may be devoted to supplying new markets.

Second, it is generally agreed that the key to an increase in power consumption is lower electric rates for the consumer. The recent experience of the cities acquiring electric systems in the Tennessee Valley is fresh in your minds. You remember that substantial reductions in rates were put into effect by several of the municipalities immediately upon their acquiring electrical properties, and that the amount of energy consumed increased very sharply as a result. This has been the experience in the Northwest. About January 1 of this year my home city of Tacoma felt dissatisfied with its record of having the lowest electric rates of any city of the United States and made a still further rate cut. Scarcely 3 months went by when the revenues of the system had so increased that the net earnings were back up to the level which existed before the reduction was made. Over a period of years it has been the experience of all the municipally owned plants of the State of Washington that a reduction in electric rates has resulted in a corresponding increase in demand. This results because lower rates render it possible for electricity to be put to new uses. It is reasonable to infer that the continuing reduction in rates will result in still further increase in use. Electric heating and air conditioning in homes are just two of the many uses which remain for the future to develop.

It is still further agreed, Mr. Speaker, that if the consumption of electricity is to be increased by the decrease in rates charged to the consumer for it, by far the greatest savings can be made in the distribution, as distinguished from the generation of the current. It was a habit of the late Mr. J. D. Ross to point out in his talks on public power that the distribution of electricity requires from 4 to 8 times the cost of generating it; that several times the possible savings in the generating costs may be saved in the field of distribution. Savings in the cost of generation, he pointed out, are to be computed in mills per kilowatt; the savings to be effected in distribution are calculated in terms of cents per kilowatt; and when there are millions of kilowatts sold, the cents soon mount up into many, many thousands of dollars.

The conclusion, therefore, is inescapable, and it is accepted by everyone informed upon the subject, that the problem of distributing the power generated at Bonneville and Grand Coulee is to be solved by such a plan as is calculated to result in the most efficient distribution of electricity to the consumer.

In the State of Washington the people in 25 out of 39 counties have organized county-wide public utility districts, and it is proposed to utilize these to bring about a more efficient distribution of electricity. The Washington State Grange has taken the lead in causing these districts to be formed. This organization comprises between 35,000 and 40,000 dues-paying farmers and persons interested in Agriculture. Many of these people are leaders in their communities, and the reputation of this organization for integrity, courage, and devotion to the public good is such that its influence has extended far beyond its membership. People in the cities, as well as those in the country, have recognized and trusted its leadership.

It is to people in this organization to whom credit largely is due for the public power development in Washington; persons like Ervin E. King, its present master, and Fred J. Chamberlain, popularly known as the Grange war horse, who at 82 years of age is still ready at the drop of the hat to debate any opponent of public ownership and, like a veteran, joust him off his horse. The brilliant young attorney, Jack Cluck, of Seattle, has performed signal services in perfecting legal procedure in this connection, as has also the well-known expert on municipal corporation law, Hon. E. K. Murray, eminent attorney of Tacoma.

The power districts have been organized primarily for the purpose of acquiring existing electric distribution facilities, and to serve as public agencies for the distribution of power from the Bonneville and Grand Coulee Dams. The power districts are admirably adapted to that purpose. They are organized under the Grange power law, which was passed by the initiative vote of the people of this State in 1931. Under this law, a power district is created pursuant to an election held in the respective county, in accordance with the procedure set forth in the law. The districts are governed by three nonpartisan commissioners. These commissioners are authorized to acquire and operate facilities for the generation, transmission, and distribution of electricity, and facilities for the furnishing of water for domestic use and irrigation. The commissioners to date have focused their attention upon electric, rather than irrigation or water facilities, although it is foreseen that later the correlation of electric with irrigation or domestic water

facilities might be made very advantageously. The commissioners may acquire existing utility properties by purchase or condemnation. With the exception of facilities constructed in areas not presently served with existing facilities, it has been recognized that it is preferable to acquire existing facilities rather than to construct duplicating ones, since duplication results in additional and unnecessary costs to the consumer, obliging him to maintain two electric systems where one would be sufficient.

The power districts are authorized to issue revenue bonds as a means of financing the acquisition of any utility properties. Such bonds are a lien only upon the revenues of the utility properties; they do not involve any obligation to levy any tax. Anyone interested in checking the matter will discover that there is no instance on record of any default on any electric utility revenue bond in the history of the State of Washington. It has been the settled policy of practically all of the power-district commissioners to defray the purchase price of any facilities acquired by the issuance of these bonds rather than through recourse to levy of taxes or the issuance of general obligation or tax bonds.

The power districts are founded upon the record of successful experience of cooperative and municipal electric utilities in effecting the most economical distribution of electricity. In the State of Washington there are 17 cities, small and large, which own and operate their own electric utilities. Not a single one of them has ever defaulted on any of its utility obligations. Every one of them has been able to pay for its properties from the revenues of the utility rather than by levy of taxes. Every one of these cities has built up sizable surplus earnings. Some of them have applied their surplus earnings to the payment of the costs of government, the construction of public buildings, and the like.

The publicly owned plant at Ellensburg, for example, applies about 30 percent of its gross revenues for such purposes, while maintaining rates as low as those charged in the surrounding area by the private company serving it. City Light of Seattle has led in every rate reduction which has been made except the one made just a few weeks ago. And even in the case of this reduction, while the city did not lead in point of time, it led in the amount of savings passed on to the consumers. Thus the company effected a reduction in those rate classifications for which City Light has many more consumers than the private company. As a result, the savings to consumers of Seattle City Light will amount to about $210,000 annually, as against about $184,000 annually saved by consumers of the company.

The cities which have lowered rates have not done so by taking from Peter, the taxpayer, and paying to Paul, the consumer of electricity. Each of the cities contributes its share to the costs of government. Tacoma City Light, for example, pays, roughly, 13 percent of its gross revenues to the city and State in the form of taxes, and by way of street lighting and other service furnished without charge.

The success of public ownership has not been confined to the cities. Rural cooperative or nonprofit associations have been quite uniformly successful. Several of such cooperatives operate in rural areas adjacent to the city of Tacoma, for example, and charge rates no higher than those prevailing within the city itself.

The power districts of the State of Washington have embarked upon a coordinated program for the acquisition of distribution and other facilities now operated by private electric companies. The districts have organized a Statewide association composed of the commissioners of the various districts to correlate their action. They have adopted the policy of offering any private company a fair price for the properties to be acquired, or, if such price is refused, to institute condemnation proceedings. The laws on eminent domain in the State of Washington provide for the determination of the fair price to be paid for the properties to be acquired through judicial proceedings, and the law requires that the amount awarded by the court or jury as the fair value of the properties must be paid in full to the owners before any of the properties are taken. The majority of the districts of the State are either negotiating for the purchase of utility properties, or are pressing such condemnation proceedings. Contracts for the acquisition of electric utilities by power districts located in the vicinity of the Bonneville project already have been executed with certain private electric companies.

Now we come to the task which is left to the Federal Government to perform if it desires to facilitate the most economical distribution of electricity from Bonneville and Grand Coulee. That task is to formulate a proper program of financing so that moneys might be made available to the power districts at reasonably low interest rates to finance the acquisition of utility properties which the districts propose to acquire. We have devoted considerable attention to the matter of making loans available to private business, for a number of purposes. Here is a development vitally related to the success of our own Federal projects, and we have given scant attention to it. Is it not time that a sound program be formulated to meet the financial needs of these public bodies?

Even persons who may be committed to the philosophy of private, as distinguished from public, operation of electric utilities should join in the formulation of such a finance program. It is for the people in a given locality, not Members of Congress, to decide whether or not to effect the distribution of power over privately owned or publicly owned distribution facilities. As Members of Congress we have nothing to do with that decision, except as we may see fit to express our personal views to our constituents. When, finally, a local public agency has decided to acquire publicly owned distribution facilities, however, the Congress is confronted with a certain measure of responsibility. That responsibility is to cooperate fully with such local agencies to the end that the electric facilities proposed to be acquired may be placed into efficient, economical operation.

Unless that is accomplished, higher electric rates will be charged and consequently lower consumption of power from the Federal projects would result.

Moreover, it is to be noted especially that the policy adopted by the power district commissioners calls for the payment of the fair value of the utility properties to the owners before the properties are acquired. If duplicating facilities were being constructed, the objection might be raised that the values of existing utility properties to their owners would be sharply cut without compensation to them, and that, therefore, Federal funds should not be loaned in aid of such an enterprise. The policy of the power district commissioners is not to build competing facilities, however. Their policy is to acquire existing utility properties. And the laws of the State of Washington require that the fair value thereof be paid to the owners before any of them may be taken.

In proposing that a financing program be formulated for the power districts of the Northwest, let me make it clear that I am not suggesting that anything be given away to these districts by the Federal Government. I do not propose that any moneys, or materials, or services be granted to them. The power districts are self-liquidating projects and expect to pay for what they receive.

What I do emphasize most strongly is that the Federal Government should take such steps as may be necessary to make funds available as loans to these districts at proper interest rates. I hold that it is almost as important that the Government provide a yardstick for interest rates on money to finance the acquisition of utility properties by such public bodies as it is to provide a yardstick for power itself. The heavier the debt incurred in acquiring such properties, the higher must be the electric rates charged to pay it. And the higher the interest rate, the higher is the debt. We seldom stop to realize that if a power district pays 4½-percent interest on a bond payable over a 30-year period, as many of the Washington power-district bonds will be payable, that a sum representing 65 percent to 70 percent of the amount of the bond issue made to acquire the properties must be paid in interest before the bonds are retired. In other words, the purchase price of the properties in effect must be increased

by almost 70 percent to defray interest charges. This represents an additional burden for the consumers of electricity. This burden presents an obstacle to rate reduction and consequently to the increase in power consumption and resulting increase in demand for energy from the Federal projects.

The Federal Government has found that it is sound policy to make moneys available through the Rural Electrification Administration at interest rates ranging somewhat under 3 percent per annum. Why should not moneys be made available to finance the acquisition of electric properties by these power districts on equally advantageous terms? The revenue bonds of these districts in many ways constitute a better security than that which the R. E. A., under the circumstances, has been able to demand. The R. E. A., by the terms of the law under which it operates, has been confined rather rigidly to the financing of the construction of new facilities in areas not presently served with central-station electric service. The areas served by such construction are those which the private companies have refused to serve—the "skimmed milk" of the market. The projects so constructed for the most part have been comparatively small, without access to power generated at publicly owned facilities, so that they have been compelled to pay the rather high wholesale rates for energy which the private companies have charged. None of these handicaps are presented in the financing of properties acquired by power districts. The properties acquired have been operated by the private company over a period of time, and the record of earnings, expenses, and other factors is available to the investor, to enable him to predict the results of future operations. Connection with an established retail market for the energy is made coincident with the acquisition. The power districts in practically all instances will have access to low-cost energy furnished by transmission lines from the Bonneville and Grand Coulee Dams. The R. E. A. has operated very successfully charging the low interest rate which I have mentioned. Is it not reasonable to assume, therefore, that other Federal agencies should be able to make loans upon more favorable security to power districts at rates of interest at least as low as the R. E. A. has charged?

The formulation of such a financing program should be accomplished by the coordinated effort of, or at least in consultation with, persons who have been identified with the formulation of the power policies of this country, and such Federal agencies as the R. F. C. and the R. E. A. As I read the amendment to the R. F. C. Act which was passed in April 1938, the R. F. C. would be authorized to enter into this financing under existing law. I understand that the R. F. C. already has expressed its willingness to do so, but feels that it is limited by the terms of the act to loan moneys only to projects in which a substantial amount of new construction is involved. This limitation, in effect, would prevent the extension of loans to any more than a very few power districts, and then only in connection with small projects which these districts might undertake. This is so for the reason that when existing electrical properties are acquired, particularly those now operated by the larger electric companies, no substantial amount of construction is required. I myself fail to see that there is any limitation in the law such as that referred to. It seems to me that the R. F. C. is now empowered to make loans to power districts irrespective of the amount of construction involved in a given project. If counsel for the Government feels that such a limitation exists, however, it should be removed at once.

Mr. Speaker, in conclusion, without challenge it can be said the opportunity for power development in the Pacific Northwest is unlimited. Here is a golden field for expansion and demonstration of the beneficent aid which a government may give to its own citizens. Nature has been prodigal in her bounty in that favored region. I urge that our Federal Government provide every possible cooperation and assistance in connection with making available to the plain citizens of our land the multiform blessings which can come from a widespread use of electricity.

Echoes of the Neutrality Fight

EXTENSION OF REMARKS

OF

HON. ROBERT J. CORBETT

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Saturday, July 29, 1939

RADIO ADDRESS BY HON. ROBERT J. CORBETT, OF PENNSYLVANIA

Mr. CORBETT. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following address which I delivered recently over the radio:

Tuesday night at a dramatic White House conference the current fight to revise our neutrality laws ended. This was an indecisive battle, however, and we are just to enjoy an armed peace until the next special or regular session of Congress. Hence, before the reverberating echoes die away it is well that we tune our ears to those echoes so we may hear something of what it was all about.

I will in this discourse make many positive and perhaps startling statements which cannot be enlarged in the time available; so I urge you to be critical and if you doubt, check those statements against the record.

At the outset I contend that the objectives of the President were defeated first by the fear of what might follow their adoption, and, second, by either the stupid or insincere manner in which the effort was made.

Let us be both realistic and blunt. The administration was never seeking a neutrality law in any sense of the word "neutral." By reason of law and precedent the President of the United States is the dictator of our foreign policy. If it is actual neutrality that we want, the vital essential is then a neutral President. In the recent series of European crises, Franklin Delano Roosevelt has not been neutral, and he does not propose to be neutral in the event of actual conflict. Every word that he or his mouthpieces have uttered since his famous quarantine speech in Chicago indicates that he has already taken sides. His actions have spoken even louder than his words. So far as he can pledge it, the strength of the United States has been volunteered to the London-Paris-Moscow axis for "the duration of the war."

This choice of sides may suit the American people and it may suit the Congress, but if we take Roosevelt at his word, this is not his point. He contends that by throwing our weight into the European balance that we can thus frighten Hitler into waiting for a better opportunity to press his claims. Thus war in Europe may be indefinitely postponed and thus our peace will automatically be preserved.

That is an act of alliance, entente, or power politics. Call it what you will, it is not being neutral.

To make our position evident he has already done most everything possible, except secure the repeal of the arms embargo. When it came to that the Congress had a word to say and they said it. Do not be deceived by clever pronouncements, and inspired editorials. The issue was never which side we will be on in the event of war. The issue was, and it will remain, whether or not we want to be on any side, whether or not we want to intervene in the affairs of Europe, whether or not we want to gamble American treasure if not American blood in the game of power politics, whether we in the event of a general war want to be neutral or want to participate, whether, in short, we want peace or war for ourselves.

The issue was arrived at not so much by the language of the Bloom-Hull bill, as by the fact that the bill was considered to be just one more link chaining our foreign policy to that of England and France. Few responsible persons think that Mr. Roosevelt would deliberately get us into war, but a majority of Congress seemed to think that his policy of doing anything short of war is a very short step into war. And here is an interesting fact. If the notion that by joining the stop-Hitler bloc we can preserve our own peace is sincerely entertained, then the administration forces were guilty of an absolutely astounding blunder.

Here is the record. At the close of the last day of general debate on the Bloom bill, I predicted over this network that such a tide of sentiment had arisen on both sides of the aisle for the repeal of all neutrality laws including the arms embargo, that unless something unforeseen happened that the House would vote the next day to go back to international law and ordinary constitutional procedure. But something did happen. By the time Representative ALLEN of Pennsylvania introduced his substitute bill for the Bloom bill the administration forces were ready and they defeated the proposal by an overwhelming majority—195 to 68. Why did they do it? Why when they were offered all that they advertised that they wanted—the complete elimination of the embargo and all other restrictions of the President's power, did they turn it down? Was it just a stupid blunder or was it insincerity?

I do not know, but I suggest that you write to them to explain before they indulge in any more talk about how necessary it is to repeal the arms embargo if we are to preserve our peace and the peace of the world.

I repeat that from all indications a sufficiently large nonpartisan bloc was ready to eliminate the arms embargo in favor of international law. Had they been joined or even had they not been vigorously opposed by the administration forces the Allen bill would have been sent to the Senate by a trumpeting majority.

Again, but only in committee, the administration forces turned down with scant consideration a proposal to create a nonpartisan neutrality commission composed of Members of Congress with whom the President should advise and consult before taking any decisive action. Had a provision to create such a commission been accepted the arms embargo would have been repealed. The votes were available. But again by a straight administration line-up, the idea was defeated by three votes. Why, I ask, and why now all the moaning and crying? In all fairness, if the present situation is bad, whose is the blame? The President could have had all he asked for from two different angles, but he or his leaders turned it down.

From the beginning, suspicion regarding the President's motives and responsibility had grown. These two happenings only made it worse. And here you have the real reason why the key proposal of Hull's six-point proposal was defeated. A majority of the Members simply were fearful of what might happen. They were not taking sides with Germany, Italy, or anyone, but their own country. They were opposed to lifting the few existing restrictions on the President's powers and here they saw a bill that would not only lift existing restrictions, but one which would grant new and broad discretionary powers to him. Not knowing what might follow passage of the Bloom-Hull bill, they decided to sit tight, and I here make so bold as to predict that if the situation in Europe continues tense, that the arms embargo will not be repealed until we get a new President or until Mr. Roosevelt restores the confidence of the American people and the Congress in the safety of his leadership. America does not want war, and the people are suspicious of anything that looks like an attempt to involve them.

However, you may with wisdom say that suspicion of the President's motives is not a sufficient reason to retain the arms embargo. There are numerous other good reasons, but I will be content to refute the oft-repeated argument for repeal that the threat of our strength added to the stop-Hitler bloc would make the Berlin-Rome axis more fearful of war. That is a correct statement, but Germany and Italy are plenty fearful now. The stop-Hitler bloc has three times the potential man-power, and three times the potential resources of the axis. They have access to all the supplies of the world except our arms, ammunition, and implements of war. They have far greater purchasing power, and did not Deladier declare on July 14 that the French Army was invincible? What can Hitler and Mussolini hope to win in a general war that would be worth the cost, even if victorious?

Competent witnesses have left us believing that the only thing that would make Hitler risk a general war is to save his position. If that is correct, and it is logical, war will come to Europe only if Hitler is desperate, and if he is desperate, the odds won't matter very much.

The President is only asking that we carry coals to Newcastle. But if we follow his leadership we are apt to get burned, worse than we did the last time. Some of us feel that we should be a bit cautious, and that perhaps there is some other way than the exact way he has prescribed to reach the desired end. Isn't it after all getting on your nerves to be told so often that we must do exactly as Franklin D. Roosevelt says or expect disaster to follow? What, pray tell, will we do after 1940?

There is another way to peace in Europe and for ourselves. An eminent Englishman conversed at length with me in my office during the hearings on neutrality. He confirmed my opinion as gathered from English and French newspapers, and as reported by competent foreign correspondents, that a general war could be averted. He said that the English and French people were once satisfied with the appeasement policy; that they would have gone farther with it had President Roosevelt not given hope and vigor to the antiappeasement minorities. Prior to our meddling and prior to bellicose talk by our officials it seems that a discussion and settlement of the grievances growing out of the Versailles treaty was about to happen. Colonies might have been returned to Germany. Economic agreements might have been entered into. A right-of-way through the Polish corridor might have been established.

This hope for a peaceful settlement was temporarily ended, primarily by our joining the antiappeasement forces, and secondly by Hitler overstepping himself in Czechoslovakia. These two things combined to make the antiappeasement forces so strong in England and France that the governments of Chamberlain and Daladier had to yield or fall. Perhaps now that the President has been rebuffed by his Congress, negotiations looking to a peaceful settlement in Europe will be resumed. Perhaps, on the other hand, the damage has been done and France and England will have to make good their bluff if Hitler makes his good. Perhaps our President and his Secretary of State feel some hint of their responsibility and perhaps that is why they are so anxious to be in a position to throw our strength into the conflict. It should be noted here that the President's message to Hitler was not in effect a peace message nor a call to a conference. It was a definite and mighty clever way of putting Mr. Hitler in a bad diplomatic hole plus a fine political gesture to the American people. It did put Hitler in a hole and it did help Roosevelt at home, but it delayed the conference which it was supposed to result in.

Now let us emphasize one other fact that has been generally misunderstood. Article after article, speech after speech praises the cash-and-carry feature of the Bloom-Hull bill. Regardless of the merits of such a feature the truth is that the Bloom bill did not provide for cash payments but for "ordinary commercial credits" until amended on the floor to make such credit available for only 90 days at a time, and the Republican amendment secured by accident in committee to prevent the carrying of arms, ammunition, and implements of war to belligerents was stricken from the bill by the Democratic majority on the floor. Read the RECORD and you will see that my best efforts and the best efforts of several of my colleagues to retain this section were defeated because of the wholehearted opposition of the sponsors of the bill.

Had the Bloom bill passed the Senate, American vessels would have been free to carry anything but our own lethal weapons from anywhere in the world to any belligerent. The elimination of section 9 providing as it also did against the arming of our merchantmen when we were at peace was, to my mind, sufficient reason to vote against the whole bill. Cash was to be paid and title transferred, but our vessels carrying contraband of war were to be allowed to proceed into danger zones where they might be mined, torpedoed, shelled, or bombed. If our boats were thus engaged in supplying the war needs of one side or the other, and if those boats were sunk with the resulting loss of American lives and property, how long do you suppose we would remain neutral?

There is far too much to cover, but I cannot refrain from raising one other question before concluding. Why have we not taken some action regarding the Orient, where a war is actually going on, instead of figuring what to do regarding a war in Europe which may not happen? Is not Japan as much an aggressor today as Germany may be tomorrow? I grant Mr. Roosevelt the wisdom of not now finding a state of war in Asia, but wouldn't it have been better to treat openly with an actual conflict than to have been so concerned about a possible conflict in Europe? Finally, has not China been just as good a friend as, for example, France? Do we not have vital interests in Asia also, and is not pain and suffering just as pitiful on one continent as on another? Aware of your plan for prevention in Europe, I simply urge the logic of considering our problems in order of their imminence.

By way of conclusion, I wish to report that there is as a result of conversations held this week by members of the House Foreign Affairs Committee a live movement under way to combine the plan of going back to international law with the plan of creating a neutrality commission.

My own first love is for a commission to represent the Congress, because it would put a check on rash Presidential decisions on the one hand, and on the other would make for unison of thought and effort on the part of the people, the legislative, and the Executive on sound policies. I tend to favor international law as opposed to binding legislation because it leaves us free to take such action as circumstances demand for the protection of our own welfare. It is impossible to write fixed rules to apply to unpredictable future situations in which flexibility of action is demanded. Toward this end, a group is now committed to work unless something better is suggested. It is at least our hope that we can, on the hard anvil of study and discussion, pound out a safe and sane method of steering our course in a troubled world.

Until then let us urge on you what may after all be the best way to preserve our peace, namely, to keep calm in the face of international disturbances, resist propaganda, recognize that we should not go to war where our vital interests are not seriously involved, remember our past mistakes, and trust in a just God to safeguard a peace-loving people. After all, there will be no war for the United States unless the people demand it, and they will not demand it if they resolve here and now before any general war occurs, that they will not be committed in advance to take part in it, and they will not, except as a part of the defense of their own country, endure all the evils of that war. I repeat that, God willing and the people resolute, this generation of Americans may yet escape a bloody purge of its best sons.

Keeping the Record Straight About Farm Imports

EXTENSION OF REMARKS

OF

HON. JOHN J. COCHRAN

OF MISSOURI

IN THE HOUSE OF REPRESENTATIVES

Saturday, July 29, 1939

Mr. COCHRAN. Mr. Speaker, in recent weeks there has been inserted in the CONGRESSIONAL RECORD by members of that faction of the Republican Party who believe it to be to their advantage to attack the commercial policies of the

Government, an increasing amount of statistics which is intended to support the contention that reciprocal-trade agreements are harmful to agriculture. Some of our colleagues have evidently been imposed upon by the authors of these statistical tables and the accompanying comments. They are, in many cases, nothing less than an insult to the intelligence of this House. For example, the increase in the imports of apples are shown. Apparently the authors of such tables do not know that in 1938 we exported $14,700,000 worth of apples, whereas we imported only $44,000 worth, the latter largely border trade with Canada. They would not be worthy of notice if it were not for the fact that some people, glancing at such figures without stopping to analyze them, might assume that they were reliable and told the complete story.

There is such a welter of this statistical misinformation inserted in the CONGRESSIONAL RECORD that it is not practicable to try to show all the errors in detail. In order, however, that readers of the CONGRESSIONAL RECORD may know what to expect in these absurd attacks on trade agreements, I want to point out certain flagrant misstatements that appeared in the Appendix of the CONGRESSIONAL RECORD (pp. 3544–3545).

In the first place, nearly half of the items shown have nothing to do with reduced duties in trade agreements. In other words, the sacred rates of the destructive Hawley-Smoot Tariff Act are in effect. In the second place, on those items on which limited concessions have been made the import figures given misrepresent the facts in the case. For example, less than half of the total cattle imported during the first 6 months of 1939 were subject to lower rates of duty. So that the effects of trade agreements is padded by more than 100 percent.

Following a table showing that imports of selected agricultural commodities were greater in 1937 than in 1933, it is stated that "one has only to read it to see the reason why the American farmers have had such low income during the New Deal administration."

Mr. Speaker, who would believe that anyone would compare 1933 when total farm income had been driven down by Republican policies to $5,117,000,000, with 1937, when Democratic policies had restored farm income to $8,521,000,000, and speak of the low income during the New Deal? Of course, no mention is made of the fact that imports in 1933 were small because Republican policies had so bankrupted the country that few Americans had money to buy much except bare necessities and were abnormally large in 1937 because of the droughts of 1934 and 1936, which were of unprecedented severity.

The following table indicates the relative prices for 1933 and 1937 of the products which appeared in the RECORD of July 26:

Average prices received by farmers

		1933	1937
Cattle	100 pounds	$3.75	$7.01.
Hogs	do	$3.53	$9.48.
Pork products	pound [1]	8 cents	18.2 cents.
Meat products	do.[2]	9.5 cents	21.1 cents.
Butter	do	20.2 cents	29.7 cents.
Cheese (cheddar)	do	13.1 cents	18.3 cents.
Corn	bushel	52.2 cents	55.1 cents.
Wheat	do	74.4 cents	99.4 cents.
Barley	do	43.5 cents	55.6 cents.
Barley malt	do.[3]	47.9 cents	80.9 cents.
Flaxseed	do	88.1 cents	$1.88.
Soybeans	do	98 cents	92 cents.
Cottonseed	ton	$12.85	$19.50.
Wool	pound	20.6 cents	32 cents.
Molasses	gallon	40.3 cents	45.5 cents.
Eggs	dozen	13.8 cents	21.3 cents.
Hides	pound	6.28 cents	15.45 cents.

[1] Market prices on hams, bellies, picnics, and loins.
[2] Market prices on fresh carcass beef.
[3] Market prices for malting barley.
Source: Department of Agriculture.

In that same table there was included a column entitled "United States Acres Displaced in 1937." The gentleman from Pennsylvania [Mr. RUTHERFORD] evidently is not aware that in a very careful analysis which was inserted in the Appendix of the CONGRESSIONAL RECORD (pp. 3109–3112), the Honorable THOMAS F. FORD of California clearly demonstrates that such acre-displacement figures do not approach even within calling distance of the facts.

Let no one be deceived—every argument that is advanced against reciprocal-trade agreements can be answered and refuted.

Some day the Republican Party will undoubtedly disown its child—the Hawley-Smoot Tariff Act.

Prohibition of Gambling Ships

EXTENSION OF REMARKS
OF
HON. LEE E. GEYER
OF CALIFORNIA
IN THE HOUSE OF REPRESENTATIVES
Saturday, July 29, 1939

LETTER FROM THE JOINT MARITIME LEGISLATIVE COMMITTEE OF THE MARITIME UNIONS AFFILIATED WITH THE C. I. O.

Mr. GEYER of California. Mr. Speaker, under leave to extend my remarks, I include a letter from the joint maritime legislative committee of the maritime unions affiliated with the C. I. O.

I am placing this letter in the RECORD in order that the attitude of these unions will be understood concerning the pending bills against offshore gambling ships.

JOINT MARITIME LEGISLATIVE COMMITTEE OF THE MARITIME UNIONS AFFILIATED WITH THE C. I. O.,
Washington, D. C., July 26, 1939.

Hon. LEE E. GEYER,
United States House of Representatives, Washington, D. C.

MY DEAR CONGRESSMAN GEYER: In view of the hearing before the subcommittee of the Judiciary Committee this morning we respectfully urge you to sponsor an investigation of the entire gambling situation in and about the county of Los Angeles, Calif.

Unfortunately the testimony of the maritime unions against the bills introduced by Congressman CELLER, of New York (H. R. 7235) and Congressman KRAMER, of California (H. R. 7162) to prohibit gambling ships off the coast of California was construed by some as an attempt to condone gambling so long as it provided jobs for maritime workers.

We merely pointed out that the only people these bills would benefit are the operators of the numerous shore gambling dens in Los Angeles who are very anxious to get rid of the competition of the gambling ships operated offshore. We also pointed out the fact that these ships employ over a thousand workers with a pay roll of over $150,000 per month.

If the sponsors of this legislation are sincerely interested in the abolition of gambling institutions, they can certainly have no objection to an investigation of the entire situation and the drafting of legislation which will abolish gambling and not merely shift the traffic and create gambling monopolies as these bills would do.

We believe an investigation would be a wise step, in view of the inadequacies of the present bills, their effects on all ocean traffic, the precedent of Federal "blue law" legislation, and the variance of the presentation of the factual situation by opponents and proponents of the bill.

We believe that such an investigation will bring out the facts of the situation and prove the incorrectness of statements made this morning by Congressman KRAMER to the effect that the ships are unsafe and that they are used for smuggling aliens into the United States.

The maritime unions will gladly support a thorough investigation of this situation and lend their support to any honest proposal to improve the morals and living conditions of the American people.

Sincerely yours,

STEPHEN W. HARVEY,
Legislative Representative,
National Maritime Union.
W. D. FISHER,
Legislative Representative,
Maritime Federation of the Pacific.
DANIEL DRIESEN,
Legislative Representative,
American Communications Association.

Protection of Private Enterprise

EXTENSION OF REMARKS

OF

HON. EDWARD R. BURKE

OF NEBRASKA

IN THE SENATE OF THE UNITED STATES

Saturday, July 29 (legislative day of Tuesday, July 25), 1939

STATEMENT BY HON. JOSEPH C. O'MAHONEY, OF WYOMING

Mr. BURKE. Mr. President, I ask unanimous consent to have inserted in the Appendix of the RECORD a statement made by the senior Senator from Wyoming [Mr. O'MAHONEY] on yesterday morning before a subcommittee of the Committee on the Judiciary considering Senate bill 2719. The statement deals at length, and in a very able and eloquent manner, with the subject which was under discussion today under what is known as the O'Mahoney amendment; and I think it will be of great interest to the Members of the Senate.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

PROTECTION OF FREE, PRIVATE ENTERPRISE

Incomparably the most important issue of our times is whether or not the system of private property is to be maintained. By the term "private property" I conceive to be meant the inalienable right of the individual men to work, to save, and to acquire property which they may call their own and which they may dispose of or transmit as they please, a right which they are entitled to maintain against all other men, against all aggregations of men, and even against Government itself.

It was because the founders of our Government believed in this principle as one of the necessary pillars of a free society that they wrote into the fifth amendment to the Federal Constitution the clear provision that no person should "be deprived of life, liberty, or property without due process of law; nor shall private property be taken for public use without just compensation."

PRIVATE PROPERTY RIGHTS ESSENTIAL TO DEMOCRACY

Without the right to private property there can be no such thing as a democratic government. Any force or power which threatens this right threatens political liberty itself. If we look around the world we see political liberty and democracy vanishing before the advance of other systems of government which not only deny the essential liberty of the individual and his right to private property but which are founded upon the principle that the individual has no right whatsoever which the state is bound to respect.

That the people of America are unalterably opposed to all invasions of the right of private property no one can doubt. This opposition has been manifested throughout the life of the Republic by constant and continuous opposition on the part of the masses of the people to the expansion of the powers of government. Though complete and plenary authority over all interstate and foreign commerce was granted to the Congress of the United States by the Constitution, Congress has always been slow to extend that power, and it has never used it to the utmost. Although it has recognized from the very beginning that in the interests of all, in the interests of maintaining order, in the interests of preserving the right of private property, it has been and is necessary for Congress to establish the rules of commerce by which all must abide.

REASON FOR GROWTH OF BUREAUCRACY

Although this is unquestionably the fundamental belief of our citizens, the anomalous fact is that for almost 50 years we have been building in Washington a constantly expanding bureaucracy exercising more and more discretionary power over the economic lives of the people. This has been done though the overwhelming sentiment of the people is opposed to big government. It becomes important, therefore, to understand why boards and commissions exercising discretionary power over the commercial activities of the people have been multiplied in a land which is passionately devoted to the principle of economic freedom.

To me the reason is plain. It is because the commercial boundaries of our time have expanded far beyond all local and geographical frontiers. The village, the town, the county, the State, and not even the Nation, confines the commercial activity of the modern world. A man may now, by the railroad, the automobile, the airplane, the telephone, and the radio, extend his influence far beyond the radius by which our grandfathers and even our fathers were bound. But, more than that, because the instruments of travel and communication made available to humanity by science cannot be developed by individuals acting alone, we have found our commercial enterprises carried on not by individual men with their own capital, but by aggregations of men with the capital, the energy, and the abilities of thousands.

PEOPLE TURN TO WASHINGTON TO GUARD ECONOMIC WELFARE

When men could no longer protect their own economic welfare against what they deemed to be the unfair and improper activities of other men not subject to the jurisdiction of their local laws, they turned to Washington for a remedy. When the railroads, because they were spanning the whole continent, could no longer be regulated in the public interest by the States, the people turned to Washington and set up the first of the regulatory commissions, the Interstate Commerce Commission. From that day down to this, as the sphere of commercial activity broadened it became more complex. More and more commissions were established. Men have complained about the alleged interference of government in their activity, and political campaigns have been waged upon the slogan that there should be less government in business, but it is a notable fact that once established these commissions and bureaus are never disestablished. Quite the contrary, their powers are expanding. In this session of Congress, for example, there is pending a bill to expand the powers of the Interstate Commerce Commission so as to include shipping, and it is only a few years since trucking was brought under its jurisdiction. The significant thing is that there never is any effective opposition to this expansion of Federal regulatory power.

Most of these bills pass without a record vote. We set up a Communications Commission because the inventive genius of man has given us the radio. We set up a Civil Aeronautics Authority because the inventive genius of man has given us aviation. We complain about the details of the administration of these laws, but there is no effective resistance to the principle of regulation upon which they are based because it is universally recognized that there must be law and order, and that there is no agency which may properly establish law and order except the government of all the people.

WOULD FREE BUSINESS FROM GOVERNMENT DISCRETIONARY CONTROL

I have indulged in this preliminary outline of fundamental and elementary principle before undertaking a discussion of the basis of the bill (S. 2719) to provide additional civil remedies against violations of the antitrust laws, because I am very well aware of the fact that this bill has been criticized as another attempt to expand the powers of government in the discretionary control of business.

I deny it. And I want to make it perfectly plain that the primary reason for the introduction of this bill is because I believe that business should be as free as possible from discretionary Government control. I want to liberate business; I want to make it unnecessary to maintain in Washington great armies of Federal agents to watch and superintend the activities of the people, but I know, and I think every sane, intelligent person who devotes a clear mind to this problem, a mind free from emotional reactions, must also know that if business is to be kept free from Government interference it must, first, be kept free from the arbitrary interference of private individuals and organizations of private individuals who by violating the plain provisions of fundamental ethics and of law seek to acquire undue control for themselves over the commercial activities of the people.

BILL WILL BENEFIT GREAT MAJORITY OF BUSINESSMEN

I say that this bill, if enacted into law, will be beneficial to the great majority of businessmen in America, first, because it will protect them against illegal attacks by other businessmen; and, second, because, by preventing monopolistic practices before they take place, it will make unnecessary the continued building up of Government bureaucracies.

It is perhaps natural that men who have not read the bill should jump to the conclusion that it is in fact just another attempt to build up big government. Let me say, therefore, to the committee not only that I know this opinion to be mistaken but that I would not object to any amendment which will clarify the purposes I am now enunciating. Let no honest businessman believe that it is necessary for his protection to preserve the opportunity of the dishonest businessman to exploit the people.

Those who do desire to transgress the antitrust laws have always made it a practice to try to convince the law abiding that it was their legitimate right instead of the unjustifiable license of the exploiter which was endangered. When the exploiter raises the cry that there is too much government in business and that government should leave business alone, he is not serving the best interests of the average businessman; he is only preserving his own license to crush the honest and independent businessman by the use of monopolistic practices.

ANTITRUST LAWS DESIGNED TO PROTECT BUSINESS, NOT EXPAND GOVERNMENT

The antitrust laws were passed for the protection of business and not for the expansion of government. It was no part of the program of John Sherman, Senator from Ohio, when he sponsored the famous Sherman Act in 1890 to erect a vast Government establishment which should supervise the details of American business. His purpose was to reassert and make effective a principle of fair commercial dealing as old as the common law. He wanted to shield business from the attacks of those who by sharp practice and illegal device were willing to close the door of opportunity to others in order that they might make undue profit for themselves. As every member of this committee knows, a contract in restraint of trade was illegal at common law, not in the sense that it was a criminal offense but in the sense that it could not be enforced in a court of law by the parties to it. As was very clearly stated by former

Senator Cummins, of Iowa, in a notable report which he filed with the Senate on February 26, 1913 (Rept. 1326, 62d Cong., 3d sess.):

"The common law was that both contracts and acts in restraint of trade were injurious to the public welfare and therefore opposed to public policy. The Congress of 1890 very wisely borrowed the language of the common law, and with it came the learning of the judges who had from time to time declared and expounded it. It is not the purpose of the committee to recite the development of the English doctrine. It was not always stated with exact accuracy, and there is some inharmony of expression, but it may be said with confidence that a restraint of trade consisted of such unreasonable restriction of competition as impaired substantially and to the public injury the freedom of trade or the freedom to trade."

SHERMAN ACT SOUGHT FREEDOM OF TRADE

The drafters of the Sherman Act went a step farther than the common law, which merely made such contracts illegal, and they provided that every person who made such a contract should be deemed guilty of a misdemeanor, to be punished by a fine not exceeding $5,000 or imprisonment not exceeding 1 year, or both. The law also provided "that every person who shall monopolize or attempt to monopolize or combine or conspire with any other person or persons to monopolize any part of the trade or commerce among the several States or with foreign nations should be deemed guilty of a misdemeanor" and on conviction similarly punished.

It is first important to note that the purpose of this was to keep business free, not from government, because government was not threatening it, but from those businessmen whose purpose was to suppress competition, to restrain trade, to create monopoly, or, in other words, to deprive individual men of their free right to work and to acquire property.

The next important fact to understand is that the Sherman Act was not completely effective. It did not prevent combinations and mergers. It did not prevent contracts in restraint of trade and conspiracies and attempts to monopolize trade, because it depended for its enforcement, first, upon the common-law remedy in the refusal of the courts to enforce such a contract, and, secondly, upon criminal prosecution by the Government after the commission of the offense. The law also made it the duty of the several district attorneys of the United States in their respective districts to institute proceedings in equity in the courts to restrict violations.

WHY REMEDIES WERE INEFFECTIVE

These were all ineffective remedies. Individuals who were injured in their right to carry on free, private enterprise by some powerful aggregation of competitors were unable adequately to defend themselves in the courts because in most cases the perpetrators of the commercial offense resided in distant areas far removed from that in which the injury was suffered and were equipped with financial resources that the injured person did not have. The criminal penalty was also frequently ineffective. A $5,000 fine is no deterrent to a large corporation because a corporation cannot be imprisoned and because there is no effective way to invoke the penalty against the individuals responsible for the offense. The injunctive process was likewise ineffective because it is impossible for the Government to foresee violations or to maintain an army of agents to discover the contemplated acts of those who would evade or transgress the law.

More important even than these, the chief weakness of the antitrust law is the fact that it depends for its enforcement upon variable quantities. It is no stronger than the energy, ability, and disposition of the individual who, for the time being, is clothed with the responsibility of directing the Department of Justice. But even though the Attorney General should be determined to enforce the law against every violator, his activity is circumscribed by the appropriation which Congress is willing to give him. There never has been a time down to this fiscal year in which Congress has been willing to appropriate to the Department of Justice a sum sufficient to enable the Antitrust Division to enforce even the complaints which are filed with it.

COMPLAINTS ORIGINATE WITH CITIZEN

To those who are under the impression that government is constantly seeking for excuses to interfere with business, I recommend a review of the reports of the Attorney General. During the fiscal year which ended on June 30, 1938, the Department of Justice received 923 complaints alleging violations of the antitrust laws. Of these only 59 ripened into investigations conducted by the Federal Bureau of Investigation. Now, let us bear in mind that these were complaints which originated with citizens of the United States and not with the Department of Justice. Individual businessmen came to the Department and made the allegation that their right to free, private enterprise was being invaded by other businessmen. They came to the Federal Government seeking protection, seeking that protection to which every citizen is entitled, namely, the right to operate freely in the economy, the right to the impartial enforcement of the law. Who will say that the businessmen of America are not entitled to this protection? Who will say that the individual private citizen who finds his business being taken away from him by devices and practices which he knows to be condemned by the law is not entitled to have the protection of his Government? And who will dare to say that it is an unwarranted interference with business when the Government official charged with the responsibility of enforcing the law undertakes to do it?

ENFORCEMENT PROVES IMPOSSIBLE UNDER PRESENT LAW

The real source of complaint is not that government interferes with business, but that it is a physical impossibility for government effectively to prevent monopolistic practices under the present law. Year by year vastly more petitions for relief are filed with the Department of Justice than it is possible for the Department to consider. The same is true with the Federal Trade Commission under the Clayton Act. The business of the United States is so complex, so far-reaching, covers so vast an area that it is quite beyond the effective powers of government to carry out an enforcement program which depends upon punishment after the act. That is precisely the reason why I am urging this bill which will depend for its effectiveness not upon the appropriations of Congress, not upon the industry, philosophy, disposition or ability of the Attorney General and his staff, but upon the unwillingness of men who want to violate the antitrust law or who want to go as close to those laws as they can without violating them, to take any chances because of the knowledge that if they should violate the law and close the door of opportunity to other businessmen, they would be charged with personal responsibility in money damages out of their own personal pockets. Men who themselves plan restrictive policies for the corporations they direct would know they were personally responsible for the acts of their corporations and could not rely for escape from responsibility on the inability of their victims to take the case to court, on the inability or failure of the Department of Justice to prosecute, or upon the possibility that, since an economic offense is not ordinarily regarded as involving moral turpitude, the courts would not convict.

BOTH POLITICAL PARTIES FOR MONOPOLY CURE

An examination of the history of the Sherman Act will reveal that probably the most diligent efforts to enforce it were made during the administration of President William Howard Taft, but combinations and mergers proceeded, restraints of trade and the suppression of competition went on practically unimpeded. A great cry went up from all parts of the country for better enforcement of the antitrust laws in order to maintain private competition and keep private enterprise free. Each political party and every candidate for office declared his allegiance to the antitrust laws and his purpose rigidly to enforce them. This has been so invariable that even in 1936 the Republican National Convention at Cleveland, Ohio, adopted a slight modification of a declaration against monopolies which was written for the Democratic Convention of 1908 by William Jennings Bryan.

Said the Republican platform of 1936:

"A private monopoly is indefensible and intolerable. It menaces and, if continued, will utterly destroy constitutional government and the liberty of the citizen.

"We favor the vigorous enforcement of the criminal laws, as well as the civil laws, against monopolies and trusts and their officials, and we demand the enactment of such additional legislation as is necessary to make it impossible for private monopoly to exist in the United States."

Said the Democratic Convention in 1908:

"A private monopoly is indefensible and intolerable. We therefore favor the vigorous enforcement of the criminal law against guilty trust magnates and officials, and demand the enactment of such additional legislation as may be necessary to make it impossible for a private monopoly to exist in the United States."

It cannot be argued that political conventions do not know the sentiment of the people. In times of campaign, party conventions lose no opportunity to give assurance of their desire and intention to keep business free by enforcing the law, by extending to the individual citizen the protection of the Government, but when the election is over, the cry is raised that government should not interfere with business, a cry that results not in the protection of business but in the protection of those who are responsible for the monopolistic practices which are the initial cause of the decline of business.

DEFICIT SPENDING RESULT NOT CAUSE OF ECONOMIC DISTRESS

There are 10,000,000 people now unemployed. There are thousands of little-business men knocking at the doors of Congress for aid, for loans, for protection in order that they may engage in free, private enterprise and the huge aggregations of economic power and wealth that actually dominate the commerce and trade of America are sufficient unto themselves, enjoying great prosperity while millions of our fellow citizens are wholly and completely unable to support themselves and are dependent upon government to keep them from actual suffering.

Let no one say that Government spending is the cause, bad though Government spending may be, and is. Government spending is a result, not a cause. When the last Works Progress relief appropriation bill was before the Senate and the roll was called, not a single vote was cast against it, and when the roll was called upon the same measure in the House of Representatives the vote was 373 for and 21 against. There were no party lines, there were no economic lines in that division. It was the overwhelming confession of the Congress of the United States that it has been unable to solve the economic problem. But more than that, it was a confession that free, private enterprise has been completely undermined in America and that our fundamental principle of economic freedom has been seriously impaired. I say to you that political liberty cannot long endure if economic freedom is lost.

ANTITRUST LAWS CAPABLE OF ENFORCEMENT

"Ah," but it is said, "you cannot threaten business with a drastic statute to provide civil remedies for the enforcement of the antitrust laws as provided in this bill. The antitrust laws are vague and uncertain."

I say to you that the antitrust laws are not vague and uncertain. They have been in the past, because men have been unable to adjust themselves to the changing era in which we live and have governed themselves by habits of thought instead of realities. The antitrust law was originally ineffective because of a blunder committed in the very first attempt to enforce it. It was during the administration of Grover Cleveland when his Attorney General, Richard Olney, brought suit in what is known as the Knight case, to dissolve a merger of sugar refiners in Pennsylvania. It failed because the court said that the combination alleged was a combination of manufacturers and was, therefore, a combination outside of the field of interstate commerce. Because the case was thrown out of court, all practical efforts to enforce the law were abandoned until the Roosevelt-Taft-Wilson era, but President Taft, after his retirement from office, while he was lecturing in law at Yale University, declared his belief that this case failed because of defects in the pleadings. It was his opinion that, if a proper allegation had been made, the case could have been sustained. Be that as it may, in the opinion handed down by Chief Justice Hughes only a few years ago in the Jones-Laughlin case there was enunciated a principle which I feel confident would have sustained the old Knight case.

I am not interested, however, in the matter of pleadings and decisions. The important fact is that the combinations and mergers and restraints of trade which were forbidden by the antitrust laws in 1890, which are forbidden by the common opinion of the people of America, which are not only forbidden by the law but are recognized in the political platforms of both parties as against public policy, have been permitted to continue year after year, because we have not had an effective enforcing statute and because, whenever the proposal is made to enact an effective statute, the cry is raised that it would interfere with business.

WILLIAM HOWARD TAFT CITES CONSEQUENCES OF MONOPOLY

Let us examine the types of violations which are alleged by the businessmen of America when they come to the Government for relief. Let us see whether or not the law can be defined in understandable language. As long ago as 1910, when President William Howard Taft, in a special message to Congress on Interstate Commerce and Antitrust Laws, recommended voluntary Federal incorporation as a remedial step, he undertook to outline the problem, and a quotation from his message is so apt that, in my opinion, it ought to be on the desk of every businessman and every business executive in America. I quote the message of President Taft, because it cannot be said of him that he was a radical who sought to promote Government interference in business. Listen to his moderate and temperate language:

"Monopoly destroys competition utterly, and the restraint of full and free operation of competition has a tendency to restrain commerce and trade."

Observe those words—"the restraint of full and free operation of competition has a tendency to restrain commerce and trade."

Is not that the very heart of the modern economic problem? Are we not suffering from the effects of the restraint of commerce and trade imposed on small-business men? But to continue with Mr. Taft's language:

"It is possible for the owners of a business of manufacturing and selling useful articles of merchandise so to conduct their business as not to violate the inhibitions of the antitrust law and yet to secure to themselves the benefit of the economies of management and of production due to the concentration under one control of large capital and many plants. If they use no other inducement than the constant low price of their product and its good quality to attract custom, and their business is a profitable one, they violate no law. If their actual competitors are small in comparison with the total capital invested, the prospect of new investments of capital by others in such a profitable business is sufficiently near the potential to restrain them in the prices at which they sell their product. But if they attempt by a use of their preponderating capital and by a sale of their goods temporarily at unduly low prices to drive out of business their competitors, or if they attempt, by exclusive contracts with their patrons and threats of nondealing except upon such contracts, or by other methods of a similar character, to use the largeness of their resources and the extent of their output compared with the total output as a means of compelling custom and frightening off competition, then they disclose a purpose to restrain trade and to establish a monopoly and violate the act."

Let's make no mistake about it. These acts, so clearly defined by the former President and Chief Justice, lie at the root of our economic troubles. There has not been a major statesman in our history, from Grover Cleveland to this hour, who has not recognized the inevitable consequences upon business of monopolistic practices. The history of the last 50 years has been filled with prophecies of the exact disasters that now confront us if competition were not maintained.

GOVERNMENT MUST MAINTAIN COMPETITION OR FIX PRICES

In 1913, in the report of the Interstate Commerce Commission, submitted by Senator Cummins, to which I have already referred, we find this illuminating paragraph:

"The committee will not at this time enter upon an extended argument respecting the policy of maintaining competition or competitive conditions in the business of the country. It is well understood that there are many distinguished students and highly trained thinkers who believe that the age of competition is past, and that for the struggle which competition involves there should be substituted combination and cooperation, under such regulation and supervision as will protect the people from the oppression of monopolistic power, and added to the students and thinkers who have reached this conclusion through mere observation and investigation, there are many men engaged in commerce, and who therefore speak from a practical standpoint, who have also concluded that some form of regulated monopoly or concentration should be adopted. All these men, whether theorists or otherwise, admit that if we abandon the effort to maintain competition the Government must undertake, directly or indirectly, to fix prices for the combinations or monopolies. The committee feels that the time has not yet come for so radical a departure from the long-established policy of the country and it hopes that the time may never come when it will be necessary for the Government to assume the task of establishing price for general commodities. It believes that the progress of the world depends in a large measure upon that fair, reasonable rivalry among men which has hitherto characterized the advance of civilization."

Observe the words, "All these men, whether theorists or otherwise, admit that if we abandon the effort to maintain competition the Government must undertake, directly or indirectly, to fix prices for the combinations or monopolies." It is this exact dilemma we have been facing for the last 10 years. Before the beginning of the present administration, the United States Chamber of Commerce, in session in San Francisco, made a formal recommendation that laws should be enacted to provide for what has come to be euphemistically called "self-government of industry." We tried this program in the N. R. A. and we found that it led to the suppression of competition, the closing of the door of opportunity to free, private enterprise, because, for all practical purposes, no man could engage in business without the consent of his competitors. It was during that period that representatives of the Government were running around the country talking about "cracking down" on business and private enterprise and the persons who engaged in it contrary to the wishes of those who were administering the codes frequently had to prove themselves innocent of the charges brought against them by the managers of the codes.

CIVIL DAMAGES WOULD DISCOURAGE VIOLATIONS

When it is thus clear that the antitrust laws have never been effectively enforced to preserve competition because of the inherent defects in the sanctions provided, and when it is clear by trial and experiment that self-government in industry likewise has been a failure, are we not driven to the inevitable conclusion that the time has come actually to try competition, and by effective statutory provisions, prevent, instead of punish, violations of the law?

That is the purpose of the bill before this committee—to prescribe such clear, personal penalties upon the officers and directors who are responsible for commercial policy that they will not be willing to undertake the chance of personal loss in civil damages if they advise and carry through a trade policy which they know to be inherently wrong and plainly condemned by the law.

If President Taft can chart a course for them, they can chart a course for themselves. But, if his definition is not sufficiently clear, it is only necessary to review some of the specific practices which the experience of the Federal Trade Commission discloses.

FEDERAL TRADE COMMISSION SHOWS EXTENT OF MONOPOLISTIC PRACTICES

I hope that the members of this committee will read the testimony which was presented to the Temporary National Economic Committee on behalf of the Federal Trade Commission. Outstanding instances of the last 7 years were described, illustrating the devices and the methods used by some businessmen to crush other businessmen, devices, the plain purpose of which was to suppress competition sometimes by fraud, sometimes by coercion, sometimes by sharp business practices, all of which led to the building up of concentrated control of American business. Instances were marshaled to describe 45 different monopolistic practices, each of them well known to be unfair and unethical as well as illegal.

On March 1, 1939, Mr. P. B. Morehouse, one of the staff of the Trade Commission, presented the summary of 15 different cases, selected from a larger compilation of 59 cases. Every one of these 59 cases was the result of the complaint filed with the Commission by some businessman. In none of these cases did the Federal Trade Commission act on its own initiative. In none of these cases did the Federal Trade Commission exhibit a desire to interfere with business. The cases, in every single instance, were initiated by citizens of the United States who came to the Federal Trade Commission for protection against practices and devices which they believed to be in violation of their rights and in violation of the law.

Here, for example, was the case of certain tin-plate manufacturers who engaged in a combination to cease the production of a certain kind of "stock plate," and to require the buyers of their product to accept what the trade knows as "seconds" up to 25 percent of the full order.

Here was the case of 750 dealers in building materials who entered into a combination to control and confine retail distribution in building materials and supplies, and to prevent direct sales by manufacturers to nonrecognized dealers, consumers, contractors, or even to governments. In other words, this combination undertook to prescribe from whom the business consumer and the individual consumer could obtain their materials.

Another case told the story of a combination of eight separate corporations manufacturing liquid chlorine for industrial and commercial purposes. These corporations manufactured a commodity for the use of business and entered into a combination to

eliminate competition among themselves and to affix the price which other business was compelled to pay, thus completely eliminating competition.

It would be possible to go on for hours listing the various kinds of monopolistic practices which have been used to restrain trade and commerce, and which have contributed to the unfortunate economic condition in which we find ourselves today, a situation which is marked by the unemployment of 10,000,000 of our fellow citizens.

I shall place in the record here the full list of 15 selected practices presented to the Temporary National Economic Committee by the Federal Trade Commission, and I shall also file for the record the 45 different types of unfair competition and monopolistic practices cited to the T. N. E. C. by the Trade Commission.

DEVICES IN RESTRAINT OF TRADE EASILY IDENTIFIED

The point I am emphasizing here is that the essential devices and practices in restraint of trade are easily identified, and no businessman need be in doubt for 5 minutes. No businessman who resorts to conspiracy, coercion, to agreements designed to drive a particular competitor out of business, agreements to divide territory, to pool earnings, to apportion business and the like, can be under any doubt that he is engaging in a practice which is contrary to public policy and which has the inevitable result of depriving other businessmen of their inalienable right freely to engage in business.

ANY VAGUENESS OF ANTITRUST LAWS SHOULD BE CLARIFIED

If it be true that the antitrust laws are vague and uncertain in some particulars, no one will deny that they should be clarified. Indeed, that is one of the subjects now under examination by the Temporary National Economic Committee. But for the purposes of the bill now under consideration, in whatever degree the laws are not clear, it would be quite impossible to secure a verdict in damages from any court or jury under this bill.

The measure is drafted to enforce the Sherman Antitrust Law, the antitrust provisions of the Tariff Act of 1913, and sections 3 and 7 of the Clayton Act. The Sherman Act has already been discussed. Let me here insert the three other enactments. It will be unnecessary to read them at length. But a reference to section 3 of the Clayton Act emphasizes the point I have been making—that no businessman who undertakes to enter into economic warfare against another businessman need have any doubt of the meaning of section 3 of the Clayton Act, which simply makes it unlawful for any person to impose upon any lessee or purchaser of his commodities a condition not to use or deal in the commodities of a competitor. It takes no lawyer or economist to understand that prohibition, and yet it is one of the devices whereby the business of America, which we are all seeking to build up, has been restrained and prevented from reaching its full fruition during the past generation.

PROVISIONS SUMMARIZED

The provisions of this measure may be briefly summarized as follows:

(1) A violation of any provision of the antitrust laws by a corporation is made a violation by every officer or director who has participated in causing the action to be done.

(2) Officers or directors so participating in causing a corporation to violate the antitrust laws are themselves guilty of the misdemeanor defined by the present law.

(3) Such an officer or director is made liable to forfeit to the United States in a civil action brought by the United States a sum equal to twice his compensation from the corporation, in whatever form that compensation may be paid, for every month during which the violation occurred.

(4) Such officer or director may be enjoined from rendering any service, direct or indirect, to such corporation, permanently or for a period not less than 90 days in the discretion of the court, or from receiving any compensation or from engaging in competition with the company he is enjoined from serving.

(5) Any corporation which violates the antitrust laws is made liable to forfeit to the United States in a civil action brought by the United States a sum equal to twice its total net income during every month in which the violation occurred.

(6) Provisions for the consolidation of cases and for preserving the right of trial by jury are contained in the bill.

This is the first draft of the bill. I do not pretend to assert that it is perfect or that its provisions should not be changed. I am not prepared to insist upon the measure of damages contained in the bill. I am not prepared to insist, for example, that any corporation which consists of numerous subsidiaries or numerous business enterprises should be penalized in all its operation for a violation committed by a particular subsidiary or division. It might easily be that this measure could be made narrower without losing any of its effectiveness. For, after all, I am not particularly concerned with punishing offenses against the economic law—I am concerned only in preventing them, because I know, and it seems to me that the experience of the last generation amply proves, that the big government of which we are all so fearful has been the direct result of the monopolistic practices condemned by the antitrust laws, and that if business in America is be kept private, it must first be kept free.

MAINTENANCE OF COMPETITION CHALLENGE TO STATESMANSHIP

If the history of the last 10 years teaches anything, surely it teaches that there is opportunity enough in the world for all, and that it is not necessary for any man to resort to unfair methods and practices in order to make a living. Nature has provided an abundance but we have apparently been operating under fear that there is not enough to go around, and in our fear we have brought upon ourselves the very result that we have sought to avoid. With the resources of America practically untapped, with the farms producing more food than we have the purchasing ability to consume, with industrial plants capable of meeting almost every demand, with men ready and willing to work and other men ready and willing to invest their capital, it is a reflection upon our intelligence that we hesitate, first to make an effective rule against those sharp practices in business which restrict opportunity, and, second, to hold out every possible reward to energy, courage, and ability in private business.

There has been much discussion of late of Government spending, and the reasons why investment of private resources seems to lag. It has been suggested by some that the opportunities for private investment are passing, that because the population is not growing as rapidly as it used to grow, and the geographical frontier has vanished, that because many industries have all the plant capacity they need and investment abroad has become a risky business, it is now necessary to turn to investment in consumer goods rather than to investment in capital goods. Others suggest that public enterprise must be expanded and that the Government must find a way of gathering up private savings and directing them to the construction of great enterprises to be used by all the public.

It has seemed to me that both of these suggestions are the result of a defeatist philosophy. I cannot bring myself to believe that the progress of humanity has ceased or that opportunities for private initiative no longer exist. Every bit of the progress we have achieved to date has been the result of individual initiative. The invention of the steam engine, the invention of the gas engine, the telephone, the telegraph, the airplane, and, within the last few years, radio and television—all of these things are the product not of consumer enterprise or of public enterprise but of the genius of individual men. These and all the other inventions which have blessed mankind have been the results of the competitive urge, and like the authors of the Interstate Commerce Committe Report of 1913, from which I have already quoted, I believe "that the progress of the world depends in large measure upon that fair, reasonable rivalry among men which has hereto characterized the advances of civilization." It is the function and the duty of government to promote and protect that rivalry. It is a challenge to statesmanship to make certain that this objective is attained and that competition in America's commercial life shall not be eliminated.

To accomplish that purpose let us first make certain that competition is preserved by preventing the restraints which have throttled it in the past; and second, let us break open new channels for the investment of private savings in free, private enterprise.

It is not for me here to discuss the means whereby the latter may be accomplished. The bill before you embodies only the first objective—the maintenance and protection of the competitive system. Let us make no mistake about it. The perpetuation of American institutions, the perpetuation of religious and political freedom, the perpetuation of individual freedom, all alike depend upon the preservation of economic freedom. There can be no economic freedom unless we have free, private enterprise which is protected from all attacks from any source, whether private or public.

Cotton Warehouseman Admits Storage Charge 40 Percent too High; Cheaper Rates Possible

EXTENSION OF REMARKS

OF

HON. FRED L. CRAWFORD

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Saturday, July 29, 1939

Mr. CRAWFORD. Mr. Speaker, in spite of all the claims made by House Members who represent cotton districts where loan cotton is stored to the effect that cotton warehousemen need the exorbitant storage rates now being paid by Commodity Credit Corporation, under permit to extend my remarks, I submit the following information showing that a cotton warehouseman admits the storage charges are too high and that cheaper rates are possible.

It is interesting to note that Mr. Bateman, president of the Southeastern Compress & Warehouse Co., takes the position the Commodity Credit Corporation "has been hamstrung by various Congressmen and Senators" every time the Corporation has attempted to effect savings in storage rates. Furthermore, in accordance with the figures submitted by Mr. Bateman as to the amount required for storage as payment to the warehouses on a competitive basis it is clear ample space can be obtained at 40 percent less than the rates which will be paid by the Commodity Credit Corporation for the year ending July 31, 1939.

The following is Mr. Bateman's letter to me on this subject, and following the letter is the article appearing in the Atlanta Constitution under date of July 27, 1939, covering this subject:

SOUTHEASTERN COMPRESS & WAREHOUSE CO.,
Atlanta, Ga., July 27, 1939.

Hon. FRED L. CRAWFORD,
House Office Building, Washington, D. C.

DEAR MR. CRAWFORD: Enclosed herewith is clipping from this morning's issue of the Atlanta Constitution, relative to your statement yesterday about the "cotton warehouse racket."

The Constitution called me for a statement, inasmuch as we were third on the list of those warehouses receiving large amounts of storage, and you will note that I have issued statement agreeing with what you have said.

Our warehouses are three-fourths empty, and there are millions of bales of empty space at the ports. These plants would be glad to offer the Government extremely attractive storage rates if storage could be placed on a competitive basis.

The Commodity Credit Corporation has tried to handle the matter in a businesslike manner; but you, of course, know the story as well as I do of how they have been hamstrung by various Congressmen and Senators every time they try to effect savings in storage rates.

Yours very truly,

DUPUY BATEMAN, JR., *President.*

The newspaper article referred to is as follows:

LEGISLATOR CHARGES "COTTON WAREHOUSE RACKET"—MICHIGAN SOLON DECLARES STORAGE PRICE MAKING GROUP RICH AT EXPENSE OF TAXPAYERS, FARMERS

Representative FRED L. CRAWFORD, Republican, of Michigan, charged in Washington yesterday that an "entrenched group of warehousemen, who are getting rich at the expense of the taxpayers and the farmers," are attempting to deny the Government the right to say what it shall do with its own cotton.

He made public a list of 98 warehouse firms that he said were engaged in a "cotton warehouse racket," from which they were receiving from $25,000 to over $5,000,000 for storage of Government cotton during the year just ending.

In the Crawford list were the following warehouse companies in Georgia: Southeastern Compress & Warehouse Co., Atlanta; Georgia-Carolina Warehouse, Augusta; W. C. Bradley Co., Columbus; Savannah River Warehouse Co., Augusta; and the Central Real Estate Warehouse Co., Augusta.

AGREES WITH CHARGES

Dupuy Bateman, Jr., president of the Southeastern Compress & Warehouse Co., yesterday agreed with Representative CRAWFORD'S charges.

"I would like to see Congress strip the mask from the whole thing," he stated, explaining the Government could get the same service from warehousemen at approximately half the cost if the system was placed on a competitive basis.

As it is, the cotton is "frozen" in the warehouse where the loan is made. There are approximately 2,000 such warehouses in the cotton-growing States, he pointed out, most of them at interior points.

Storage and insurance prices, set by agreement between the Government and warehousemen, now run around $3 a bale for the first year and $2.16 for the years thereafter, Bateman commented. He has estimated that warehousemen, if the system was competitive, could perform the same service at $1.80 per bale the first year and $1.44 for the following years.

WOULD REDUCE RATES

"As it is," he said, "our present rates are at least 10 percent under other interior warehouses, and we have told the Government that any time they would place loan cotton storage on a competitive basis, we would substantially reduce our present rates."

The company, he said, had received $940,000 for loan cotton storage at its interior warehouses since 1935.

Storage figures for other large companies for the same period were given as follows: Federal Compress & Warehouse Co., $8,518,000; Union Compress & Warehouse Co., $1,296,000; Traders' Compress Co., $933,000; Texas Compress & Warehouse Co., $910,000; and the Western Compress Co., $445,000.

WHERE THEY OPERATE

Federal and Union companies operate in the Mississippi Valley, Traders' in Oklahoma and Texas, Texas in west Texas, and Western in California and Arizona.

CRAWFORD'S attack climaxed the refusal of the House Committee on Banking and Currency, of which he is a member, to hold hearings on a bill aimed to facilitate the execution of arrangements for the exchange of surplus commodities produced in the United States for reserve stocks of strategic and critical materials produced abroad. The measure was designed primarily to speed the barter deal between the United States and England, in which it is proposed to exchange American cotton for British tin and rubber.

SAYS C. C. C. HANDS TIED

"The amazing part of this whole program," Representative CRAWFORD said, "comes to the surface when the Government, acting through its agency, the Commodity Credit Corporation, desires to deliver cotton under the provisions of the 'barter deal' recently made with England. The Commodity Credit Corporation finds its hands tied. To meet quality, staple, and fiber requirements of England, the Commodity Credit Corporation must procure title to the cotton on which it has heretofore made loans to cotton growers. The Senate approved a bill which carried provisions that would enable the Commodity Credit Corporation to procure, convey, transport, handle, store, maintain, or rotate the cotton on such a basis as would cost the Government and the taxpayers much less for storage and insurance charges than has heretofore been paid. The Banking and Currency Committee of the House has absolutely refused to allow the present law, which was written in a manner to protect the warehousemen at the cost of the taxpayer and the farmer, to be amended by the Senate bill so that the Commodity Credit Corporation could effect savings and prevent exploitation by the warehousemen.

Wage-Hour Amendments

EXTENSION OF REMARKS
OF
HON. MARY T. NORTON
OF NEW JERSEY
IN THE HOUSE OF REPRESENTATIVES
Monday, July 31, 1939

RADIO ADDRESS OF HON. MARY T. NORTON, OF NEW JERSEY

Mrs. NORTON. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following address which I delivered over the radio yesterday:

May I say at the outset that I am very happy to have this opportunity to inform the people of the country of the present attempt to emasculate one of the finest pieces of labor legislation that has been enacted in the history of this country, the Fair Labor Standards Act of 1938, commonly known as the wage and hour law.

To go back just a little into the history of this legislation, I would like you to go with me back about 2 years when the wage and hour bill was introduced in the House of Representatives.

After months of hearings, this bill was reported to the House by the Committee on Labor and a rule was sought to bring the bill before the House for its consideration. The Rules Committee refused to grant a rule. The result was a petition, signed by 218 Members of the House—the necessary number to override the Rules Committee and requiring consideration of the bill by the House. Due to strenuous opposition on the part of those opposed to all wage and hour legislation, the bill was recommitted to the committee. Then ensued a long period of further consideration and finally another bill emerged from the House Labor Committee and again the Rules Committee refused to grant a rule that would bring the bill to the floor of the House for consideration.

For the second time a petition was resorted to and history was made, for within 2 hours and 21 minutes, 218 names were attached to it by the membership, many Members flying from long distances to get to the House in time to do so. Therefore, it is evident that the majority of the membership of the House demanded consideration and action on this legislation.

The bill was passed by a large majority, although considerable opposition was offered even at that time.

I present this brief history to show the long and hard struggle of the proponents of this legislation against a small, but well-organized opposition whose aim was and is to defeat all labor legislation. Those of us who had worked for so many years—and there were many—were happy indeed when the wage and hour bill became law. Although it was a long hard battle, at times seeming to be a losing fight, those of us who had persevered for the cause of the workers of the country, were victorious against that minority which led the fight to keep the workers of the country in peonage. For the first time in the history of America, those workers who had been paid starvation wages and were worked fantastically long hours by chiseling employers, were, by law, given a small part of what they justly deserved in the form of minimum wages and maximum hours to be worked. Let me state here that when I speak of chiseling employers, I do not mean to speak of all employers for I am well aware that there are numerous employers in this country who do not fall into this category and who do treat their employees fairly with regard to wages paid and hours worked and, of course, the wage-hour law has no application to them. The law was aimed only at those employers who are responsible for that large number of ill-housed, ill-clothed, ill-fed workers of this country, to whom our President has so often referred. It should be noted that this group of the lowest paid workers has never had representatives to bring their pitiful condition to the court of public opinion. Here and there, there was always that small group of individuals who have tried to help these underprivileged, but not until the enactment of the Fair Labor Standards Act of 1938 had the problem of these unfortunates been acted upon by Federal legislation.

When Congress assembled this year Mr. Andrews, the Administrator of the Wage and Hour Division, brought to the attention of the Committee on Labor some inequalities in the law and certain

difficulties that had been encountered in the administration of the law. After due consideration by the committee the bill carrying the number H. R. 5435 was reported favorably to the House by a committee vote of 16 in favor and 2 against. It should be understood that this bill contained only those amendments necessary for the proper administration of the act and alleviating unnecessary hardships imposed by the original law. It should not be understood that these amendments could in any way be construed as emasculating the original law, but were necessary and desirable amendments. At the time the committee reported H. R. 5435 to the House it did so with a certain amount of trepidation, for it had reason to believe that those who have opposed this law from its inception and who staged unceasing opposition to wage and hour legislation from the time the original bill was introduced would make every effort to so amend it that the main purposes of the law would be destroyed. As chairman of the committee, I, therefore, consulted with the leaders of the House and it was agreed that the proper action in order to preserve the law was to bring up H. R. 5435 under suspension of the rules of the House—that parliamentary procedure which permits of no amendments to a bill reported by a committee to the House. Such action was taken, but the motion to suspend the rules was voted down by the House. I feel safe in saying that this action was the result of the unjustified attack on H. R. 5435 by certain pressure groups whose desire and aim was to defeat the bill with the hope that in due time a bill whose purpose would be to exempt a large number of employees now protected by the law would be presented to the House. I am sorry to say that their hope was realized, for such a bill was but recently introduced by Mr. BARDEN, of North Carolina.

It should be stated that Mr. BARDEN was one of the 16 to vote in favor of reporting the committee bill (H. R. 5435). Apparently since that time he has changed his mind.

Time does not permit me to go into the provisions of this bill thoroughly; however, may I point out that the Barden bill would exempt from the provisions of the Fair Labor Standards Act more than 1,000,000 workers from both the wage and the hour benefits of the act, and, in addition, another half million workers would not receive the benefit of the maximum-hour provisions of the act. Hundreds of thousands of employees long exploited would lose the gains that have been theirs since October 24 last, the day the Fair Labor Standards Act went into effect. In addition, the hours standards of from 250,000 to 400,000 higher paid clerical and skilled wage earners would be endangered if the bill were enacted. The exemptions provided for in the Barden bill have no economic or social justification. Special treatment is given to various industries and employers and new discriminatory competitive situations are created. Exemptions included in this bill would apply to the whole series of industrial operations performed on agricultural products from the time they have left the farm and entered commercial channels until they have reached the ultimate retail distributor. For example, such operations as the transportation and storage of all agricultural commodities in urban centers like New York and Chicago would receive hours exemptions. As the Secretary of Agriculture, Mr. Wallace, pointed out in a report to the Senate Committee on Education and Labor, I quote: "The processing of farm products and preparing them for market, when performed off the farm, should unquestionably be regarded as a nonagricultural operation and should be brought under the provisions of the Fair Labor Standards Act of 1938." Of workers in these industries he said further; I quote: "There can be no question but that they are entitled to the same protection under existing legislation as their fellow workers in factory, mill and mine."

It is alleged by the proponents of the Barden bill that the existing wage and hour law is detrimental to the farmers of the country and as a result of this law they are suffering gross injustices. How can this be true, when under the provisions of the act, every farm employee in the entire country is exempt from the act? I want it understood that I am in complete sympathy with the farmers and my record in Congress will prove this to be true. But I resent the farmer being continually used to exploit industrial workers, many of whom have never seen a farm.

With regard to the processing of farm products which is an industrial operation, there is no evidence to indicate that those engaged in taking the products of the farm and the forests and who transform those products into goods for the consuming public, cannot pay the employees who perform this work 30 cents for each hour of work. To the contrary, in many parts of the country where the operations of the processing of farm products are carried on, the minimum wages now prevailing for these operations are more than 30 cents an hour. Where wages are less than this figure, the cost of the increase to 30 cents will not result in an undue burden to the processor, the consumer, or the farmer.

It is alleged that any increase in cost to the processor must necessarily be followed by a reduction in the price paid to farmers for their products. Such studies as are available do not indicate that this is the case. It should also be noted that labor costs in food-processing industries are extremely low in proportion to the value of products. With one exception, wages of the food-products industries constitute a smaller proportion of the total value of manufactured products than for any other major group of industries in the United States. It is therefore evident that wage increases resulting from the application of the standards required by the act would increase only to a negligible extent the retail prices of such commodities.

Time does not permit me to go into the provisions of this bill thoroughly. However, may I point out that the American Federation of Labor, the Congress of Industrial Organizations, the Department of Agriculture, the Department of Labor, and all other groups whose interest is that of protecting the workers of this country have expressed strong opposition to the Barden bill for the reason that it would emasculate the law. I, for one, do not intend to stand idly by while the opponents of this legislation attempt to destroy it.

The Barden bill has never been considered by the Committee on Labor, and yet the Rules Committee, by unprecedented action, now takes upon itself the consideration of granting a rule which would bring to the floor of the House the Barden bill. How the Rules Committee can justify this action in view of the tremendous opposition that has been presented to this legislation since its inception by a vicious minority, a minority that seeks, in my opinion, not only the repeal of this legislation but all other necessary and proper legislation enacted for the benefit of the laboring classes of this country.

I should like my audience to keep in mind that the fight the Labor Committee is engaged in is concerned with people, real, honest, hard-working, God-fearing men and women of these United States. Men and women who have children to feed and clothe and who love these children exactly as we love ours.

The Labor Committee of the House functions in behalf of labor, and I mean not labor organizations alone but the laboring people who have no one to represent them. I believe in labor organizations. I believe in the right of every workingman and woman to bargain collectively and gain for himself every advantage to which he is entitled. I subscribe to that philosophy, but more than that, I believe the Labor Committee of the House has a mandate from the people of this country to give to the underprivileged and unorganized as well as the organized workers, every assistance through legislation that can justly be given.

This, ladies and gentlemen of the radio audience, is what the Committee on Labor has tried to do. This is why the Committee on Labor has been deprived of its rights and privileges by the Rules Committee.

Probably during the coming week, due to the unprecedented action of the Rules Committee, the Committee on Labor, and all other members of the House who desire to protect the wage and hour law, will fight a battle against those who desire to emasculate it. It will merely be a continuation of the battle that started 2 years ago when the original wage and hour bill was introduced. Our purpose will be to prevent the emasculating features of the Barden bill from being enacted. If you believe in fair play, if you believe that every worker in this country, no matter how humble, is entitled to at least 25 cents an hour for a 44-hour week—in short, if you believe in the wage and hour law—tell your Representatives in Congress to stand by the Labor Committee and to demand the right of every worker to a living wage, regardless of whether he comes from the North or the South or from any other part of the country.

Monopoly and the Petroleum Industry

EXTENSION OF REMARKS

OF

HON. JOHN M. COFFEE

OF WASHINGTON

IN THE HOUSE OF REPRESENTATIVES

Monday, July 31, 1939

Mr. COFFEE of Washington. Mr. Speaker, during consideration by the House of House Joint Resolution 329, which provides for ratification of the interstate oil compact, I had hoped for sufficient time not only to discuss a little more in detail the provisions of the compact and some of the reasons presented for its discontinuance following 4 years of objectionable operation, but also to answer some of the remarks of my distinguished colleague from Maryland [Mr. COLE], found in the extension of his statement at the time the "Connally Act" bill passed the House after considerable opposition.

Due to the lateness of the hour and the crowded condition of the docket at this time, I refrained from entering into any lengthy discussion along these lines on Wednesday, July 12, when the interstate compact resolution was up for consideration, but I do desire to present before this session of Congress adjourns something in answer to the statements made by Representative COLE of Maryland in the RECORD of July 14 last.

President Roosevelt, Secretary of the Interior Ickes, and the Governors of practically all of the oil-producing States, and a large majority of the Members of the Congress have for the past few years endorsed the so-called Connally Act and interstate oil-compact legislation. But so have the major oil

companies, most of the producers selling oil to these companies, and the refineries manufacturing products for them. It is my sincere belief that the President, the Secretary of the Interior, the Governors of practically all of the oil-producing States, and many others, have been ill-advised and misled as to the real effects of this legislation. I feel certain that if the monopoly aspects of this legislation had been as forcibly presented to these gentlemen as the so-called conservation aspects have been presented to them, that they would not favor such legislation.

Personally I have always felt that these laws were essentially trade restraining, price fixing, and monopolistic rather than helpful to the real preservation of our petroleum resources, and that both laws have been unnecessary and inadvisable legislation.

It is unfortunate, I think, that those expressing favor of these measures of doubtful worth do so in the use of generalities and present little argument of a concrete nature. Such generalities contain statements that both the Connally Act and the interstate compact resolution do not foster monopoly. Naturally, those statements draw to the support of the authors thereof many who are not familiar with the operations of the laws but who do not want their position in support thereof misunderstood.

Following the discussion on the floor of the House on June 20, 1939, at the time we were considering the Connally Act, many of the arguments advanced by the proponents were answered by the opposition who participated in the heated debate. Later, however, there was inserted in the RECORD by me, with permission of the House, an extension of remarks which time did not permit me to include in the debate.

Rather than assume the burden of answering my remarks referred to, the gentleman from Maryland [Mr. COLE] took the liberty of calling them to the attention of the Honorable Harold L. Ickes, Secretary of the Interior, under whose direction the Connally Act is administered, with the request that he address a letter to me in answer thereto. The Secretary replied to Mr. COLE on July 5, 1939, and on July 14, the gentleman from Maryland had this letter inserted in the RECORD.

In my opinion, the Honorable Secretary was not responsible for the origination of this letter; the gentleman from Maryland [Mr. COLE] should have replied to my remarks himself; and, therefore, I address my reply to this letter to the gentleman from Maryland rather than to the Honorable Secretary, for whom I have the greatest admiration and profoundest respect.

HOUSE OF REPRESENTATIVES,
Washington, D. C., July 31, 1939.

Hon. WILLIAM P. COLE, Jr.,
House of Representatives.

MY DEAR MR. COLE: I appreciate your having directed to the attention of the Members of the Congress and to the public through the medium of the RECORD the letter to you from Secretary of the Interior Ickes, which letter you requested from him rather than assume the burden of answering my remarks in opposition to the so-called Connally Act. I assume that the Secretary's letter is your reply to my remarks and, therefore, am addressing this letter to you.

In your opinion, I take it, the Connally law does not prevent effective competition in the purchase of crude oil and sale of refined products by restraining trade in crude petroleum and products; the act is not anything more than a trade barrier against the oil-consuming States; that it does not apply only to the east Texas area, where it is enforced rigidly against independent producers, but not against the major oil companies; that the State laws which receive the support of the Connally law are true conservation laws and are administered purely on the basis of maintaining crude oil at a price neither above nor below its economic level; and that the Connally law is not a full-fledged dam that has been built around the production of crude oil, holding the supply at or below demand, thus fixing price.

To my mind, such opinions are erroneous and are not supported by the facts. The experience of the east Texas field amply illustrates the inefficacy of joint Federal and State action to prevent "waste" in oil and gas production. No one has proved nor can he prove by the very physical nature of things the extent, if any, to which the ultimate recovery of oil and gas has been increased or the time of use extended by enforcement of the provisions of the Connally law. It is idle and misleading to talk continually about this "conservation" in abstract, moot, and vague terms. What is overproduction? What is stabilization? What is waste? What is conservation? You must define these terms if you do not wish to misguide.

The importance of the East Texas field is recognized generally. All agree that it is one of the world's largest oil fields. It was discovered by an independent wildcatter, was largely developed by independent producers, and was originally looked upon as the salvation for independent refiners in competition with the major oil companies. But the major oil companies did not want this competition and took steps to have the oil "conserved" as they call it. Thus this legislation instigated and sponsored by them was passed as a conservation measure, but by whatever name, trade was restrained, independent competition practically eliminated, and prices stabilized against the consumer. By this means, competitive oil has been conserved, not for the public welfare, but for the major oil companies themselves, to be produced at a time when independent ownership has vanished, competition no longer threatens, and when monopoly prices can be charged.

The Connally law does not establish the allowable production of oil in the East Texas field. Neither does it do so for any other oil field. But the law does make effective State production-control recommended by the United States Bureau of Mines and changed into law by the oil-producing States. The allowable oil production in the East Texas field is determined monthly, pursuant to Texas law, by the Railroad Commission of Texas. In so doing, the commission attempts to limit the daily production in such a manner that the reservoir pressure is maintained at points where the physical waste of oil and gas is believed to be avoided. Engineering testimony before the commission on numerous occasions has established the maximum allowable of approximately 20 barrels of oil per well daily.

Obviously, under such restrictions, a major oil company with thousands of wells in many fields in diverse parts of the country, with huge volumes of stocks, and very often access to unlimited imports, is not in the least harmed. But with the small refiner having only a dozen or so wells which ordinarily would yield several thousand barrels of oil a day, when this only supply is forcibly cut down to a scant 200 barrels per day, as it is by the workings of this law, he must either sell out to the major at a discount or go bankrupt. Small refiners by the score have, as a result of this handicap, gone to the wall in the East Texas field.

As for the "engineering testimony" relative to the "maximum allowable" for this field I dare say that most of such testimony has originated in the offices of the major oil companies themselves who employ most of the petroleum engineers of the country. Testimony in innumerable lawsuits involving geological and engineering problems of the production of oil, water, and gas shows conclusively that it is just as easy to employ an "expert" to testify one way as another. The very mootness of the questions accounts for this inevitable indefinite circumstance; the ethical character of the geologists and engineers is not necessarily at fault. Nevertheless, I have not heard of a case where an engineer has testified against his employer.

But regardless of the maximum allowable and the degree of conservation claimed, there still remains the fact that production control is trade restraining, price-fixing, and monopolistic. Therefore, the conservation argument is beside the point unless monopoly is the price we wish the public to pay for the conservation we think we achieve. Personally, I believe that that price—monopoly—is too much to ask of the independent businessman, the consumer, and the public in general.

The east Texas field, in the spring of 1933, had an allowable of 1,000,000 barrels a day instead of the less than 500,000 barrels it now has. Attention has been called to the fact that the drop in reservoir pressure of 65 pounds which occurred at a time when 12,000,000 barrels of oil was produced in 15 days. It is contended that if that rate of decline had continued, most of the wells in east Texas would have been reduced to pumping by the close of 1933. Sooner or later all wells cease to flow and must be pumped. The flowing life of a well is not an index to ultimate recovery from it or its economic life. Some wells cease producing altogether when natural flow ceases. Other wells never flow, but are pumped for tens of years. The real predicament with the east Texas field was that production from this field displaced production from more costly fields elsewhere. But that situation was the result of the functioning of the law of supply and demand. Had production from the east Texas field not been restricted, the flush would have soon been off whence cost in that field would have risen and production reestablished elsewhere. It cannot be denied by any logical analysis that by restricting the output of the east Texas field, consumers were denied the benefit of the lower cost oil, regardless of the conservation argument.

Since the Connally law was enacted in February 1935 the total demand for oil in the United States has increased nearly 35 percent, or from 2,742,000 barrels daily in February 1935 to 3,600,000 barrels daily in February 1939. During the same 4-year period crude-oil production has increased but 28 percent, or from 2,600,000 barrels daily in February 1935 to 3,338,000 barrels daily in February 1939. From March 1935 to April 1939, inclusive, the total demand for oil in the United States was 5,283,043,000 barrels. Domestic crude-oil production during the same period totaled only 4,845,418,000 barrels. There appears to be considerable restraint of trade in such a situation.

The above data are from statistics published by the United States Bureau of Mines. They indicate that during the 4-year period of the Connally law domestic producers were prevented from supplying 437,625,000 barrels of the total demand. When domestic

production is prohibited from meeting the total demand obviously the deficiency in current domestic output must be made up from other sources of supply.

What are these other sources of supply? They are imports, withdrawals from stocks, natural gasoline and benzol, all practically entirely in the hands of the comparatively few major oil companies most actively sponsoring this legislation. And why should not these companies sponsor such legislation? This margin set aside exclusively for them and for which the domestic producer cannot compete [by virtue of this legislation] has meant more than $500,000,000 worth of business to them.

Even more concretely: In 1934, before this law was passed, the largest 20 oil companies showed aggregate net profits of $152,000,000; in 1935 they showed $254,000,000; in 1936 they showed $410,000,000; and in 1937 they showed $566,000,000. Meanwhile, thousands of independent operators were forced out of business.

In February 1935 the posted price of 40° A. P. I. gravity and above, Oklahoma-Kansas crude oil was $1.08 per barrel, and at present it is $1.10. East Texas crude oil was $1 per barrel, and now it is $1.10. Comparable grade Gulf coast crude was $1.14 per barrel as compared with the present posted price of $1.28. From discovery of the Drake well near Titusville, Pa., to the year 1935, 16,598,444,000 barrels of oil were produced in the United States with an aggregate value of about $20,415,809,000, or an average of $1.23 per barrel. The average crude-oil price since the beginning of 1935 has been about $1.08 per barrel, or 15 cents per barrel less than the 76-year average.

On the surface, it would appear that "conservation" does not "maintain crude oil prices above economic levels." But the facts are that where production has been restricted the price of crude oil has increased and has been considerably higher than it would have been under the influence of unrestrained trade. To compare the average price of crude oil since enactment of the Connally law with the average price over a 76-year period, or any other long period prior thereto is illogical and misleading. The average cost of producing crude oil since 1935 in all probability has been more than 15 cents per barrel less than the cost of producing it during the 76-year period. And, if so, what place has this fallacious argument against higher prices for so-called conservation?

But, above all, the consumer is paying the price for this so-called conservation. During the year 1934, prior to this law, the average price (exclusive of taxes) of gasoline in 50 representative cities was 13.60 cents per gallon. During 1935 it was 13.55 cents, during 1936 it was 14.11 cents, during 1937 it was 14.40 cents, and during 1938 it was 13.91 cents.

More significant is the fact that whereas the price index of the United States Bureau of Labor Statistics for all commodities (even including petroleum products) from 1935 to 1938, inclusive, decreased nearly 2 percent, the index for petroleum products during the same period increased nearly 9 percent.

But probably the most vicious price circumstance of this production control is the fact that the price of crude oil, especially in the east Texas field, has been increased out of all reasonable relationship to the quoted prices for gasoline manufactured from such crude. In 1933 the ratio of the posted price of crude oil to the quoted price of gasoline at the refinery in the field was 19.6. For the same grades of oil at the same time the ratio in representative west Texas fields was 13.6. But by the beginning of 1938 this ratio for east Texas was 32.1 against only 23 for west Texas.

This rigging of the posted price for crude oil out of all reasonable proportion to the price of gasoline is commonly called the "refinery price squeeze," and is a direct result of the price-fixing attending these so-called conservation laws. At one time, March 1938, it was possible to buy a barrel of gasoline in the east Texas field nearly as cheaply as it was to buy a barrel of crude oil. No independent refiner, with his own supply hampered and forced to pay the abnormal price for crude, can hope to operate at a profit, and for that reason scores of them were forced out of business.

Labor has not benefited by this kind of conservation. Actually the index of employment in crude petroleum producing activities has decreased from 74.2 in February 1935 to 65.9 in April 1939. Despite the fact that practically as much oil will necessarily be refined under production control as without it, in petroleum refining the employment index has decreased from 116.2 in February 1935 to 116.1 in April 1939.

By your own admission you state that prior to enactment of the Connally law there were more employees at refineries than when the law was enacted. Most certainly employment as a whole is less in the great east Texas field since enactment of the Connally law than before it, and 30,000 unemployed in this field alone as a direct result of these laws is a conservative estimate which you have not, and, I believe, cannot, refute with facts.

When the Connally law was enacted there were 81 refining plants in the east Texas field, 70 of which were skimming plants and were equipped with cracking facilities. It is well known that skimming plants do not produce as much gasoline per barrel of crude oil refined as do plants equipped with cracking units. But it is also well known that skimming plants produce gasoline at a much lower cost per barrel of crude oil refined than do plants equipped with cracking units, especially when crude oil is plentiful, cheap, and of high gasoline content, as it is and still would be in the east Texas field were it not for the trade-restraining effect of the Connally law. Thus it is that skimming plants find it difficult to compete with the cracking units and not because the cracking plants are more efficient. It was not on the basis of comparative efficiencies that of the 81 plants existing in east Texas when the Connally law was enacted only 42 were operating; it was because of the enforcement of the predecessor to the Connally Act, section 9 (c) of the National Industrial Recovery Act, which, like the Connally Act, prevented these skimming plants from securing crude oil at competitive prices. Today, I am informed, there are less than half a dozen of these original 81 independent refiners operating in east Texas.

It is significant to note that with one exception all of the refineries in the east Texas field were independently owned. True competition from these refineries was something with which the less efficient or higher-cost major oil companies could not compete. The companies could not conspire to restrict production, restrain trade, eliminate competition, and fix prices without violation of the antitrust laws, so they devised and supported this legislation as part of a scheme to place the Government in the position of doing for them that which they could not do legally themselves.

The enlarged use of cracking equipment at east Texas refineries has resulted in an increase in the number of gallons of gasoline produced per barrel of crude oil refined in that field. But this fact alone does not necessarily indicate a "saving" of "4,710,000 barrels of crude oil." Such argument is as fantastic as it is presumptuous. How do you, Mr. COLE, know that if all the crude oil of east Texas were "skimmed," that the resulting residuum would not be used elsewhere as cracking stock for the manufacture of more gasoline? Such cracking stock would no doubt be cheap in relation to the cost of crude oil which it would supplant and thus really conserve crude oil in the ground.

Theoretically, the regulations which have been issued under the Connally law apply with equal force to all operators, whether they be majors or independents, and, theoretically, the Connally law applies to all States which have enacted legislation to control the production of oil. But practically, and as a matter of fact, the law has not been enforced effectively and for the most part not at all in any but one field—east Texas—and it is interesting to note that it is from this field, and this field alone, that there is any real threat of independent competition to the major companies.

Investigations are reported to have been made from time to time with the idea of enforcing the law elsewhere, but nothing has come of them. For several years the law is commonly reported to have been openly violated in the State of Louisiana, but not until the recent political scandals in that State were opened did agents of this law authority go into that State to "investigate." If the law were a good one, the discriminations in its enforcement have made it a bad one.

The law cannot possibly apply with equal force to all operators, whether they be majors or independents, also from the very physical nature of things. The major companies, through their extensive and intricate pipe lines, gather oil from thousands of wells, run it through a maze of pipes great distances to their refineries at seaboard. The police force of the regulatory body set up under this law is not adequate enough to check on the production and movements of crude oil and products of the major oil companies. With the smaller independent the case is different. He usually obtains his oil from a few wells and manufactures relatively small quantities of products. It is an easy matter to check the movements of his oil and he has been hounded to death while the majors go along in comparative ease with a minimum of molestation.

These things were all brought out clearly at the hearings on the bill to extend this law, which was originally an emergency measure. You are merely repeating the testimony of the proponents of the measure. You have apparently neglected the very forceful and able testimony of the opponents.

I have nothing but the highest respect for you, personally, and have equal regard for your beliefs and intentions. But we are all likely to be misinformed at one time or another. The petroleum industry is highly specialized, and our problems with it are complex. Special interests have always tried to influence the Government in supporting, passing, and enforcing laws in their behalf rather than in the public interest. The petroleum industry affords the classical example of monopoly in American industry. These interests have always had their agents close to, if not actually hidden in the Government, usually in the form of departmental underlings who for some reason are sometimes "industrially minded" instead of public-spirited. My position is one of trying to aid and not combat you in a true understanding of a difficult problem. Despite your high-minded intentions, in light of the facts, I cannot feel but that you have been misinformed and ill-advised. But whatever the reasons for our differences of opinion, I leave with you the thought that, regardless of the conservation argument for this legislation, there is definitely concomitant to that argument a monopoly aspect to which we cannot be blind.

I appreciate greatly the interest which you have shown in the conservation of the Nation's oil and gas resources. If there is any further information which may be helpful to the understanding of the many problems associated with the monopoly problem in the petroleum industry, I shall be glad to attempt to furnish it.

Sincerely yours,

JOHN M. COFFEE,
Representative from Washington.

I hope the Members interested in the important subject of legislation as it shall apply to petroleum resources will read the extension of remarks made by the gentleman from Maryland [Mr. COLE] in the RECORD of July 14, 1939,

and the reply thereto given above. If there is additional information and facts on the subject which they desire and will communicate with me for that purpose, I will be glad to try to supply it.

Pernicious Political Activity Hatched in the Hatchery of Iniquity

EXTENSION OF REMARKS

OF

HON. GUY L. MOSER

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Monday, July 31, 1939

Mr. MOSER. Mr. Speaker, on the subject matter of the bill S. 1871, I say that no bill of this sweeping effect has, in my judgment, ever any right to be passed by any body on its consent calendar. An examination of the CONGRESSIONAL RECORD for April 13, 1939, will show, on page 4191, this to be exactly the manner in which it passed another body.

We are told that the disclosures of the Sheppard committee in its investigation of politics in relief last year made this bill necessary. But did it? Having personally examined the report of that committee, I find no evidence of such necessity. On the contrary, in a certain State there were revelations and grand-jury inquests resulting in indictments disclosing nepotism. Coincidently somebody rather simultaneously, according to all diagnoses, contracted the recurring malady of "Senate itch" in this body. Opprobrious as must have been the disclosures of nepotism in that State, and effective as the patronage thereunder was indicated to have appeared from the distance, lending no enchantment in such case made and provided, it is singularly coincident that the bill to correct the disclosures made in the Sheppard report, simultaneously bore evidence of purification offered from the State where the nepotists were indicted, as evidenced in the amendment inserted into the deficiency relief bill last January 1939, in another body, for the same stated and publicized reasons. But was it? Quite the contrary, it had the effect to transfer from nominal political sponsorship patronage selections in administering relief to the Workers' Alliance. The well-known activities of that organization, past and present, in the proposed and pending strikes against the laws of the United States, enacted by the Congress and approved by the President, who has publicly announced his executive responsibility and determination to enforce them. The contrast is obvious to any discerning mind.

The membership of another body, having seized upon all opportunity to grasp every vestige of patronage and transform it to its own uses, and disdainfully thereby attempting to make a "rubber stamp" group of this body, prompts a feeling of revulsion, and righteously so, at the presence of this bill in this body for determination. When the nepotists in a certain State had their hands soiled by the indictments, then and not before, did there appear any manifestation of a desire to wash their dirty linen in the Congress of the United States. Having determined upon such course, the amendment to the deficiency relief bill was sufficiently palpable, but not satisfied and desirous for more purification and to perfect the ablutions, this bill was passed through another body by unanimous consent and sent to this body of calculated and intended "rubber stamps" to perform the laundering processes and the political ablutions of the chaste and unsullied.

Mr. Speaker, as a Member of this body who has never had his hands steeped in the alleged iniquities of patronage, I resent as well as revolt at the task assigned us here today. I did not know of the existence of this bill and had never heard of its being passed by another body, until I was approached by Fred Perkins, of the Pittsburgh Press, about 6 weeks ago and asked how I intended to vote upon it. He had to acquaint me with its origin and purpose, and asking if he might publish my viewpoint, I readily acquiesced and informed him that notwithstanding its allegedly and averredly wholesome objective, its origin smelled and nauseated me and I would vote against it regardless of its presentation. My course was definitely determined upon that evening. I reminded Perkins of the Pittsburgh ripper bill before the General Assembly of Pennsylvania several years ago, when the linen of dissatisfaction and disagreement with their bargain was being laundered in the assembly, and assured him my views as to local responsibilities for its situations had no business in the general assemblies any more than they have in the Congress of the United States.

With the malady of the "Senate itch" developed to the point until you heard this bill and its objectives and purposes vaunted on the radio broadcasts almost nightly for several weeks, the bill is here for us to do the laundering, and with my mind made up to neither vote for nor against any amendment offered but to vote to defeat the bill and let the purifiers do their laundering at home, my predetermined course was easy to follow today. Little did I anticipate, Mr. Speaker, that I would behold the spectacle presented here.

The Republican minority rolled up their sleeves, bent over the washtubs, each giving evidence of sincere satisfaction that he was lathering a Democrat in the steaming suds, and went to work with vim, vigor, and all their vitality. With the gentleman from New York [Mr. HANCOCK] for the most part of the time turning the wringer with evidence of grim satisfaction but readily seconded and relieved by the willing leadership from his side of the aisle, they presented a solid phalanx; and while not yet advocating an amendment to prohibit anyone except a Cabinet officer from voting the Democratic ticket, their front readily indicated, as presented, they would have voted with alacrity and solidly for such amendment had one of the water bearers offered it. Thus performing their political responsibility to the accustomed dirty elephant, receiving the 1940 "hope pep" treatment since January 3 until now on July 20 the sick pachyderm was able to consume all the peanuts the boys from across the aisle fed him while their buddies carried water for the free ticket see the minority leader and the majority leader with his remnant of devoted and faithful followers voting together on two record votes to the confusion, consternation, and disdain of the steadfast Democrats. While the eloquence of the Republican side poured forth in mellifluous tones of encouragement to their new-found followers, the great pachyderm, now fully pepped up on the 1940 tonic, "hope pep," blasted forth in stentorian tones, abounding with less harmony but trumpeting his effort that resembled the jingle of Three Blind Mice. Mr. Speaker, as long as I live, without having merited a "free ticket," I shall never forget the spectacle, and regardless of the length of time I remain a Member of this body. Thus was the laundering process completed as of the legislative day of July 20, 1939, at 12:05 a. m., July 21, 1939.

Pay Roll Credit Act

EXTENSION OF REMARKS

OF

HON. JERRY VOORHIS

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Monday, July 31, 1939

Mr. VOORHIS of California. Mr. Speaker, testimony and evidence are too abundant to deny the fact that the small-business man of America is today in desperate need of credit and cannot under present circumstances obtain it.

Much support was given to the Mead bill providing for guaranties by the R. F. C. of bank loans to business up to 90 percent of such loans. But the shake of one or two very influential heads seems to have blocked action on this bill for the time being.

Unless we are to let monopoly control take further and further advantage of foreclosure and bankruptcy as they visit the small producers, something must be done to enable those small producers to obtain short- and long-term financing.

Evidently the banks either cannot or will not meet this need. Some governmental action is necessary.

Furthermore our economic problem generally can be stated thus: The value of goods produced is not matched by equivalent buying power in the hands of willing consumers. Until this condition is corrected it will indeed be difficult for "safe" loans to be made by banks or safe ventures to be taken by businessmen.

For these reasons I have introduced the Pay Roll Credit Act, which provides, under certain conditions, for guarantee by the F. D. I. C. of loans made by banks for the financing of production. The guarantee is limited to a total amount of 20 percent of the average monthly loans of any given bank made under the terms of the bill.

Furthermore the loans can be made for one purpose only—namely, for the meeting of pay rolls incurred by producers in the course of production. Nor can any salary or part of a salary in excess of $3,000 be paid out of the proceeds of any such loan.

This means that as these loans are made and the money spent all of it will go into the stream of active consumer demand for goods. To insure that it will stay in that stream and not become a part of our already swollen idle pools of "potential money," the bill also provides in title II for a "recapture tax" equal to 100 percent of all profits made from dealings with "pay roll credit" funds over and above salary income to entrepreneurs of $10,000 a year. To make possible the collection of this tax it is necessary to include in the bill the following section:

SEC. 6. Every check, due bill, ledger page, promissory note, written pledge, Federal Reserve note, and other document by which such pay-roll credit is issued, transferred, recorded, evidenced, or dealt in shall have distinctly printed on the face thereof in outline letters not less than one-half inch in height the words "Pay roll credit." In addition thereto, the Federal Deposit Insurance Corporation may prescribe a distinctive color or colors of paper and ink in which the same shall be printed.

I did not draw this bill. Its real authors are Thorwald Siegfried and Fred A. Blethen, of Los Angeles and East Los Angeles, Calif., respectively. I introduced the bill "by request" as these gentlemen's Representative in Congress. There is no doubt in my mind, however, of the economic soundness of the provisions of the bill, whatever moderate concern I may have regarding possible difficulty of administration. Mr. Siegfried and Mr. Blethem have also contributed largely to the preparation of this speech.

And undoubtedly the time has come when we must cease to be discouraged by mere "difficulties" and must of necessity proceed to grapple with our basic problems in a spirit of determination. It is only at times of stress that men and nations learn that, when necessary, they can be both great and forthright.

FAILURE OF THIS CONGRESS

It seems to me that this Congress has neglected to do a necessary task. It should have established a sound basis for a Nation-wide reemployment of its unemployed workers. To go on year after year treating the unemployment problem as a temporary and emergency condition and simply initiating palliative measures instead of corrective measures is as futile as it is unstatesmanlike.

The basic problem is to make it possible for every willing worker to be employed at a task which will help to create more real wealth. This cannot be done by the dole method and it is now evident that something is wrong with the "made work" program. I am not condemning the W. P. A. program. On the contrary, I sincerely believe that until we find the right way to employ every person who wants work we must continue to supply the meager relief that the W. P. A. furnishes.

BENEFICIAL EFFECTS OF W. P. A. AND CONSEQUENCES OF CURTAILMENT

There is now no reasonable doubt that the W. P. A. program does stimulate business. Every man directly employed on projects furnishes secondary work for two or three others in private enterprise. We have seen the disastrous results caused by a curtailment of this program and I venture to say that we will again see these results from the curtailment that we have made to the next year's program.

WHERE THE MONEY GOES

There is one thing that stands out sharply in connection with our W. P. A. experience. After the money has been spent and the work is completed we find that three things have happened. First, the national debt has increased; second, the W. P. A. money has disappeared from the markets into "big name" savings accounts and "excessive reserves," and third, private industry has still failed to find the way to place every willing worker on a productive job.

There is a definite connection between these three results and the monetary policy of this country. If we continue to appropriate endless billions of dollars for a program and then find that these dollars have been siphoned out of the stream of commerce almost as soon as they are issued, it is almost like pouring water down a gopher hole, except that we have furnished a little temporary relief during the process.

Most of us agree that the relief program must be continued until private industry can re-employ a good share of the unemployed, and we all want to see private industry expand on a sound basis to the point where every person can have a job who wants one.

Is it not possible that the thing that holds back private industry is the same thing that causes W. P. A. funds to disappear so quickly? After all, business must be an endless cycle and if a portion, even a small portion, of every turnover is withdrawn from the business stream, and lodged in some idle savings or reserve account, business very soon dries up. Such hoarding is destructive not only to the worker and consumer of the Nation but to the hoarder as well. In fact, these hoarders pray the loudest for tax relief and freedom from Government restriction.

BUSINESS DEPENDS ON ACTIVE CIRCULATION OF SUFFICIENT MONEY

There cannot be any prosperity under our type of economy unless there is a sufficient quantity of the medium of exchange and unless this exchange is allowed to circulate freely. As soon as any restriction is placed upon the necessary quantity or the free circulation, business begins to dry up and the drying-up process is cumulative. If this Nation is to ever produce and distribute goods in line with its ability to do so, we will need a much larger quantity of "effective" money and a vastly better circulation.

DILEMMA OF SMALL BUSINESS

Although representatives of many large industries have repeatedly stated that they experience no lack of funds for the expansion of their business when such expansion seems justified, there seems to be considerable evidence that the smaller industries and businessmen find it not only impossible to finance expansion but difficult to obtain funds to support their present business. After all, it is the tens of thousands of small employers in the Nation that furnish the bulk of employment. The average employer employs considerably less than 50 persons, and for each of these to add 2 or 3 employees to their pay roll means more than for the large employers to add a hundred or even a thousand men. Increase employment and pay rolls in "little" business and the business of the large industries will take care of itself.

F. H. A.

We have seen the tremendous increase in housing construction brought about by the Federal housing program. Is it not significant that this program works through thousands of small contractors and banks throughout the country? No institution or group of men or industries has any monopoly on this business. Not only are we adding to the real wealth of the Nation by this program but we are doing it through the medium of private industry, with a minimum of Government control, and with no cost to the Federal Government. With the recent reduction in the rate of

interest on F. H. A. loans, we will see further activity along this line.

Why is it not possible to carry some features of this housing program into the industrial field? Why cannot we provide the means for insuring loans for the production of other goods and go a step further by earmarking these loans in such a way that these funds must circulate in the market and furnish the vital purchasing power necessary to buy the goods so produced? Perhaps such a program would be an experiment, but so was the F. H. A., and we now have the success of that experiment to guide us in this other and greater task.

It is significant to me that when the Federal Reserve System was first inaugurated, over 90 percent of all bank loans were of the "commercial" nature, while today less than 10 percent come under this classification. Tens of thousands of little businesses dealing with thousands of little banks throughout the Nation, borrowing funds to help to float their goods to market, caused this country to grow great. Now, these little businesses have been divorced from their banks and their production has been curtailed almost to the point of extinction. We can reverse this trend and rejuvenate the spirit of private enterprise if we will but use the tools and knowledge at hand in a constructive manner.

THE PAY-ROLL CREDIT ACT

I want to propose specifically that we enact legislation that will do two important things: First, to provide a basis for the making of insured loans by private banks at a moderate rate of interest to individuals and firms, such loans to cover the actual pay-roll costs of new production; and second, to provide the means of earmarking such credit so that these credits shall continue to circulate in the market until such new production shall have been consumed.

This proposed act is called the Pay Roll Credit Act, and I ask unanimous consent that it be printed in full at this point as a part of my remarks.

The text of the bill is as follows:

Be it enacted, etc., That the Federal Deposit Insurance Corporation is hereby authorized to issue to banks approved by it certificates of eligibility to make loans to private persons solely for the payment of wages not exceeding the rate of $3,000 a year for any one employee under the guarantee of the United States provided for in this act. Such eligibility shall be established under rules and regulations to be made and published by the Federal Deposit Insurance Corporation, to the end that employment, production, and consumption of goods may increase, and may be revoked by said Federal Deposit Insurance Corporation when in its judgment such ends may be served thereby.

SEC. 2. Any bank so certified as to eligibility may make loans to any person engaged in farming, mining, manufacturing, processing, merchandising, or other commercial enterprise for the production or distribution of tangible goods at an interest charge not to exceed 3 percent per annum in amounts not in excess of the total payments for wages made by such borrower during the period of such loan excluding that part of such payments at a rate more than $3,000 a year for any employee. Such loans shall be secured by such commercial paper or collateral security as, in the judgment of the bank advancing such credit, will best serve the purposes of this act and will insure the self-liquidation of such loan according to its terms.

SEC. 3. Any eligible bank as herein defined may ask, demand, and receive from the United States reimbursement for any loan or part of a loan made under the provisions of this act which, in its judgment, is uncollectible at any annual accounting period: *Provided*, That in any one year the total amount of such reimbursement shall not exceed one-fifth of the monthly average principal sum of credit so advanced by such bank during the year ending with said accounting period. The United States shall be subrogated to the rights of such bank in such uncollectible loan to the extent of such reimbursement and for interest thereon.

SEC. 4. Such reimbursement shall be made by check or warrant of the Secretary of the Treasury, upon demand of the Federal Deposit Insurance Corporation, such check or warrant being payable out of the "Pay roll underwriting fund" which is hereby established in the Treasury.

SEC. 5. Congress shall from time to time appropriate to said fund all sums of pay-roll credit recaptured as provided in this act, and such further sums as may be necessary for the purposes of this act.

SEC. 6. Every check, due bill, ledger page, promissory note, written pledge, Federal Reserve note, and other document by which such pay-roll credit is issued, transferred, recorded, evidenced, or dealt in, shall have distinctly printed on the face thereof in outline letters not less than one-half inch in height the words "Pay-roll credit." In addition thereto the Federal Deposit Insurance Corporation may prescribe a distinctive color or colors of paper and ink in which the same shall be printed.

SEC. 7. All pay-roll credit issued pursuant to this act, when deposited in banks shall be and remain the property of the depositor of which such depositary shall be the trustee. Deposits of pay-roll credit in banks shall be accounted separately and shall not be mingled with moneys of other derivation. Advances of pay-roll credit may be repaid with pay-roll credit and with moneys of other derivation.

SEC. 8. Every person and corporation receiving such pay-roll credit, for the sale or use of property, for goods, wares, merchandise, or for personal services, shall keep a record of the total amount of such pay-roll credit received and also of the total amount of other moneys received.

SEC. 9. The Federal Deposit Insurance Corporation shall fix the charges to be made and paid for services to be rendered to the payees of such pay-roll credit, on a unit basis, for each deposit and check and for other necessary services; and no other charges therefor shall be collected from such payees by any person.

SEC. 10. The Federal Deposit Insurance Corporation shall establish and maintain offices or agencies wherever, in its judgment, a need for pay-roll credit as herein provided for exists and is unsatisfied. Whenever the absence of an eligible bank to create and advance pay-roll credit, or the refusal of eligible banks to do so, prevents a borrower from obtaining the benefits of this act, the Federal Deposit Insurance Corporation may, in its discretion, advance pay-roll credit and take security therefor and receive repayment thereof. Such advance shall be made by the check or warrant of the Secretary of the Treasury, payable out of said pay-roll underwriting fund, issued upon the demand of the Federal Deposit Insurance Corporation. To the extent of such actual or anticipated demands by the Federal Deposit Insurance Corporation, the Secretary of the Treasury is hereby authorized to issue the written promises of the United States, in convenient denominations, without interest, and to deposit them in banks to the credit of the United States, and to disburse such amounts by checks drawn against such deposits, in compliance with such demands.

TITLE II

SECTION 1. In addition to other taxes, there shall be levied, collected, and paid upon the income of every individual received by him after January 1, 1940, for and in payment of personal services rendered by him, a recapture tax equal to the full amount of pay-roll credit received by him in excess of the rate of $10,000 a year. The pay-roll credit recaptured by such tax shall be exempt from all other taxes. Such tax may be paid in pay-roll credit or in other funds.

SEC. 2. To the end that pay-roll credit shall remain in circulation and shall be used to pay for goods, wares, merchandise, and for personal services valued at not more than $10,000 a year for one person, and when not so used shall be recaptured for the Treasury. In addition to other taxes, there shall be levied, collected, and paid for each taxable year upon the net income of each person and corporation a recapture tax, payable in pay-roll credit or in other funds, equal to the full amount of the net profits of business done for and in consideration of pay-roll credit by such taxpayer; such profits to be calculated by deducting from total gross sales made for pay-roll credit a like proportionate part of the deductible costs and expenses of such taxpayer. Such proportionate part of costs and expenses shall not include payment for personal services at a greater rate than $10,000 a year for one person, but wages to the taxpayer for his own personal services up to that sum may be included in such deductible costs.

SEC. 3. The taxes herein imposed shall be computed, returned, and paid at the time when such taxpayer shall be required to make a computation, return, and payment of income tax under the revenue laws.

SEC. 4. The definitions and administrative provisions of the revenue laws shall apply to this act insofar as they are appropriate, including the penalties therein provided. The Secretary of the Treasury shall make and publish all needful rules and regulations for the enforcement of the tax provisions of this act.

SEC. 5. This act may be cited as the "Pay-roll Credit Act of 1939."

You will note that this act provides that the Federal Deposit Insurance Corporation shall establish the regulation governing loans to be made under the provisions of the act and that such loans will carry a maximum interest rate of 3 percent per annum. These loans can only be made for pay-roll purposes and no individual employee can be paid in excess of $3,000 per year from the proceeds of such a loan.

These loans are to be secured by commercial paper representing the goods actually to be produced or by other collateral and should the Federal Government be called upon to cover any part of a loss sustained through such a loan, as provided, such collateral shall be subrogated to the Government, to the extent of such loss paid.

In order that this pay-roll credit may remain in circulation and not be siphoned off it will be earmarked by having printed across the face of every check or other evidence that such funds have been transferred the word "pay-roll credit." Recipients of income so marked will simply make

a record of the total such income apart from the total of other income. When income returns are made at the end of each year for income tax purposes, each individual will be allowed to have a net income in the amount of $10,000 from such "pay-roll credit" transactions, but any sum over this amount shall be recaptured by the Federal Treasury.

This act is designed to help the small-business man of the Nation and to enable him to employ more workers. It will furnish the base for a vast increase in the production of real wealth and will not interfere with any existing business or banking practices. It will simply be an additional method of making loans for the production of industrial goods in the same manner that F. H. A. has been an additional, and very satisfactory, method of making loans for the construction of houses.

Finally, the act provides that where there is no available or qualified bank to make these pay-roll credit loans, the Federal Deposit Insurance may, at its discretion, make such loans direct, using the credit of the United States for such purpose.

A Turkey for an Eagle and a Song for a Parody

EXTENSION OF REMARKS

OF

HON. LUTHER PATRICK

OF ALABAMA

IN THE HOUSE OF REPRESENTATIVES

Monday, July 31, 1939

Mr. PATRICK. Mr. Speaker and fellow congressmen, my reasons for arising this afternoon to make a speech are a bit out of the ordinary and one voice is not commanding among this 435, but if we can ever get a great enough number like me together here we are more than likely to take some lively action.

Now, I will tell you what is on my mind. This is truly a great Nation, but we fall short on any platform of patriotic originality.

To begin with, we got off to a bad start. That fellow, Americus Vespucius, for whom this whole western stretch of country was named, had no more right to that magnificent and monumental memorial than "One Eyed" Connally has the right that every stadium in this country should bear his name. In a few certain important respects we fail to hold to our own.

There is our song, My Country 'Tis of Thee, and it is about the best we can offer thus far. The tune, thought, and several of the words of that song were plucked right out of Great Britain's song book, as every school child knows, or should know. To be sure we believe some day some voice is going to break out in a truly great and singable song for this Nation, one whose words shall be original, full of bright inspiration, and whose melody will sweetly fit and easily find the voice. This has not yet come about.

Now, for our flag we may truly give thanks. It has everything the patriot could call for—originality, beauty, appeal, and that unnamable something that holds the eye, enraptures the heart, and stirs the spirit. All glory to Old Glory.

But we had to drop back across the Atlantic Ocean and select the much-used eagle for an emblem bird. Pity, pity. No originality shows itself in that gesture; and right here we have as grand, as fine and as noble bird as ever parted the leaves of a forest in a truly native bird—the turkey. He is a bird peculiar to this native land of ours. What could be more appropriate than to have the turkey as our emblem bird? You do not like the name? What is the matter with the word "turkey"? Oh, well, that might be easily managed by using the name of some Indian tribe used. There are several excellent ones.

And there is one other item—then I will take my seat. When Joilet and Marquette paddled down the Mississippi River they saw looking at them through the tall river grass with a magnificent mane falling over his face as stately and impressive animal as has ever trod the good earth—the American bison. Again somebody had to grow old-worldish and name him "buffalo." This is a gross and scandalous libel in particular and an insult in general. No buffalo ever lived who was worthy to escort a bison to a drinking pool and home again. And what have we done for this genuinely American creature? We have placed his image on our pin money—our nickel—our 5-cent piece. Anyway, that is a small beginning.

But on the whole, do you not think we have some patriotic cement work to look after in this country? And right here on the floor in this body is the place to start to work.

Oh, I know, just as I dig, dig, dig away for Jefferson County, Ala., you are always plugging away for your district, but we can occasionally raise our eyes and look at the things that apply alike to all of us.

We can present a cotton gin, a flying machine, or an improved potato; we can come forward with an Edison, a Lindbergh, or a Ford; so why cannot we present our own natural insignia to our children in school, to our adult population, and to the world, so as to represent ourselves by our own tokens?

Let us see to it that the turkey finds his perch in his native land, that the bison's proud and emblematic head is raised where all men may see; and when she stands to sing I want to hear America singing America's song.

I thank you.

The Hatch Bill

EXTENSION OF REMARKS

OF

HON. HOMER D. ANGELL

OF OREGON

IN THE HOUSE OF REPRESENTATIVES

Monday, July 31, 1939

EDITORIAL FROM THE PORTLAND OREGONIAN OF JULY 27, 1939

Mr. ANGELL. Mr. Speaker, under leave to extend my remarks in the RECORD I include the following editorial from the Portland Oregonian of July 27:

[From the Portland Oregonian of July 27, 1939]

LONG BEFORE HATCH

Thirty-one years ago the people of Oregon voted into the statutes provisions identical in State effect with those embodied in the Hatch bill that has now passed both Houses of Congress and is directed at national affairs.

Promises of appointment to any position of honor, trust, or emolument, public or private, were prohibted when made to promote nomination or election to public office.

Holders of nonelective positions were forbidden to contribute to promote the nomination or election of any other person to public office, and solicitation of such aid from them was also forbidden.

It was made unlawful for the holder of a nonelective public position to be a delegate to a political convention in his election district or to be a member of a political committee for such district.

These sections of a 31-year-old Oregon law contain the essence of the Hatch bill. The latter forbids the same political activities, exempts from its inhibitions holders of Federal elective positions plus Cabinet members.

The Oregon Corrupt Practices Act was, in the particulars cited, aimed at State and local political activity of what used to be given such terms of derogation as "the State machine," "the courthouse gang," and so on. The congressional act is designed to prevent control of nomination and election to national office by the "Federal brigade," and the coercion in national politics of the great number of voters who are dependent upon government for livelihood.

Oregon's pre-Hatch law has never been questioned regarding its constitutionality in the 30 years of its existence. Its propriety has popular acceptance. A year ago, solicitation of political contributions from persons in appointive public positions was begun but was promptly abandoned when the law was cited.

But the President's signature is withheld from the Hatch bill pending study by Government departments, and Mr. Roosevelt remarks "offhand" that there might be some principles of government, constitutionality, and free speech involved in the measure.

The President's political concern over the measure is understandable. Political conventions have traditionally been assemblies of holders of public position, endeavoring to choose as candidate one whose election will keep them in their jobs. The new dealers, in their belief that Mr. Roosevelt can be drafted or, at least, control the Democratic nomination, have been relying on a convention constituted in the traditional way. The Hatch bill will prevent that.

But Mr. Roosevelt's regard for the Constitution is less understandable. Without here lending the least approval to the idea, it is recalled that when the first Guffy coal-control bill was before Congress he advised that it be passed notwithstanding doubt as to its constitutionality. If there is reasonable doubt as to the constitutionality of the Hatch bill, it ought to be abandoned. The Constitution is not a thing to be invoked only against the other fellows' ideas and not against your own.

But, as said, an Oregon law, identical in import and purpose, has survived without constitutional question for 31 years. It has broken down machine politics, and there have been no political scandals over relief.

Americanism and International Law

EXTENSION OF REMARKS

OF

HON. ED GOSSETT

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Monday, July 31, 1939

RADIO ADDRESS BY DR. C. D. JUDD, JUNE 11, 1939

Mr. GOSSETT. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following radio address by Dr. C. D. Judd, head of the department of government, Texas State College for Women, Denton, Tex., delivered at Fort Worth, Tex., June 11, 1939:

The Declaration of Independence bound the United States to respect "the opinions of mankind" and to accept the law of nations as it then existed. From the time of the adoption of the Constitution our Supreme Court has recognized international law as a part of the law of the land and also a part of the municipal law of the States. Justice Gray laid down the rule as follows: "International law is a part of our law, and must be ascertained and administered by the courts of justice of appropriate jurisdiction * * *." In other words, true Americanism is grounded in international law. The Constitution confers upon Congress the power to define and punish offenses against the law of nations, and to regulate commerce with foreign nations. The Government may make treaties, appoint ambassadors, ministers, and consuls, and may do all things necessary to promote international understanding. The Constitution makes treaties a part of the supreme law of the land. As a principle of Americanism, law and justice have been scrupulously observed in our intercourse with other nations during every crisis at home or abroad. Moreover, it is the spirit of America to contend for a fair deal through a system of justice under law. Americanism has irretrievably committed us to a leadership in maintaining a system of fairness and justice toward all men and all nations. Enemies and critics of America will search in vain for any serious breach of international justice on the part of the American Government.

In the light of rapidly moving events since the war, we are brought to inquire whether there exists such a thing as international law and whether or not Americans shall abandon the cherished principle of international justice and spurn the opportunity for leadership among the nations of the world.

Gigantic programs of rearmament, hostile political philosophies, and bitter abuses of nation against nation seem at first glance to have undermined the foundations of international law. But in all the darkness, chaos, and confusion there may be seen a glimmering light of hope in the international conscience, the sense of international justice, and the principles of international law which have evolved through the struggles of many centuries. Americanism bears this torch of light, and Americans keenly resent wrong and injustice wherever found. The spirit of democracy in every land joins hands with Americans and looks to America for inspiration, guidance, and leadership.

Everywhere enlightened human beings are casting about to find whatever they may in the form of established law to serve as an anchor in these troublous times. A present thesis of Americanism is that there does exist in the world a tangible, positive, well-established law between nations based upon ethics, practice, precedent, history, rules, and contractual agreement. This thesis is stated by Secretary Hull when he says: "The law of nations is in part the outgrowth of custom and in part the product of contractual undertakings which have ripened into and become a part of the body of international law. That law can function only on the basis of its widespread acceptance by nations."

The twentieth century has brought many new functions of governments. With these new functions has come a tremendous increases in the power of individual nations. America has abundantly shared in this increase of power. Such power imposes a greater responsibility upon nations than ever before, both internally and externally. America must assume her full share of this responsibility. Neither America nor any other nation can deny its responsibility for illegal actions, nor can any nation, because of its independence, claim to be superior to international law. To ignore responsibility is to undermine and destroy all law and social order in the world. During the past century, many new offenses have been added under international law, branded as violations of social conscience, of world public opinion, and of decent rules of intercourse between nations. As in no other country, the conscience of America has been quickened against international outrages.

It has been pleaded that the people of a nation, as the Germans or Italians, is not responsible when the ruling authority is too strong to be brought to account. Sound Americanism, jurists, scholars, and established custom reject such doctrine on the ground that it would be an abject surrender to tyranny and dictatorship. Moreover, international law and order would disappear if peoples could no longer be held responsible for the acts of their rulers. If a system of government, such as exists in certain countries today, flouts international law, violates its pledged word, and defies the rules of justice and equity, certainly it is up to the people to change such government. There is no longer any valid excuse for a civilized, enlightened people to surrender its sovereignty to a group of bandits, whose sole ambition is one of international plunder, and who pose as the saviors of their country.

International standards must be enforced because nations are dependent upon each other. Illegal conduct on the part of nations must not be tolerated or condoned if civilization is to be saved. Whatever the excuse, no nation should, with impunity, be allowed to spurn international law and justice. How, then, may we proceed, in order to avert another world conflict?

In the first place, international obligations under law must be clearly stated by a concert of law-abiding nations. Then there must be established a legally constituted authority to interpret and enforce the law, such as the World Court. Then will all nations know and understand their responsibility.

In the second place, the nations must agree as to what penalties may be applied against offending nations. Under the present practice, when diplomacy, arbitration, conferences, the World Court, and the League of Nations fail, aggressor nations eagerly seize such failure as an excuse to use force against the weaker nations. Therefore, the time seems near when a concert of respectable, law-abiding nations must stand squarely behind the World Court or some such tribunal. There must also be established an executive system, bristling with power to enforce the principles of justice and order.

Americanism holds firmly to the following: That the present weaknesses of the world system are no excuse for deliberate breach of international law; that science, art, invention, trade, exchange, every known element of civilization, demand international order; that no nation, however strong, should be permitted to evade or deny liabilities for injuries to other nations; that the moral achievements of history must not be destroyed by lawless nations; that in behalf of and in the name of a community of nations, international responsibility must be enforced at all hazards; that, in the interest of civilization, the sanctions of international law must be applied, even at the expense of armed intervention, should it come to that; and that measures short of war may be used to guarantee the peace of the world. What may be done to determine and enforce international responsibility? The challenge is before us. How shall it be met?

WHAT MIGHT BE THE PLAN?

This is the most pressing and bewildering problem mankind has ever faced. Can we longer rely upon nations voluntarily to conform to a system of world order and international justice? Or must there be set up a super-state, a strong international organization, clothed with power and authority over individual nations? Recent trends and events predict that the security of the world can but little longer be entrusted to the voluntary will of nations to abide by the rules of international law. It seems apparent that certain nations cannot be trusted to cooperate in maintaining world order under law. Who would be foolish enough to say that the laws of a country, with penalties for their violation, could be enforced by the voluntary action of individuals? Under such a system, social anarchy would ensue, and the law of tooth and claw would prevail.

Just as the rights of society have in a large measure superseded the rights of the individual, so has the interest of the world risen above the interest of any one nation. However, we in America believe that in both municipal and international law the individual remains the basic element. We believe that a world public opinion must be invoked in behalf of peace, a world conscience that is sensitive, educated, informed, and active. Perhaps such a world opinion now exists, but remains more or less passive and inarticulate. Such an opinion is alive in America, and upon this opinion and not upon war, do Americans rely for peace and order in the world.

Obviously, the present crisis demands an aroused community interest on the part of law-abiding nations sufficient to demand and enforce an efficient system of international control. Only

through such a system can international banditry and hijacking be suppressed. The plan must take the form of a league or a Federal system fashioned after the American plan, with legislative, administrative, and judicial powers. The foundations have already been laid for such a system. The League to Enforce Peace, the League of Nations, and the World Court have paved the way, and all these, it should be remembered, are American ideals.

Whatever the system of collective security, it must be backed up by adequate power to enforce the sanctions of international law. An attitude of supineness, of wishing, and praying on the part of Americans can never secure international order and peace. It may here be recalled that in 1910 Theodore Roosevelt advocated a league to keep and maintain the peace of the world by force if necessary. In 1914 he again declared for a world tribunal whose decisions should be backed by force. Then, in 1916, the League to Enforce Peace was organized according to the Roosevelt plan. The principles of this league were supported by many distinguished leaders, including William Howard Taft and Henry Cabot Lodge. The movement was the forerunner of the League of Nations. The fact should here be stressed that the Roosevelt plan would invoke the use of force to establish and maintain world order, just as we do to maintain national order.

The problem of world order is necessarily one of world government, of superior authority, of force when necessary. May we not here think in terms of constitution and government, in terms of Americanism? A constitution similar to ours and a federal government supreme in the realm of international peace, order, and law? Our Constitution, the League of Nations, and the World Court afford patterns for a world state, with legislative, executive, and judicial power.

Every plan for collective security has failed because it lacked the cooperative power of enforcement. Such has been the fate of the League of Nations. Any effective system of world order must possess the power to command obedience from those nations who would disturb the normal peace of the world. Merely dreams and ideals will not complete our task. There exists in the world a sufficient number of law-abiding nations to establish a world system of government based upon the principles of a world constitution similar to the Covenant of the League. But it is worse than folly to proclaim a system of government unsupported by both moral and physical force. Social order within every country is assured not only by the support of public opinion but by the implements of death in the hands of enforcing officers. So must world order be assured. International law, supported by public opinion, must ultimately be enforced by armies and navies commanded by authority of a world federation. If peace and order are to come out of the present crisis, self-respecting nations must bring themselves under the reign of law and must create a government for the world. This government must be enforced by the joint action of the law-abiding nations of the world, finally by all nations. "Every nation must assume greater and greater responsibility under international law. The great problem now is to create the most efficient machinery for interpreting, administering, and enforcing that responsibility." Whether Americans like it or not, Americanism dictates that we cannot, we will not, evade our responsibility in this great task.

Pay Roll of Works Progress Administration

EXTENSION OF REMARKS

OF

HON. RUSH D. HOLT

OF WEST VIRGINIA

IN THE SENATE OF THE UNITED STATES

Saturday, July 29 (legislative day of Tuesday, July 25), 1939

Mr. HOLT. Mr. President, I ask unanimous consent to have inserted in the RECORD a statement on the pay roll of the Works Progress Administration in West Virginia.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

At last my fight to open the W. P. A. pay roll to public inspection has been successful. The people have a right to know how and where their money is spent. When anyone attempts to hide public business in secrecy you will gain by watching that individual very closely.

The W. P. A. has taken the position that how they spend money is no one's business. They want us to take only that information they desire to give. The Administrator said that he would not make public the W. P. A. project pay roll because it would "cause neighbors to gossip."

The publication of the W. P. A. bosses' pay roll might cause people to gossip, but more likely to gasp. It is the most revealing waste of public money one can find. On W. P. A. pay rolls one can find persons listed receiving many times their salaries in private employment. As long as the list is kept private no one can find out. W. P. A. workers can look at these pay rolls and see why they have been fired.

I have always said that many of the W. P. A. bosses are excellent men and women. They are deserving and capable. My criticism is not against these individuals but against those who are on the pay roll who are not capable and were placed there for political reasons.

For a time the bosses were able to convince the workers on W. P. A. that their friends were their enemies. Who is the real friend of the W. P. A. worker? The man who works to see that the money actually goes to the relief worker or the man who talks about helping the relief worker and then gives to the bosses the money that belongs to the men and women on the projects? Why are many of these bosses given wages far in excess of their worth? For political reasons. Lists were prepared and circulated throughout the State to county political leaders for them to pass on the persons to be given jobs and the ones to be left idle.

The pay roll of the W. P. A. project bosses in West Virginia for May of this year is astonishing. Thousands of workers had been fired for lack of funds, yet the salaries of the officials had been increased. Many statistical studies of these increases have been made by me and are available. They have been printed in the CONGRESSIONAL RECORD from time to time.

There have been changes in personnel since May. Some on the May list may not be employed now. Some now employed may not be on the May pay roll. The people of the county will know the details and the names and they can check accordingly. I have checked this pay roll with other pay rolls and I find in some instances counties with more employees and others with decreases. I made a survey some time ago, county by county, and submitted it to the people of West Virginia. It was not based on this particular pay roll.

The W. P. A. states that they had 524 administrative employees charged to administration on May 1 in West Virginia. This list will show approximately three tmes that many who receive salaries in excess of $900 a year who are not charged to administration but charged to projects. Of course, there are many, many more who receive more than the security wage but who do not receive at the rate of $900.

The chart shows the name, salary, and county of the W. P. A. project bosses as shown on the official pay roll. The list includes those charged to projects. These employees are not listed by the W. P. A. as administrative employees. When they say their administrative cost is 3 or 4 percent, they do not include those charged to projects. In West Virginia, the project-boss salary cost is almost three times as much as the administrative salary cost. It is here where the political favorites of W. P. A. are hidden in secrecy from the public who pay the bill. They know their statement that the administrative cost is 3 or 4 percent is just bookkeeping trickery. The May project-boss pay roll for West Virginia follows:

BARBOUR COUNTY

$75–$100:	
Mabel E. Lake	$75.00
Paul Blaine Kelly	85.00
Rose M. Phillips	85.00
Mona Phillips	90.00
$100–$150:	
William H. Price	100.00
Russell D. Queen	130.00
Charley J. Bolyard	100.00
Guy G. Stalnaker	145.00
William T. Curry	100.00
Warren Radcliffe	145.00
Roy Phillips	120.00
James D. Nestor	125.00
Kenneth A. Booth	110.00
James Studdard	110.00
Kara R. Manley	100.00
L. Aubert Gainer	100.00
William J. Coontz	120.00
Conwell Griffith	100.00
Roy O. Hillyard	115.00
Birdie E. Andrick	100.00
$150–$200:	
Aubrey Phillips	150.00
Anna E. Murphy	150.00
I. Walker Dadisman	150.00
John C. Messenger	150.00
Martin McCloud	150.00
$200 and over: John H. Marsh	215.00

BERKELEY COUNTY

$75–$100:	
Daniel H. Mauck	90.00
Lester G. Landerkin	90.00
Anna Light	80.00
John R. Seckman	90.00
$100–$150:	
Harry W. Null	125.00
Oscar Caniford	100.00
Allen T. Tyson	100.00
Harry J. Ring	100.00
Edward L. Janney	130.00
Roy M. Newkirk	100.00
William R. Downey	125.00
John C. Ellis, Jr	125.00
Richard F. Whiting	140.00
Charles W. Pennwell	100.00
H. Wilson Ashton	125.00
Amelia Davis	110.00

$100–$150:
Mary L. Gardner $115.00
William H. Gaither 100.00
Richard H. McCormack 100.00
Howard Braithwaite 100.00
Ward Heck 100.00
Edward J. Comer 100.00
Thomas W. Flynn 100.00
$150–$200:
E. Gustave Stickel 175.00
George Hunter 165.00
Cornelius H. Rhodes 150.00
Paul Ridings 150.00
$200 and over: Raymond Tabler 225.00

BOONE COUNTY

$75–$100:
Reta Allman 90.00
Martha L. Izzard 75.00
$100–$150:
Jesse H. Perdew 110.00
Archie T. Sutphin 110.00
Alfred C. Miller 110.00
Clarence Chapman 100.00
Hanse Stowers 110.00
Curtis Miller 120.00
Marion F. Vickers 135.00
Helen V. Hylbert 105.00
Jed D. Hollenbeck 110.00
Ray Belcher 110.00
$150–$200: G. F. Hendricks 150.00
$200 and over:
John T. Collins 225.00
William B. Childress 220.00
Richard R. Copeland 200.00

BRAXTON COUNTY

$75–$100:
Ellis L. Posey 80.00
Cecil Johnston 90.00
$100–$150:
Fred D. Given 125.00
Arden Lewis 100.00
Charles C. Gillespie 125.00
John A. Bragg 125.00
Walter S. Bush 125.00
Louis Lombard 125.00
Chester M. Lamb 140.00
Thomas B. Cutlip 140.00
Harry L. Crutchfield 140.00
Granville J. Haymond 135.00
Walter G. Skidmore 125.00
Harold L. Hall 100.00
Gertrude B. Rader 130.00
$150–200:
Wayland F. Keener 150.00
William R. Singleton 150.00
William B. Golden 175.00
Mildren G. Small 160.00
Ernest L. Hammack 150.00
$200 and over: George E. Barrett 250.00

BROOKE COUNTY

$75–$100:
John W. Worstell 85.00
Joseph Bowen 85.00
Aileen McCorney 85.00
Kathryn Zilliken 90.00
George B. Cornelius 75.00
$100–$150:
Ben O. Jones 125.00
Joseph P. Mendel 100.00
Earl Owens 100.00
Cora L. Carman 100.00
John W. Mayhew 100.00
Robert C. Nowery, Sr 125.00
$150–$200: Cecil R. Wells 190.00

CABELL COUNTY

$75–$100:
James A. Stevens 90.00
Edna Matheney 90.00
Ella Haynes 90.00
Mary Louise Jaynes 90.00
Minnie Meek 85.00
Rosa B. McCallister 90.00
Lenora Yarbrough 90.00
John A. Ross 90.00
Elizabeth F. Earls 85.00
Boyce Petrie 90.00
Alberta Davis 95.00
Julia Smith 95.00
Hazel Biddle 95.00
Lillian Newcomb 90.00
$100–$150:
Ernest W. Fry 125.00
Marie Meadows 125.00
James Martin 100.00
Clarence Schaub 125.00
$100–$150:
Frank A. Reynolds $125.00
Woodrow W. Perry 100.00
Worth Ferguson 125.00
Laban T. Workman 125.00
Lillian Pfau 100.00
John Coleman Alderson 125.00
Berlin Wolford 125.00
Bill R. Knight 105.00
Mary B. Kroberger 115.00
Arthur Boyd Williams 125.00
Wash Fraley 125.00
Frank M. Booth 100.00
Rolen R. Edmunds 125.00
William Warner Spencer 100.00
William A. Ross 125.00
Leslie Williams 100.00
Raymond Shomaker 125.00
Muss Marshall 125.00
Walter A. Spencer 100.00
Charles F. Fuller 125.00
Albert A. Smith 125.00
Harry B. Snedegar 110.00
Irwin N. Price 100.00
Tom H. Perry 100.00
Carl Carter 125.00
James Eaton 100.00
William G. Rece 125.00
Charles T. Diehl 125.00
James C. McComas 100.00
William R. Wiant 125.00
Henry L. Walker 125.00
Okey J. Morgan 105.00
Elizabeth Pritchard 120.00
Justine F. Reed 100.00
William Bruffey 120.00
Frank Byrd 125.00
William Chambers 125.00
Henry C. Norton 100.00
William A. Clay 125.00
Harvey B. Mount 125.00
Dennie E. Adkins 100.00
$150–$200:
Charles M. Morris 150.00
Claude S. Atkinson 175.00
Charles M. Brown 180.00
Osden Malo Rousey 165.00
Ronald P. Goode 165.00
Rean Bias 180.00
Verna C. Blackburn 166.66
Anna B. Stollings 150.00
Estella M. Blume 175.00
Charles E. Money 185.00
John B. Short 175.00
$200 and over:
W. Frank Harrison 200.00
Arthur McComas 200.00
Claude E. Perry 200.00
Thomas E. Maroney 205.00
Armster Kingery 200.00

CALHOUN COUNTY

$75–$100:
Henry Heiney 90.00
Waitman T. Webster 90.00
Ervin Stump 90.00
Eula M. Arthur 90.00
$100–$150:
David O. Chenoweth 100.00
Charles C. Starcher 125.00
Harley Yoak 125.00
George Hall 135.00
Isiaiah D. Smith 135.00
Fred C. Graves 135.00
Wilbur W. Wallbrown 140.00
Grace Weaver 110.00
Thomas B. Cain 125.00
Carr H. Gunn 100.00
Harry Haymaker 135.00
Otho E. Sturm 135.00
$150–$200:
Charles E. Whytsell 150.00
John A. Giles 150.00
Artie Gainer 150.00
$200 and over:
Cary A. Witt 225.00
Leon Stump 200.00

CLAY COUNTY

$75–$100:
Nellie E. Hamrick 95.00
Denver Hill 85.00
John L. Given 95.00
$100–$150:
Burton Townsend 125.00
Thomas C. Legg 110.00
W. Gordon De Board 110.00
Robert Lee Wilmouth 110.00

$100–$150:
- Fred Dye $110.00
- Harris L. Paxton 110.00
- Charles E. Hyer 110.00
- Romie E Samples 145.00
- Parker C. Bragg 110.00
- Helen Pierson 120.00

$150–$200:
- Ray Noe 175.00
- Marion Reed 195.00
- Joseph M. Arbogast 150.00
- William A. Jones 175.00

$200 and over: Herbert Fitzwater 225.00

DODDRIDGE COUNTY

$75–$100:
- Victor E. Groves 90.00
- Ida F. Wilson 80.00
- Velma M. Beuley 80.00

$100–$150:
- Ralph R. Boyce 100.00
- Orland K. Dotson 100.00
- Francis Swisher 135.00
- William J. Samples 100.00
- Edward Kreyenbuhl 100.00
- James E. Stewart 130.00
- Dewey Darnell 100.00
- Paul Hofelter 130.00
- Ree Davis 100.00
- Ural B. Swisher 125.00
- Lucy E. Fleming 115.00

$150–$200: William F. Reed 150.00

$200 and over: Jay B. Gum 225.00

FAYETTE COUNTY

$75–$100:
- John E. Cooper 85.00
- Richard D. White 85.00
- Wilbert L. Ramsey 85.00

$100–$150:
- James W. Moore 125.00
- Walter E. O'Neal 140.00
- Nell M. Houchins 110.00
- Carrie D. Shultz 130.00
- Beulah G. Edds 120.00
- Eva J. Booth 115.00
- Clarence E. Church 125.00
- William S. Garrett 125.00
- William E. Bibb 125.00
- George R. Hair 100.00
- Alton P. Burgess 125.00
- Ira H. Dempsey 125.00
- William A. Soyez 125.00
- Roy L. Hilbert 110.00
- Albert Krugar 100.00
- Clayde A. Mankin 125.00
- James R. Moore 125.00
- Thad Wamsley 135.00

$150–$200:
- Robert F. Johnson 150.00
- Walter N. Pickett 150.00
- Dana Campbell 150.00
- Frank N. Harshbarger 165.00
- Harold C. Wardrep 185.00
- C. Leslie Sams 150.00

$200 and over:
- William R. Rippetoe 210.00
- Andrew Cheesbrew 200.00
- Allen G. Smith 205.00
- Henry M. Tully 225.00

GILMER COUNTY

$75–$100:
- Hallie L. Jones 80.00
- John E. Hays 80.00

$100–150:
- Merlin L. Johnson 135.00
- Claude Heater 130.00
- French L. Powell 135.00
- John P. Elliott 130.00
- William M. Moss 100.00
- Ivan H. Bush 135.00
- Delbert Stalnaker 140.00
- Charles E. Marshall 100.00
- William B. Reaser 125.00
- J. Leo Riddle 100.00

$150–$200:
- Orda K. Chenoweth 150.00
- James V. Tulley 175.00

$200 and over: John V. Smith 200.00

GRANT COUNTY

$100–$150:
- Frank E. Day 135.00
- Earl C. Guthrie 100.00
- John Sears 100.00
- John B. Shobe 110.00
- Lena L. Day 105.00

$150–$200:
- Glenn A. Dayton $185.00
- Charles Streets 150.00
- Joe A. Heger 150.00
- Charles E. Hawse 150.00

$200 and over: Richard B. Parrack 225.00

GREENBRIER COUNTY

$75–$100:
- Hazel E. Slaven 80.00
- Slater M. Butts 90.00
- Glen C. Campbell 85.00
- George P. Argabrite 90.00
- Grace M. Lawson 75.00
- Burke A. Rapp 90.00
- Walter B. Rogers 95.00
- Sam R. Livesay 80.00
- H. Edith Morton 80.00

$100–$150:
- Blanche H. Crickenberger 120.00
- Mary E. Hayes 125.00
- D. Clark Humphreys 100.00
- Pearl E. Anderson 100.00
- E. Wilton Cooper 135.00
- S. Hill Robinson 125.00
- Robert L. Wolfenbarger 100.00
- Edwin C. Rapp 100.00
- Charles L. Faulkner 100.00
- Marion B. Livesay 115.00
- Alex R. Handley 100.00
- Cylvester V. Winebrimmer 100.00
- Pryor C. Brown 100.00
- Lundy T. Cole 100.00
- Clarence E. Sullivan 125.00
- Horace Flaxcomb 100.00
- George C. Underwood 100.00
- Eldreth P. Dickson 100.00
- Edgar W. Brackman 125.00

$150–$200:
- Dorothy Echols 150.00
- Harry D. Painter 160.00
- Robert L. Bruffey 150.00
- Carl W. Morgan 150.00

$200 and over:
- C. Thomas Sydenstricker 200.00
- Amos M. Garner 225.00

HAMPSHIRE COUNTY

$75–$100:
- Cora Ravenscroft 80.00
- Cecil C. Riley 75.00

$100–$150:
- George E. Bergdoll 100.00
- T. Clinton Haines 100.00
- J. Mackubin Pue 100.00
- J. Wesley Eaton 100.00
- Edward M. Whedbee 125.00
- Henry De Haven 100.00
- Lucian M. Wilson 100.00
- John A. Moreland 100.00

$150–$200:
- Ward A. Hammond 150.00
- Ralph N. Guthrie 150.00

$200 and over:
- Russell C. Quinn 200.00
- Arnold Poland 200.00

HANCOCK COUNTY

$75–$100:
- Emerson Hunter 90.00
- Ike N. Reese 90.00
- Hazel L. Criswell 95.00
- Ethel M. Barrett 80.00
- Wilmar R. Gorrell 90.00

$100–150:
- Andrew T. Fisher 125.00
- Lester Shaw 140.00
- Charles L. Beebout 125.00
- James P. Carroll 125.00
- Alan Taylor 110.00
- Sanford A. Johnson 120.00
- Walter P. McMath 125.00

$150–$200:
- J. Paul Finley 150.00
- James E. Fisher 150.00
- Edgar O'Dell Miller 175.00
- Dennis J. Twohig 150.00
- Stephen Vincent D'Amico 160.00
- Philip A. Cammer 160.00
- Andrew V. Rock 175.00

$200 and over: Ray A. Shaw 225.00

HARRISON COUNTY

$75–$100:
- Stanley Torch 80.00
- Lester Cain 80.00
- Minnie Bell Russell 80.00
- Grace R. Lewis 80.00

$75–$100:
- Richard R. McFarland — $95.00
- Augustine Hursey — 75.00
- Mary C. Hyer — 75.00
- James E. Starkey — 95.00
- Louis W. Curkendall — 85.00
- William M. Richards — 80.00
- Darrell Harvey — 90.00
- Victor P. Robey — 95.00
- Gail White — 85.00
- William C. Warfield — 75.00
- William M. Richards — 80.00
- Richard L. Mackall — 95.00

$100–$150:
- Wilson Davis — 100.00
- Shirley Starkey — 100.00
- Winifred Mayer — 140.00
- Karl G. Davis — 100.00
- Simeon C. Bond — 100.00
- John D. Bellotte — 100.00
- George W. Hursey — 125.00
- Beulah Leep — 100.00
- Thomas Robey — 100.00
- William C. Gerrard — 100.00
- W. Brent Gum — 100.00
- Harold D. Lamm — 100.00
- Harley Queen — 100.00
- Sunday Raschella — 120.00
- Howard Randolph — 110.00
- Ben H. Skinner — 130.00
- John Winston — 100.00
- Marvin M. Clelland — 100.00
- Raymond D. Mealy — 100.00
- Kenneth Simons — 100.00
- Elias F. McIntyre — 100.00
- James E. Lanham — 125.00
- Dempse L. Coffindaffer — 100.00
- Oren F. Morrison — 100.00
- Wayne W. Paugh — 100.00
- Claude E. Connor — 110.00
- Dominick F. Desist — 135.00
- Lela K. Rumble — 100.00
- Anne C. Boggess — 120.00
- Nora A. Kester — 115.00
- Andrew J. Jennings — 100.00
- Murray P. Cornwell — 100.00
- Ray Kirkpatrick — 135.00
- John T. Fitzsimmons — 125.00
- Eli Morris — 135.00
- John H. Quinn — 100.00
- Chester Snellings — 100.00
- William A. Ward — 120.00
- Newton J. Hayes — 120.00
- William M. Mulheran — 135.00
- Byron B. Cowgill — 135.00
- Lee Wamsley — 120.00
- John A. Cottrill — 120.00
- William W. Tyree — 100.00
- Edward Wyckoff — 120.00
- Carl J. Lauderman — 100.00
- Walter S. Wiek — 100.00
- John Ashcraft — 100.00

$150–$200:
- Dominick A. Lover — 150.00
- Thomas C. Gerrard — 150.00
- Cecil B. Kester — 175.00
- Wade H. Garrett — 175.00
- Ross Eustace — 175.00
- Wilbur L. Carson — 175.00

$200 and over:
- Chester W. Cottrill — 200.00
- Charles S. Hornor — 245.00
- Homer L. Ice — 200.00
- Wayne W. Howell — 200.00

HARDY COUNTY

$75–$100:
- Frances F. Chambers — 75.00
- Alice Hyde — 75.00
- Loring L. Orndorff — 75.00

$100–$150:
- Maynard L. Delawder — 120.00
- Seymour D. Dasher — 140.00
- Gilbert H. Robinette — 100.00
- James L. Teets — 125.00

$150–$200:
- Brady Vetter — 190.00
- O. Lee Heltzel — 150.00
- George C. Bowman — 150.00

JACKSON COUNTY

$75–$100:
- Lexie C. Casto — 85.00

$100–$150:
- Glen G. Hall — 135.00
- Veldra Staats — 100.00
- Ven Wetzel Skeens — 100.00

$100–$150:
- Fred Skeens — $140.00
- Frances Anne King — 105.00
- Hazel Winter — 120.00
- J. Harvey Starr — 110.00

$150–$200:
- Earl R. Evans — 185.00
- Lonnie C. Brown — 150.00
- John W. Pierson — 150.00
- Darrell B. Corbin — 150.00
- George W. Noll — 150.00
- Melvin L. Fryberger — 175.00

$200 and over:
- Woodrow Parsons — 225.00

JEFFERSON COUNTY

$75–$100:
- Forrest C. Littlejohn — 90.00
- Lillian E. Myers — 75.00
- Lynn F. Grantham — 90.00

$100–$150:
- Samuel L. Cooley — 135.00
- Charles D. Dudrow — 140.00
- Lacie F. Bailey — 110.00
- Clarence W. Hart — 130.00
- Hilda Judd — 105.00
- George K. Wysong — 125.00
- George T. Hodges — 125.00
- Campbell W. Blue — 125.00

$150–$200:
- Willis E. Skinner — 175.00
- Charles L. Payne — 150.00

KANAWHA COUNTY

$75–$100:
- J. Stanley Duncan — 90.00
- Carlos L. Hogan — 85.00
- Hugh L. Hartley — 85.00
- Lucille V. Ferrell — 85.00
- Nina H. Browne — 85.00
- Gladys Frame — 85.00
- Okey Harmon — 90.00
- Pearl Bastian — 90.00
- Kathleen Deem — 85.00
- Helen B. Rollins — 90.00
- Clarice E. Garrett — 85.00
- Maurice Schoenfield — 85.00
- William K. Myers — 85.00
- Woodrow W. Temple — 85.00
- Velva R. Thompson — 90.00
- Orville Dent — 85.00
- Robert T. Price — 95.00
- Elizabeth Pauley — 85.00
- Vernon E. Brooks — 85.00
- Richard T. Ellis — 85.00
- Walter L. Belcher — 85.00
- Edgar L. Kuhn — 85.00
- Isaac N. Burch — 75.00
- James Wallace McKee — 75.00
- Sixtus L. Berntowicz — 75.00
- Edmund J. Beaulac — 75.00
- Lucian P. Lilly — 75.00
- Genevieve M. Bowles — 75.00
- Jane Silling — 75.00
- Margaret O. Swope — 75.00
- Cody Morrison Kinder — 75.00
- Olive Estelle Johnson — 75.00
- Roy Lee Gunnoe — 75.00
- Josephine McClung — 75.00

$100–$150:
- Sid B. Bowers — 125.00
- Marsden W. Cabell — 110.00
- David R. Evan — 125.00
- William T. Osborne — 100.00
- James Rosse — 100.00
- George A. Hartwell — 125.00
- Ralph E. Linhart — 100.00
- Clyde E. Meador — 130.00
- Harry Schlacht — 100.00
- Mary C. Eggleston — 100.00
- John W. Love — 125.00
- Loretta Janos — 100.00
- Opal Gunnoe — 100.00
- Blanche Meredith — 100.00
- Patrick Ashley — 110.00
- Earl E. Dudding — 110.00
- Geraldine Little — 120.00
- Almah Wilson — 100.00
- Dolores T. Barker — 100.00
- Ivalou W. Stump — 120.00
- E. C. Lieble — 125.00
- D. K. Richardson — 110.00
- Herman Gardner — 125.00
- John C. Legg — 125.00
- Tom Tierney — 100.00
- Clad Carlin — 125.00
- Ben W. Rhodes — 120.00
- Charles W. Hudson — 125.00

$100–$150:

William S. Walker	$125.00
Homer Burdette	125.00
William C. Hill	100.00
Ambrose Hoffman	100.00
Brant A. Scott	100.00
David F. Cain	100.00
Tom Tierney	100.00
George Washington	125.00
Brant A. Scott	100.00
James Halstead	125.00
Herman Gardner	125.00
Charles M. Corley	125.00
William E. McGlynn	100.00
Emmett J. Callahan	125.00
Josie W. Hamm	110.00
Samuel C. Courtney	140.00
Archie D. Suddeth	125.00
Herbert H. Gillispie	125.00
Frank W. Springer	135.00
Robert B. Thomasson	125.00
James C. Rucker	140.00
Samuel R. Summers	135.00
Justine C. DePree	120.00
Fraley G. Louden	100.00
Marjorie H. Courtney	110.00
Alfred D. Scaggs	110.00
John R. Strange	140.00
Eddie Baldwin	100.00
Dellos M. Shaver	125.00
Arnold Brown	100.00
W. H. Baxter	125.00
James E. Hoffman	100.00
Ira Terry	135.00
Robert L. Damron	125.00
John G. Hackney	140.00
Dewey B. Rollins	125.00
Charles H. Board	125.00
Morgan Ross	105.00
Elbert M. Rymer	100.00
Eldridge S. Sites	125.00
James C. Donaldson	100.00
James E. McCallister	100.00
Minor T. Barnett	125.00
Cletus W. Gates	125.00
William J. Melton	115.00
Moody Humphreys	125.00
Charles W. Hudson	125.00
Ira Chittum	125.00
Thomas E. Keeling	125.00
Aaron J. Hedrick	100.00
Hal L. Curtis	100.00
Elizabeth B. Adkins	110.00
Curtis M. Hanna	120.00
Mary L. Rickard	100.00
John M. Carr	100.00
Irvin E. Young	130.00
Mary Auld Whitman	130.00
Laura Jean Bayes	100.00
Ressa Dickerson	125.00
Homer M. Taylor	125.00

$150–$200:

Charles E. Landacre	150.00
Louis G. DuBois	175.00
Herbert C. Tustin	150.00
Samuel J. Sutherland	180.00
Anna Goings	160.00
Dora McNeely	195.00
Roland H. Raus	175.00
Otis H. Milam, Jr	150.00
McClung E. Williams	150.00
Otis G. Kesler	150.00
Leslie A. Fields	150.00
Dennis W. Shaffer	150.00
Joe Mazzella	150.00
Lawrence T. Roberts	150.00
Russell L. Sprouse	150.00
Worth C. Hall	150.00
A. T. Cruikshanks	150.00
James G. McNerney	150.00
James G. Wilson	150.00
Ohmer B. Lowry, Sr	150.00
John P. McWhorter	150.00
Arthur L. Cobb	150.00
Ernest C. Smith	180.00
John Getchem, Jr	150.00
Frank R. Blizzard	150.00
Basil G. Lilly	150.00
Joseph J. Nekoranec	150.00
Walter E. Herr	150.00
John M. Thayer	175.00
Lyle D. Hager	195.00
Robert L. Porter	150.00
Charles C. Wagner	190.00
Lowell Lanham	175.00
Dannis W. Shaffer	150.00
Edward L. Brewer	180.00

$150–$200:

Louis Mazzella	$150.00
John B. Hartley	150.00
Russell Hoffman	180.00
Dewey D. Ballard	195.00
Chas. B. Moore	160.00

$200 and over:

Charles E. Leftwich	200.00
Donald W. Foster	200.00
Howard O. Whiting	275.00
John Howell	215.00
Edward F. Weber	225.00
Ivan L. Melton	225.00
Alfred T. Kirkland	200.00
Russell C. Remage	200.00
Cary G. Dunn	225.00
William C. Reddy	200.00
Kenneth M. Saunders	200.00
William F. Cline	200.00
Howard F. Wehrle	200.00
Arthur S. MacArthur	200.00
Richard B. Tibbs	200.00
C. Dewey Riggs	200.00
William H. Underhill	220.00
Walter S. Henson	200.00
Raymond W. Osborne	225.00
John W. Sheffield	220.00
Burl A. Sawyers	210.00
Bruce Crawford	266.66
Eva Margaret Carnes	200.00

LEWIS COUNTY

$75–$100:

Clark C. Bush	90.00
Margaret M. Peterson	85.00
Chloe Henry	90.00

$100–$150:

Mark T. Bailey	110.00
Arnett W. Brown	125.00
Hale Sherrard	100.00
Eva J. Casto	130.00
Harry W. Stewart	125.00
Doy Payne	100.00
Dock E. McClain	100.00
Charles Cummings	130.00
June W. Allman	100.00
James H. Flesher	125.00
Ernest N. Spaur	125.00
Peter F. Dargan	130.00
Lawrence J. Casey	140.00

$150–$200:

James G. G. Heavner	150.00
Worthy D. Allman	175.00

LINCOLN COUNTY

$75–$100:

Walter F. Adkins	90.00
Millard F. Adkins	90.00
Arnold E. Hughes	90.00
Hal H. Holton	85.00
Roy G. Shelton	90.00
Forrest Morris	80.00
Orpha Lambert	75.00

$100–$150:

Mary E. Curry	120.00
Beatrice Adkins	115.00
Grace Fraley	100.00
Robert Osborn	120.00
George W. Dempsey, Sr	125.00
Leonard H. Madden	125.00
Wilburn Mullins	100.00
Walter Sanders	125.00
William E. Woodall	110.00
Aquilla C. Belcher	110.00
Dana Lawson	125.00
William H. Chandler	125.00
Robert C. Sidebottom	130.00
John Watson	125.00
Sherman Isaac	125.00
Russell Wysong	100.00
Eugene Armstrong	110.00
Marshall Reynolds	125.00
Thomas H. Lockwood	110.00
Willie Bias	120.00
James Hill	125.00
Cesco R. McMellon	125.00
Roncie H. Miller	145.00
Jess Dotson	125.00
Archelas Smith	125.00
Robert L. Martin	125.00
Edward Brumfield	110.00
Locy White	125.00
Cash McCoy	125.00

$150–$200:

Ella Tincher	150.00
James Hazelett	175.00
George Williams	190.00
Elza B. Adkins	150.00

$100–$150:
Odell Price $175.00
Winfield S. Pearson 150.00
Henry H. Smith 150.00
Leslie Keyser 160.00
$200 and over:
Caudle Adkins 225.00
Fred C. Yates 230.00

LOGAN COUNTY

$75–$100:
Nell Hunter 90.00
Gason Howard 85.00
Thomas Marcum 90.00
$100–$150:
Leonard Pauley 110.00
Charles D. Hylton 140.00
Melvin Triolo 110.00
Brit Wellman 125.00
Charles Stollings 110.00
John I. Johnson 110.00
Troy Anderson 110.00
Edward L. Hanna 110.00
Alvin D. Chafin 100.00
Joe Abel 110.00
George W. Mullins 100.00
Ettie Walker 100.00
O. Gertrudè Oakley 130.00
$150–$200:
Vinson W. Rogers 160.00
Thomas L. Bainbridge 150.00
Emmet S. McDonald 175.00
Charles D. Shanklin 165.00
Grover F. Lowe 160.00
$200 and over:
Mike E. Courtney 210.00
John B. Markham 200.00
Owen D. Chambers 220.00
Gillis Adams 225.00
Oliver W. Singleton 205.00
L. H. Sedinger 215.00

MARION COUNTY

$75–$100:
Geraldine Cook Bradford 80.00
Marguerite McIntire 75.00
Cleora B. Enochs 95.00
Kenneth A. Alltop 95.00
Beryl Holt 90.00
Mary Chambers 90.00
Mabel J. Atha 85.00
Mary W. Conaway 90.00
Leo E. Thobois 90.00
Cecil A. Keener 85.00
$100–$150:
Gladys Dixon 105.00
Lloyd E. Tonkery 115.00
Homer C. Masters 100.00
Clyde A. Satterfield 105.00
Charles S. Dean 135.00
Edgar W. Athey 120.00
John P. Wright 120.00
Turner Brummage 110.00
James P. Burns, Jr 135.00
Forrest M. Millan 125.00
Clarence F. Schoudt 110.00
Minor G. Dobbie 140.00
Edward E. Ashby 140.00
James F. Knight 135.00
Lester S. Tennant 115.00
Charles E. Hood 120.00
Francis J. Dunigan 125.00
Orval Hayhurst 100.00
Luther B. Wilson 100.00
Lenore Virgean Martin 100.00
Howard D. McDonald 100.00
Albert Angelilli 125.00
Clyde Parks 115.00
George E. Pyles 125.00
Daniel J. Foley 100.00
Joseph E. Timmins 110.00
J. Ord Thomas 100.00
Jay L. Hough 125.00
David E. Wetzel 100.00
William E. Dennis 110.00
Charles G. Ott 110.00
Charles F. Toothman 135.00
William E. Fox 125.00
Isaac Linville 100.00
$150–$200:
George W. Ice 150.00
William A. Lawler 155.00
Charles E. Gocke 160.00
Hubert Wilson 150.00
Charles C. Patton 150.00
E. Lane Bryan 150.00
$150–$200:
Paul Kundratik $150.00
Bird Forney 175.00
James J. Allen 150.00
$200 and over:
Elias N. Eddy 275.00
Carl S. Barnhart 225.00
Ocal King 200.00
Gerald F. Elliott 225.00

MARSHALL COUNTY

$75–$100:
Bruce L. Morris 90.00
Carl Finn Roberts 85.00
Lee Roy Fitzgerald 80.00
Kenneth H. Simmons 75.00
C. Wilburt Burley 85.00
J. Clifford Burge 90.00
Charles Palmer 95.00
Harold G. Burkett 80.00
Joseph E. Shriner 80.00
$100–$150:
George H. Brown 125.00
Charles P. McMahon 120.00
Margaret H. Peel 100.00
Gladys McCracken 100.00
William M. Riggs 110.00
Joseph C. Marsh 120.00
Roy Lowe 110.00
Frank A. Swift 110.00
William L. Davis 100.00
$150–$200:
Edna B. Sampson 175.00
Kenneth B. Francis 160.00
Arthur P. Headley 180.00
Harry L. Knox 150.00

MASON COUNTY

$75–$100 Virginia Humes 80.00
$100–$150:
Jack Colley 125.00
Earl H. McCoy 145.00
William F. Machir 125.00
Leslie G. Meadows 100.00
Thomas G. Lewis 110.00
William J. Chapman 100.00
Dorsel E. Smith 125.00
Frank Mossor 125.00
James W. Noble 110.00
Lena Foglesong 120.00
John William Gibbs 125.00
Enos C. Winger 100.00
$150–$200:
Harry Young 150.00
Henry Powers 180.00
Charles E. Fry 150.00
George W. Sprenger 150.00
Alexander D. Gravely 150.00
Frank Board 150.00
James J. Cunningham 195.00
Henry Elias 150.00
Parke Cadle 150.00
Carl E. Hagerman 175.00
$200 and over:
Lloyd Roush 225.00
Albert E. Thomas 210.00

MERCER COUNTY

$75–$100:
Edgar M. Call 90.00
Irene M. Ellis 75.00
Willie M. Thompson 90.00
Eva H. Peery 75.00
William C. Easley 80.00
$100–$150:
R. Lee Parker 135.00
Berman C. Snidow 100.00
J. Frank Neal 100.00
Charles P. Bailey 125.00
Marvin A. Alexander 125.00
Albert E. Calfee 100.00
Arlie Johnson 100.00
Fred D. Wood 100.00
Archie L. Stafford 100.00
Orville W. Hawhee 100.00
Homer P. Brenaman 110.00
Ezra W. Belcher 125.00
John W. Shaw 110.00
Grover C. Elmore 125.00
Walton W. Hicks 135.00
James K. Tuggle 125.00
Cogle E. Bailey 100.00
Noah C. Stanley 125.00
Marion E. Smith 140.00
Stella M. Bivens 100.00
Lillian K. Sutton 100.00
Birchfield F. Palmer 100.00

$150–$200:
- Edward T. Tyree $150.00
- L. Stokes Hamilton 150.00
- Charles K. Baxter 160.00

$200 and over:
- Noah E. Flint 200.00
- John R. Ayers 200.00

MINERAL COUNTY

$75–$100:
- Joseph A. Wensell 90.00
- Stella F. Carey 85.00

$100–$150:
- Clyde F. Riddel 125.00
- Sara M. Johnston 100.00
- Winfred R. Tharp 135.00
- William E. Kight 100.00
- Arnold T. Sliger 100.00
- Gordon D. Bennett 100.00
- George T. Wright 100.00
- John B. Mullen 100.00
- William I. Clark 100.00
- Robert C. Gertsell 120.00
- Charles Coughenour 110.00
- Charles E. Leary 125.00
- Henry R. Jackson 125.00
- Guy C. Adams 100.00
- George J. Keegan 100.00
- Floyd McNamar 100.00

$150–$200:
- Harry E. Parrill 150.00
- Louis S. Leps 150.00
- William C. Cornelius 150.00
- Russell S. Entler 150.00
- Howard G. Dixon 150.00
- Thomas C. Chrisman 150.00

$200 and over:
- Robert B. Melody 220.00

MINGO COUNTY

$75–$100:
- Nancy Forter 90.00
- Pearl Hatfield 75.00
- Hugh Swader 75.00
- Boyd Parsley 90.00

$100–$150:
- William Hammersley 125.00
- John Dillon 100.00
- Hugh Wellman 125.00
- Floyd H. Burris 100.00
- Dave Blankenship 100.00
- George W. Marcum 100.00
- John Collins 100.00
- Raymond L. Ailiff 100.00
- R. L. Harmon 100.00
- William T. Damron 105.00
- Clarence Shipe 100.00
- Eula Ward 115.00
- Hawthorne A. Goodloe 135.00
- Frank Azzara 110.00
- A. L. Starr 100.00
- M. H. Parsley 100.00

$150–$200:
- Samuel T. Waller 150.00
- William M. Gannon 150.00
- William V. Webb 150.00
- Floyd D. Chafin 150.00
- W. Howard Cline 150.00
- Elias H. Millard 195.00

$200 and over:
- Abner Pleasants 200.00
- Harry K. Baisden 220.00
- Gratho Mounts 220.00
- Claude E. Ratcliff 225.00
- Chester Brown 225.00
- Ethel M. B. Johnston 200.00

MONONGALIA COUNTY

$75–$100:
- James D. King 85.00
- Frank E. Jolliffe 85.00
- Steve G. Morris 85.00
- Emma Hesen 90.00
- Helen Placotis 75.00
- Grover Jamison 90.00
- Kermit Hawley 95.00
- Toney Ponceroff 85.00
- John J. Delaney, Jr 75.00
- Rose Marino 75.00
- James Thomas 75.00

$100–$150:
- Harry B. McDonald 125.00
- John M. Gocke 125.00
- Harley Hundley 110.00
- Earl Wade 100.00
- John R. Hixenbaugh 125.00
- David M. Thomas 100.00
- Bert Widner 110.00
- James D. Ward 125.00
- Thornton W. Clark 130.00

$100–$150:
- Lonnie Blosser $135.00
- Harry E. Huggins 100.00
- Fenton Berry 125.00
- Marlon J. Robinson 110.00
- Thomas Helfrick 100.00
- Luddington Brown 100.00
- Irene Spitz 135.00
- Chape Wilson 130.00
- Jean Fleming 100.00
- Dove Howell 105.00
- Ida L. Wilson 110.00
- Ernest E. Morris 125.00
- Lloyd N. Waters 100.00
- Joseph E. Holtz 100.00
- William R. Hewitt 135.00
- Phillip Peroots 125.00
- Leonard Yost 100.00
- James Watson 100.00
- Margaret J. Buchanan 105.00
- Sarah Ann Rice 100.00
- W. Harvey Falkenstine 100.00
- James G. Shaffer 100.00
- James T. Null 125.00
- Raymond S. Bailey 115.00
- Joseph Mike 100.00
- James Watson 100.00
- Howard Dawson 110.00
- Thomas L. Connell 110.00
- Richard Wigham 100.00
- Eli Rubenstien 135.00

$150–$200:
- Forney Raber 150.00
- William J. Jamison 150.00
- Donald K. Marchland 175.00
- Howard M. Wells 165.00
- Clarence R. Boyles 150.00
- George H. Campbell 150.00
- Gilbert Sanders 150.00
- Ernest G. Brown 150.00

$200 and over:
- Joe R. Joy 225.00
- Henry Lough 210.00
- Roy M. Hall 200.00

MONROE COUNTY

$75–$100:
- Verda C. T. Rodgers 75.00
- Brown S. Neel 95.00
- John E. Brewer 75.00

$100–$150:
- C. Thomas Sibold 125.00
- Claude Rowan 100.00
- R. Graydon Tuggle 105.00
- Joe H. Dunn 100.00
- Thomas P. Butler 100.00
- Wiley K. Dillman 100.00
- Earl Mann 100.00
- Fred B. Martin 100.00
- J. Conway Baker 125.00
- Rodney W. Welder 100.00
- John E. Fullen 125.00
- George L. Eggleston 100.00
- William D. Lowery 100.00
- T. Burton Gwinn 100.00
- George T. Brooks 125.00
- Sarah O. Livesay 130.00
- Arthur W. Boone 100.00

$150–$200:
- Byron B. Ruddell 150.00
- Clarence J. Van Dyke 150.00
- Addison C. Ellison 175.00
- Jack P. Johnson 175.00

$200 and over:
- Estell Thomas 200.00
- Ernest B. Wagner 200.00

M'DOWELL COUNTY

$100–$150:
- James W. Short 100.00
- William M. Pearman 125.00
- Maston G. Thomason 100.00
- Robert H. Urps 100.00
- Fred B. Sexton 100.00
- Pearl S. Walker, Jr 100.00
- Lacy Love 125.00
- John J. Riffe 125.00
- Joseph R. Dinkins 100.00
- John W. Stilwell 120.00
- Bernard L. Neal 130.00
- Donna Mitchamore 115.00
- Hattie Waldron 115.00
- Ruth S. Parrish 100.00
- Ruth C. Woody 135.00
- Earnest L. Bright 115.00

$150–$200:
- Harry Turner 150.00
- William J. Highberger 150.00

$150–$200:
Mike Defuria $150.00
David G. Herman 150.00
$200 and over:
Peter W. Peterson 200.00
Jolly A. Adkins 215.00
Thomas P. Ashworth 225.00
Cecil M. Johnson 220.00

MORGAN COUNTY

$75–$100:
Lola M. Phillips 80.00
Janet B. Wachter 75.00
$100–$150:
Hillary J. Catlett 120.00
Dewey Sheppard 100.00
Charles Miller 100.00
John C. Somers 100.00
Lee A. Hewett 100.00
$150–$200:
Paul I. Noland 150.00
Brice A. Heisley 175.00

NICHOLAS COUNTY

$75–$100:
George R. Corbett 90.00
Lanty H. Walker 80.00
Otis Spencer 75.00
$100–$150:
John W. Weese 125.00
Elmer O. Spencer 100.00
Cecil Brown 100.00
John K. Duffy 100.00
Newman H. Trout 100.00
Perry M. Rush 110.00
Samuel H. Perkins 100.00
William E. Ford 125.00
Tobias T. Fields 100.00
Joseph M. McMillion 100.00
Orvil A. Frame 100.00
Ivan M. Hunter 100.00
William B. Baber 100.00
Clarence A. Herold 100.00
Vernon B. White 100.00
Jess Sparks 110.00
Guy A. Vaughan 125.00
Bernard Maloney 100.00
$150–$200: Lee S. Fitzwater 150.00
$200 and over: Frank McMillion 200.00

OHIO COUNTY

$75–$100:
Harold Hill 85.00
French D. Walton 85.00
Wilbur Duncan 80.00
Charles A. Norton 85.00
Rocco DeMaria 90.00
Agnes M. King 80.00
Clara Mushrush 90.00
Hazel M. Lewis 90.00
$100–$150:
Charles B. Nickison 115.00
Albert R. Albinger 125.00
Amos O. Workman 135.00
George H. Efthemes 125.00
Loretta A. Lockyer 100.00
Thomas M. McDonough 140.00
Lucille M. Dolan 100.00
William H. Havercamp 105.00
Mary G. Malooly 105.00
Eleanor M. Carroll 130.00
John H. Conrad 100.00
John B. Ebbert 125.00
William Chapline 120.00
William J. Cayton 100.00
Lloyd Bowers 110.00
William L. Zirkle 110.00
Edward A. Martin 100.00
Mack Shilling 125.00
Charles L. Lally 115.00
Herbert Wilson 140.00
Joseph Chapline 125.00
Harry Allen Dague 125.00
G. Lou Albertine 125.00
Joseph M. Finley 110.00
Carl E. Ingram 110.00
James T. Handlan 125.00
Calvin L. Huggins 120.00
Jack V. Engler 100.00
Charles D. Morris, Sr 110.00
$150–$200:
James J. Tustin 150.00
Chester T. Kinney 150.00
William G. Hanna 150.00
$200 and over:
Charles C. Savage 240.00
Leon A. Thornburg 225.00

PENDLETON COUNTY

$75–$100:
Cleda Trumbo $95.00
Julian G. Waddy 90.00
$100–$150:
Charles H. Boggs 130.00
J. Riley Thompson 125.00
$150–$200:
Edwin P. Simmons 150.00
Fred Calhoun 155.00
John N. Murphy 150.00
$200 and over:
Grover C. Evick 200.00
Clyde G. Garlow 200.00

PLEASANTS COUNTY

$75–$100:
William M. Garrison 85.00
Melissa Barron 80.00
James F. Riddle 75.00
Vincent B. Easton 90.00
$100–$150:
Lawrence Elder 100.00
John E. Barlow 100.00
George G. Shingleton 125.00
Lamen Locke 100.00
Sloan E. McKnight 100.00
Mary F. Chambers 125.00
James R. McTaggart 145.00
Otha F. Lamp 100.00
Harold E. Dougherty 135.00
$150–$200:
George W. McCullough 150.00
Arthur C. Lamp 150.00
$200 and over:
Charles F. Ingraham 200.00
Arthur M. Senne 200.00

POCAHONTAS COUNTY

$75–$100:
Ivan N. Barlow 75.00
William H. Rogers 75.00
Elbert M. Henderson 75.00
Ernest N. Moore, Jr 75.00
J. Frank Ashford 85.00
John W. Hayslette 90.00
Robert R. Eades 85.00
$100–$150:
Edd E. Walker 100.00
Frank Moore 100.00
Charles McQuain 100.00
Ben Kellison 100.00
Elmer J. Houchin 100.00
Arnold C. Burns 125.00
James K. Marshall 100.00
Clarence L. Barlow 100.00
James H. Nottingham 100.00
William H. Barlow 100.00
Guy H. Fultz 100.00
Frank R. Harper 125.00
Ernest L. Bailey, Jr 120.00
Lois L. Coyner 135.00
Odie G. Clarkson 100.00
Ewell P. Kramer 100.00
George V. Hannah, Jr 130.00
Guy Thomas 125.00
$150–$200: Lee W. Ruckman 150.00
$200 and over: Hubert Kershner 225.00

PRESTON COUNTY

$75–$100:
William H. Bolyard 95.00
Virgil Britton 95.00
Charles Wiggs 95.00
Frank W. Baylor 90.00
Thomas C. Burge 90.00
Marion G. Reynolds 80.00
Paul W. Morris 85.00
Okey Ellis 95.00
Virginia Baritell 90.00
Carl W. Grow 95.00
$100–$150:
Blaine Frazee 100.00
Alice West 100.00
Georgia Wilson 100.00
Michael W. Foley 100.00
Walter G. Pulliam 120.00
James M. Wood 140.00
Clark Bailey 135.00
Dennis Withers 135.00
Clarence Ice 100.00
George D. Sell 115.00
Victor A. Stockman 110.00
Eugene E. White 125.00
David W. McVicker 100.00
Wilfred Borgman 110.00
George Bice 120.00
Hayes Sapp 100.00

$100–$150:
- William H. Petony $100.00
- James H. Smith 100.00
- Charles G. Emerson 115.00
- John R. Jackson 100.00
- Carl A. Metheny 100.00
- Henry H. Ridgeway 110.00
- Dayton Bolyard 100.00
- Eugene H. McGinnis 100.00
- Clint Menear 100.00
- Joseph Burke 100.00
- Dennis C. Kinkaid 100.00
- Frederick W. Horchler 100.00

$150–$200:
- Richard Cale 150.00
- Lillian Yeater 150.00
- Chester E. Proudfoot 165.00
- James B. Taylor 150.00
- Milford Hardesty 150.00
- Troy Wilson 165.00
- James Simmons 175.00

$200 and over:
- Fred E. Gates 205.00
- Wilbur V. Lyons 250.00
- Keith H. Griffith 225.00

PUTNAM COUNTY

$75–$100: Mildred Martin 80.00

$100–$150:
- Homer E. Miller 115.00
- John Henson 125.00
- Harold Payne 110.00
- Haskall Sigman 100.00
- Jack Spurlock 130.00
- Harold Cartmill 110.00
- Dorothy B. Brown 125.00
- Agnes Burns 130.00
- Okey W. McClanahan 125.00
- Tommy Smith 120.00
- Garland H. Dean 110.00
- Guy B. Henderson 110.00
- Lawrence Goddard 110.00

$150–$200:
- Jasper H. Harris 150.00
- Orville Beaver 150.00
- Andrew A. Arbuckle 150.00
- Lynn C. McCann 195.00
- John D. Harris 150.00
- J. Ed Frazier 175.00
- Clarence V. Eastes 165.00

$200 and over: John Franklin Muck 225.00

RALEIGH COUNTY

$75–$100:
- John W. McGinnis 85.00
- Judith Moorefield 85.00

$100–$150:
- Henry T. Belcher 100.00
- Waldo J. Keaton 100.00
- Acy H. Crawford 125.00
- Annie Allen 105.00
- Bernice Gatherum 130.00
- Walter C. Jones 100.00
- Claude W. Fawbush 125.00
- Charles W. Surratt 125.00
- Ernest Kish 125.00
- Harriet W. Barrett 100.00
- Ira C. Beckett 125.00
- J. E. Aliff 100.00
- Felix Yon 125.00
- Luther R. Vass 125.00
- Silas S. Gore 100.00
- Elijah B. Dehart 125.00
- Harvey L. Persinger 125.00

$150–$200:
- Paul Robertson 150.00
- Thomas J. McCormick 150.00
- Mack M. Meador 175.00
- John Getcher, Jr 150.00

$200 and over:
- Cosby C. Cooke 200.00
- David W. McLean 205.00
- Dallas H. Thomas 225.00
- Frank P. Robinson 200.00
- Ira Holliday 200.00

RANDOLPH COUNTY

$75–$100:
- Bess Weese 75.00
- Hattie F. Miller 85.00
- John H. Moran 80.00
- Charles J. McCusker 90.00
- Odessa J. Manning 75.00
- Edward J. Lobb 90.00
- Ralph E. Nutter 90.00
- Victor S. Goldberg 90.00
- Ray Coberly 90.00

$75–$100:
- Bernadine M. Wolfe 85.00
- Alonzo Snelson 90.00

$100–$150:
- Leslie J. Ervine 100.00
- Frank Hammer, Sr 125.00
- Monzel M. Haller 125.00
- Henry M. Matheny 100.00
- Jasper K. Parsons 100.00
- Mary M. Shay 125.00
- Emma Hunnicutt 110.00
- Andrew O. Tacy 110.00
- Stanley J. Peters 100.00
- B. Lee Phares 100.00
- Marion L. Hart 100.00
- Cecil Armstrong 100.00
- George L. Trahern 125.00
- William G. Smith 115.00
- Raymond D. Taylor 100.00
- Robert P. Wachob 100.00
- Plummer B. Crawford 115.00
- Houston A. Wood 115.00
- Roy W. Moore 130.00
- Clarissa Gilmore 100.00
- Anna C. Joyce 115.00
- Decatur O. Harper 140.00

$150–200:
- Harry D. Scott 150.00
- Herbert E. Neff 150.00
- D. Randolph Parsons 150.00
- Edwin Gillooly 175.00

$200 and over:
- W. Rushton Ross 225.00
- William J. Ryan 200.00
- Fred O. Wilkinson 215.00
- Paul R. Hinkle 270.00

RITCHIE COUNTY

$75–$100:
- Hosea Hill 90.00
- Rosemary Murphy 80.00
- Richard Primm 90.00

$100–$150:
- Robert F. McVey 100.00
- Orlan Wells 100.00
- Harvey Talkington 135.00
- Blair B. Beall 140.00
- Vincent Kibbee 130.00
- Bill Boston 130.00
- Army B. Killingsworth 100.00
- Charles J. Stanley 125.00
- Hester M. Wilson 115.00
- Harland B. Null 135.00
- George F. Pierce 100.00

$150–$200:
- Earl D. Clayton 185.00
- Grant F. Sandy 150.00

$200 and over: Wesley W. Phipps 200.00

ROANE COUNTY

$75–$100: Myrtle Hunt 85.00

$100–$150:
- Joe W. Knight 130.00
- Brell Kee 110.00
- Lora Sergent 140.00
- Belle R. Goff 115.00
- Robert Ulysses Cariens 110.00
- Allie B. Gainer 110.00
- Mont Whited 110.00
- Dutch Batten 135.00
- Samuel Lee 140.00
- Clarence Mace 130.00
- Byron E. Holswade 115.00
- Emory Ferrell 135.00
- Elmer Coleman 110.00

$150–$200:
- Opie Dye 195.00
- Harley C. Elswick 160.00
- Hugh Mounts 175.00
- Benson Leroy Sherrill 150.00

$200 and over: Ira C. Cottrell 225.00

SUMMERS COUNTY

$75–$100:
- James E. Ford 80.00
- Gordon H. Skaggs 90.00
- Lena V. Miller 90.00
- Ethel Hamer 75.00

$100–150:
- Elizabeth Haythe 140.00
- Roy G. Farley 130.00
- Jesse H. Walthall 100.00
- Verna D. Hutchison 120.00
- Lillian M. Seldomridge 120.00
- William J. Hill 105.00
- John J. Hinchman 100.00
- Edward J. Hughes 100.00
- Ezra C. Cole 100.00

$100–$150:
Ashby L. Eubank $100.00
Ray R. Haythe 125.00
Den C. Vass 100.00
Cary D. McCormick 100.00
Dillard W. Richards 125.00
Clinton F. Boude 105.00
Seldon Adkins 100.00
James G. Gardner 120.00
Edd T. Edwards 100.00
Roy H. Bennett 125.00
$150–$200:
Harry W. Surbaugh 150.00
Luther G. Neely 150.00
$200 and over: J. Clyde Dillon 200.00

TAYLOR COUNTY

$75–$100:
Virgil Lewis Marks 90.00
Herbert Withers 90.00
James Sheets 90.00
Aurelia D. McGonagle 95.00
Helen C. Gerkin 85.00
Clarence D. Losh 90.00
Carl L. Curry 80.00
Harland D. Kelley 90.00
$100–$150:
Clarence L. Wolford 100.00
John D. Powell 100.00
$100–$150:
William T. Gates 120.00
Charles A. Litzinger 100.00
Fred Hickman 120.00
Walter Lucas 125.00
Waitman W. Lambert 110.00
Jesse Jenkins 110.00
Joseph H. McCue 110.00
Tony Mustachio 115.00
Joseph B. Waters 115.00
Mary Marks 100.00
Juanita Hardin 100.00
Bruce Weese 110.00
James Young 130.00
James W. Boice 125.00
Luther Fast 100.00
Thomas J. Gates 145.00
Willis R. Collett 115.00
John McMullen 100.00
John T. Miller 120.00
Lonzel B. Thomas 135.00
Clyde T. Hickman 135.00
Joseph B. Dryfield 135.00
$150–$200:
Samuel Fred Mason 150.00
Karl Wince 170.00
$200 and over: Wallace N. Henderson 225.00

TUCKER COUNTY

$75–$100:
Goldie Squires 75.00
Robert Hall 90.00
Clarence V. Nestor 90.00
Howard R. Dudley 75.00
George B. Donalds 90.00
R. Claire Forsythe 80.00
$100–$150:
Waldo P. Williams 125.00
Emil Braun 110.00
Victor O. Lutz 125.00
Otha R. Roderick 135.00
Earl Moore 100.00
A. Jay Shaffer 100.00
Harold C. Hill 130.00
Godfrey Moore 100.00
Del J. Parsons 125.00
Leo C. Harper 140.00
John T. Auvil 115.00
Robert Rickard 135.00
Thomas B. Hedrick 115.00
$150–$200:
Samuel C. Hinkle 175.00
Charles W. Fisher 150.00
Ernest A. Riffle 150.00
Forrest A. Houdyschell 150.00
$200 and over: Milliard E. Hilliard 225.00

TYLER COUNTY

$100–$150:
John L. Haught 125.00
Albin H. Smith 100.00
Arlington Dotson 100.00
Edward S. Foley 135.00
Audrey M. Dotson 100.00
Earl Mossor 145.00
Nettie Maple 100.00
Homer LeMasters 130.00
$150–$200: Robert E. Sellers 150.00
$200 and over: Charles E. Morris 200.00

UPSHUR COUNTY

$75–$100:
Coleman C. Oldaker $90.00
Glenn Westfall 90.00
$100–$150:
Lee Glass 125.00
Roy Warner 100.00
Hallie M. Teter 105.00
Mary K. Forman 130.00
Earl Crawford 100.00
Charles Johnson 100.00
Joseph T. Conley 135.00
Randolph Lane 125.00
Farrell E. McKinney 125.00
Boone E. Houghton 125.00
Arthur H. Smith 145.00
Albert R. Miles 125.00
Hubert H. Bryant 140.00
Russell R. Phillips 125.00
$150–$200:
Michael F. Stockert 150.00
Brenna O. Burnside 150.00
$200 and over: Gilbert C. McAvoy 200.00

WAYNE COUNTY

$75–$100:
Sam Campbell 95.00
Bert E. Damron 95.00
Frank Maynard 95.00
George D. Harris 95.00
Scott Marcum 95.00
$100–$150:
Anne Kettell 130.00
Kearney Allen 125.00
Calvin N. Lawson 100.00
Henry C. Clendenin 110.00
Welzie Peters 120.00
Hugh S. Ketchum 120.00
William S. Ross 120.00
John S. Dean 110.00
Washington V. Stanley 140.00
Moses Asbury 120.00
Charles Minis Adkins 120.00
Lawrence Adkins 120.00
James R. Foster 120.00
Daniel W. Vinson 120.00
Sam Isaac 100.00
Boyd N. Adkins 120.00
Alvis Christian 120.00
Edward L. Crum 105.00
Muss Lester 120.00
Walter Marcum 120.00
Flem Stanley 120.00
Russell Carts 100.00
Floyd A. McCallister 130.00
Chap M. Adkins 120.00
John McClellan 140.00
Theron Wellman 120.00
Anderson Marcum 120.00
Taylor Ross 120.00
George Finley 120.00
James Huff 140.00
Saint T. Rutherford 125.00
Oscar J. Farley 135.00
William T. Hardwick 120.00
$150–$200:
Haney May 155.00
Mollie Frasher 150.00
Chester Williams 175.00
Ernest Plymale 150.00
George D. Walter 150.00
Elba Drown 150.00
William B. Clark 150.00
Allen K. Toney 150.00
Jason C. Hart 175.00
J. Virgin Thompson 170.00
Curtis Plymale 160.00
James M. Bailey 160.00
$200 and over:
Kiah Adkins 200.00
Henry Fisher Fry 200.00

WEBSTER COUNTY

$75–$100:
Dana H. Groves 75.00
Lester B. Morton 90.00
Frank G. Jordan 75.00
H. Clay Rader 95.00
Novil C. Bledsoe 75.00
Noah W. Cool 95.00
Porter M. Cochran 90.00
Thomas A. Green 75.00
Hoy L. Henline 85.00
$100–$150:
Harry H. Harris 125.00
Walter H. Herold 100.00
Arvella Cunningham 115.00
Lanty H. Starcher 100.00
Mary K. Berthy 115.00

$100–$150:
- Dana M. Hicks $135.00
- Jonas R. Tyler 100.00
- Morgan M. Arthur 100.00
- Ralph G. Isenhart 100.00
- Baker Hamrick 125.00
- Charles W. Dever 100.00
- Robert Anderson 100.00
- Wesley T. McCray 100.00
- Salvatore Pacifico 100.00
- Standard B. Hall 100.00
- Frances H. Malcomb 100.00
- Oscar M. Beale 100.00

$150–$200:
- George R. Morton 150.00
- Mary Sue Liady 175.00
- William A. McFarlane 150.00
- Paul R. Wellman 150.00

$200 and over:
- John Conrad 200.00

WETZEL COUNTY

$75–$100:
- John Wesley Rice 90.00
- Burl Arnett 90.00
- Burl Willey 75.00
- Bruce Hinerman 75.00
- William F. Bishop 90.00
- Charles C. Oblinger 85.00
- Mearl C. Freeland 75.00
- Hallie J. Henthorne 75.00
- Harry G. Phillips 75.00
- Paul E. Jones 75.00

$100–$150:
- Howard Keifer 100.00
- Robert E. Rush 100.00
- Scott Yost 100.00
- Blanche L. Heinzman 115.00
- Varena L. Farrell 110.00
- Henry Cole 100.00
- David B. Fisher 100.00
- Robert B. Groner 100.00
- Reuben W. Yoho 100.00
- William H. Earnshaw 100.00
- Charles A. Ramsey 100.00
- Isaac H. Lough 100.00
- Chester A. Parsons 100.00
- Andy W. Finley 120.00

$150–$200:
- Clem Shriver 150.00
- William A. Yeater 150.00
- Hubert B. Custer 150.00

$200 and over: Lawrence Oneacre 210.00

WIRT COUNTY

$75–$100:
- Addie L. Adams 80.00
- Eula G. Parks 75.00

$100–$150:
- Lonnie C. Price 100.00
- John E. Boston 125.00
- Charles W. Clinton 125.00
- Von G. Ott 120.00
- William B. Fint 130.00
- James A. Blankenship 100.00
- Hollie L. Vandale 130.00
- Paul McCauley 125.00

$150–$200:
- Amos Trippett 150.00
- Okey F. Full 150.00

WOOD COUNTY

$75–$100:
- Virginia Pribble 90.00
- Frank J. Kelley 90.00
- Mary F. Garber 85.00
- Bessie Bower 90.00
- Bessie Sinclair 90.00
- Lillian Bull 90.00
- J. Keith Thomson 90.00
- James K. Bryan 90.00
- Edward A. Baker 90.00
- Beulah C. Groves 80.00
- Albert Halfhill 90.00
- George T. Secrist 85.00

$100–$150:
- Frederick J. Weiland 125.00
- George W. Abels 125.00
- Cecil V. Mills 100.00
- William C. Russell 110.00
- Jackson C. Horner 145.00
- James R. Burnfield 100.00
- Zadock H. Baumgarner 100.00
- Herbert J. McMahon 135.00
- Charles E. Flaherty 130.00
- Charles B. Sherwood 140.00
- Clarence E. Young 125.00
- Harry M. Bush 100.00
- William H. Batten 100.00

$100–$150:
- Charles R. Smith $130.00
- Rex. F. Flesher 125.00
- Claude M. Weekley 125.00
- Clyde Webb 100.00
- Rolla Johnston, Jr 135.00
- Harold B. Walsh 100.00
- Blanche V. Rector 120.00
- Garnet Tomer 125.00
- Glenn Duckworth 145.00
- James C. Smith 110.00
- Lewis Seevers 125.00
- William M. Hill 125.00
- Will C. Robinson 100.00
- John Z. Miller 125.00
- William C. Russell 110.00
- Harrison Warren 125.00
- Frank G. Davis 100.00
- Harry G. Wilson 100.00
- James F. Atkinson 125.00
- William Bush 120.00
- Howard A. Clarkson 125.00
- William Bell 110.00

$150–$200:
- Gordon C. Enoch 150.00
- Larry J. Null 160.00
- Samuel J. Anderson 150.00
- James M. Deem 175.00
- Theodore E. Keller 160.00
- Thomas Tenney 175.00
- Frederick E. Wolfe 165.00
- Clyde H. Watson 150.00
- Una L. Jarvis 150.00
- Vivian E. Hoyt 150.00

$200 and over:
- Harold Anderson 250.00
- Joseph B. Dempsey 200.00

WYOMING COUNTY

$75–$100:
- Florio Pais 90.00
- John E. Cline 90.00
- Carl M. Cook 80.00
- Clara B. Burton 80.00

$100–$150:
- Lacy Bailey 100.00
- W. Cal Bailey 100.00
- Garner Roles 100.00
- John R. Shumate 100.00
- Jesse Mills 100.00
- Wilda Caldwell 100.00
- Garner E. Byrd 100.00
- Ash Cook 100.00
- Clarence V. Walker 100.00
- Clem Wylie 115.00
- Felix Dixon 100.00
- Flavious P. Ward 100.00
- Thomas L. Bailey 100.00
- Don L. Cook 125.00
- Charles H. Cook 100.00

$150–$200:
- Robert Beavers 150.00
- George W. Biggs 150.00

$200 and over:
- Thomas A. Dameron 225.00
- William M. Rutherford 200.00
- Charles E. Kinzer 200.00

Charged to district projects (county where check received noted)

$75–$100:
- Virginia Quinn (Monongalia) $75.00
- William Walters (Putnam) 95.00
- Boyd E. Napier (Wayne) 80.00
- William H. Ray (Cabell) 75.00
- Ira Abel Boggs (Clay) 90.00
- Jesse E. Morgan (Kanawha) 85.00

$100–$150:
- Frank J. Sanderbeck (Marion) 125.00
- George W. Mathis, Jr. (Kanawha) 125.00
- Frank H. Carte (Cabell) 125.00
- James C. Short (Kanawha) 125.00
- George W. Heater (Kanawha) 100.00
- Elouise C. Ray (Kanawha) 105.00
- Thomas N. Lewis (Marion) 100.00
- Justus Stalnaker (Kanawha) 100.00
- George A. Scherer (Kanawha) 100.00
- Paul K. Shultz (Kanawha) 135.00
- Johnnie Holt (Cabell) 100.00
- Effie D. Davidson (Cabell) 130.00
- Willie K. Fry (Wayne) 130.00
- George E. Sayre (Mason) 130.00
- Eugene Knowlton (Jackson) 110.00
- Allen M. Meador (Cabell) 115.00
- T. Francis Fitzgerald (Cabell) 125.00
- Herman O. Layne (Mason) 115.00
- Flavil K. Smith (Lincoln) 130.00
- Gladys F. Papole (Cabell) 110.00
- Charles Kidd (Marion) 135.00
- Marjorie G. Zelt (Marion) 100.00

$150–$200:	
John J. D'Amico (Monongalia)	$150.00
Charles D. McDonald (Marion)	150.00
William D. Sigler (Marion)	150.00
Bert M. Castle (Logan)	150.00
R. L. Kelly (Kanawha)	150.00
W. F. Bowman (Kanawha)	150.00
James P. McNutt (Harrison)	150.00
Omer R. Lyons (Cabell)	150.00
John C. Lee (Hardy)	175.00
Enoch H. Vickers (Monongalia)	180.00
R. Kemp Morton (Kanawha)	150.00
Glenn A. Jolliffe (Wetzel)	165.00
Louise Snodgrass (Roane)	175.00
Helene Z. Wilson (Cabell)	150.00
Claro L. Fizer (Cabell)	175.00
Carl A. Hopkins (Harrison)	175.00
$200 and over:	
Gerald E. Carte (Cabell)	200.00
Henry Clay Cox (Kanawha)	200.00
Earl A. Goodall (Kanawha)	205.00
George E. Rhodes (Kanawha)	200.00
Charged to State-wide projects (county where check received noted)	
$75–$100: Bernice Canfield (Randolph)	$90.00
$100–$150:	
Blanche W. Sonner (Randolph)	125.00
William T. Brice (Ohio)	135.00
Iney U. Griffith (Tucker)	120.00
Teresa Kossuth (Ohio)	130.00
$150–$200:	
W. Burl Van Horn (Randolph)	175.00
Lillian Yeater (Preston)	150.00

The United States and World Peace

EXTENSION OF REMARKS

OF

HON. SHERMAN MINTON

OF INDIANA

IN THE SENATE OF THE UNITED STATES

Monday, July 31 (legislative day of Tuesday, July 25), 1939

ADDRESS BY HON. PAUL V. McNUTT, JULY 30, 1939

Mr. MINTON. Mr. President, I ask to have printed in the Appendix of the RECORD an address by Hon. Paul V. McNutt delivered on International Peace Day, World's Poultry Congress, Cleveland, Ohio, July 30, 1939.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

I have just come from the other side of what was once known, with some justification, as "the good earth," but what has earned in recent years the title "the tragic earth." The reason for this change may be found in the failure to answer a question, which one of the wise men of this generation put several years ago—"Why is it that we human beings succeed so much better in conquering nature than in conquering human nature, in dealing with things than in dealing with ourselves and with one another?" The first step in answering such a question is to find the actual ways men contract the disease called war and the actual methods by which they achieve the health called peace.

In this tormented, confused, deluded, bewildered, and bedeviled world today the prayer of every sane man is for peace, peace at home and with all peoples. Shortly after what we thought was the last world war, one of the seers of this century said that what he feared was that America would refuse to take the position of leadership for which she was so eminently fitted both as to resources and ideals. A leader leads by precept, and what is far more important, by example. We have said that all nations should, through voluntary self-restraint, abstain from use of force in pursuit of policy; that all nations should seek to adjust problems arising in their relations by processes of peaceful negotiation and agreement; that all nations should uphold the principle of the sanctity of treaties and of faithful observance of agreements and that each nation should respect the rights of others and perform scrupulously its own obligations. If these professions are to be practiced by nations, which are after all organizations of individuals, they should be practiced by the individuals as well. If we are to lead the way to peace we must practice peace at home. We do not find peace in the abstract. We find it by living and acting it.

This gathering has, it seems to me, adopted a fitting symbol of peace and international cooperation. It is constructing a garden made up of earth from all of the various constituent countries. Men may and do differ about policies. But the earth is always one.

It is also fitting that this gathering should take a definite and distinct interest in world peace. In discussing that topic, I claim to have a particularly vivid interest. I speak as a member of the American Legion, and there are here gathered many of my comrades. To us the making and the keeping of peace are more than words, and I feel justified in talking with some bluntness.

The first duty of the United States, as indeed of any nation, is to itself. Rightly and properly, our Government has made as its first objective the preservation of our national security, our freedom, and our peace. Patriotism requires this, common sense exacts it.

But having said so much, it must be obvious that helping ourselves necessarily includes helping to create a situation in which peace can be maintained. Unless the foundations for peace are well and solidly laid we are continuously in danger. We are preeminently a peaceful people, with a peaceful history. Our foreign wars have been infrequent and, saving for the Revolution which gave us birth, of short duration. We have not used the intervals of peace to organize ourselves for war. We do not have fortified frontiers, huge standing armies, or compulsory military service in times of peace. Our schools are not filled with war propaganda, nor is war and conquest the ideal of national thinking or the goal of national policy. The result has been to release American energy for the greatest peace development known in the modern world. We like this way of life and we propose to continue it.

In the Lincoln manner we can say that today the world is engulfed in a controversy testing whether any nation dedicated to peaceful ways of life can long endure. The contest is really a war in all respects except the progress of actual military operations. There is no point in not stating the facts.

There are under arms in Europe and in Asia about as many men as there were in 1917. The armies are fully concentrated and in the field. Trench lines are manned in western Europe, mobile armies are concentrated in eastern Europe and in Asia. Fleets stand over against each other in the Mediterranean and the North Sea. Preparations for air warfare on a scale undreamed of during the World War have been fully made. Every resource of propaganda and diplomatic intrigue is being used. Never in history has such a mobilization resulted in anything except in battle.

In this armed camp certain nations openly, even brutally, state that their aim is war unless peace is bought by surrender. Certain other nations, like ourselves, only desire to keep the peace. To them or any nation even a victorious war can only be a catastrophe; the best they can hope from it is to maintain themselves.

American policy in this dangerous and difficult situation is now squarely before the public. The debate came up on the issue of the Neutrality Act. The arms embargo, as such, is, of course, relatively insignificant; modern wars are fought mainly with machines, oil, chemicals, and every other known kind of materials. But it has served to present the issue whether we can withdraw from the entire current of world affairs, even though the rest of the world sinks into the disintegrating chaos of a general war. The opposite course must of necessity assume a policy which patiently and cautiously endeavors to contribute to the fabric of world peace, the reestablishment of decent world economics, the increase of respect for treaties and pledged faith; and an ultimate world of order under international law. Both sides are presented; and I may perhaps legitimately express my own view.

The United States is not responsible for international settlements outside the New World, and even less for the methods by which any nation chooses to govern itself. We do have an interest, however, first, that other countries shall not attempt to force their political doctrines on us; second, that in solving their difficulties they do not precipitate the world into a war, which necessarily will affect the United States economically, if indeed we can avoid being embroiled in actual military conflict. For that reason, those countries which take the same view of peace that we do—those countries whose interest likewise is to avoid a world conflict—happen to have for the moment an interest which helps us. In asking any country to defend the peace, or in assisting it to do so by exerting a steady influence in favor of nonwarlike powers, we are not assisting that other country as much as we are assisting ourselves.

The extreme isolationists suggest there is another way of maintaining our peace. They tell us that we could and should draw a line around the New World, including Hawaii, and reorganize that New World on a basis of self-sufficiency. We could, theoretically, make a self-sufficient hemisphere; and we could then let the rest of the world descend to any kind of cataclysm into which it cared to drift. This plan is possible, on paper at least, and many honest Americans think that it should be tried.

But our isolationist friends do not tell the other side of the story. The resources of this hemisphere, and particularly of South America, are an integral part of the economic life of the Old World. For a solid century designs and intrigues to absorb a part of the New World into European or Asiatic political systems have been attempted; they have been prevented principally by our Monroe Doctrine. If we wish hemispheric isolation, we must recognize what it really means.

Isolation means at least trebling our present Navy, for we should have the coast lines of two huge continents to defend. It means maintaining a military establishment capable of putting a protective expeditionary force into any part of the New World at any time. It means abandoning many markets for our agricultural products. It means putting two-thirds of the cotton-producing South out of action. It means the end of much of our wheat- and cattle-producing West. It means the reshifting of a great part of our population and stagnation in many, if not all, of our manufacturing centers in the industrial East. Foreign trade is less than 10 percent of our total trade; but that trade is the key to a great deal of what

we do. For instance, substantially all of our rubber comes from the Far East. Cut off that trade and ask yourself what happens to the automobile industry in the United States. The attempt to build a wall around the New World means an upheaval in the United States almost as great as a war itself; only wars do end, whereas this process would wreck a generation. I have altogether left out of account a great far eastern people, the Philippine Commonwealth, to which we have obligations of honor and good faith, and to which I am personally bound by many ties of sincere interest and affection.

I do not wish to play the role of Jeremiah, but I must point out that we may, of course, be driven to the form of life just outlined: To a lower standard of living, a militarist country, and the crushing burden of defending the New World. But it is the last thing that we should do. It is to accept defeat; to surrender outright to the militarist ideal. The word "surrender" has not yet been learned by America. It must never be.

Let me also, as a member of the American Legion, add another consideration. If the United States in particular and the New World in general is to endeavor to defend itself and live by itself, we have to consider where the line of defense really is. In the days of sailing ships, we might draw a line 3 miles out to sea. With the advent of the modern navy, the line moved farther out. Now that aircraft have been developed, a naval carrier 400 miles out can release planes capable of bombing our coasts and returning to their starting points. Within a few years air squadrons may leave European islands like the Azores, bomb Washington or New York, and return to their base. Yet air development is still in its infancy.

I know, of course, that the Western Hemisphere cannot be conquered by the air. What can be conquered, however, is the thing we prize most: Our peaceful way of life. For, if the world is dedicated to war as a means of carrying on its affairs, we shall have to go into the whole dreary business of military organization which has cursed the continent of Europe for a thousand years. We shall have to ring our coast cities with aircraft guns; train our children to keep gas masks by their beds; build bomb-proof shelters and evacuation areas near every substantial town. That is how all Europe lives at this minute. Our real stake in the current controversy is whether we spend the next two or three generations in a militarized America or whether we can preserve America in the classic pattern of a great democratic republic of peace.

We do not have the simple question of minding our own business. I wish we did. We have the question of whether we will keep quiet while other people mind and mould our own business for us. And that, as I think everyone will agree, is a radically different question.

What, then, must be done if the United States is to make an active contribution to peace?

In this tempestuous world the United States has steered a serene and purposeful course. That course has been clearly and capably outlined by Secretary Hull on many occasions, and particularly at Nashville a year ago in a paragraph which should be repeated:

"At this crucial juncture of history it is our Nation's duty to itself to make its appropriate contribution toward preservation and advancement of the principles of international law and of the orderly and cooperative processes of international relations, which have evolved with, and have in turn promoted, the development of civilization. Toward that end we should maintain and strengthen our own adherence to the principles and processes of international law. We should exert all moral force of which we are capable toward influencing other nations to work for the same end and to accept and employ the civilized practices of pacific settlement in connection with such controversies as may arise among them. We should be prepared to aid in every practicable way resort to such peaceful means of settlement. Within the limitations of our traditional policies and without entangling alliances or involvements we should cooperate sincerely and resolutely with like-minded nations working toward the same goal toward which we ourselves are striving."

President Roosevelt summarized the attitude last April in his Pan American Day speech in a concise statement:

"We have the right to say that there shall not be an organization of world affairs which permits us no choice but to turn our countries into barracks, unless we are to be vassals of some conquering empire."

I am convinced that the bulk of the American people, surveying the international scene, stand squarely behind this policy; that they have no faith in endeavoring to be like Ishmael, with their hand against every man's and every man's hand against them; that they realize that their peace can never be safe so long as any nation or group of nations is at liberty to stage a raid upon any part of the earth not surrounded by a wall of steel.

Under the American system of peace, conquest is not only immoral but ridiculous, for the economic necessities of any country can be fully satisfied in friendship and by reasonable agreement; while the sovereignty of all is respected.

In the modern world—the world of aircraft, of chemicals, of machines, of economic pressures, of propaganda, of long-range influences—any major country which dedicates itself to conquest threatens not merely the United States as such, but the kind of world which makes the American way of life possible. Any nation which seriously seeks to seize and monopolize any considerable share of natural resources, or of the lives and trade of human beings, upsets the peaceful fabric in which alone the American ideal can flourish. American life in a world at war, even though we stay out of that war, is not the same as life in a world at peace. This is why those of us who are engaged in public affairs, and all of us who are here gathered, must pledge ourselves to an active search for an enduring peace: Not peace by surrender and flight, but peace by cooperation. The world knows that we can defend; let it also know that we claim our sovereign right, with all other peace-loving nations, to insist that none has a right to impose on us, or any of us, the anarchy of savage times.

This is one reason I welcome the gathering today, representing, as it does, the cooperative processes of nature and fertility, symbols of a tranquil world, a world of peaceful order and repose. God grant that such a world may emerge from the tragedy of this age. Hear, O Lord, our prayer: Thy kingdom come, Thy will be done on earth as it is in heaven.

America and World Peace

EXTENSION OF REMARKS

OF

HON. HOMER T. BONE

OF WASHINGTON

IN THE SENATE OF THE UNITED STATES

Monday, July 31 (legislative day of Tuesday, July 25), 1939

ARTICLE BY STUART CHASE

Mr. BONE. Mr. President, I ask unanimous consent to have printed in the Appendix of the RECORD an article on the United States and World Peace, entitled "Civilization in Our Keeping?" by Stuart Chase, published in Common Sense for August 1939.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

[From Common Sense for August 1939]

CIVILIZATION IN OUR KEEPING?—BEING THE ONLY POWER THAT HAS NO CAUSE TO FIGHT, AMERICA HOLDS THE FUTURE IN HER HANDS

(By Stuart Chase)

The United States is unique and alone. We are the only great Nation on earth which can afford the luxury of free decision between war and peace. We do not have to act as less fortunate nations are forced to act. Our statesmen do not have to imitate the policies of other countries in respect to war, alliances, foreign trade, loans abroad, life lines to colonial empires, outlets for surplus populations.

Take a map of the world and look at England, Japan, Germany, France, Italy. What do you see? You see that the first two are islands, and not especially large islands. You see that the last three are fragments of the continent of Europe, with boundaries which have no particular economic justification. You could put any one of them comfortably in the State of Texas. You could put all the 24 sovereign nations of non-Russian Europe in the United States, and they would take up only two-thirds of the area.

We are not a nation in the European sense at all. We are an integrated continental area, protected by 3,000 miles of salt water on one side and 5,000 miles on the other, beyond the reach of the best of bombing planes for years to come. Iowa cannot go to war with Nebraska. New York cannot raise a tariff wall against Connecticut. No State has a suppressed national minority demanding self-determination. We cannot take much credit for this condition. It is our good luck.

Suppose the United States were like Europe. Then we should have some 20 or 30 independent nations on our territory, each trying desperately to make its own economic position more secure at the expense of the rest. Half of them would be ruled by dictators. The free city of New Orleans, for instance, and the Mississippi corridor back of it would be a powder mine, ready to drench the continent in blood. There would be Maginot lines along the Ohio, the Missouri, the Colorado. Nations in the interior would be plotting for access to the sea. New England would be arming against New York to regain control over Long Island, a territory which had changed hands six times in the last century. We should owe an annual armament bill of $15,000,000,000. Every man, woman, and child on the continent would be fitted with a gas masks. None of us would sleep well at night, listening for sirens and bombers.

We can admire the people of Europe, and still be sorry for them. They have not got together since the fall of Rome. They have been marching, fighting, recarving their boundaries for 1,500 years. Their present political structure is unsuitable to the power age. No one nation has adequate natural resources inside its own boundaries, and few are on good enough terms with other countries to be sure of importing what they need. When they fight it is for economic motives far more acute than any conflict of ideologies. Modern Europe presents a terrible problem in political and economic anarchy. The only answer lies in some form of economic unification.

The people of Europe may have to fight before they can think. We have time to think. We can wait. We can choose a course.

We have achieved economic unity in North America. As a result we are the strongest Nation on earth today, the most productive, the most democratic, and the luckiest.

Compare this country with England. England's food supply might suddenly be cut at sea, and in 6 weeks the British people would begin to starve to death. The British economy depends on swapping manufactured products for food and other raw materials. We have no such dependence. We are not only a greater industrial country than England, but we have so much food that our farmers cannot get rid of it. Ours is a problem of abundance; theirs is a problem of threatened scarcity. In respect to major resources the United States is in an entirely different class from any other country—with the possible exception of Russia.

Assuming that the United States is prepared to defend the Western Hemisphere and keep its trade routes here open, the only serious shortage is natural rubber, now imported largely from the East Indies. Rubber is elastic in all senses, including the time factor. We can store it or wait for it much longer than we could store or wait for some necessary foods. If worse came to worst, it could be manufactured synthetically by the Du Pont process. The cost would be somewhat higher, but less than a few days of war would cost. Again, Brazilian rubber can be developed to serve the needs of the Western Hemisphere. Again, if we have our wits about us, we can swap some of our surplus wheat and cotton for stock piles of rubber as a reserve against war, a sensible procedure already inaugurated by the administration.

There are no imports from Europe which are absolutely vital to our well-being. No significant industries are as dependent upon European imports as they were at the outbreak of the World War. If these imports were shut off, the chief sufferers would be traders whose interest is vested in the import business, and consumers of such luxuries as French lace and English leather goods. If the import of shoes from what used to be Czechoslovakia were shut off, thousands of shoe workers in Brockton, Haverhill, and Lynn would go off relief and onto factory pay rolls.

One of our chief imports from Asia is Japanese silk. Already two great factories are nearing completion in this country which will manufacture a fiber stronger than silk, equally lustrous and made from air, water, and coal. The Japanese silk trade is doomed, war or no war. Our export business is now running at the rate of 4 or 5 percent of the national income. The domestic market absorbs 95 percent of all our output. Would we go to war for this beggarly 5 percent? I do not want to see my boy sailing away to die in Europe or Asia for a trade which I know, and can prove, is not vital to the American continental economy.

Going to war to protect our investments in the Old World need not be argued. The sad facts since 1914 make such argument ludicrous. During the war, we loaned $10,000,000,000 to our allies. They have not paid and do not intend to. Since the war we have loaned some $14,000,000,000 more to governments and private parties abroad. It is estimated that when the books are balanced, $10,000,000,000 of this "investment" will be in default. That makes $20,000,000,000, more or less, of American products shipped abroad for which nothing has been received in return. In effect we gave away our soils, minerals, oil reserves, manufactured goods.

Our present investment in China is only $132,000,000. Harry Hopkins used to spend that amount in a month when he put his mind to it.

Our foreign trade and our foreign investments are no reason for war. But there are two grave economic temptations that might lead this Nation to fight. Both seem to me contemptible, and I shall state them without gloves on.

1. Shall we kill a million boys to give a temporary boom to business? Businessmen themselves are questioning the value of this shot in the arm. 2. Shall we kill a million boys to give our excess savings an outlet in war investment because we are too stupid to find adequate channels in peace investment? Shall we send them to die because it is easier to finance death and destruction than to finance life and construction—easier to forget the metaphysics of balanced budgets in wartime than in peacetime? These bloody and cowardly paths out of business depression are not good enough for me, and I profoundly doubt if they are good enough for the majority of the citizens of America.

There is then no compelling economic motive that would force us to war. Are we immune to the ideological struggles of Europe?

It is widely alleged that if hostilities break out in Europe it will be the democracies against the dictatorships. The United States is a democracy, and accordingly it should join with brother nations to crush the menace to liberty and freedom which the totalitarian idea presents. This is an appealing argument, but, being almost entirely verbal and abstract, it collapses at the touch of realistic consideration.

The line between democracies and dictatorships today is blurred. It changes with every morning's headlines. Our allies in any new war for democracy are likely to include some astonishing democrats. Mr. Stalin, that great defender of the Bill of Rights, may be with us, together with the dictators of Poland, Rumania, Greece, and Turkey; nor is it altogether impossible that we might wake up some fine morning to find Mr. Mussolini, the founder of fascism himself, in bed with us. Many observers expect Italy to double-cross the German axis as it did in 1915. England and France are democracies of sorts, but their empires were seized by military aggression, and the peoples they conquered do not all enjoy the blessings of democratic rule. Is it our ideological mission to help Britain sit on India?

Again I cannot follow the people who, like Lewis Mumford, see "fascism" in the form of the Devil incarnate, as real as that Satan whom Luther observed crawling through his window. To them it is a thing, walking, worse than war, which has hit the world like the Black Death; a monstrous evil spawning suddenly in the minds of evil men. I don't believe in the spontaneous generation of either the bubonic plague or the practices labeled "fascism." I see loathsome practices in Germany and Italy. I see practices only a little less loathsome in other countries. I see other nations, for instance, the Poles, persecuting minorities, especially Jews.

For any nation to engage in war now for ideological reasons is a kind of ceremonial suicide. It is like the Chinese who hang themselves in protest against some public action. They have no assurance that the action will be changed, but they have every assurance that they themselves will be quite dead. Into this cockpit we need not go, and there is no mercy which we can extend if we do go. We simply join, with the wooziest of motives, the suicide club.

The effects of the next war will include some we can hardly imagine, because the weapons of that war are almost beyond our imagining. The civil war in Spain was not even a dress rehearsal. The treaty which will end that war—if anybody is left with a hand steady enough to write a treaty—is still further beyond prediction. The idea that after that war Hitler will move on to world conquest strikes me as the wildest kind of hysterical guessing. A better guess is that Hitler will be dead or in exile, and all Europe too prostrated to think about further conquests for a generation.

We have no territorial ambitions; no surplus population to be exported; no driving need for a place in the sun. We have no yearnings for military achievement; no traditional enemies; no revanche to appease. We do not need to go totalitarian. We do not need flags, swastikas, Klieg lights, goose-steppers at the salute, military mobilization to show the world how strong we are. The world knows how strong we are. We are fortunate above all others and unified above all others. Therefore, in a sense we have civilization in our keeping. The responsibility is passing from the Old World to the New. We may not be worthy of it, but we are getting it by default.

If we are only going to play power politics with the rest of the world, we do not deserve this trust. And if we fight, we shall throw away not only our chance to lead the world but the best of the civilization we now possess.

The Secretaries of State

EXTENSION OF REMARKS

OF

HON. KENNETH McKELLAR

OF TENNESSEE

IN THE SENATE OF THE UNITED STATES

Monday, July 31 (legislative day of Tuesday, July 25), 1939

EDITORIAL FROM THE NASHVILLE (TENN.) BANNER OF JULY 29, 1939

Mr. McKELLAR. Mr. President, I ask unanimous consent to have printed in the Appendix of the RECORD a very excellent editorial published in the Nashville (Tenn.) Banner of July 29 entitled "Our Cabinet Premiers," dealing with the history of our various Secretaries of State, and particularly with the fine record made by our present splendid Secretary of State, Cordell Hull.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

[From the Nashville (Tenn.) Banner of July 29, 1939]

OUR CABINET PREMIERS

The one hundred and fiftieth anniversary of the founding of the State Department was an occasion of note from a historical viewpoint, but it was observed without ceremony at Washington yesterday.

The expansion of the proportions of this branch of the Government has been a reflection of the growth of its importance. When Mr. Jefferson assumed the first portfolio of State, his office requirements did not exceed the capacity of two rooms in New York. Today there are 1,000 employees in Washington alone and several thousand scattered in headquarters throughout the world. Relations are now maintained with 59 nations.

It is doubtful if as many delicate problems affecting the foreign relations, commerce, interests, and rights of this country were ever confronted at one time by the Department of State as those which now challenge the attention of the white-haired, poised Tennessean.

The Secretary of State has always been recognized as the premier of the Cabinet, and the high distinction that has attached to it accounts for the presence of so many illustrious names upon its roll.

Forty-seven men have held this high office since its establishment in 1789. The Department of Foreign Affairs had been

created by Congress July 27, 1789. John Jay, who had held the position of Secretary for Foreign Affairs since his appointment by the Ninth Continental Congress in 1784, left it in September 1789, when the Supreme Court was established, with him as Chief Justice. On September 15, 1789, Congress changed the name to the Department of State, and Thomas Jefferson, then Minister to France, was appointed the first Secretary by Washington, September 26 and took office March 21, 1790.

Six Secretaries—Jefferson, Madison, Monroe, John Quincy Adams, Van Buren, and James Buchanan—became President. It was the life dream of four Secretaries to reach the White House, and they repeatedly battled, over a period of three-quarters of a century to reach the Nation's highest office, but Fortune baffled their ambition. Webster, Clay, Blaine, and Bryan composed this great quartet, one of them thrice the nominee of his party.

Some of the greatest diplomats, statesmen, jurists, and orators whom the Nation has known held this portfolio. Among the more distinguished names on the list, besides those noted, were Edmund Randolph, John Marshall, Edward Livingston, William L. Marcy, William M. Evarts, John Sherman, Lewis Cass, Edward Everett, and Elihu Root.

Virginia, with six sons, led all the States in the number who headed the State Department, but none has come from the Old Dominion since 1843.

Eleven Secretaries were from New York, nine of them appointed since the war between the States.

More than a century passed before a single Secretary was chosen from Ohio, the first being John Sherman, in 1897; but the next two in succession were also from that State. Though Presidents have been taken from that populous and important commonwealth, the only three Cabinet premiers in the history of the Government who were citizens of Ohio when chosen were Sherman, William R. Day, and John Hay, whose combined period of service, it so happened, did not exceed 4 years.

Virginia, Kentucky, Louisiana, Georgia, South Carolina, Maryland, and Tennessee are the only Southern States to have furnished this member of the Cabinet, and by somewhat curious freak of political history all the 47 Secretaries since the foundation of the Government have come from 20 States, there being 28 States which have never been thus honored.

Mr. Hull is not only the only Tennesseean who ever became a Cabinet premier but he is the first one to come from the South in nearly a century, the last from this section being John C. Calhoun, whom Tyler appointed in 1844.

The present head of the Department of State of the world's foremost Nation unquestionably preserves and honors the highest traditions of the great office. His character and ability command a world-wide respect and confidence. It has been conceded for years that he was the preeminent figure in the Roosevelt Cabinet; and is extensively discussed in connection with the Presidency.

Diamond Jubilee of Cigar Makers International Union

EXTENSION OF REMARKS

OF

HON. JAMES M. MEAD

OF NEW YORK

IN THE SENATE OF THE UNITED STATES

Monday, July 31 (legislative day of Tuesday, July 25), 1939

RADIO ADDRESS BY HON. JAMES M. MEAD, OF NEW YORK, JULY 28, 1939

Mr. MEAD. Mr. President, I ask unanimous consent to have printed in the RECORD remarks made by me over the radio at the Raleigh Hotel, Washington, D. C., on July 28, in connection with the seventy-fifth anniversary of the Cigar Makers International Union of America.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

In accepting the honor of appearing on the program of the notable occasion—the Diamond Jubilee of the Cigar Makers' International Union of America—there are so many things that might be alluded to in the history of this remarkable union, in the careers of the outstanding leaders which it has contributed to the organized labor movement of our country and the part taken by it and by these leaders in the great struggle of labor.

It can be said that this union has suffered from and taken part in the mechanical revolution in American industry to a degree not exceeded by any other skilled craft. When this revolution acquired momentum the cigar maker was one of the most highly trained and individualized workers in America. Now, machine production has largely invaded that field, but with the indomitable spirit of their founders and their successors, the cigar makers have met this challenge, have rescued and maintained the working conditions of the still large portion of handworkers in the industry.

Along with this, and marching with such other splendid unions as the typographical trades, they have made a tremendous contribution to their members and, more particularly, to the public generally. The union has put an end to sweatshops and insanitary conditions of employment to such a degree that the cigar maker of today has actually doubled his working life—from 20 years in the old days to 40 years now

Another contribution—and this of historic significance—is the part taken in the struggles of the seventies and eighties for shorter hours of labor. As might be assumed, with such great figures in their ranks as Sam Gompers and George W. Perkins, the cigar makers were the shock troops of the 8-hour movement. In this period, when we are struggling to stretch dwindling work opportunities to cover mounting thousands of workers, the tremendous significance of that contribution looms with increasing force.

No one can approach a discussion of the cigar-makers' union without a word concerning the man who, more than any other, typifies the American organized-labor movement.

An immigrant, coming to this country from England in his youth, entering what was at that time one of the most cruelly exploited and underpaid crafts in industry, fighting against every handicap for the bare necessities of life, while at the same time carrying the banner of a vision which he lived to consummate—a labor movement built upon the sound foundation of enduring principles and upon equally high and enduring ideals.

Sam Gompers, symbol of American labor's hopes and aspirations, the cigar maker, for many years a member of this union, was, so far as it lies in the power of any individual to claim that honor in an institution founded upon the ideals of democracy and enduring by the devotion of its individual members, the founder of the American Federation of Labor.

I might pause to mention others; George W. Perkins, a president of the cigar makers and close counselor and associate for many years on the executive council of the American Federation of Labor.

I must not neglect to speak of one who yet carries on, also a former president of this union, I. M. Ornburn, secretary of the powerful and rapidly expanding label-trades department of the A. F. of L.

We should not fail also to speak of the fine contribution to this union and to the labor movement which is being made now by the present officers of the union, worthy successors of their illustrious predecessors: R. E. Van Horn, president; Manuel Gonzalez, Maurice Simons, William M. Brandt, Charles E. Rholer, A. P. Bower, and John R. Ograin, vice presidents. All of them, as might be expected, are present here this evening.

A diamond jubilee typifies in these hurrying and evolutionary times one of the most dramatic and significant periods in human history. The diamond jubilee of one of the outstanding factors in the greatest development of this period, the material advancement and the spiritual, legal, and social establishment of the common people, the wage earners of our Nation, is, by that token, an event in which I, a son of a wage earner, a wage earner myself, and a lifelong member of organized labor, am proud to participate.

Conscription in Case of War

EXTENSION OF REMARKS

OF

HON. BURTON K. WHEELER

OF MONTANA

IN THE SENATE OF THE UNITED STATES

Monday, July 31 (legislative day of Tuesday, July 25), 1939

ARTICLE BY CABELL PHILLIPS AND J. D. RATCLIFF

Mr. WHEELER. Mr. President, I ask unanimous consent to have printed in the RECORD an article entitled "M-Day and After," by Cabell Phillips and J. D. Ratcliff, condensed from the American Legion magazine. The article relates to conscription in the event of war.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

M-DAY AND AFTER

(Condensed from The American Legion Magazine)

(By Cabell Phillips and T. D. Ratcliff)

There is a group of men in Washington today who spend all their time thinking in terms of M-Day, the day of mobilization. If the United States were to go to war tomorrow they would be ready. In their files is an already written law with which they could conscript 10,000,000 men. They have placed sample registration cards for the draft in every State capitol—ready to go to the printer on a moment's notice. Millions of Americans are totally unaware of this vast machinery which has been set up by the Joint Army and Navy Selective Service Committee—and of how quickly and profoundly their lives might be changed by it.

When Henry Putty, Oklahoma City garage mechanic, for instance, reads the electrifying headlines in his evening paper on the fateful day, he may tell himself that he had seen it coming

But until that moment war had probably seemed to him only a distant threat, and his own involvement even more remote. He reads the President's speech before the joint session of Congress. But the significance of another news item escapes him. Immediately after voting to go to war, Congress unanimously passed the Selective Service Act.

It would be annoying to Henry if he knew how completely that act has planned his life for him. But, of course, he doesn't. He has never had access to that 32-page mimeographed document, the Selective Service Law; nor to the thousand and one other details of the plan that affect him. Let's accept Henry as 25, unmarried, living with self-supporting parents—the representative of 10,000,000 American men—and see what happens to him.

The morning after declaration of war Henry reads that the President will speak over the largest radio hookup ever put together, instructing everybody between the ages of 21 and 30 to report to his regular voting place to register for military service. The registration date is set for the next week.

During this intervening period there is an enormous blast of publicity. Posters go up: "Patriots Will Register—Others Must." Henry, knowing little about the mechanics of lithography, won't pause to wonder how these posters were produced with such magic speed. Nor will he notice the pattern that runs through all the newspaper feature stories. They are written in a highly patriotic vein, but each carries a threatening undertone, suggesting that serious things will happen to anyone who refuses to register. Henry dutifully reports on registration day.

Ahead of him in line is an uncombed individual with fierce black eyes, who begins to harangue those in charge about constitutional rights and the evils of war. He is stopped almost before he has started. The man behind the table starts reading from the regulations:

"If the prospective registrant is sullen or inclined to falsify, his attention should be called to the penal provision of the law. * * * If he is still refractory, the case is reported to the necessary police authority. * * * The registration must not be obstructed."

There are several policemen standing by. The registration proceeds.

Henry signs his card and is given a second card—for purposes of identification. He must be able to produce it at any time he is called on to do so. It carries the number 800, which means that he was the eight-hundredth man to register in his district. From the moment he puts his signature on that card he is subject to military law—all this, understand, by the time the war is 8 days old.

On this same day 12,000,000 other men have filled out cream-colored cards precisely like the ones Henry signed. The all-inclusive ritual extends even to jails and insane asylums. Four days later the lottery is announced. The newspapers say that the President will draw the first number capsule determining the order in which men will go into the Army, and they urge everyone to listen to the broadcast. If the President draws number 346, that means every man with this number on his registration card should prepare to leave at once. At his radio, Henry hears various numbers announced. And finally 800 is called, moving him a few more feet toward the front.

Five days later, Henry receives a long questionnaire which he is directed to fill out. The questions puzzle him. Does he have a wife? Is she self-supporting? What crops does he raise? Did he file an income tax last year, and does he own his own home? Henry fails to wonder how these questionnaires were ready so quickly. He has had no way of knowing that months were spent on devising questions which would extract a maximum amount of information and that master copies of the resulting questionnaire were kept in every State capitol ready to go to the printer when M-Day arrived.

Two days after mailing his questionnaire back to the local selective service board, which has miraculously sprung up, Henry is informed that he is in class I and should report to a designated doctor for physical examination immediately. Class I indicates that there is no reason why he should not be inducted into the military service. Class II would signify that he was engaged in some necessary work—like making shells or running a wheat combine. Class III would mean that he had a family dependent on him, and class IV that he had a glass eye or a cork leg.

Henry passes his medical examination and 9 days later is ordered to report to camp—along with some 300,000 other young Americans. A scant 30 days after the declaration of war, Henry Putty, garage mechanic, has become Pvt. Henry Putty. He can never get it quite straight how these things happened to him so rapidly. The answer, of course, lies in the fact that all preparations had been made in advance.

The Army learned a lesson in the World War when a feverish appeal to patriotism netted only 86,000 men in the first month. An Army of 3,500,000 was needed.

The 1917 Conscription Act was the inspiration of a tough young cavalry captain who sold the idea to his chiefs in that hectic spring and turned it out in 4 days. His name was Hugh S. Johnson.

Two months elapsed between the declaration of war and the first registration. More months passed before green recruits could be taught the fine points of trench warfare.

Such valuable weeks will not be wasted another time. The Joint Army and Navy Selective Service Committee has taken care of that. Once America decides to go to war it will go in a hurry.

From the central authority of the six-man board, composed of officers representing all branches of the military, organization extends downward to every county and hamlet in the country. Adjutant generals, normally responsible to the Governors of each State, bridge the gap between the War Department and the States themselves.

The adjutant generals have under them from 4 to 16 highly trained key men, drawn from the National Guard and the Army Reserve. They have prepared pin maps of all voting places, lists of election officials, and lists of men to sit on selective service boards, which will classify the registrants. One of these boards will be required for each 30,000 population—approximately 6,400 for the whole United States. Plans are complete even to the number of square feet of floor space required by the various agencies. M-day charts in each adjutant general's office indicate the exact steps to be taken by him after the declaration of war.

The men chosen to run the machinery of the draft attend regional conferences each year where for 2 weeks they discuss the details of getting civilians quickly into uniform. These regional conferences are supplemented by correspondence courses. A National Guard officer can substitute home work for drill. Monthly bulletins keep this skeleton organization constantly in touch with new problems as they arise.

The Adjutant General and his staff have astonishingly detailed information about even the most remote backwoods counties: the reading habits of the people and the publicity channels which will reach them. They know the number of men required for capacity production of the West Virginia coal mines, and who should therefore be "deferred"; and the men necessary to keep Detroit machine shops rolling at top speed.

The more than 300 men in the permanent and ever-enlarging selective service organization are not blind to the fact that there is a more widespread and articulate antiwar philosophy abroad today than there was in 1917. They are aware that many people have taken oaths against bearing arms. They know, too, that thousands and thousands of others just don't want to wear uncomfortable uniforms or be shot at. So every facet of the expansive art of ballyhoo will be turned full force upon each of these reluctant patriots. Three-minute speakers, chosen from lists already compiled, will break in on every radio and movie program. The likelihood is that by the time their numbers come up many objectors will have changed their ideas.

On local and State committees are advertising and publicity men, publishers, radio and motion-picture executives, and well-known free lances in the art of manipulating public opinion. With the arrival of M-Day they will set up the Public Relations Board, the third unit in the great wartime triumvirate. This unit's assignment is to "sell the country" on the other two, the War Resources Board, and the Selective Service Administration. It is needless to catalog the multiple devices by which a reluctant citizen can be "educated" to the point of making him acquiescent to the demands of military service. The science of propaganda today is nearly irresistible.

The purpose of all this is not only to get men in a humor to go to war, but also, as one officer bluntly expressed it, "to make men think they have the responsibility to push other men into recruiting offices."

Not even pacifists will escape this dragnet. But if a man is an honest-to-goodness conscientious objector (which up to now does not include takers of pacifist pledges or members of radical political parties) he will not be forced to bear arms. He will be placed in noncombat service behind the lines.

What to expect in the way of manpower from all this effort is indicated by "yield" figures, which reveal that of the 12,000,000 men between the ages of 21 and 30 approximately 3,000,000 will be available for immediate service. Although there are only 3,000,000 boys between the ages of 18 and 21, 2,000,000 of them can go. They are healthy, have fewer responsibilities, and are less valuable to industry than older, better-trained men. The group between 31 and 45 contains 13,000,000 men, of which only 2,000,000 will make soldiers.

In the aggregate, the machinery already set up is geared to produce 330,000 men every 30 days; or 4,000,000 every 12 months.

All the plans so far drawn are necessarily liquid; ready to meet conditions as they change. Every few months new flourishes are added to the Selective Service Law and changes are made in regulations.

Henry Putty may contemplate with whatever reactions are peculiar to him the military career which has been planned for him. The least he can say is that the plans are pretty complete.

The United States and the World War

EXTENSION OF REMARKS

OF

HON. WILLIAM E. BORAH

OF IDAHO

IN THE SENATE OF THE UNITED STATES

Monday, July 31 (legislative day of Tuesday, July 25), 1939

ARTICLE BY HON. GEORGE WHARTON PEPPER

Mr. BORAH. Mr. President, I ask unanimous consent to have printed in the RECORD an article entitled "Never Again,"

published in the American Legion and written by Hon. George Wharton Pepper, a former distinguished member of this body.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

[From the American Legion Magazine for August 1939]

NEVER AGAIN

(By George Wharton Pepper)

Doubt. Determination. Disillusionment. These three words tell the story of the relation of the United States to the "First World War." The fourth and final word cannot yet be written with certainty. It will, however, be either wisdom or folly.

Earlier modern wars in Europe and elsewhere had usually been duels. Two nations fought while the rest of the world looked on. Our War of 1812 with Great Britain and later our war with Mexico, our own Civil War, the Franco-Prussian, the Russo-Turkish, the Boer War, our War with Spain, and the Russo-Japanese conflict are typical illustrations. There was always talk about third-party intervention but it seldom came to pass. When our relations with Spain were strained to the breaking point the diplomatic representatives of six powers called at the White House in a vain effort to avert the war that was pending. They were politely but firmly advised to mind their own business. When recently the United States volunteered similar advice to Germany and Italy the response was just as firm but not as polite.

Most of these wars were of short duration. They ended either in a draw or in a decisive victory. Peace treaties were signed, some territory changed hands, new boundary lines were drawn, costs were taxed against the losers, and the wars passed into history.

When 1914 dawned a large section of the people of the United States had undergone a marked psychological change. As one result of the Spanish War and of the effective service rendered to Cuba, many of us had domesticated the idea that it was part of our business to right the wrongs of other nations even if they were geographically remote. As a consequence of the acquisition of the Philippines and other island possessions, we had gone "imperialistic." Easy intercommunication throughout the world had made it plausible to assert that all national families had now moved into one big apartment house, and that the day of staying at home was over. This assertion was widely accepted as a matter of course. Few stopped to reflect that the closer the international contacts the greater the importance of restraint in criticizing the conduct of others. When, therefore, in 1914 the several European powers plunged into war, the psychology of millions of Americans was such our voluntary participation seemed, even at the outset, to be by no means impossible.

As soon as the several European nations had exchanged warlike declarations, the United States promptly took a position of official neutrality. When, however, Germany invaded Belgium there were many Americans who at once proclaimed it to be our duty to resent the outrage and to go to war to punish the invader. Millions of Americans, especially in the West and Northeast, were slow to assent to this doctrine and there ensued a period of national doubt respecting the proper course for our Government to pursue. That this national uncertainty was popular with the majority was indicated by the reelection of President Wilson on the strength of the slogan, "He kept us out of war."

During this period Great Britain, upon the high seas, so often violated our rights as a neutral that, but for Germany's graver violations of international law, the cloud of an ugly Anglo-American rupture might have darkened the sky. Fortunately the British violations affected property rights only, whereas Germany inflicted irreparable loss by taking American lives. As time passed, public attention was focused upon the conduct of Germany. Finally the sinking of the *Lusitania* marked the end of the period of national doubt and made our declaration of war with Germany only a matter of time.

The question of why we went to war has been furiously debated. It cannot be answered satisfactorily without recognizing that motives were strangely mixed. Those who from the outset had advocated the participation of the United States welcomed the long-delayed opportunity to help friends and to chastise the Kaiser. In addition to this group there were millions to whom theretofore the war in Europe had seemed strangely remote.

When, however, American lives began to be taken the anger of these millions flared and they accepted war as a normal mode of expressing it. There was another group, relatively small at first, to whom the problem presented itself as a somewhat academic question of political science—the confrontation of Democracy by autocracy. To this group President Wilson belonged. To him should be given the credit, if it be a credit, of rationalizing national anger by interpreting our participation in the war as a noble attempt to make the world safe for democracy.

There was also in many minds the element of fear, in that the Kaiser's military program was popularly believed to include the ultimate subjugation of South America as well as the rest of the world. In February of 1917 the German Minister to Mexico was instructed from Berlin to propose an alliance between Germany and Mexico with the hope that Mexico would secure the active cooperation of Japan. The publication of these instructions aroused bitter American resentment and stimulated the House of Representatives to an overwhelming vote in favor of arming American ships. Nothing but a minority filibuster prevented similar action by the Senate.

Though legislative action was thus blocked, such a German policy, officially declared, had an immense popular effect. Whether it was all a bluff or whether the program was seriously contemplated is still under debate. Were it not that multitudes of sensible people today attribute similar programs to Herr Hitler and Signor Mussolini this apprehension might be regarded in retrospect as a form of hysteria. In October of 1917 the New York World published in map form a synthetic tabulation of various territorial claims advanced from time to time by German writers. "Obviously," wrote Newton D. Baker, "no such comprehensive plan of world conquest was ever adopted by responsible German statesmen." (Why We Went to War, p. 18.)

Nevertheless, such grandiose claims were taken seriously by so many Americans that the instinct of national self-defense must be included in the list of reasons why we went to war. Futile attempts have been made to hold munition makers and bankers responsible for our decision to fight. The most effective demonstration that this theory is baseless will be found in Secretary Baker's book just referred to (pp. 119 et seq.).

When the decision to take up arms was reached by Congress in April of 1917 national doubt was at once replaced by national determination. The well-nigh universal acclaim with which the President's war message had been greeted naturally made opposition to war intensely unpopular. The 6 Senators and 50 Representatives who voted against the declaration must be recognized in retrospect as brave men. At the time, however, they were accused of cowardice, as is apt to be the case when a minority attempts to stem the tide of popular determination.

Not every man now alive who wore the uniform of the United States in the World War can give a comprehensive account of all our war activities. His own experiences in his training camp and through the 584 days that intervened between April 6, 1917, and November 11, 1918, are of course engraved in his memory. For the rest, frantic preparations at home and actual operations abroad were on so vast a scale that perhaps even the historians have not yet been able to tell the whole story. Suffice it here to record the unquestioned fact that American determination which was enthusiastic at the outset became more and more grim as reality replaced imagination. The present writer has no certain way of appraising the sentiments of the men of the American Legion. His conjecture is that nobody values our American heritage more highly than they; that if this heritage was really endangered by the World War they are glad that they responded to their country's call; but that they never again can be persuaded that it is America's duty to police the world or to intervene in the quarrels of other nations.

After doubt, determination had come; but after determination came disillusionment.

The present well-nigh universal recognition of the folly of Versailles makes it hard to realize how near we came to national participation in it. The story of the conflict over ratification in the Senate of the United States is one of the most interesting in the annals of diplomacy. In an outcome which the writer regards as providential we declined to accept the fatal doctrine of "collective security" and refused to join in a guaranty of the artificial status quo which the Versailles Treaty so unhappily set up. The theory that the consequences of war can by collective action be made so terrible that no nation will dare to risk them is as unworkable a theory as has ever been boldly asserted and plausibly maintained. When the crisis comes collective international action becomes impossible both because opinions differ as to who is wrongdoer and because the several parties to the compact are found to have diverse interests.

Recent events in Europe are nevertheless relied on by some as a compelling reason for American intervention, even if this means war. It is said, as it was in 1914, that Germany's policy is hostile to the United States. Every weighty consideration leads to a wholly different conclusion. It is further said to be our duty to hasten to the support of Great Britain and France. There can be no such duty until we know precisely what the issue is and where the vital interests of the United States really lie. Certainly we cannot wisely issue even to the most friendly nations a blanket policy of reinsurance.

We must first know about and approve the risks they propose to assume and be made to recognize that reinsurance is, for us, a measure of enlightened self-interest. It is, for example, far from clear that Britain and France acted wisely in giving commitments to Poland in connection with the Polish Corridor and Danzig problems. The reshuffling of the cards has been going on for centuries in Central Europe. This is not to say that this ancient game has always been "on the level" or to deny that grave injustice has often been done. The point is that these successive new deals are not necessarily a justification for intervention by outside powers.

It is not the fashion of today to read ancient history for light on modern problems. Nevertheless an American citizen in 1939 might find it interesting to review the record of the relations between Rome and Carthage. After Rome had won the first round in what was in its day a veritable world war, oppressive terms were as usual imposed by the victors on the vanquished. When the latter had regained a measure of strength they decided to endorse the project of their great military leader, Hannibal, who planned to renew the war and carry it over the Alps into Italy. This he did.

Livy's account of what followed 2,000 years ago reads as if written today. "The hatred with which they fought," says the Roman historian (Livy, book XXI, ch. I) "was almost greater than their powers of attack; the Romans burning with indignation that

the conquered should dare to take up arms against their conquerors; and the Carthaginians likewise enraged because they believed that the conquered had been treated with supercilious arrogance and greed." Scipio, perhaps the best balanced of all history's military heroes (see A Greater Than Napoleon, by Capt. B. H. Liddell Hart), first turned the tide of battle by vanquishing Hannibal at Zama and then vainly sought to commit his countrymen to a policy of generous liberality toward the conquered.

How, opposing him, the vindictive Cato insistently clamored for the utter destruction of Carthage will be recalled by many schoolboys. Echoes of Cato's popular slogan "Delenda est Carthago"—Carthage must be blotted out—must have run through the council chamber at Versailles. Certainly its echoes are ringing still. As this article is being written (Memorial Day 1939. The incident referred to was the ejection of an important Roman Catholic prelate from his official residence) the newspapers are chronicling still another incident in Germany's international policy which will put patience to a further test. It is just another temptation to raise the cry "Delenda est Germania." It is to be hoped, however, that this incident will not bring a repetition on the part of high United States officials of intemperate and abusive utterances about German policy.

No matter how deeply we regret on the part of other nations acts of injustice and oppression, denunciation by our Government officials is out of order unless we seriously mean again to take up arms to redress the wrong. This we do not intend. Disillusionment has opened our eyes to the futility of an international policy of knight-errantry. It may safely be predicted that as long as the American Legion is a stabilizing force in American life the United States will make the most of our fortunate geographical position.

It has become with some the habit to apply the word "isolationist" as a term of reproach to those who insist upon capitalizing our position of natural advantage. It is recorded of James IV of Scotland that on the eve of the Battle of Flodden he forsook his advantageous position on high and rocky ground because he thought it unfair to subject the English cavalry to the consequences of an unequal fight. In the ensuing combat he perished and almost his entire army with him. It is to be hoped that in his last moments he had the consolation of realizing that at any rate he was not a selfish isolationist.

The truth is that the word "isolation" clamors for definition. Those who use it should explain clearly just what they mean.

If the term is applied to one whose offense is that he does not agree with his critic on some matter of policy, the critic's argument is not helped by a mere repetition of the word. The true question is, What is the policy under discussion, and is it right or wrong? If, on the other hand, the term denotes the decent reserve of a well-bred family in an apartment house, who neither intervene in their neighbor's quarrels nor shout denunciations through the keyhole, then the term is descriptive of one of the most desirable traits of civilized man. To talk with owl-like solemnity about the futility of "isolation" is neither creditable to the talker nor convincing to his hearers.

If, as a result of the disillusionment which followed the World War, we first determine that our proper policy is to make America strong and to shun war unless we are attacked, we are likely to make in this way the greatest possible contribution to the cause of civilization. It is something more than a coincidence that the Franklin penny (see resolution of Congress under the Articles of Confederation, July 6, 1787), the first coin minted under the authority of the United States, carried upon its face this homely and sagacious injunction: "Mind your business." It would be reassuring if the Congress were today to authorize the minting of a new coin bearing the slogan "Never again."

Hon. James A. Farley

EXTENSION OF REMARKS

OF

HON. GUY M. GILLETTE

OF IOWA

IN THE SENATE OF THE UNITED STATES

Monday, July 31 (legislative day of Tuesday, July 25), 1939

EDITORIALS REFERRING TO PUBLIC SERVICES OF HON. JAMES A. FARLEY

Mr. GILLETTE. Mr. President, I ask to have printed in the Appendix of the RECORD a number of editorials referring to the public services of Hon. James A. Farley.

There being no objection, the editorials were ordered to be printed in the RECORD, as follows:

[From the Scranton (Pa.) Times of July 20, 1939]

BUSINESSMAN FARLEY

Big Jim Farley is not only an A No. 1 political general but, it would seem, a business executive who can produce results. There is hardly any need to talk about Jim's ability as a rigger of political conventions and his ability to put his man across. President Roosevelt's nomination in 1932 and Jim's forecast of the outcome of the election in 1936 are the best testimonials of his ability as a political leader.

Not only is Jim chairman of the Democratic National Committee but Postmaster General as well. In the operation of the Postal System he has made a record which we doubt can be excelled in any period of the country's history. For the fiscal year ending June 30 the Postal Department shows a net operating surplus of $10,000,000. This is the fifth surplus reported by Mr. Farley during the 6 years of his administration of the Department. Without reducing the efficiency of the Department, Jim has quietly been cutting corners on expenses and is now able to show a record surplus.

Gains in revenue by the Department, he says, came from all over the country. Taking postal receipts as a barometer of business, Mr. Farley sees in them an indication of an upward turn in business. From the manner in which Mr. Farley has operated the postoffice, apparently we are looking at him too intently as a politician and overlooking his business qualifications.

[From the Burlington Suburban List, Essex Junction, Vt., July 6, 1939]

AIR MAIL TO TOWNS

Postmaster General James A. Farley, while in Vermont last week, made the statement that most of the small post offices would get air-mail service within the next 5 to 10 years. This is a pretty broad statement, yet Postmaster General "Jim" has an intimate knowledge of the Postal Service, and his statement would indicate that he has an advanced vision of the delivery of mail in the future.

It does not seem reasonable that the air-mail service will develop to the point where the small towns will be served. If it is done, there will have to be some sort of pick-up-and-delivery service such as the railroads did some years ago by "catching the mail on the fly." When that comes about, it will be another stab in the revenues of the railroads, and the trucks will also suffer, too.

The railroads today get millions of dollars for carrying the mail. If deprived of this revenue, there will necessarily be many less passenger trains and possibly the abandonment of many local railroad lines. Probably Postmaster General Farley has a keener insight into what mail service is going to be in the future than is generally understood.

[From the Crawford (Colo.) Chronicle of June 1, 1939]

THIS TRIBUTE TO HON. JAMES A. FARLEY

This little intimate story will, we feel sure, serve to reveal the kindly disposition of a great American citizen; one who although a member of President Roosevelt's Cabinet and also the Postmaster General of the United States, finds time to render little favors which prove that the heart of this outstanding public official beats in tune with the hearts of his fellowmen regardless of their position, wealth, religion, social standing, or political belief.

About 2 weeks ago Leslie J. Savage received a letter from one of his life-long friends telling him of an unjust report that had been circulated against one of Mr. Savages' boyhood friends who was employed in the United States Postal Department in a small town. Fears were felt that an effort would be made to get the Post Office Department to discharge this party. Knowing that Mr. Savage was a good friend of James A. Farley, these good people asked him to write to Mr. Farley and explain the situation to him and request that he see to it that no charges made against this party be allowed to stand unless they were backed by unimpeachable evidence. At the time this letter was received by Mr. Savage the newspapers reported that Mr. Farley was on his way from Washington to San Francisco to visit the World's Fair and attend the postal employees' convention to be held there. He immediately wrote Mr. Farley, addressing the letter to him at San Francisco. The letter, which was sent by air mail, did not reach San Francisco until after Mr. Farley had left there and it was forwarded to him at Cheyenne, Wyo., where it was delivered to him the night he made a speech there, which was May 23, 1939.

The next morning at about the hour of 7:30 a long-distance telephone call was made from Cheyenne, Wyo., to the cross-road town of Crawford, Colo. The Postmaster General of the United States was calling for the little town of Crawford, Colo., for the purpose of telling Leslie Savage that he had received his letter in regard to his friend and that his request would receive his personal attention and that immediately upon his return to his office in Washington he would personally see to it that no unjust reports made to the Post Office Department relative to this party would be allowed consideration. Mr. Farley requested Mr. Savage to notify his friend that he need have no fear of losing his job because of any unjust criticisms that might be filed against him.

Everyone who has given any thought to the vast amount of work done by Mr. Farley as Postmaster General and as a Cabinet member, knows that he is one of the busiest men in the United States. Many people who are intimately acquainted with Mr. Farley say that he is one of the hardest-working men in public life today; they say he works over 16 hours every day except Sunday. The reason he is able to stand up under such terriffic pressure is because of his perfect health and well-developed body. He does not drink, smoke, or dissipate in any way; is a

devout Christian and a home-loving man who places great value on doing the things that will be of service to his fellow man. That fact that this very busy man was willing to take time out of his overcrowded working schedule to give personal attention to the letter written him by Mr. Savage concerning a proposition that might mean the loss of a job to a man who lives in a small town many, many hundreds of miles away from Washington, proves beyond a doubt that James A. Farley has within his breast a big heart that responds to those things that are based upon justice and fair dealing between men everywhere. It is a gracious act on the part of this high Government official—one that is not only appreciated by the interested parties but likewise by all lovers of justice and fair dealing in this Nation and all other nations composed of God-fearing people.

We are glad to pay this well-deserved tribute to Hon. James A. Farley and other public officials—regardless of their political or religious convictions—who stand for the things Mr. Farley stands for with reference to serving his fellow man. May their tribe increase.

[From the Salt Lake City Tribune, May 23, 1939]

UTAH'S EMINENT GUEST WILL HAVE TRIPLE RECEPTION

There will be a triple reception today in Salt Lake City in honor of a distinguished visitor who is to reach the city this evening. As chairman of the national Democratic organization, James A. Farley will be greeted by both faithful and doubtful members of the party. As Postmaster General and head of the largest Government-controlled business institution in the world, James A. Farley will be entertained by Postmaster Smoot, president of the National Association of Postmasters, and by other appointees of the Postal Department from all convenient post offices in the State. As a prospective candidate for the Presidency next year, James A. Farley will attend and address a sympathetic gathering of several hundred leading citizens at a banquet scheduled for this evening in the Newhouse Hotel.

Generally recognized as one of the most active and astute politicians this prolific government of, by, and for the people ever produced, the genial gentleman who is an official guest until tomorrow's early train will carry him to Cheyenne, is always welcome, always enjoyable, always worth while. He sees everybody within the range of his vision, salutes everybody under the sound of his voice, and knows everybody he has previously met.

Although not officially or admittedly in the race for the next Presidential nomination and ostensibly still loyal to Roosevelt personally, if not to some of his pet policies, Farley is a force to be reckoned with by both major organizations, as he demonstrated 3 years ago.

With all his popularity the President will be helpless in any convention or campaign without the support or cooperation of "Sunny Jim." Roosevelt may have the rank and file behind him, but Farley has the organization and that is what counts in this machine age.

Salt Lake City will extend a cordial welcome to Postmaster General Farley, National Chairman Farley, and Candidate Farley while the quintuplets of Canada are being received by British royalty.

[From the Burlington Suburban List, Essex Junction, Vt., July 6, 1939]

CAPTURED VERMONT

Postmaster General James A. Farley came into Vermont one day last week and just about captured the State. He is no novice in appearing in public. Dignified and with commanding appearance he has a keen understanding of human nature and makes an indelible impression wherever he appears. The Democrats have taken strongly to the Postmaster General and he also made quite a favorable impression with the Republicans. It is doubtful if any other man in public life, even the President himself, would have been more cordially received. And "Jim" Farley has been traveling all over the country, meeting people just about the same as he did in Vermont, and is building up such a wealth of popularity that he will surely have to be reckoned with at the next Democratic National Convention. Should he get the nomination for President and campaign in Vermont to any extent, he might turn this State upside down. He is a man of tremendous energy, very likeable, yet under his skin he gave the impression of sincere sympathy in humanity.

[From the Erie (Pa.) Dispatch Herald of June 16, 1939]

WELCOME, MR. FARLEY

Erie is honored today by a visit from James A. Farley, the Postmaster General. Mr. Farley comes here as a guest of the Pennsylvania Postmasters' Association, meeting here in annual convention.

Although Mr. Farley is a member of President Roosevelt's Cabinet, as well as being chairman of the Democratic National Committee, there is no political implication to be found in his visit here. He comes here to talk to postmasters from every section of Pennsylvania, who, because of their position, are serving the communities in which their post offices are situated. Further, while here he will pay tribute to the memory of Eben Brewer, a Republican, whose monument in East Perry Square was erected by the postal employees of the country.

As Postmaster General Mr. Farley has done a good job. He has maintained the efficiency of his Department which reaches into every city, village, and hamlet in the country, and through the rural service to the farms and to every out-of-the-way place from coast to coast.

To Mr. Farley Erie should extend a hearty welcome. Actually he comes here as the guest of the State's postmasters; nevertheless, he is the guest of the city. The city should honor him as such and do everything possible to make his brief stay pleasant.

[From the Port Huron (Mich.) Times-Herald of June 6, 1939]

THIS OFTEN HAPPENS HERE

Probably nowhere else in the world than in America could there occur such an incident as that in Conway, Ark., last Sunday, when Postmaster General James A. Farley, a Catholic layman, received from Hendrix College, a Methodist institution, an honorary degree of doctor of laws.

We know well enough that the United States, unfortunately, is not free from religious and racial and sectional intolerance and prejudices, but this thing which Hendrix College did on Sunday shows that education and intelligence are the opposites of prejudice and intolerance and do not work well together.

For what Hendrix College has done is not remarkable because unusual. Honors of this kind have been conferred upon Catholics by Protestant colleges, and upon Protestants by Catholic universities.

It is one of the evidences of which there is frequent recurrence on this continent—both in the United States and Canada—that democratic peoples have no difficulty in living and working together in peace and amity, no matter how much they may differ in their racial origins, politics and religion, or social theories.

[From the Sapulpa (Okla.) Herald of May 16, 1939]

WELCOME JIM FARLEY

Farley's visit to Oklahoma this week gives Oklahomans a buzz—because it is the forerunner of activity that will from this point hence until 1940 gather political campaign momentum.

"Good Old Jim" Farley is the very epitome of the Rooseveltian era's strong man. Jim Farley has been front man so long and so ably that one wonders whether he gets his ideas from the President or vice versa.

At any rate, Oklahoma Democrat dignitaries are rallying around one of the most notable Postmaster Generals of the century. Farley has managed to survive political storms and administrational shake-ups of varied degrees. He knows how to sit steady in the boat, and there he has sat.

Oklahomans are pleased with the opportunity of seeing and greeting Farley—Democrats to be sure, and some Republicans. In this day of paradoxical party fusion there are Republicans who lean to the demos and demos who espouse the Republican ticket.

Jim Farley, however, is strictly a dyed-in-the-wool Democrat. He exudes the principles of Roosevelt democracy—and he has made an excellent executive in the post he has been selected to fill for the Roosevelt regime.

His tour at the moment is timely and wisely chosen by party strategists. Whatever may ostensibly bring him through the Middle West and Southwest, Jim Farley will mend fences if he can, build political new ones where they have been washed away, and feel out the prospects of the Democratic bid in the upswinging Presidential election.

And Farley is well fitted for this task in view of his extensive job as patronage aide-de-camp for the present administration.

Oklahomans all are happy to extend a sincere welcome to this major cog of the national administration, James Farley, Postmaster General.

[From the Nowata (Okla.) Star of May 21, 1939]

JIM FARLEY—SUPERSALESMAN

Postmaster General James A. Farley came to Oklahoma this week, made three speeches, clasped the hands of thousands, retained that captivating smile, sold his wares, and departed with Oklahoma still safely in the Roosevelt column.

Jim Farley has the happy faculty of making friends—none can resist that winning personality, infectious smile, hearty handshake, and cordial greeting as he calls his greeter by his first name and says, "Yes, sir; glad to see you again; glad to be back in Oklahoma." Having the knack of remembering faces and names, Farley makes the best of this, a politican's greatest asset. How his memory retains the first names of thousands and how he stands up to the gruelling task of shaking the hands of many thousands daily while on these trips is a mystery to everyone. But Farley seems to enjoy it—at least if he doesn't, no one but Farley knows it.

"Good old Jim" is the very epitome of the Rooseveltian era's strong man. He has been front man so long and has performed the job so ably he has many wondering how he has managed to survive political storms and administrational shake-ups of varied degrees.

In his defense of the Roosevelt administration one is quick to perceive that Farley fairly idolizes his friend of long standing, and no matter what others may think of the Chief Executive, it is easy to see that Franklin D. Roosevelt is still the idol of the greatest Postmaster General and the most astute politician this country has ever seen.

And this unswerving loyalty to his chief plus his winning personality tends to make "genial Jim" today one of the best-liked men in American public life.

Surplus Purchases of Dairy Products

EXTENSION OF REMARKS

OF

HON. ROBERT M. LA FOLLETTE, JR.

OF WISCONSIN

IN THE SENATE OF THE UNITED STATES

Monday, July 31 (legislative day of Tuesday, July 25), 1939

RADIO ADDRESS BY HON. ROBERT M. LA FOLLETTE, JR., OF WISCONSIN, JUNE 29, 1939

Mr. LA FOLLETTE. Mr. President, I ask unanimous consent to have printed in the RECORD a radio address delivered by me, broadcast by transcription over station WHA, Madison, Wis., on June 29, 1939, on the subject Surplus Purchases of Dairy Products.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

Several weeks ago I had an opportunity to talk over this station about the desperate situation facing the dairy industry. It was a time of emergency. Surplus supplies of butter and other dairy products were piling up in unprecedented amounts, and dairy prices, as a result, were falling to disastrously low levels.

Butter was selling at 22.1 cents a pound, the lowest monthly average for 92-score butter since 1933. The price of cheese was lower than it had been at any time since 1934. Milk was 38 cents per 100 pounds below the price it had brought a year ago. These few, brief figures represented market conditions that were costing Wisconsin dairy farmers thousands of dollars every single day.

At that time I told you that I was joining with Senators from other agricultural States and with our Progressive Congressmen from Wisconsin in a combined effort to meet the emergency and stop the decline in commodity prices. We set out to secure an appropriation of additional funds to the Federal Surplus Commodity Corporation so that it could buy up the surplus farm commodities which are bearing down so heavily on commodity prices and distribute these surpluses to the unemployed people on public relief who can use them.

Tonight I am happy to report that we were successful in getting most of what we went after. Our original amendment called for an appropriation of $150,000,000 for these purchases of surplus commodities, and the Senate approved the amendment providing $113,000,000 of this amount. Finally, late last week the House of Representatives also accepted the amendment.

This appropriation will be added to the money already provided for such purchases under existing law. Since 1933 the Surplus Commodities Corporation has been receiving 30 percent of the Federal customs receipts to finance the purchase of surplus commodities for relief purposes. It is estimated that this source will provide approximately $92,000,000 in the coming year. This, together with the additional appropriation just made, will mean a total of $205,000,000 will be on hand to remove farm surpluses from the market and bolster up the prices of farm commodities.

The additional appropriation was necessary for two reasons. In the first place we have been steadily accumulating larger surpluses of farm products in the past year. Dairy production in particular has increased a great deal since 1937. The number of milk cows has increased in all areas, and the amount of milk produced has increased still more, due to good pasture and feed supplies. The production of manufactured dairy products such as butter, cheese, and evaporated milk during the 1938–39 season increased about 10 percent above the average production for the previous five seasons. On April 1 of this year there were 78,000,000 pounds of butter in storage, compared with only 14,000,000 pounds in storage on April 1 of last year.

Yet in spite of the fact that the surpluses to be faced were larger, the money available to the Surplus Commodities Corporation under the existing appropriation from customs receipts appears to be about $52,000,000 less next year than was available this year from that source. The reason for this is a decline in American imports.

This type of emergency action has proved its worth to the farmers of the country in preventing the collapse of commodity prices, and I am confident that on this occasion it will offer substantial help to our farmers in Wisconsin.

I hope no one will misunderstand me. This is not going to work any miracles. The problem of market surpluses and depressed farm prices will require more fundamental treatment than we are able to give it in a more or less temporary program of emergency purchases. The economic crisis which the farmers are facing today is still a continuation of the same agricultural depression which started in the years immediately following the World War when big business and high finance set out to deflate the country and liquidate wartime values.

However, I am convinced that a properly conducted program of Government purchases will relieve the acute crisis which has arisen as a result of the increasing production of the past year. It is one way of maintaining the market demand and thus supporting the price level for the farmer.

Look at what happened this spring after the Government discontinued its purchases of surplus butter in the open market. For 9 months the purchases financed through the Government had kept the price of butter above 25 cents. In March these purchases were discontinued, and the price promptly fell to 22 cents.

So that you may get a clear idea of just how this program works, let me explain it briefly. The Surplus Commodities Corporation was set up in 1933 to buy foodstuffs and other farm commodities which were clogging the commodity markets and which would also be useful to the people on public-relief rolls. In this way the supplies bought were actually removed from the market and consumed. They were not allowed to lie around in storage where they could be tossed back on the market again at a later date, as was the case when the Farm Board tried to stabilize the wheat market during the Hoover administration.

Last year, when the surpluses of dairy products became a serious threat to the market price of milk, the Federal Surplus Commodities Corporation concentrated its efforts on the job of keeping up the price of butter, which represents about three-fourths of the milk that goes into manufactured dairy products.

To supplement the direct purchases of butter for relief purposes, there was organized a Dairy Products Marketing Association. This association was able to borrow additional money under another section of the Agricultural Adjustment Act with which it was able to purchase butter for storage. Under the terms of the loans this butter could not be resold in the open market at less than the purchase price plus the charges for storage and handling. Since the Dairy Products Marketing Association bought all its butter supplies at a price in excess of 25 cents per pound, it could not be sold on the market under any circumstances for less than approximately 26 cents.

By this means it was possible to absorb much larger amounts from the market than would have been feasible if direct purchases for relief had been relied upon entirely. Then as relief channels could absorb the supply, the Federal Surplus Commodities Corporation bought it from the Dairy Products Marketing Association as well as from the open market.

Butter has been distributed to the needy on relief during the past year at the rate of 12,000,000 pounds per month. The Dairy Products Marketing Association purchased 114,000,000 pounds of butter during the summer and fall of last year. Of this amount 91,000,000 pounds has now been purchased by the Federal Surplus Commodities Corporation for relief distribution, leaving only 23,000,000 pounds of this supply in the hands of the association. The storage supplies of the Surplus Commodities Corporation are definitely out of the market and can be distributed only to people on relief.

In addition to these purchases of surplus butter, the Corporation has also bought considerable amounts of other dairy products within the last year, including 3,262,000 pounds of evaporated milk, 9,000,000 pounds of dry-milk powder, and 132,000,000 pounds of fluid milk.

Altogether the actual purchases of dairy products for relief use for the fiscal year ending tomorrow represent an expenditure of approximately $36,000,000.

Just this month new efforts have been made to divert additional supplies of cheese and evaporated milk from the market for relief purposes. Seventy-five cars of evaporated milk were purchased just a few days ago, and offers are being considered for the sale of substantial orders of cheese.

With the new appropriation available for the coming year, beginning July 1, the dairy farmers of Wisconsin ought to find the Federal Government a valuable and helpful customer. Under the law 25 percent of the total appropriation is the maximum that can be devoted to a single type of farm commodity. So $50,000,000 is the very most that could be used for the purchase of dairy products, but even that amount should be of assistance to the dairy farmer in the present emergency.

I do not think that anyone will quarrel with the use to which these products are put after they are purchased. They are not wasted. They are not plowed under or destroyed. They are used by people who need them badly. The foodstuffs go to supply these people with a more adequate diet, and I am sure no one is going to begrudge the unfortunate victims of unemployment and misfortune an opportunity to eat more healthful and wholesome food.

In conclusion I want to assure the farmers of Wisconsin that the battle still goes on toward an ultimate solution of the critical problems which have plagued agriculture since the war. This victory I have told you about tonight is only a temporary stopgap. The real solution must be worked out over the long pull. The problems are the outgrowth of fundamental changes in our economic environment which go deeper than any specific measure or administration, either State or National, at the present time. The answers will probably have to come the slow, hard way. But by constantly working away day after day to reduce farm indebtedness, to maintain farm commodity prices and push them back upward to the point where they will cover the farmer's cost of production, to build stronger marketing cooperatives which will be effective in reducing the spread between the price the farmer receives and the price the consumer is obliged to pay, and by striving to improve the quality of the product as well as the efficiency of production—I am confident that it will be possible to achieve the balance between farm production and industrial production that is absolutely necessary if we are to have a sound, healthy economic system.

Vice President Garner

EXTENSION OF REMARKS

OF

HON. BENNETT CHAMP CLARK

OF MISSOURI

IN THE SENATE OF THE UNITED STATES

Monday, July 31 (legislative day of Tuesday, July 25), 1939

EDITORIAL FROM THE NASHVILLE TENNESSEAN OF JULY 28, 1939

Mr. CLARK of Missouri. Mr. President, I ask unanimous consent to have printed in the Appendix of the RECORD a very splendid editorial published in the Nashville Tennessean of July 28, 1939, on the subject of the Honorable JOHN NANCE GARNER, Vice President of the United States. I will say in that connection that this editorial is accompanied by one of the most illuminating and effective cartoons I have ever seen printed in my life, and my only regret is that the rules of the Senate preclude me from asking unanimous consent that the cartoon be included in the RECORD as well as the editorial.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

[From the Nashville Tennessean of July 28, 1939]

FOR THE ENEMIES HE HAS MADE

JOHN NANCE GARNER, of Texas, if we know the man, is entirely undisturbed by the violent personal attack that has been launched by the angry and unrestrained generalissimo of C. I. O., John L. Lewis.

If there are any regrets, they will be attributed to the labor leader who chooses to take as an affront the fact that the Vice President of the United States and presiding officer of the Senate reserves the right of freedom of decision on all important issues.

For 40 years the record of Vice President Garner has been unstained and his has been character beyond reproach. From the time of his rise to prominence on the southwestern plains until he assumed his duties as the second ranking official in the National Government, he has had the esteem and confidence of his fellow citizens. During two national campaigns even the discriminating John L. Lewis found this typical American worthy of political support.

There has come to light, however, a fundamental difference of opinion between the Texan and the man who so belatedly denounces him as "evil." It dates back to those dark days when the sit-down strike was at its height.

In the face of this direct challenge to government it is generally known that Mr. Garner put all politics aside and advised the administration that an uncompromising stand in behalf of law and order and Americanism was required. This was the American viewpoint, as events turned out, and it is responsible for the decline of illegal occupation and destruction of property. It has been upheld by a sweeping decision of the Supreme Court.

While one voice was being raised on behalf of constitutional rights and liberties, there was no helpful action on the part of the C. I. O.'s high command. Silence reigned in the tent of John L. Lewis. The courage which has permitted an inexcusable attack on a good citizen was not enough to warrant a protest against methods which threatened to undermine the foundations of government.

From that time on it has been generally known that Mr. Lewis was not to be listed among the friends and supporters of John Garner. If the Vice President became an active candidate for the Presidency, it was assumed that the would-be labor dictator would oppose him.

Political differences, however, fail to justify the tactics now employed by the embittered labor leader, nor do they furnish sufficient grounds on which to base a charge that Mr. Garner is not, or has not been, a friend of labor.

Over the years the record of Mr. Garner has been one of support for liberal legislation. He has played an important part in the New Deal, which has opened new opportunities for labor, and has enjoyed the vote of labor which had full knowledge of the facts.

And if, to Mr. Lewis' eyes, the stand against the sit-down was an affront to the workers, he would do well to consult the rank and file of labor in these United States. As a matter of fact, the man who denounced an indefensible practice is one to whom labor should owe an everlasting debt of gratitude.

The voice of John L. Lewis is in no sense the voice of the American worker, and if he is not yet aware of that fact, he will be enlightened in due time.

John Garner has become one of America's great institutions.

He typifies the independence and courage which is the national heritage.

He has numberless friends and he has never shrunk from duty because some individuals or groups might be displeased.

No words of calumny from John L. Lewis or any other can lessen the stature of the Vice President of the United States, who is loved, among other things, for the enemies he has made.

Mr. Lewis' crude outburst of anger and malice at one who for 40 years has stood before the American people as a man of character and high morality will have no effect upon this veteran war horse of democracy.

JOHN GARNER was fighting Cannonism, Republican reaction, the political influence of the Mellons, the Mills, and the Morgans while John Lewis was a Republican ward worker.

The only man in the history of his country to have successively been Democratic minority leader, Democratic majority leader, Speaker of the House of Representatives, and the Vice President of the United States, the Vice President, of course, will be all the more endeared to the American people.

If JOHN GARNER today is "a labor-baiting, poker-playing, whisky-drinking evil man," he was the same in 1932 when he gave the word that nominated Franklin Delano Roosevelt for President at Chicago.

If after the 6 years in which he has distinguished the Vice Presidency with his dignity and wisdom, he is what Mr. Lewis said, he was the same 3 years ago at the Philadelphia convention when President Roosevelt paid his great tribute to him and asked him again to accept the Vice Presidential nomination.

Creation of Additional Federal Judgeships

EXTENSION OF REMARKS

OF

HON. CLYDE M. REED

OF KANSAS

IN THE SENATE OF THE UNITED STATES

Monday, July 31 (legislative day of Tuesday, July 25), 1939

EDITORIAL FROM THE NEWARK (N. J.) EVENING NEWS OF JULY 27, 1939

Mr. REED. Mr. President, I ask unanimous consent to have printed in the Appendix an article dealing with creation of additional Federal judgeships, entitled "No Fifth Judgeship!" published in the Newark Evening News of July 27, 1939.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

[From the Newark Evening News, of July 27, 1939]

NO FIFTH JUDGESHIP

The Senate confirmed the nomination of District Judge William Clark to be a judge of the third circuit court of appeals on June 16, 1938, since which time there have been three United States district judges functioning in New Jersey instead of the statutory four. The vacancy has existed for more than 13 months. Now, on top of this, the Senate passes an act creating a fifth judgeship for this district, and the bill goes to the House of Representatives for action. The House, in the light of all the circumstances, should reject this legislation.

The fourth judgeship remained vacant during the last 6 months of Attorney General Cumming's tenure, and it has remained vacant for almost 7 months since Frank Murphy became Attorney General. The criminal docket in this district is reported to be in a serious state of congestion. Yet Mr. Murphy announced months ago, and has restated it since, that he was going to purge the Federal courts of politics, to disregard politics in appointments to the Federal bench, to reform inefficient and laggard methods of handling court business, and to clear up congested dockets.

One might say in this connection: Mr. Attorney General, there has been a vacant judgeship in this State during almost 7 months of your term of office, during which the Congress has been in session; the Senate prepared to consider and confirm a suitable nomination. What is the reason no appointment has been made? Could it be politics? Could it be, as Senator REED, of Kansas, charged in the Senate, that Mr. Hague and Senator SMATHERS can't get together on a candidate? Can it be that the creation of a fifth judgeship is designed to liquidate this dilemma?

With one judgeship vacant for 13 months, does not the proposed creation of another place have an aroma of politics? Are you aware that when the proposal for a fifth judge was first made to the Congress, in the report of Mr. Cummings, it was stated that all four district judges had expressed themselves as opposed to Mr. Cummings' recommendation when one of his assistants, Mr. Keenan, first broached the subject to them?

Suppose we fill the fourth judgeship and see what happens. Suppose Mr. Murphy then speeds up the presentation of cases here and integrates the work of the courts, as he has promised to do everywhere in a general statement on the needs of the

Federal bench. Suppose, in case of need, a retired Associate Justice of the Supreme Court of the United States is sent here to sit as a district judge, as was done in New York, or that one of the retired judges of the third circuit is designated to help out as a district judge in certain cases. Let's see what happens then.

If, in spite of all this, it can be demonstrated that congestion of dockets in this district is still serious, still prejudicial to that promptness which Chief Justice Taft once described as "the essence of justice," then it will be time for the Congress to consider the creation of a fifth judgeship, without the reproach of politics being present to hurt the prestige of the Federal bench, which all of us more than ever desire to guard and preserve.

America's Responsibility

EXTENSION OF REMARKS

OF

HON. HENRIK SHIPSTEAD

OF MINNESOTA

IN THE SENATE OF THE UNITED STATES

Monday, July 31 (legislative day of Tuesday, July 25), 1939

EDITORIALS FROM THE MONTREAL DAILY STAR

Mr. SHIPSTEAD. Mr. President, I ask unanimous consent to have published in the Appendix of the RECORD two excellent editorials of recent date appearing in the Montreal Daily Star dealing with international relations in Europe and in the Orient. The editorials are particularly interesting because of the fact that the Montreal Daily Star is recognized more than any other newspaper in Canada as reflecting the policies of the Canadian Government.

There being no objection, the editorials were ordered to be printed in the RECORD, as follows:

[From the Montreal Daily Star of June 22, 1939]

SHOULD BRITAIN FIGHT JAPAN ALONE?

It is a great comfort to note that the Chamberlain government has no intention whatever of allowing Great Britain's enemies to fix either the time or the place for the presumably pending "show-down" about which everybody is always talking. When a battlefield is finally chosen, we will have at least a voice in its selection. This flare-up in Tientsin, underlined by the dramatic occupation of long-doomed Swatow, looks altogether too much like a "put-up job" to deceive such experienced foreign-policy directors as the officials of the Foreign Office. They are not to be irritated or stampeded into ill-advised action by tactics which resemble nothing so much as the methods of the interfering "stooges" who prepare the victim of the pickpocket.

What are needed more than anything else are cool heads. And that is precisely what the present British Government and their official advisers have nothing else but. Excitable people find them too cool. But the ordinarily peaceful citizen who deeply dreads an unnecessary war will be greatly reassured by the spectacle of the British Prime Minister and his foreign secretary daily parrying poisonously insinuating questions in both Houses of Parliament, and refusing to be pushed into precipitate action that would nicely play the game of the dictator powers.

Nothing would suit Germany and Italy half so well as to see the British Empire deeply and unescapably involved in a first-class war in the China Sea. So much of the British and French Navies would have to be sent to Singapore even to cover relief operations for the Chinese armies that these two democracies would be exposed to grave danger in the Mediterranean and even the North Atlantic, should they try to redeem their pledges to help Poland in case that country were subjected to wanton attack. It is precisely this overwhelmingly naval strength of ours in the west that, more than anything else today, keeps the axis twins quiet. Diminish this strength to a perilously precarious margin, and we would almost certainly see the Germans in the Polish corridor and the Italians in Tunisia.

Admittedly, if the United States became involved, the situation would be completely changed. A British-French-American alliance to protect their mutual interests in China, and more especially to keep the Pacific from being dominated by Japan, would almost certainly bring Russia into the combination, and we would then have irresistible military and naval strength on our side. Under such circumstances, it would be most unlikely that the axis would turn at all. It would feel that this was an exceptionally poor time for it to try conclusions with the democracies. We should have peace with honor and a fine sense of security, and Japan would be sent back to her legitimate sphere of influence.

Such a combination of powers—if it could win the right to negotiate a new peace treaty without first embittering every participant by a long and murderous war—would be strong enough to lay the foundations of that peace on the firm principles of even-handed justice and fair play for all. It would not be a Brest-Litovsk peace, with its logical spawn, Versailles, St. Germain, and the others. It would be a peace recognizing the claims of the "have nots" to a fairer distribution of the world's choice possessions. It would be a peace in which it would be possible to grant some of Hitler's requests and make some of Mussolini's dreams come true without apparently yielding to threats of force.

But there is at present little or no prospect of any such combination. There are still too many Americans who distrust British intentions and dislike British policies in Asia. We British come to them burdened with the heritage of the ages. We cannot start now with a clean slate. Consequently some of our actions are shining targets for the criticism of an idealistic people whose foreign history began only when Dewey entered Manila Bay. Still, such as we are, we stand in this year of our Lord on guard along the China coasts of not only the interests and the ideals of the American people but of their future security as a people living along the shores of the Pacific Ocean.

But as things stand, and in view of the menacing condition of Europe—not excluding Russian reluctance to join our "peace front"—Great Britain has no interests in eastern Asia whose protection would justify a single-handed war with Japan. This is the hobble that limits the stride of the British Government. Just what national cause is served by having Mr. Chamberlain grilled every day in public by political gadflies, with little knowledge but much partisan or personal spleen, it is hard to see. Still, this is our system of government. This is one of the handicaps of democracy for which some of us at least are most unwilling to bleed and die.

It is becoming clearer with every day that the British Cabinet is doing what it can—and that is not too much. It is playing a hard game with low cards. But it is playing it with traditional British determination and with the help of the splendid courage of every British subject now facing discomfort and danger under Japanese arrogance. British history records many sorts of British heroism. It is not always the victorious charge of the Guards at Waterloo. It is sometimes the hopeless charge of the Light Brigade at Balaclava. And again it is sometimes the sacrificial death of a "Chinese" Gordon.

[From the Montreal Daily Star of June 27, 1939]

WHY NOT REDEEM WOODROW WILSON'S PLEDGES?

Just 20 years ago tomorrow the Treaty of Versailles was signed. None of the first-rank German leaders would make the humiliating pilgrimage to Paris to affix their names to this dishonoring document. An ersatz delegation appeared. It did not get a friendly or encouraging reception. All that could be said was that it got away alive. Yet the Kaiser and his crew were long since exiles in Holland. The great German Reich was a Republic. If the Wilsonian "mush" to the effect that we were making war on the German rulers and not on the German people had been even measurably true, we should obviously have welcomed the formation of a democratic German Republic and tried to help it keep the confidence of the liberated German people.

But we did nothing of the sort. We imposed astronomical damages on the prostrate and helpless Germans, knowing full well that they could never pay them. We disarmed the Republic, forgetting that time, if left alone, would surely render existing armaments obsolete and that all we had to fear from Germany was a revival of the old war spirit. Then we went watchfully to work to snub the Republic, to rebuff its every effort to get a little release for the German people from the impossible terms of Versailles, to discredit it daily in the eyes of its own suffering citizens. In short, we did everything we could to arouse the old war spirit of the Teutons and to convince them that they had nothing to expect from a retention of Republican institutions save generations of quasi-slavery. If they wanted to stand upright again, they must prepare to fight for the privilege.

Well, that is precisely what they did. They turned to nazi-ism and the intoxicating rhetoric of an ex-corporal called Adolf Hitler. Absurd as were his fantastic dreams, ludicrous as were his first efforts to arouse his people, smothered with laughter as was his beer-hall putsch, we had so thoroughly cultivated and manured the soil of German sentiment for just such a rank and poisonous growth as his dragons' teeth have since produced that his dreams have come true, his absurdities have hardened into good German gospel, and the derisive laughter of the Munich beer hall has become the bitter laughter of the Munich surrender. In less than two decades it was a white-faced and humiliated allied delegation that signed on the dotted line.

A cable statistician, writing from Versailles, calculates that of the 453 pages of the Versailles Treaty a total of 300 have been torn into scraps of paper. Of its 440 clauses, 314 have been broken—most of them by the hammer strokes of this same figure of fun, Adolf Hitler. The clauses dealing with the independent status of the free city of Danzig are said to be next on the list for contemptuous flouting. And possibly the most discouraging feature of the whole fiasco is that the German people—about whom we once professed to be so concerned—are completely convinced today that they are right, that they were tricked by the 14 points into a premature surrender under false pretenses, and that the old pre-war policy of "encirclement" is once more in course of preparation.

Those who say that Hitler is crazy do not strike deep enough into the dangerous stratas of German thought. The whole German nation are not crazy. As a people, they are probably about the least likely in Europe to go insane, with the exception of the stolid

British. They could not be led into the wild adventures they have risked by a crazy man if they had not been previously persuaded that in no other way could they hope to regain "a place in the sun." But the worst of their apprehensions must by now be fairly well dispelled. They have got back their Rhineland and the Saar. They have brought crippled Austria into the German fold. They have rescued the Sudetens and then taken over the rest of Czechoslovakia. They have picked up Memel. They have been recognized as equals at Munich.

It is time that they sloughed their inferiority complex and were prepared to sit down with the rest of us in a warless peace conference. Such a conference would not depend upon whether or not we could trust the word of Hitler. We would not have to. Once Germany is given what her people will regard as a fair offer, the malignant power of the Hitler magic to summon them to a suicidal war against a united civilization will have vanished. If he really is crazy, the methodical Germans will then find it out.

It was something like this that Mr. Chamberlain had in mind when he preached and practiced "appeasement." We cannot ignore 80,000,000 people in the middle of Europe. They must have a sense of decency and intelligent self-interest and a desire to advance civilization to which we can appeal. They cannot want war for war's sake. Remove from Hitler's vocabulary the inflammatory pictures he paints them of simple justice in the division of the world's riches, and his amazing hypnotic spell will be broken.

With Germany off our backs, we could deal with Japan. Japan is destroying, piece by piece, our splendid and fabulously rich empire in Asia. Even a victorious Germany would not inflict half so many deadly injuries upon us, unless it drove a lethal thrust through the heart of the Empire. We certainly should not allow ourselves to stumble or drift into the fatal abyss of a world war against three mighty military powers—with only one sure ally—if we can escape it by redeeming the Woodrow Wilson pledge to treat the German people, as distinct from their rulers, as friends and neighbors.

Let Us Stick to Real Neutrality

EXTENSION OF REMARKS

OF

HON. PAUL W. SHAFER

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Monday, July 31, 1939

SPEECH OF HON. PAUL W. SHAFER OF MICHIGAN, AT SUNBURY, PA., July 29, 1939

Mr. SHAFER of Michigan. Mr. Speaker, under permission to extend my remarks, I include a speech delivered Saturday, July 29, at the twenty-seventh annual Herrold reunion at Rolling Green Park, near Sunbury, Pa.:

If an inhabitant of another planet should visit the earth today, he would find the peoples of Europe arming madly for their own destruction. He would see men killed daily in the frantic race to build up air forces. He would see cities preparing desperately to defend themselves against destruction from the air. He would watch children too young to lisp their first prayers being fitted with gas masks. He would witness the movements of troops and engines of death and destruction by day and by night. Everywhere he would find the people girding themselves physically and mentally for the greatest conflict the world has ever known.

He might then cross the seas to a land separated from this terrifying scene by 3,000 miles of ocean—a land vast in size, rich in resources, her people the freest in the world, enjoying the highest standard of living man has ever known, and with vastly more space for expansion than the crowded people of Europe have ever known.

"Here are a people blessed among the nations of the earth," this celestial visitor would say to himself. "No need for them to become involved in the conflicts of another continent. Theirs are the resources to make them virtually independent of the rest of the world. Their geographical position is such that they need not become involved in the wars of others."

He would expect to hear these people exclaiming fervently, "Thank God I live in America." Instead, he would hear them asking each other, "Must we fight another war?"

He would be shocked to discover that daily these people are told, by men in high public office, through the press, and over the air, that they cannot hope to escape the next war, and that the price of their peace is that they prevent the outbreak of war in any corner of the globe. He would find tragic—and well-nigh incredible—the propaganda which teaches that we must resign ourselves to policing the world in an attempt to enforce peace inevitably or be dragged down into the bloody conflict. Yet such is the situation in which we find ourselves.

The American people, alarmed by the tide of world events; horrified at the thought of war, are bewildered as to how to remain at peace.

Few official voices are raised today against the preaching of this doctrine of despair and defeatism. Yet, midst this tumult and shouting, out of the past, come two voices that would guide us if we would but heed them.

The first is that of Washington himself, in his Farewell Address to the people whom he loved and had served so well:

"Observe good faith and justice toward all nations," it says. "Cultivate peace and harmony with all. Religion and morality enjoin in this conduct; and can it be that good policy does not equally enjoin it? It will be worthy of a free, enlightened, and, at no distant period, a great nation, to give mankind the magnanimous and too novel example of a people always guided by an exalted justice and benevolence. Who can doubt that in the course of time * * * the fruits of such a plan would richly repay any temporary advantages which might be lost by a steady adherence to it * * *?"

For over a century, these words were to guide the American people, to form the basis of their foreign policy, and to aid them in the building of a great and prosperous Nation. They found it wise counsel, because it was timeless. It was not merely advice to a new and struggling Nation weakened by revolution and not yet strong enough to wage a foreign war. It was advice to the Nation even after it had become, as Washington prophesied, powerful and prosperous. Because they followed this advice, the American people were able to hold up to the world the shining example of the blessings of peace and liberty under self-government. They knew that there was one way to preserve all that they had built; it was by remaining at peace. They knew that there was but one way to avoid entanglement in the embroilments of Europe; it was to preserve strict neutrality. They knew that there was but one way to maintain neutrality; it was to refrain from taking sides in the quarrels of other nations.

Another voice speaks across the years: It is the voice of thousands who lie buried in Flanders Field and in many another field of Europe, speaking as one:

"We crossed the ocean inspired by the ideal of making the world safe for democracy," it says. "We gave our lives in a war that was to end all wars. Is the world to be dragged into another struggle under these false hopes? Are men to fight and to die again in vain? Have they learned nothing from the supreme sacrifice we made?"

This war, the most horrible the world has ever known, was followed, like all other wars, by a boom and then a depression—the deepest in history. In the despair of that depression, we lost our sense of values. We momentarily abandoned the traditional way of solving our problems, and turned to panaceas and experiments in defiance of the lessons of the past.

The traditional American character, the sturdy qualities of industry and initiative and energy and thrift have been mocked to scorn. Far from being regarded as useful, they became something of which to be ashamed, as the people were taught that henceforth they could not hope to solve their own problems, but must look to the Government as the root of all power, the dispenser of all good. The damage which this has done to the courage and the morale of the American people is greater than any man can say.

We were persuaded that a rigid economy of planned scarcity, rather than a free economy of abundance, was the way of prosperity and progress. We were told that while profligate spending beyond income spells debt for an individual and is wrong, profligate spending beyond income for the Government is not debt at all, but an investment and the only way to prosperity. As a result we are still wallowing in the mire of depression after 10 years, and we are no nearer to recovery than we were when the New Deal administration took office.

Today an administration which has demonstrated that it has no solution to our problems save more debts, more spending, and more taxes, is determined to try to solve the problems of the rest of the world. Indeed, the New Dealers would persuade us that we cannot hope for the solution of our own problems or for a return to even an approach to prosperity until we have set the rest of the world straight. To the list of foolish fallacies which it has attempted to put into practice it has added the theory that we can preserve peace only by force, and that war can be averted only by the threat of arms. We are asked to pull the mote out of our brother's eye before we have removed the beam from our own eye.

Those who urge such a program argue that the best way to prevent a war is to prevent its breaking out. But the deceptiveness of this logic hides its ugly implications. It would be all very well if it could be done. It might succeed if America's armed might were such that we could police the world. It might succeed if America could control the motives and moves of all leaders of all nations. But unless America is prepared to undertake such a task, it remains the most dangerous path we could choose.

We were drawn into the last World War although we had no intentions of taking sides at its outbreak. Are we not much more likely to be dragged into the next general conflict if we have already pledged our support to one group of combatants before war has even begun?

Those who advocate this policy cannot guarantee that such a policy will prevent the outbreak of war. They cannot guarantee that, having taken sides and supplied aid, the foreign propaganda which is now at work enlisting our sympathies will not become more forceful and formidable, ultimately succeeding in dragging us actively into the struggle.

They cannot guarantee that, if factories are booming with the false prosperity against which President Roosevelt himself warned us but a few years ago, munitions makers and others will not join the foreign propagandists and mistaken idealists in the clamor that we enter the war.

They cannot guarantee that they can stem the tide of emotionalism of a people whose sympathies and active aid they have already directed to one side of the conflict.

They cannot guarantee that they can control the tide of events, of "incidents," and acts of retaliation from nations against whom we discriminate, events which would inevitably lead to our entry into the conflict.

Those who propose this course know what the horrors of the next war will be. They know that since the war that was to end all wars men have so developed the science of self-destruction that another general conflict will threaten civilization itself. They know that this conflict will not be confined to the battlefields, but will extend as far as bombing planes can fly on their missions of death and destruction. They know that no man, woman, or child within the range of these planes will be safe. They know that the human mind can scarce conceive the suffering, the desolation, and the chaos which such a conflict will bring.

They know, moreover, that if the United States becomes embroiled in such a suicidal struggle life and progress as we have known it in America will be gone for generations—perhaps centuries. They know that the industrial mobilization plans prepared by the Navy and War Departments provide that property shall be commandeered, wealth conscripted, labor conscripted, as the Government assumes absolute control of all industry and all resources of the Nation. They know that in such a dictatorship—for such it will be—freedom of speech, freedom of the press, the right of assembly, must all disappear. They are counting upon the wave of emotionalism that will sweep the country upon a declaration of war to rush the needed legislation through Congress. Then all that will be needed will be the stroke of a pen by the President upon proclamations already prepared to transform this Nation into a military dictatorship.

They are gambling, those who would have us pursue this international and interventionist policy; and it would be the greatest gamble in history. The stake is America herself. They hope to be able to prevent a war; but if they lose, American lives, American wealth, American institutions, the glory of the American heritage, and all that it has meant, not only to millions of Americans of every generation, but as the hope and the light of all the world—will disappear.

They ask us to risk all this upon their hope that they can prevent a war from breaking out. They ask us to embark upon another attempt to make the world safe for democracy, despite the tragic lessons of the last war. They ask us to take the course which is most certain to involve us in war once it has begun.

Nor is this all. They demand that the power to decide the vital issues of such a course be placed in the hands of one man. They would give the President the power to decide the right and wrong of world events, to say that one nation is the aggressor and must be punished, and that another nation is in the right and must be aided. It gives him the power to say when a state of war exists.

We know how the President stands on these questions. We have a clear idea of how he would use these vast and arbitrary powers. We know that he declared a war to exist and enforced embargoes against Italy in her Ethiopian campaign, but that he refused to take similar steps in the case of the war which Japan has been waging in China.

And—irony of ironies—the proposals that these men put forth are labeled "neutrality" laws and "peace" plans. To call such a program "neutrality" is an unconscionable fraud upon the American people. It is to raise their hopes that those who administer the affairs of Government will keep the United States free from entanglements and commitments which would drag her into the fury of the combat while, in reality, they propose to do the very opposite. Nothing could be more unneutral than to plan deliberately to aid one contestant and punish the other. Nothing could more dangerously menace our peace once the struggle has begun. And yet, high-sounding platitudes are invoked to make the people believe that such a course is the only way of honor and righteousness, of peace, self-preservation, and prosperity.

We are told that this is the cause of humanity. Pity is aroused for the oppressed, indignation and hatred against the aggressors. Yet little is said of humanity toward the peoples whom they would punish, toward the helpless, blameless women and children whom they would condemn to death by starvation because the leaders of those nations had incurred their wrath.

We are told that this is the cause of the democracies against the dictators of the world. France has set herself up as a virtual dictatorship in an attempt to cope with the world situation. Poland is a dictatorship. Soviet Russia, whom England and France are now wooing, is the bloodiest, the most ruthless dictatorship of them all. The conflict for which Europe is preparing is not based upon ideology.

The interventionist policy which we are asked to pursue is justified neither by humanity, by ideology, by peace, nor by self-preservation. It is, however, an extension of the international program which the New Deal has followed ever since it took office.

In the name of a "good-neighbor" policy, the administration entered into reciprocal-trade agreements which have meant the loss of millions of dollars and thousands of jobs to American farmers and workers, not only through the loss of American markets abroad but through the inflow of cheap foreign goods which have meant the loss of domestic markets as well.

In the name of helping our export trade, it has loaned millions of dollars to foreign countries—loans which stand slight chance of ever being repaid, and which have benefited the trade of other nations far more than our own.

Stripped of the lofty ideals with which it is clothed, the bare facts of the program we are now asked to adopt are that we provide the President with further opportunity to favor whatever nations he sees fit—this time with instruments of death.

"Keep America out of war!" is the fervent plea of thousands of letters pouring in to the Members of Congress. These messages reveal an instinctive feeling on the part of the American people that to become the munitions factory of one side in a European conflict would be the first step toward dragging us into the war. They express the fear that the loaning of money will be the second step, and that finally American youth will march away to the blare of martial music, to mingle their blood with the sod of Europe.

The American people do not believe that it lies within their power to prevent the outbreak of war anywhere on the globe. They do believe that they can avoid entanglement in a European war—if they remain strictly neutral now. They remember that the Scandinavian countries, although far more closely connected with the events of Europe than we, have remained at peace while the fury of a world war raged about them. They are determined, by remaining aloof and giving aid to neither side, to escape the catastrophic conflict of another general war.

The great contribution that America has made to the world was, as Washington foresaw, the glorious example of a free and happy people, at peace with themselves and the world, progressing under the blessings of self-government. This has been the beacon which has beckoned millions from the war-weary nations of their birth to this new land of hope and opportunity for all.

It is significant that before the United States permitted herself to be drawn into the World War the other nations of the world sent commissions to this country to study the American methods and the American way of life. Since that time it is we who have sent commissions abroad to study foreign methods and foreign solutions of current problems.

I have faith in the American people to solve their problems with the same courage, the same industry and initiative by which their ancestors solved the problems of another day. I have faith that they will once more go forward in the path of peace and progress. Only thus can they fulfill the American destiny of carrying aloft the torch of liberty to light the way of men.

Let Us Induce Travel and More Travel, Where It Is Most Worth While

EXTENSION OF REMARKS

OF

HON. JOHN R. MURDOCK

OF ARIZONA

IN THE HOUSE OF REPRESENTATIVES

Monday, July 24, 1939

Mr. MURDOCK of Arizona. Mr. Speaker, the passage of several bills in the House today in which I had a local interest gives me considerable pleasure but none more than Chairman LEA's bill, so ably supported by Congressman JOHN MARTIN, to facilitate travel in this country by pointing out that which is worth while for the travelers to see. I made it known a little while ago in my interruption of Congressman MARTIN that I was in full accord with this legislation. I wish now to indicate further what this bill, enacted into law, means for our country, especially the western portion of the country.

For many years our rich citizens have been traveling abroad and singing the praises of Mediterranean lands or the glory of the Alps or some other portion of Europe greatly blessed by nature. For an equal number of years it has been difficult to make this class of our citizens understand that there are more glorious, healthful, and pleasant areas within our own country. A few years ago the wife and I took Dean Carl Seashore, of the University of Iowa, and his wife over the Apache Trail in Arizona from Phoenix to Globe by way of the Roosevelt Dam. As we took the hairpin curves on this great scenic highway at a safe and leisurely automobile speed, with new vistas opening before us at every turn, the scholarly old gentleman said to his wife, "We saw nothing in Switzerland that surpasses or even equals this." Then turning to me he explained that it was their custom to take an extra honeymoon trip every few years and that this

particular trip was the "steenth" in their long married life but that they had taken their first honeymoon trip in the Alps years ago riding part of the time on a tandem bicycle. I am sure that even with my driving and an inexpensive car, they saw greater sights and traveled more comfortably than they had done years ago abroad.

My own State of Arizona is fast becoming not only the Nation's playground but the world's playground as well. Not only do distinguished Members of this body, such as my colleague from New York, BRUCE BARTON, and my colleague from Ohio, Congressman CROSSER, but also eminent Members of the United States Senate, such as Senator BANKHEAD and Senator VANDENBERG, have come to value the attractions of that marvelous land called Arizona. Around the cloak rooms, and in the corridors, I talk with many of my colleagues, who tell me they propose to retire and spend their last days in Arizona at Tucson or some other equally well known spot. All of which indicates that the magic word "Arizona" has come to be as enticing to the gray-haired boys, or celebrities on the Hill, as that magic word has long meant to the young adventurous fellows who dream of romance and excitement in the land of the cowboy and the Gila monster.

The Grand Canyon of the Colorado is in Arizona, a fact which is fairly well known to the public because the Santa Fe Railroad has advertised it so widely. I wonder if there is a bridge or a trestle on the great Santa Fe system which does not have painted in large letters on it The Grand Canyon Route. It is superfluous for me to say that the Grand Canyon in Arizona, more than a mile deep and more than 14 miles in width at Bright Angel Trail, is the most stupendous feature on the face of the globe. I must say that there are half a dozen other equally marvelous features to be found in that same area.

Where on the face of the earth can be found such a forest whose petrified shapes have taken form through millions of years? What region can show painted deserts where the master painter has lavished such coloring over so many square miles of land? Who can name a pit formed by the impact of such a monstrous projectile hurled from the heavens as Meteor Crater, a little way off Highway 66, west of Winslow? Time will not permit the listing of marvelous natural bridges, bottomless pits, wells fed from beneath, ice caves, lava beds, and caverns, measureless to man. I could this moment without stopping to refer to notes name for you 50 great natural features or spectacles of which the Grand Canyon is but one, and any one of which would be worth crossing an ocean to see. Why, indeed, should any American go to any other continent to be awed by the grandeur of nature, or to study the handiwork of the Great Architect?

It is natural that we Americans should long to go to Europe whence came our ancestors from the seat and origin of our civilization. If we wish to travel to broaden our minds with the Old World culture, it is well to turn toward Europe, but since there is as much broadening culture in studying man's environment and the handiwork of Nature as there is in studying the institutions of man, Europe might well look to America as a proper place for travel. We may not be able to give Old World travelers what they can give us, but we can show Europeans what they cannot find on their side of the Atlantic. The fact that the great English writer, Priestley, has for several seasons spent his winter on a ranch near the dude ranch capital of Arizona, the unique town of Wickenburg on the Hassayampa, is both illustration and proof of the truth of what I have said. So, Mr. Chairman, let us pass this bill—and I hope the Senate will take similar action—and benefit the travelers of the world and enrich our own people by the encouragement of this tourist flow. Arizona and other playgrounds of the West long ago realized that the tourist crop is our best crop. This legislation put into operation will prove to America that our tourist crop, not only of our own traveling citizens, but also visiting foreigners, is the most profitable of all crops. The profit for those who travel will be greater than the profit of those who serve.

Britain and Japan

EXTENSION OF REMARKS

OF

HON. HOMER D. ANGELL

OF OREGON

IN THE HOUSE OF REPRESENTATIVES

Monday, July 31, 1939

ARTICLE FROM THE WASHINGTON POST

Mr. ANGELL. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following article which was published in yesterday's Washington Post:

[From the Washington Post of July 30, 1939]

BRITAIN AND JAPAN

(By Commander Stephen King-Hall)

WILL ENGLAND FOLLOW AMERICA'S LEAD?

(The following article, by an authoritative British student of international relations, was written for the Post prior to the administration's denunciation of the Japanese-American commercial treaty. Commander King-Hall's analysis indicates that many in Great Britain will wish to support this action by parallel policy there.)

LONDON.

The conference between Japan and Great Britain has produced a formula but no settlement.

The British say that the purpose of the conference was to discuss a local issue at Tientsin, where the Japanese military are blockading the British concession and subjecting British subjects to degrading insults. The Japanese military and press declare that the conference had the simple purpose of arranging for the recognition by Great Britain of the "new order in Asia," which is an oriental euphemism for a state of affairs in which all Western interests in the Far East would be driven out and replaced by Japanese dominance.

The British Government has firmly declared that it does not intend to commit hari-kari in the Far East at the orders of Japan. Indeed, it must stand firm if Britain is not to suffer a loss of prestige which will shake the foundations of our position from Suez to Shanghai and incidentally lead to the disappearance from the Far East of all French and American interests.

In these circumstances, and as we must never forget that the European position is the decisive area in world politics, it is sound business to ask ourselves what friends we may have in the Far East.

The obvious answer is China.

Indeed, it is because the Japanese realize that after 2 years of bloody struggle they have only succeeded in consolidating Chinese resistance, that the Japanese general staff have decided to isolate China from the meager help which now reaches her from the West. If China can be isolated morally and physically from the democracies, her splendid resistance may crack.

Therefore, it is distressing to have to admit that during 1938—the latest period for which figures are available—the democracies supplied Japan with 86 percent of her essential war supplies. The United States of America was responsible for 56 percent of the supplies, followed by the British Empire, with 21 percent, and the Dutch, with 9 percent.

The principal commodities bought by Japan from those countries were as follows (the percentage shown after each article is the percentage of Japan's total requirements): Motor cars, 65 percent; aircraft, 77 percent; petroleum, 99 percent; ores, 99 percent; scrap iron, 99 percent; copper, 99.9 percent; lead, 99.9 percent. Japan received 100 percent of her nickel, mica, and asbestos from the three democratic groups mentioned above.

When one examines the details of these transactions there is some satisfaction for the English to be found in the discovery that of the 20 percent of her war supplies which Japan secured from the Empire, Great Britain was only responsible for 1 percent. Canadian readers of this paper may be interested to know that Japan secured nearly half her needs of aluminum, nearly all her nickel, and all her asbestos from that Dominion.

From British Malaya the Japanese procured 67.55 percent of the rubber and 92 percent of the tin she needed in order to pursue a policy of aggression in the Far East which will, if successful, lead to the day when she will get 100 percent of what she wants from Malaya—without paying for it. From British India the Japanese acquired 97 percent of her mica. I wonder what the nationalist leaders there think of that?

All of these essential imports are paid for by exports, and the democracies are obliging enough to take 82.3 percent of Japan's total exports, whereas Germany and Italy only buy 3.2 percent. The British Empire takes 40 percent (approximately) of Japan's exports. "Business as usual" is a great slogan and ought to be stamped on all the material the American aircraft industry has sold to Japan.

The exports of aircraft and parts sold to Japan for their murderous bombing of cities in China amounted in value to the tidy sum of $13,553,000 during 1938. It is only right to say that an indignant section of American public opinion (in which the President can be included) is trying to stop this export.

Why do the democratic lambs support and sustain the Japanese butcher, who will in due course take them to the abattoir if he can poleax the Chinese dragon?

The answer is a simple one. The democratic governments reflect the attitude of mind of their peoples. The public opinions in the United States of America, Great Britain, the Dominions, and Holland are accustomed to think of international relations as being either in a state of peace or of war. In the latter case relations are "broken off," in the former they are maintained and fostered in every possible way.

But the totalitarian states have taught us that there is a third type of international relationship which can be called bloodless war. Czechoslovakia is the leading case in this technique. Bloodless attack must be countered by bloodless defense and this includes counterpropaganda and the use of economic pressure where and when necessary.

At the moment I consider it would be tactically unsound to break off economic relations with Germany, since we may require this action at a later stage in the crisis. In the case of Japan the position is different. The Government departments concerned have investigated the position and action could be taken at any moment. The question of consultation with America would naturally be important, but in such a matter it would probably be best to set an example of action which public opinion in America would certainly wish to support.

In addition to such action it should be possible to allocate to China some of the $300,000,000 extra export credits authorized for "political" purposes by the House of Commons. I find it difficult to conceive of a more useful political purpose than that of supporting China in her fight against Japanese aggression.

Sermon at Funeral Services of the Late Representative Lord

EXTENSION OF REMARKS

OF

HON. JAMES M. MEAD

OF NEW YORK

IN THE SENATE OF THE UNITED STATES

Monday, July 31 (legislative day of Tuesday, July 25), 1939

SERMON BY REV. FRED J. NICHOLS

Mr. MEAD. Mr. President, I ask unanimous consent to have printed in the Appendix the sermon of the Reverend Fred J. Nichols, pastor, First Baptist Church, Afton, N. Y., at the funeral services of Hon. BERT LORD, Member of Congress from New York.

There being no objection, the sermon was ordered to be printed in the RECORD, as follows:

"A human soul went forth into the night
Shutting behind it death's mysterious door,
And shaking off, with strange resistless might,
The dust that once it wore.

"So swift its flight, so suddenly it sped—
As when by skillful hands the bow is bent
The arrow flies—those watching 'round the bed
Marked not the way it went.

"Heavy with grief, their aching tear-dimmed eyes
Saw but the shadow fall, and knew not when
Or in what fair and unfamiliar guise
It left the world of men.

"Time could not hold it back with fettering bars;
Death lost its power and ceased at last to be,
It swept beyond the boundary of the stars
And touched eternity.

"Out of the house of mourning, faintly lit
It passed upon its journey all alone,
So far not even thought could follow it
Into those realms unknown.

"Thru' the clear silence of the moonless dark,
Leaving no footprint of the road it trod,
Straight as an arrow cleaving to its mark,
The soul went home to God.

"'Alas!' some cried, 'He never saw the morn,
But fell asleep out wearied with the strife.'
Nay! Rather he arose and met the dawn
Of everlasting life."

This is an hour of precious faith, an hour when we need to draw heavily upon the bank of heaven. We come from our various positions in this walk of life to pay tribute to a husband, a loved one, a sincere friend, a servant of God, of the Nation, State, county, and community, and it is well. We come extending our heartfelt sympathy to you who mourn, because you weep and we weep with you. But what shall we say? Words are so futile, so expressionless, so empty at such a time as this. Death has its own eloquence and nothing that we can say can add or take away from the solemnity and sacredness of this hour. It speaks a language fitting to each individual heart. So may you who mourn—desiring no eulogy be given—so may you find solace in our presence and extended sincere sympathy by golden silence.

There is, however, One who may speak. He who hath gained the victory oved Death and the Grave. He who can transform this hour from one of sadness to gladness; from one of the darkness of sorrow and death into one of eternal light of heaven and life. He who is surest verity and in whom there is no shadow of turning, but remains the same yesterday, today, and forever in this changing world. And thanks be unto God, the Father, this One not only may speak but does speak as real and as sure now as when He walked the shores of Galilee.

He speaks, saying, "Come unto me all ye that labor and are heavy-hearted with sorrow and I will give you rest. Rest of body, rest of mind and heart, rest of soul. Cast all your cares upon me, for I care for you."

"Oh, wonderful story of deathless love;
Each child is dear to that Heart above.
He fights for me when I cannot fight;
He comforts me in the gloom of night;
He lifts the burden, for He is strong;
He stills the sigh and awakes the song.
The sorrow that bows me down He bears,
And loves and pardons because He cares.

"Let all who are sad take heart again;
We are not alone in this hour of pain.
Our Father stoops from His throne above
To stoop and quiet us with His love.
He leaves us not when the storm is high,
And we have safety, for He is nigh.
Can it be trouble that He doth share?
Oh, rest in peace, for the Lord doth care."

He speaks, saying, "Let not your heart be troubled. Ye believed on God—believe also in me. For I am the resurrection and the life and he that believeth in me tho dead shall he live." To believe in the Christ of God is to possess life eternal, whether here or there. Absent from the body—present with the Lord. Present with Him. "In my Father's house are many mansions. If it were not so I would have told you. I go before you to prepare a place for you and if I go and prepare a place for you, I will come again and receive you unto myself." Your beloved has been received into Christ's presence—into the very government of God, where a new position is held. Death is not the end of life for one who trusts the Son of God. Death is simply the portal through which such a one passes out into the liberty and freedom of the Eternal City, not made with hands, but is eternal in the heavens where the many mansions are.

Just now some occupy the mansions of Heaven, some trod this footstool of God as His representatives here, but, behold, I show you a mystery. We shall not all sleep. But we all shall be changed in a moment—in the twinkling of an eye at the last trump—for the trumpet shall sound and the dead in Christ shall rise first and we which are alive and remain shall be caught up to meet them in the clouds and so shall we ever be with the Lord. Thanks be unto God who giveth us the victory of a great family reunion through the Lord Jesus Christ. This was the assurance of the psalmist when by inspiration he wrote:

"The Lord is my shepherd; I shall not want.
He maketh me to lie down in green pastures;
He leadeth me beside the still waters.
He restoreth my soul:
He guideth me in the paths of righteousness for His name's sake.
Yea, though I walk through the valley of the shadow of death,
I will fear no evil: for Thou art with me.
Thy rod and Thy staff they comfort me,
Surely goodness and mercy shall follow me all the days of my life:
And I will dwell in the house of the Lord forever."

May God lead each of us to the assurance of these words that we may grasp them as did David of old, thus laying hold of an abiding springtime made possible for each of us in the words of the Lord Jesus when he said, "Lo, I am with you, always." He is here just now and He will be with thee through the days ahead. Only be thou strong and of good courage, for the Lord thy God is with thee whithersoever thou goest.

"Sometime when all life's lessons have been learned
And sun and stars forevermore have set,
The things which are weak judgments here have spurned,
The things o'er which we grieved with lashes wet
Will flash before us out of life's dark night
As stars shine most in deepest tints of blue;
And we shall see how all God's plants are right
And how what seemed reproof was love most true.

"And we shall see how, while we frown and sigh,
God's plans go on as best for you and me.
And if sometimes commingled with life's wine
We find the wormwood and rebel and shrink,
Be sure a wiser Hand than yours or mine
Pours out the potion for our lips to drink.

"And if some friend we love is lying low,
Where human kisses cannot reach his face,
Oh, do not blame the loving Father so
But wear your sorrow with obedient grace!

"And you shall shortly know that lengthened breath
Is not the sweetest Gift God sends His friends,
And that sometimes the sable pall of death
Conceals the fairest boon His love can send.
If we could push ajar the gates of life
And stand within and all God's workings see,
We could interpret all this doubt and strife
And for each mystery could find a key. But not today!

"Then be content, sad hearts, God's plans like lilies pure and white unfold,
We must not tear the closed shut leaves apart, time will reveal the calyxes of gold,
And if thru' patient toil we reach the land
Where tired feet with sandals loosed may rest
When we shall clearly know and understand
I think that we shall say, 'God knew the best.' "

Federal Spending

EXTENSION OF REMARKS
OF
HON. RAYMOND S. SPRINGER
OF INDIANA
IN THE HOUSE OF REPRESENTATIVES
Monday, July 31, 1939

Mr. SPRINGER. Mr. Speaker, the press of the Nation is greatly exercised over the excessive demands made by the President and his administration for the appropriation of huge sums of money for spending. The housing bill, which will come before the House for action, is one of the unessential plans of this administration for spending a vast sum of money. The President's own "lending-spending bill," which is, in fact, merely another "spending bill," carries an enormous sum of money which, if passed, will be spent and squandered by the President and his many and varied agencies under the guise of promoting business and industry in this Nation.

Mr. Speaker, this plan has been tried by the President on numerous occasions since he assumed office, but each period of spending has had the same depressing effect upon our Nation. The effect of the spending was quite soon over, and the overburdened taxpayers, which embrace every class of our people, were left in worse condition than they found themselves before the spending program started.

The important question today is this: "How long can we continue this folly?" The people are asking this question because they know the future of our country is in peril, and they know this administration is placing a mortgage upon every boy and girl in this Nation; and they know those who are yet unborn, and who cannot defend themselves against this wild orgy of ruthless spending of money, will find their birthright encumbered by billions of dollars which their voices did not create but which debt they must assume and pay, if possible.

This plan, Mr. Speaker, of the man attempting to lift himself by his own bootstraps has been tried and it has been found wanting. The people of our Nation, now facing the staggering debt of approximately $45,000,000,000, are frightened; the future of our country is involved today. The greater the spending program of this hour, the greater the depressed condition of our Nation will become tomorrow. This has been the answer in each prior attempt to bolster business and industry by spending enormous sums of money. The same answer will be given if the pending measures for the spending of huge sums of money are passed by this Congress.

Mr. Speaker, I ask the unanimous consent of this body to include in my own remarks an editorial appearing in the Cincinnati Enquirer, of date July 27, 1939, which is very illuminating and instructive:

STILL VALID

Some of the most cogent arguments for a policy of economy which can be found are from the facile pen of President Roosevelt himself. All of them, however, bear dates preceding the summer of 1933. It is amazing to reread some of those pungent indictments of lavish Federal expenditure and to notice how perfectly they apply to the conditions of 1939.

"I accuse the present administration," Mr. Roosevelt said September 29, 1932, "of being the greatest spending administration in peacetimes in all our history. It is an administration that has piled bureau on bureau, commission on commission, and has failed to anticipate the dire needs and the reduced earning power of the people."

The President did not see why the Government should spend lavishly when individuals could not—during his 1932 campaign. At Pittsburgh on October 19 he asserted:

"The credit of the family depends chiefly upon whether that family is living within its income. And that is equally true of the Nation. If the Nation is living within its income, its credit is good."

There is no doubt of the authorship of these candid statements. They are in the record. Nor are they distorted by being removed from their context. Mr. Roosevelt waged his 1932 campaign very largely on an unequivocal, personal promise to reduce expenditures.

"And on my part I ask you very simply to assign to me the task of reducing the annual operating expenses of your National Government. We must move with a direct and resolute purpose now. The Members of Congress and I are pledged to immediate economy."

Those were brave words—in 1932 and 1933. They won for Mr. Roosevelt a tremendous majority of the vote. This, perhaps, is why so many of the vast number who condemn present policies feel justly aggrieved. They gave a mandate to economize and retrench. They have found a solemn promise repudiated, a popular mandate twisted beyond recognition. They still agree with Mr. Roosevelt's words—the words he spoke in 1932. And they are wondering how these words must look to the President today, if he recalls them faintly in occasional moments of introspection.

And, Mr. Speaker, while we are considering this very important question of spending, we must refer to the expressions which have been made in the past by the President. He made pledges to the taxpayers of this Nation, and these very utterances aided in his selection to that high office which he now occupies. The people have not forgotten those pledges and the people will not forget them when they face the staggering tax burdens imposed upon them, which have largely deterred and depressed business of every class in our country.

Another editorial appearing in the Cincinnati Enquirer, of Cincinnati, Ohio, of date July 27, 1939, is germane to this question, and I ask that the same may be inserted herein as a part of my remarks on this important subject:

A COVENANT FORGOTTEN

In an editorial yesterday we did not by any means exhaust the incisive comments of President Roosevelt on the need for tax reduction—a need which has mounted enormously since he uttered these forceful sentences.

One statement of September 29, 1932, which turns out to have been highly prophetic, merits notice:

"If we do not halt this steady process of building commissions and regulatory bodies and special legislation like huge inverted pyramids over every one of the simple constitutional provisions, we shall soon be spending many billions of dollars more."

Mr. Roosevelt had a remarkable insight into the future, even though he did not apprehend in 1932 that he would be the villain of his own melodrama.

Taxes, like expenditures, have soared in the intervening years. The President had a good deal to say about taxes in his first campaign. Two vivid sentences from a speech of October 19, 1932, are singularly pertinent just now:

"Taxes are paid in the sweat of every man who labors because they are a burden on production and are paid through production. If those taxes are excessive, they are reflected in idle factories, in tax-sold farms, and in hordes of hungry people, tramping the streets and seeking jobs in vain."

There are perhaps 11,000,000 of those jobless folk today, tramping the streets in search of employment—nearly as many as at the peak of unemployment in 1932.

Mr. Roosevelt's promise of lower taxes was not merely a criticism of his predecessor. It was a well-defined commitment for the future, as his own words at Sioux City, Iowa, in September of 1932, clearly show:

"And I propose to use this position of high responsibility to discuss up and down the country, in all seasons and at all times, the duty of reducing taxes, of increasing the efficiency of government, of cutting out the underbrush around our governmental structure, of getting the most service for every dollar paid in taxa-

tion. That, I pledge you, and nothing I have said in this campaign transcends in importance this covenant with the taxpayers of the United States."

It is perhaps unkind to recall the President's forgotten "covenant with the taxpayers." But it is essential to recall it, in order that Americans may compare promise with performance, and the hopes of 1932 with the reality of 1939.—Editorial.

Congress—Showmanship and Statesmanship

EXTENSION OF REMARKS

OF

HON. CHARLES H. ELSTON

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Monday, July 31, 1939

RADIO ADDRESS BY HON. ROBERT A. TAFT, OF OHIO

Mr. ELSTON. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following radio address of the junior Senator from Ohio [Hon. ROBERT A. TAFT]:

Citizens of the United States of America, Representative SMITH has proposed a toast to the Congress of the United States, and such a proposal is so unique that certainly any Member of Congress can only rejoice in the opportunity to join. Representative SMITH'S proposal was so dramatic that I looked around to see whether the well-known hospitality of the Columbia Broadcasting System was supplying the materials usually considered necessary for a toast, but I assure you that this little broadcasting studio doesn't offer even the acid refreshment of tomato juice. And so, perhaps without offense, I may differ with my colleague on both the showmanship and statesmanship of Congress.

I did not have anything to do with choosing the subject, and frankly I doubt whether Congress has very much of either. My picture of a statesman has always been a large, rather pompous gentleman, with his hand stuck into his coat, insisting on great principles which have little to do with everyday life. Undoubtedly there have been great statesmen, but most of them are dead. I don't mean to say that statesmanship is not a very desirable ideal for Congress, but it is difficult to attain.

As for showmanship, Congress as a body has very little of it. As far as publicity is concerned, a single thoughtful executive, like a Governor or President, can overwhelm any legislature or Congress, for the simple reason that publicity coming from a legislative body comes from hundreds of men, expressing every point of view without system or coordinated effort. I know a good many individual Congressmen who are good showmen on their own account and know how to handle publicity, but usually it is the kind of showmanship which does not do the whole Congress any great amount of good. Congress does give a platform from which individual Members and investigating committees may call to the attention of the Nation the evils which exist in the body politic. That is a most useful function. But, after all, this can hardly be as important as formulating and adopting the measures actually to deal with the evils so publicized. The qualities which Congress does have, and the qualities which seem to me more important in day-to-day life, are very different from showmanship. Those qualities are common sense and hard work.

After all, what is Congress? Everybody, including the newspapers, refers to it as if it were one man. It is a good Congress or a bad Congress, rubber-stamp or independent, definite or wavering. It is perhaps accused of voting one way one day and reversing itself the next. There is a tendency on the part of the press and the people to personify Congress as if it were a single person. As long as anyone looks at it in that way, he can't understand Congress. It is made up of 531 different people. As Representative SMITH has pointed out, they are of every size, shape, appearance, background, and mentality. On any important issue they are hopelessly divided, and of course they should be. If Congress reverses itself on a close issue, it means that one or two men have changed their minds. Congress is not wabbling; just a few men are wabbling.

The public contrasts Congress with the President and treats it as if it were an executive body running the Government. As long as people look at Congress from that point of view, they are going to be disappointed, for it is a very poor executive. How can any group of 531 men act like an individual? We frequently see in this country an attempt to delegate executive power to a board of three or five or seven, and it is generally agreed that even a board of five is a much poorer, more uncertain method of running anything than an individual. I think it was General Goethals who once said that boards were long, narrow, and wooden; and of course a board of 531 would be still longer, narrower, and more wooden if you looked to it for prompt, decisive action.

No; Congress is not an executive; it is a legislature. It represents the people. It is a method of finding out what a majority of the people want. It should move slowly, because it is a deliberative body. It should discuss the matters proposed to it until all points of view are before it, so that it may act more intelligently.

Congress is made up of a group of average men, intended to be representative of the people of the United States. In one respect they are especially qualified for their position. They have all run for office. They have had to campaign and meet all kinds of people in the districts or States from which they come. They cannot have gone through this experience without becoming a little better judges of public opinion than other men, more in touch with the real wishes of the people. Perhaps that experience has made them a little too intensely practical and not quite enough students of the theory of government. But they are men with just a little more experience than the average man. Many election victories can only have resulted from a little better planning and a little harder work than the defeated candidates could offer.

This experience which Members of Congress have gone through perhaps qualifies them better than the average man to perform what seems to me the principal function of Congress. For Congress, first of all, is a jury, passing on one proposal after another, prepared by other men or other groups in Congress or out of Congress. Under present conditions, few Congressmen could possibly be experts on the hundreds of important subjects which come before them. Some may be expert on one subject and some on others, but, considering Congress as a whole, it can do no more than apply to particular proposals the basic principles of American government, and the sound, practical sense which most Congressmen have. They aren't statesmen, they aren't showmen; they are just average Americans with a little better preparation than the average.

Of course, there is a second function which Senators and Congressmen ought to perform and frequently do. Individually they are workmen, specialists on particular subjects, willing to spend their time making thorough examinations of those subjects and drafting laws for the consideration of the jury.

In the very nature of Congress which I have described lies its essential weakness. Measure after measure is proposed and considered on its own merits, without much attention to the question whether it fits into a larger program. It is hard enough for 531 people to give proper thought to a particular problem, without trying to agree at one time on a whole program of legislation and Government policy. The press and some of the people yearn for the development of leaders and criticize Congress for lack of leadership, but to a certain extent the very nature of Congress resists leadership. Most men have been sent there by their constituents to express their own views and not blindly to follow party leaders. Particularly in the Senate, with its smaller numbers and the right to discuss every subject at length, aggressive leadership may defeat its own purposes.

The difficulties of Congress can perhaps be illustrated best by its attempt to deal with the financial problems of the Budget. The President is advocating a policy of spending approximately $9,000,000,000 in the year which begins on the 1st of July, although the already excessive taxes are only going to produce $5,600,000,000, a deficit of nearly three and one-half billion dollars added to the huge deficits of recent years. I feel quite convinced that Congress and a majority of the people of the United States are opposed to that policy. But what happens?

A Budget consisting of a thousand pages of fine print is prepared by the Director of the Budget. Many appropriation bills carrying out the President's recommendations are presented, one after another, in the House of Representatives, and after consideration these are sent to the Senate. The different departments are heard from and testify to the tremendous public good resulting from their activities. It is very difficult for Congress to effect reductions in particular departments for the simple reason that they cannot make the thorough investigation required for real knowledge. Possibly in one department 20 percent could be saved, while in another a reduction of 20 percent in the Budget might force the elimination of work which is absolutely essential. Reduction in the expenses of executive departments ought to be done by or with the cooperation of the Executive and his department heads. The problem of saving money against the wishes of the Executive cannot be done through the ordinary processes of congressional action.

For instance, look at the reduction of the supplemental appropriation for the W. P. A. Last year $1,425,000,000 was appropriated for 8 months. Largely because of a tremendous increase in W. P. A. expenditures in the months of September and October, just before the election, the money was used up in 7 months, and the President requested $875,000,000 more to last until the 1st of July. Congress felt that the W. P. A. might be more economically administered and that even with $725,000,000 the total appropriations for the year would amount to the huge sum of $2,150,000,000. They also thought that business conditions were improving and that the increase in agricultural work in the spring ought to relieve the W. P. A. rolls of hundreds of thousands of men. And so they provided that no reduction in excess of 5 percent should be made during the winter months of February and March, and suggested that the President ask for additional funds for later months if the reduction did not materialize. A cooperative President, feeling as the President does, would have said to Congress, "I don't think you are giving me enough, but since you have indicated your desire for economy, I will do the best I can to cut down expense and will be back later if I need the money." Instead of that, all the propaganda from all the pressure groups benefiting from relief was turned loose on Congress, and the President, with every indication of annoyance at the suggestion of

economy, demanded an immediate additional appropriation of $150,000,000.

Not only that, he announced his intention to use freely during the months of February and March the money which had been appropriated. This would create a condition to justify his demand for an additional sum in April, May, and June. Under these circumstances, there is little doubt in my mind that because of the lack of cooperation on the part of the President additional millions will have to be appropriated and spent. I hope not as much as $150,000,000.

So, also, Congress in its nature considers each of the new activities of Government on its own merits: relief, social security, public works, T. V. A., Army, Navy, and hundreds of other agencies. But no one has sat down to consider the whole program. The Nation is somewhat like an individual. A new automobile is a nice thing to have; a new house is better. Certainly any man would like to give his wife a fur coat and provide his children with the finest possible education, but he knows he can only spend his income or he will end in bankruptcy. The same thing is true of government. Most of the Government agencies can be justified, although certainly some are extravagantly administered; but someone must take the burden of saying that we can only afford a certain amount of government, and we must plan our expenditures within our income. What is the use of having a Budget at all if it does not balance?

Ordinarily, this responsibility of balancing the Budget and the responsibility of coordinating the whole program of Government activity have been assumed by the Executive. Every President, Democrat or Republican, has heretofore felt deeply the moral responsibility of holding Government expenses down to its income. But today apparently it is up to Congress to develop a collective responsibility, in spite of the difficulties that I have described. Perhaps it is a good thing, because I believe Congress, if forced to do so, can develop that quality of statesmanship, which is not very natural to it. It is hard to concentrate responsibility in a group of 531 men, but I feel confident it can be done.

Many of the leading Members of House and Senate are intensely interested in opposing a spendthrift policy. A small committee might be authorized to survey the whole field of income and appropriations at one time and recommended a plan of expenditure which will balance the Budget in the course of the next 2 or at most 3 years. Such a committee could say to group after group and to special interest after special interest that seeks Government money, "Your project is interesting; it may be sound; it may be justified, but we are so far in debt today and the burden of taxation on the producers and consumers of this country is already so great that we can't afford to spend more until we have caught up with ourselves."

Congress hasn't much showmanship and can't possibly compete with the President even with the assistance of the radio. It is a good sound jury. It is made up of hard workers. It hasn't much statesmanship, but I think it can develop statesmanship if statesmanship disappears from the other departments of government.

Antialien Bills

EXTENSION OF REMARKS

OF

HON. LEE E. GEYER

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Monday, July 31, 1939

ADDRESS BY HON. LEE E. GEYER, OF CALIFORNIA, BEFORE DISTRICT OF COLUMBIA CHAPTER, DESCENDANTS OF THE AMERICAN REVOLUTION, JULY 14, 1939

Mr. GEYER of California. Mr. Speaker, under leave to extend my remarks I insert a speech I made before the District of Columbia chapter of the Descendants of the American Revolution:

Your ancestors fought and died to make this a free Nation. They believed that all men—not just some men, nor even most men, but all men—have an equal right to life, liberty, and the pursuit of happiness. There is nothing in the Declaration of Independence, or in our Constitution, to justify the taking away of that fundamental human right from any individual or from any group of individuals. Discriminatory legislation was not considered patriotic in 1776.

Today, apparently, it is. Simply by wrapping themselves in the American flag and mouthing a few catch phrases, dozens of my colleagues have been able to foist discriminatory bills upon us. I refer to the anti-alien bills that are breaking out all over Capitol Hill like a summer rash. To be sure, these bills discriminate against an unpopular group, and a group that has no power of reprisal. That fact does not make them any less intolerant, oppressive, and essentially un-American.

Such bills are dangerous. Not only because they discriminate against one group, but also because they can be interpreted in such a way as to discriminate against still other groups. And they make it easier for false patriots to dupe or bully us into accepting even more restrictive measures. They are designed specifically by illiberal men to take away our hard-won liberty. They are the entering wedge of fascism.

It is not the first time in the history of our Nation that such bills have been introduced—and passed. During the closing years of the eighteenth century, the so-called lower classes were getting restless. They were beginning to demand that suffrage be extended to those without property. At once the Tory Federalists raised the cry that aliens were trying to overthrow the Government. They passed the Alien and Sedition Acts of 1797, and many a good American was thrown into prison for having the audacity to exercise his right of free speech. When Jefferson became President he let those people out of jail, and the Federalist Party was unable to stand the shock—it passed out of the political picture forever.

In Jackson's time, too, an attempt was made to hold down the submerged third of our population. The "sons of the wild jackasses" were beginning to assert themselves in the West, to the great indignation of the hitherto specially privileged easterners. You know how Jackson handled that situation.

And you know what Lincoln did later in the nineteenth century to keep this Nation dedicated to the proposition that all men are created equal.

Most of us remember vividly those hysterical days after the World War, when Bolsheviks had long hair, and carried bombs in every pocket except their handkerchief pockets. In those pockets they carried, strange to say, handkerchiefs with the initials "I. W. W." on them. The criminal syndicalism laws of 1919 were not used against aliens and seditionists; they were used against labor.

The same thing is happening today. But today the battle is on a broader front. Our enemies' objective is the entire New Deal. They plan to destroy every measure and every agency created by President Roosevelt in his magnificent attempt to bring social justice to the underprivileged.

During Roosevelt's first term, they tried a direct attack. This failed pitifully. So they resorted to the time-honored trickery of their Tory predecessors. They deliberately began to inflame the public against an imaginary "red" menace. They set the Dies Committee to grubbing for red herrings in a slough of slander. They fished for communism in the W. P. A. And now they are going to "investigate," as they so euphemistically put it, the activities of the National Labor Relations Board.

While these so-called investigations are going on, various others of our public enemies are busy talking it up. No day goes by without some mention of the "red" menace or some attempt to trace a communistic tendency in this or that New Deal policy. Everything possible is being done to stir up an anti-red hysteria throughout the Nation.

Introducing anti-alien bills is, of course, just one more way of feeding the flame. More than 100 bills of this type have been introduced during this session of Congress, and every single one of them is just as unpatriotic as its advocates pretend it is patriotic.

The American public is being fooled again. It is time for people who are really qualified to speak about Americanism to speak up and give the lie to the patrioteers. It is time for people like you, whose ancestors made this a free Nation, to take action which will keep it free. I see that you agree with me wholeheartedly. You realize as well as I that America will not remain free if we abandon it to forces of ill will.

The Antialien Bill

EXTENSION OF REMARKS

OF

HON. VITO MARCANTONIO

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Monday, July 31, 1939

EDITORIAL FROM THE NEW YORK HERALD TRIBUNE

Mr. MARCANTONIO. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following editorial from today's edition of the New York Herald Tribune:

THE ANTIALIEN BILL

Swamping the opposition under a test vote of 273 to 48, the House on Saturday incontinently rushed the Smith antialien bill to passage and dumped it, viva voce, in the lap of the Senate. It was the remarkable climax of a remarkable movement that had been gathering strength in Congress since the first day of the session.

The Smith bill itself is a kind of final distillation of something more than a hundred different measures which have been pouring into the hopper—a few of the more drastic ones have already passed the House as separate bills—looking toward the debarring and deportation of aliens, the restraint of alien "isms," the suppression of sedition and espionage, and the severe discouragement of organized Communist and Fascist penetration. As assembled in the Smith bill, their provisions are many and frequently dubious. Some, if not actually imperiling civil liberties, seem at least to

trench violently on established ideas of the democratic process, while anything which could be described as an antialien bill is certainly a striking departure from an American tradition which has never been hostile to aliens, or any other group, as such. Yet the House has rolled them all up and passed them with a maximum of enthusiasm and a minimum of consideration.

There is little chance of the Senate's acting on the measure now, and perhaps it is just as well. But to say that the details of these proposals demand far more careful attention than they have received is not enough; it is time to look twice at the movement which they express. As to the primary authors of that movement there is no doubt whatever—they are the whole collection of Stalinites and Hitlerheilers, Communist borers-from-within and Nazi-Fascist propagandists and spies, who with their organized allegiance to foreign ideas and foreign political powers have reduced the mass of Americans to an irritated alarm and exasperation. They have at the same time proved by many of their activities that somewhat better means of legal and democratic control are necessary if this country is not to have its hospitality abused and its affairs disrupted by foreign agents.

They have created a powerful and well-warranted popular demand that something be done about them. But the House has proceeded to do it by the shotgun system. There is more prejudice and politics in a measure like the Smith bill than clear purpose. There is more appeal to emotionalism than consideration of methods.

There are sweeping expulsions and suppressions which can be easily evaded by the real offenders, which must, because of their loose wording, depend wholly on court interpretation and administration for their effect, and which are likely in practice to prove either so feeble as to be useless or so tyrannical and oppressive as to be unenforceable. And by channeling popular disturbance over Communist and Nazi-Fascist activities into a flag-waving campaign against the alien, a measure like the Smith bill simply reduces the whole movement to the base and stupid level of a Nazi campaign against the Jews. The House is turning what ought to be the serious study of some real problems into a dangerous and emotional hunt for an "alien" scapegoat—which will have small effect on Communist and Fascist subversion, in which the leaders sometimes are aliens but very often are not.

The matter is at once too important and too delicate for such treatment. The American system of government is never going to be overthrown from without, and we believe it is never going to be overthrown at all, so long as its citizens retain the courage of their liberal and humane convictions. But the activities of organized representatives of alien totalitarianisms have raised certain practical questions. These deserve to be met on strictly practical and well-considered grounds, not by the viva voce passage of emotional "antialien" bills.

Water-Pollution Control

EXTENSION OF REMARKS

OF

HON. BRENT SPENCE

OF KENTUCKY

IN THE HOUSE OF REPRESENTATIVES

Monday, July 31, 1939

ARTICLE FROM THE NEW YORK TIMES

Mr. SPENCE. Mr. Speaker, there is no subject that is of more vital importance to the people of the Ohio Valley and to many other large, thickly populated, industrial areas of our country than the subject of water-pollution control. I ask unanimous consent to have inserted in the RECORD an article by W. F. Wiley, chairman, State commission on stream pollution in Ohio River Valley, which appeared in the New York Times, on Thursday, July 27:

WATER-POLLUTION CONTROL

ACTION ON IT IN THE OHIO RIVER VALLEY IN LAST FEW YEARS OUTLINED

TO THE EDITOR OF THE NEW YORK TIMES:

We find it necessary to correct specific misrepresentation in the letter of Kenneth A. Reid, general manager of the Izaak Walton League, published in the Times on July 20, in which he states that the Ohio Valley Water Sanitation Compact "has been under negotiation for 14 years." Actually fewer than 2 years were consumed in negotiation, and the rapidity with which States of the Ohio Valley have approved the compact is a modern marvel in cooperative legislation.

Enabling legislation permitting the States to negotiate was introduced in Congress March 31, 1936. After approval by Congress the bill was signed by the President June 8, 1936. Governor Davey issued his call to the Governors of the Ohio Valley States to appoint commissioners to participate in conferences for the negotiation of the compact August 5, 1936. Commissioners and representatives assembled at the first conference November 20, 1936. The fifth and final conference completing the compact was held on October 11, 1938.

Since the final conference the legislatures of Indiana, West Virginia, New York, Ohio, and Illinois have approved the compact and there is every reason to believe that Kentucky, Virginia, and Pennsylvania will complete enactment of the compact at the next session of their legislatures in January.

SENATORIAL DIALOG

In Mr. Reid's rather loose reference to Senator TAFT it would be enlightening to quote the senatorial dialog at this point in the debate:

"Mr. CLARK of Missouri. Let me finish my answer to the argument made a moment ago by the Senator from Ohio, and then I shall yield. The Senator from Ohio said the city of Cincinnati cannot be expected to spend the money necessary to enable it to refrain from dumping the raw sewage into the Ohio River simply because it will benefit the municipalities of the States lower down. The municipalities of the States higher up will undoubtedly take the same position.

"Mr. TAFT. Mr. President, will the Senator yield?

"Mr. CLARK of Missouri. I yield.

"Mr. TAFT. I did not say that. I said the incentive not to do it is very strong, and I do not see how the doing of it can be forced. Therefore I am in favor of offering all cities—of which Cincinnati is only an example; Pittsburgh is larger and worse from the standpoint of pollution below the city—some assistance in the matter of sewage disposal, but not to proceed by an injunction process which cannot be enforced by any means of which I know."

THE COMMISSION'S POLICY

Drastic stream-pollution legislation has failed year after year because it was largely guided by ardent, idealistic sportsmen imbued with more sentiment than common sense. It is perfectly natural that industry, almost to a man, has opposed every bill that mentioned pollution abatement, as a matter of self-defense.

In our attempt to clean up the Ohio River here in the Ohio Valley we are faced with a very practical problem. The Cincinnati Chamber of Commerce recognized this at the start and prepared to lay plans for a middle-of-the-road program that would—

1. Enlist the Government in activity of pollution abatement.
2. Provide financial stimulation for municipalities and industries.
3. Provide for interstate cooperation by compact.
4. Avoid drastic Federal control by retaining enforcement in the hands of the States.
5. Attract the cooperation of industry rather than its opposition.

The Barkley bill, S. 685, carries out these features.

BARKLEY BILL SUPPORTED

Aside from the question as to the fairness of Federal enforcement versus State control, we are generally of the opinion that a Federal enforcement bill cannot be passed at the present time and it is the type of bill which may never be passed. Therefore, we want to make a start and that is why we are asking Congress to go ahead with the Barkley bill.

Typical of groups supporting the Barkley bill are the American Water Works Association, American Forestry Association, National Institute of Park Executives, American Society of Civil Engineers, American Medical Association, United States Chamber of Commerce, National Brewers Association, Camp Fire Club of America, Upper Mississippi Board of Engineers, Great Lakes Board of Engineers, New England Conference of Governors, and countless others. Are these organizations noted for careless or reckless thinking?

If the Izaak Walton League had not adopted its dog-in-the-manger attitude, the stream-pollution program would be much further advanced that it is today.

Even today, with the bill on the eve of consideration, we are not attacking the Mundt bill. We are concentrating our support on the Barkley bill, which we feel is sound and right. We do not believe a prohibitory bill can succeed. We remember prohibition.

W. F. WILEY,
Chairman, State Commission on Stream Pollution in Ohio River Valley.

CINCINNATI, July 24, 1939.

Neutrality Legislation

EXTENSION OF REMARKS

OF

HON. ROBERT M. LA FOLLETTE, JR.

OF WISCONSIN

IN THE SENATE OF THE UNITED STATES

Tuesday, August 1, 1939

RADIO ADDRESS BY HON. ROBERT M. LA FOLLETTE, JR., OF WISCONSIN

Mr. LA FOLLETTE. Mr. President, I ask unanimous consent to have printed in the RECORD an address delivered by

me, broadcast by transcription over station WHA, Madison, Wis., on July 13, 1939, on the subject Neutrality Legislation.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

The Senate Foreign Relations Committee has voted to postpone consideration of all proposed amendments to the present neutrality law until the next session of Congress. The effect of this decision is to delay, for the present at least, the so-called Bloom bill.

Recent events in Europe have been seized upon as an excuse for amending our neutrality law so that this country might be in a position to supply Great Britain and France and their allies with arms and munitions in case of war. This proposal was advanced by the administration in the Bloom bill, which provided that arms, munitions, and implements of war could be sold to belligerent countries on a cash-and-carry basis. Under the present law the President is required to place an embargo upon all shipments of arms, munitions, and implements of war to belligerents as soon as he finds that a state of war exists.

Although the cash-and-carry proposal would apply theoretically to all belligerents, there is no serious argument over the fact that Great Britain and her allies would be the real beneficiaries of such an arrangement. No other European power has the cash and the facilities to carry which can match England's resources. If Britain secures complete control of the seas, as would probably be the case, in time of war, that would automatically exclude her enemies from buying American supplies.

As a member of the Foreign Relations Committee, I voted to postpone action on the Bloom bill until the next session of Congress because I am convinced that selling arms, munitions, and implements of war to one group of belligerent nations is the first fatal step that will lead to our being drawn into war.

We cannot help but sympathize with the unfortunate people in Europe who are caught in the jaws of Old World diplomacy, but in justice to our own people we must not allow this Nation to be drawn into the same cauldron of chaos. No matter how difficult it becomes, we must always keep in mind four fundamental facts about the present international situation.

First. There is no sufficient reason to assume that it is our responsibility to keep Europe and the rest of the world in order. The governments directly involved can do that job if they only will.

Second. Going to war to protect British and French imperial interests is not going to save the world for democracy today any more than it did 20 years ago.

Third. Experience has shown that economic aid to belligerent nations under modern economic conditions sets in motion domestic forces which ultimately will push us into war itself.

Fourth. We can stay out of any foreign war if we insist upon remaining strictly neutral and if we refuse to be lured into any belligerent's camp by the false and illusory benefits of wartime trade.

In the long series of incidents which have been used to arouse American sympathy for Great Britain and France in the current European situation, many conscientious American citizens have been given the impression that the international maneuvering abroad is the prelude to a life-and-death struggle between "defenseless" democracies on one side and Fascist "monsters" on the other.

The truth of the matter is that the nations of Europe directly concerned are far from defenseless. They have the power to stop Germany and Italy in their tracks if they want to use it. The eminent American scholar, Charles A. Beard, has recently pointed out that the countries threatened by Germany and Italy can put three or more soldiers on the field for every single soldier that Hitler and Mussolini can muster. They have far greater economic resources than have Germany and Italy. They have the vast domain of the British and Dutch Empires from which to draw their food and raw materials, and with the British Navy in control of the seas they can starve their enemies into submission by means of blockade.

It remains for the governments of these nations themselves, particularly Great Britain and France, to explain why they have not used this power to prevent aggression in Europe. Certainly the reason cannot be that they needed our help. On the contrary, their policy in sacrificing Czechoslovakian democracy indicates that they are more concerned with power politics and the position of the groups they represent in the social and economic life of their own countries than they are in preserving the democratic process.

Europe is today reaping the bitter harvest from the seeds of hate and reprisal sown during and after the last World War. That war, strangely enough, was fought "to make the world safe for democracy." Today all but two of the large nations of Europe are under the yoke of dictatorships. The Treaty of Versailles was not a treaty of peace. It was a treaty of revenge. Instead of solving the problems which brought on the war it made them insoluble. The victorious governments carved up the map of Europe to suit their own ambitions, and every possible effort was made to destroy Germany beyond repair. Then in the years which followed the uncompromising opposition of the allied powers to all efforts of the democratic government in Germany to alleviate the suffering of its people brought ultimate disgrace upon German democracy and paved the way for Hitler and fascism.

In modern times whenever there has been an international crisis involving acts of aggression and treaty violation, the United States has tried to cooperate with peaceful nations for the preservation of international law and order, but every time the results have been far different from what we had every right to expect. The series of failures which have followed such attempts is an indication that the policies of foreign governments with which we have tried to cooperate are guided by considerations other than the plain desire to prevent aggression and preserve peace.

In 1931, when Japan marched into Manchuria, the United States took a firm stand in refusing to recognize Japan's conquest, but Great Britain, fearful of damage to her commercial interests, backed down, and left our State Department holding the bag. As a result of Great Britain's attitude the members of the League of Nations did not dare to invoke the sanctions provided in the League Covenant.

In 1935, when stoppage of oil shipments to Italy might have halted Mussolini's invasion of Ethiopia, the British Government refused to apply the sanctions and, instead, negotiated a deal with France, which sold Ethiopia out to Italy just as Czechoslovakia was sold out to Germany at Munich last fall.

The governments which are now asking for support from America in the name of democracy are the same which destroyed democracy in Germany to begin with and which have continued to betray democracy in the international crises which have followed the rise of fascism.

It would be a tragic mistake for this country to assume that it must cast its lot with such governments in order to preserve our own cherished ideals of democratic society.

If Americans want a way to preserve democratic forms of society in the world, their greatest service would be to foster and preserve democracy in this hemisphere and demonstrate to the rest of the world that it can work in modern circumstances. If we can preserve a refuge of sanity in a war-mad world, we will be doing a far greater service to mankind than all the guns in the world can perform.

War will not save democracy. I think the American people are pretty well convinced of that fact. It will not only destroy it abroad, but if we allow ourselves to be drawn into hostilities, it will mean the destruction of all democratic liberties in this country as well. War means military dictatorship in any country that undertakes it in these times.

The present controversy over neutrality does not spring from any disagreement over the necessity of staying out of war. It comes instead from a disagreement over how far we can safely go in helping certain nations in the event of war without becoming involved in it ourselves.

There are some people in official circles who think that we can eat our cake and have it, too. They think we can give economic aid to Britain and France and their allies, if the occasion arises, without committing ourselves to furnishing military aid. That is the contention behind the Bloom bill and similar proposals to lift the embargo on arms and munitions to belligerent nations.

Such an argument, however, ignores our actual experience from 1914 to 1917. Men of influence in the Wilson administration had that idea then. The United States Government allowed the export of large supplies of war materials to the Allies on the assumption that "such sales do not in the least affect the neutrality of the United States."

As a result American exporters built up a staggering trade in war supplies financed by private credit through such banking firms as J. P. Morgan & Co. When the day of reckoning came, the Wilson administration discovered that either the Government had to step in and continue to support the purchases being made by the Allies or take the consequences of a sudden stoppage of that export trade because of the inability of the Allied Powers to secure additional credit to finance the purchases.

The American Ambassador to Great Britain cabled the Government in the winter of 1917 to say, "I think the pressure of the approaching crisis has gone beyond the ability of Morgan. Perhaps our going to war is the only way in which our present preeminent trade position can be maintained and a panic averted."

We went to war and we maintained our trade balance for a time, but you know the cost. We sacrificed 350,000 American men, killed and wounded. The war cost us billions upon billions of dollars, and we are still suffering from the economic dislocation which it left in its wake.

I fervently hope that this may never happen again, and to that end I shall do all within my power to maintain the strict neutrality of the United States.

Hogs and Lard

REMARKS

OF

HON. LEO E. ALLEN

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, August 1, 1939

Mr. ALLEN of Illinois. Mr. Speaker, for the last 6 weeks American hog lard, a product which has built the brain and brawn of modern civilization, has been selling in Chicago at the lowest price in the history of that market; so low,

in fact, has been the price decline that it is reliably reported that lard is now going into the kettles and being made into soap.

About 2 weeks ago the representatives of the National Grange, the American and the Illinois Farm Bureaus, and the Association, Southern Commissioners of Agriculture, made an appeal to various Members of this body asking their help in order to effectuate an increase in the price of hog lard. This appeal was addressed to the Members of both sides of the aisle. In response to the request of these farm groups a call was signed by the Members of both parties arranging for a meeting to be held in the caucus room.

The purpose of the meeting was to discuss as well as to work out a sensible, economically, and factually sound program to bring about an equitable price for that commodity.

The meeting was attended by Members of both Houses from practically every agricultural section of our country. The distinguished chairman of our House Agricultural Committee, Mr. MARVIN JONES, gave his wholehearted support to every purpose and objective of that meeting. For the first time in the years I have been in this House I saw "party lines" set aside and the representatives of the agricultural farm side join in a concerted action with but a single objective.

Mr. Speaker, I am happy to say that the next few hours will reveal in part the splendid work which has been accomplished by that group. Apropos of that work done in behalf of our farmers, I want to say that I have just read one of the most constructive, economically, and factually sound editorials that has ever been written on any subject. Devoid of every vestige of partisan spirit, it truly points the way down the road to the restoration of foreign markets for our agricultural surplus crops of corn and corn products, including pork and lard, which we have historically enjoyed.

This editorial is taken from the Chicago Tribune, one of the finest metropolitan dailies of our country. I commend the reading of that article to every Member of the House. It outlines a clear, lucid, common-sense, and realistic method of solving the problem, both as to the surplus as well as the price of our exportable surplus of corn and corn products, including pork and lard.

I know I speak the sentiments of the farmers of my district, as well as the sentiments of the farmers of my State, when I say that I am in accord with every statement made and conclusion reached in that splendid piece of constructive editorial work.

Mr. Speaker, in conclusion I am submitting the call, sent out by the Members of this House, for the meeting, as well as that short editorial from the Chicago Tribune:

HOUSE OF REPRESENTATIVES,
Washington, D. C., July 12, 1939.

MY DEAR COLLEAGUES: The hog and lard producers of the country are faced with the greatest carry-over of hog lard in our history. This food product, which, since earliest times, has furnished the brain and brawn of our people, is now going into the soap kettles of the Nation.

While lard substitutes are selling at 21 cents per pound in the District of Columbia, the chain stores of the District are retailing "lard, 2 pounds, 15 cents," the lowest price received for that commodity in 72 years. Normal exports of upward of 900,000,000 pounds annually have shrunk to a fraction of that amount.

In the face of the tremendous stocks on hand and in spite of the decline in exports, there is at this moment coming into production, wrapped up in hides and on hoof in Corn Belt States, one of the greatest crops of hog lard ever produced.

In the matter of obtaining a fair price for lard the Corn Belt farmers are today faced with impending doom. The Congress has already provided means to meet this condition, and we can therefore avoid the crisis now at hand.

Will you not meet with us at 11 o'clock a. m., Saturday, July 15, in the caucus room of the Old House Office Building, in order to discuss and alleviate this situation?

Yours very truly,

H. K. KNUTSON, Minnesota; LEO E. ALLEN, Illinois; FRED L. CRAWFORD, Michigan; KARL STEFAN, Nebraska; A. H. ANDRESEN, Minnesota; DEWEY SHORT, Missouri; J. ROLAND KINZER, Tenth, Pennsylvania; FRANCIS H. CASE, Second, South Dakota; RICHARD M. SIMPSON, Pennsylvania; SAM HOBBS, Alabama; HARRY P. BEAM, Illinois; V. F. HARRINGTON, Iowa; JAMES MCANDREWS, Illinois; HAMILTON FISH, New York; JESSIE SUMNER, Illinois; CLARE E. HOFFMAN, Michigan; NAT PATTON, Texas.

[From the Chicago Daily Tribune]

GERMANY'S FATS AND AMERICA'S CORN

A two and one-half billion bushel crop of corn has been forecast by the Department of Agriculture. This large crop will be added in the fall to the record-breaking carry-over from 1938, much of last year's corn being sealed in the cribs against "loans" from the Government.

We shall then have more corn in the country than at any time since 1932, and perhaps a record for all time. There will be more opportunities than last year to convert the corn into pork, for the spring crop of pigs is back at the pre-A. A. A. level. Then what? What will be the price when all those pigs have eaten most of that corn and are sent to market?

During the coming winter the country is likely to see the lowest hog prices in years and on the gold basis the lowest since 1894. That will take place unless the Government sees to it that we get back some of the old customers whose purchases made it possible for farmers to get fair prices for hogs.

The old customer whose purchases from us shrank most is Germany. That country, despite a tremendous endeavor to produce at home all of the goods required by her people, is dependent upon foreign countries for half of the required supply of fats. Germans formerly purchased as much as 300,000,000 pounds of lard from the United States. Last year's purchases were only about one-half of 1 percent of that amount.

American products can only be bought with gold and free exchange. Germany has practically no gold, and is thus obliged to depend upon credits obtained from exports to pay for American goods. We make it very difficult for the Germans to acquire these credits. Because of things which the German Government has done of which we disapprove, we impose a tariff against German goods which is 25 percent higher than against any other country's products. As a result, Germany sold to the United States last year the smallest amount of goods since the war. The 1938 total was only half as much as that for 1931, only one-quarter as much as that of 1929. Exports to Germany this year are running a third behind those of last year.

The result of restricting the sale of German goods here has been that Germany has been obliged to reduce her purchases of American farm products severely. She was able to buy from us last year only one and one-half million pounds of lard, instead of the several hundred million pounds she formerly took.

Other countries with which Germany has had trade relations, especially Brazil, Denmark, and Holland, were unable to supply her anything like the total lard requirements. And boats sent out by Hitler to seek whales for their oil, which is a fat substitute, proved unsuccessful.

Germany and the United States have reciprocal needs. Germany badly needs American pork products, and America badly needs customers for pork products. It should be possible to exchange our pork products which are going to be in excess for German goods of which we have need. Among German products we might take in exchange for lard are chemicals, raw furs, glassware, milk separators, and magnesium. If we were to increase our purchases of these articles up to the 1931 level, Germany could readily buy from us as much lard as she did in the best predepression year.

To seize an opportunity to trade American products for German is not to approve fascism nor to condone military aggression. In attaining the high position which the United States formerly occupied in foreign trade we did not restrict our dealings to those who followed our ideas of government, economics, or morals. Being practical, France last year seized the opportunity to sell Germany as much lard as she could. French exports of lard to Germany in 1938 were twice as much as ours.

Long-time considerations also suggest the feasibility of attempting to get back the German lard business. Germany has been seeking substitutes and has been able to find them for a large number of products. If we make it impossible for Germany to obtain her supplies of fats from us, we are offering a bonus to her scientists to develop something to displace our lard. If we do not act to rewin the German market for lard now it may be lost forever.

The Constitution—Written and Unwritten

EXTENSION OF REMARKS

OF

HON. CHARLES H. ELSTON

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Monday, July 31, 1939

RADIO ADDRESS BY HON. ROBERT A. TAFT, OF OHIO

Mr. ELSTON. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following radio address of the junior Senator from Ohio, Hon. ROBERT A. TAFT:

Why have a Constitution? We have heard it denounced as a bar to progress. We have heard the men who wrote it, Washington,

Franklin, Madison, Hamilton, Randolph, and others, denounced by Irving Brant and Morris L. Ernst as interested only in protecting their own pocketbooks. President Roosevelt does not seem to like the Constitution unless it is construed just the way he wants it construed. The scoffer says, "What's the Constitution between friends?"

Well, the greatest value of the Constitution is to keep all our public officials from bossing us around. If it were not for the Constitution, the Government could tell us what we could eat for breakfast and how we should comb our hair; the Government could pass laws to take away our property, and even take away our lives. Many governments have just that kind of power when there is no effective constitution, and it is not a prospect that anyone can contemplate today with comfort or pleasure. If the Constitution were repealed or construed away to have no meaning, it would not be long before our Government became more and more arbitrary, and more and more like Germany, Italy, and Russia.

No one who reads history can seriously question the intense and disinterested patriotism which moved the men who drafted the Constitution in their effort to create a nation. For that purpose they made every compromise, and accepted provisions which often differed from their individual opinions and interests. The history of the United States is a testimony to the success of their efforts.

But these men and those who ratified the Constitution deliberately limited the powers of government because they were afraid of arbitrary government. They had had experience with it, and they didn't like it. They knew also that many republics in the past had slipped into despotism even while preserving the forms of a republic. They were students of government, and they knew how the democracies of Greece had developed into tyrannies. They knew that under all the forms of a republic, powers under the Roman state were gradually concentrated in one man until he became in fact the arbitrary emperor of the Roman Empire. They knew that the granting of unlimited power on every subject, even to a popular majority, would lead ultimately to unlimited power in an individual or a class. They knew that if all the powers of government were concentrated in one man or one group of men, it would not be long before the exercise of those powers became arbitrary and dictatorial. They tell a story about old Benjamin Franklin as he came out of the Constitutional Convention. He was asked, "Dr. Franklin, have you given us a monarchy or a republic?" His reply was, "A republic, if you can keep it so."

And so they imposed three great limitations on the power of the National Government. First, the National Government was made a government with power to deal with only certain national matters, and all powers not granted were reserved to independent States or to the people. We are told that State lines have become artificial and have no meaning; but, except for State independence, local matters, like schools, roads, cities, would soon be governed by the arbitrary will of Washington. The founders knew that preservation of local home rule was essential to real liberty. They had seen before the Revolution that government from a distant capital, like London, was bound to be tyrannical. It is impossible for any man or any board, no matter how well-intentioned, to make detailed regulations for all sections of the United States which will really fit more than a very few localities. To the rest of the Nation those regulations are tyranny, because the people have had no effective voice in their making and they are not the regulations they desire.

Of course, it is true that in the growing complexity of modern life more matters have come to acquire a national interest and have passed beyond the power of the States to control. It is true that more matters have come within the scope of the power to regulate interstate commerce conferred by the Constitution. But laws telling the farmer what he can plant and what he can't plant, and regulating even retail trade, the administration of local work relief by Federal officers, and the proposals to control all local health, welfare, and education through the use of Federal funds have seriously infringed on the rights of local self-government guaranteed by the Constitution. The real new dealers would like to abolish the State and give all power of government to Washington. They resent any opinion of the Court which recognizes a limit to the powers given by the interstate-commerce clause. Unless there is a limit somewhere, however, there is an end to local self-government, and soon to liberty itself.

In the second place, the founders of the Constitution carefully separated the powers of the National Government between the executive, legislative, and judiciary, so that no one branch should be able to exercise all of even the limited powers given to the Federal Government. They knew that if the legislature delegated all powers to the executive, and if the judiciary were made subservient to the executive, it would be but a short time before a dictatorship would put an end to any actual rule of the people.

In the Supreme Court bill of 1937 the President attempted to destroy the independence of the courts. The bill gave him power to appoint six additional judges, and his unquestioned purpose was to appoint men who would decide every case the way he wished to have it decided. The bill was constitutional, but if there is an unwritten part of our Constitution, it is that the fundamental principles embodied in the Constitution shall not be violated even by powers granted in the Constitution itself. The attempt to destroy the Government was so clear that the people rose up in violent protest. The bill was defeated by a Senate of which a vast majority were members of the President's party. The report of the majority of the Judiciary Committee, most of them Democrats, said of the bill:

"It would subjugate the courts to the will of Congress and the President, and thereby destroy the independence of the judiciary, the only certain shield of individual rights. It stands now before the country, acknowledged by its proponents as a plan to force judicial interpretation of the Constitution, a proposal that violates every sacred tradition of American democracy.

"Under the form of the Constitution, it seeks to do that which is unconstitutional.

"Its ultimate operation would be to make this Government one of men rather than one of law, and its practical operation would be to make the Constitution what the executive or legislative branches of the Government choose to say it is—an interpretation to be changed with each change of administration.

"It is a measure which should be so emphatically rejected that its parallel will never again be presented to the free representatives of the free people of America."

This attempt to destroy the division of powers was the measure which first shook the people's confidence in the President and led to the extraordinary reversals of public opinion in the elections of 1938.

In the third place, the people of the 13 States insisted, as a condition of the ratification of the Constitution, on the express limitations of the Bill of Rights contained in the first 10 amendments. No limitation on government is more typical of the American system than the Bill of Rights. It provides, in effect, that even the power of the majority of the people shall never be used to tyrannize over any minority, no matter how small that minority. On the coldly formal words of the first 10 amendments depend the right to worship according to a man's own religion; the freedom of speech and of the press; the right to assemble; the right to be secure against unreasonable searches and seizures; the right to trial by jury; the right to life, liberty, and property. If these rights were suspended to give arbitrary power to a majority of the people, it would not be long before the arbitrary power so conferred would be usurped by a small group or an individual. It is probably true that in their zeal to protect these rights the courts have given too much effect to the so-called due-process clause. In a complicated modern nation, individual rights must be more curtailed than in the simple American colonies of the eighteenth century. But a complete planned economy under which the Federal Government regulates prices, hours, wages, and every detail of business and agricultural life is impossible to administer without abandoning many of the protections given by the Bill of Rights. Whether we wish to abandon any of those rights may be debatable, but we can hardly criticize the courts for giving them effect.

Finally, the founders set out their checks and balances in a written Constitution and gave an independent judiciary the right to construe it. Some question the right of the courts to declare laws unconstitutional, but without that power the limitations imposed would have been meaningless, because Congress and the majority it represents are seldom restrained from doing what they wish to do to any minority by the mere words of the Constitution. As Madison and Hamilton said in volume II of The Federalist:

"The complete independence of the courts of justice is peculiarly essential in a limited constitution. * * * Limitations of this kind can be preserved in practice no other way than through the medium of courts of justice, whose duty it must be to declare all acts contrary to the manifest tenor of the Constitution void. Without this, all the reservations of particular rights or privileges would amount to nothing."

Those who wish to destroy the independence of the courts, those who wish to construe constitutional limitations away until they mean nothing, are in fact desirous of destroying the Constitution itself. Their course, whether intentional or otherwise, is directed toward an all-powerful state.

The Constitution is our bulwark today against both fascism and communism, and against the bitter conflict between them, which is destroying Spain and threatens to destroy Europe. No constitution can be perfect, and it may be highly desirable to make additional changes. As George Washington said in his Farewell Address, "The basis of our political systems is the right of the people to make and to alter their constitution of governments. But the Constitution which at any time exists, until changed by an explicit and authentic act of the whole people, is sacredly obligatory upon all."

The Constitution did not create the American way of life; the character of that life has changed and extended since it was adopted; but it did impose certain restraints on the exercise of governmental power which have prevented democracy from destroying itself. The progress of America has been due to the retention of the spirit of liberty and individual initiative, kept alive by the freedom of the different localities and the freedom of the individual.

All over the world we have seen how easy it is for a temporary majority of the people to turn over all the powers of government to a dictator, and how difficult it is ever to recover those powers once they are delegated. Such a thing cannot happen in this country as long as we revere the Constitution, as long as we retain an independent judiciary with power to interpret it, as long as we refuse to listen to those sirens who would construe away the essential restraints which the founders so wisely imposed.

Enviable Record—H. O. L. C.

EXTENSION OF REMARKS

OF

HON. EMANUEL CELLER

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, August 1, 1939

Mr. CELLER. Mr. Speaker, I think we can all be proud of the fine work the H. O. L. C. is doing. It has made a splendid record. I have always found its Board and local officials in New York City particularly sympathetic and responsive to genuine appeals for relief and help. Mr. John H. Fahey and his colleagues on the Board—T. D. Webb; Franklin W. Hancock, Jr., whom we shall always remember as a distinguished former Member of this House, and who is a warm personal friend of mine; Fred W. Catlett; and W. H. Husband have all rendered yeoman service in relieving owners of homes of various trials and tribulations growing out of mortgages held upon these homes by mortgagors about to foreclose.

THE RECORD OF THE HOME OWNERS' LOAN CORPORATION

The Home Owners' Loan Corporation, now in its sixth year of operations, is well on its way toward the goal set by Congress—the rehabilitation of hundreds of thousands of home owners who faced the loss of their properties during the depression. Today more than 701,000 borrowers, all threatened with foreclosure at the time the H. O. L. C. stepped into the picture, are in satisfactory standing. Nearly 588,000 are either entirely current or less than 3 months in arrears, and 113,500 others not only are meeting all regular monthly bills but, in addition, are making regular monthly payments on their arrearages. About 126,000 other borrowers are making adjusted payments which give hope that they, too, will be enabled to "come through"; and nearly 44,000 accounts, amounting to $101,000,000, have been fully liquidated and crossed off the books.

Borrowers have paid back more than $500,000,000 of their entire principal indebtedness; about 90 cents of every dollar due has been paid to date, with collections now aggregating about $1,000,000 in principal and interest every working day.

The accomplishments of the Corporation, however, are not confined to the relief it extended more than a million home owners in the form of loans, or in helping halt the demoralization of a real-estate market that already was recording 1,000 foreclosures a day and never could have withstood the shock of a million more. In taking mortgages totaling $932,400,000 from banks and trust companies, $767,900,000 from savings and loan associations, $192,000,000 from finance and mortgage companies, and $164,600,000 from insurance companies it made those institutions liquid and allowed them to grant leniency to other distressed home owners. The rest of the $3,093,000,000 the Corporation advanced before the close of its lending period, June 12, 1936, went directly to individual mortgage lenders, keeping them, too, from adding to an avalanche of foreclosures which had mounted to 1,000 a day.

The Corporation saved its borrowers $200,000,000 in concessions it was able to obtain for them from mortgage holders at the time of refinancing. It directed the spending of $78,000,000 for repairs which made their homes better investments and sounder security. And it paid $229,000,000 to wipe out delinquent taxes. It is estimated that H. O. L. C. borrowers to date have saved $175,000,000 in interest alone—the difference between the amount they have paid under their 5-percent rate and the higher rate on which they originally obtained their mortgages.

But perhaps the Home Owners' Loan Corporation's chief contribution was toward the reformation of the entire mortgage structure of the Nation. Its 15-year 5-percent amortized mortgage has revolutionized the home-mortgage field. It swept away the old and burdensome second mortgages of H. O. L. C. borrowers—and the second mortgage is virtually disappearing from the American home-financing picture. The old short-term loan—renewable only at high fees and which the average home owner rarely ever paid off—also rapidly is being discarded. The low-interest, long-term loan now is a recognized part of home financing in this country.

The H. O. L. C. at the present time owns 88,576 homes. It has sold 34,595. These homes—representing only about 12 percent of the number H. O. L. C. refinanced—were acquired only after every effort to save their owners failed. It is estimated that 18 percent of the homes acquired were abandoned or virtually so and that 6 percent came to the Corporation through deaths of borrowers and refusal of heirs to assume their obligations, or through legal complications. The largest single block of foreclosures, almost 40 percent, resulted either through a willful default of those able to keep their contracts, or utter refusal to cooperate to the best of their ability. Only a minority of foreclosed H. O. L. C. borrowers lost out through sheer inability to pay.

The personal service which the H. O. L. C. instituted was unprecedented. If borrowers were out of jobs, H. O. L. C. field men sought to get them employment; if they were eligible for relief, they were aided in obtaining a shelter allowance which could be applied on payments for their homes; if they were "overhoused"—attempting to carry homes beyond their incomes—they were helped to rental or sale. Every resource was exhausted before foreclosure action was taken, and even then 16,500 withdrawals of foreclosure actions prove that leniency was granted to the last.

It must be realized that the average H. O. L. C. borrower, when refinanced, was 2 years delinquent in both principal and interest and in arrears 2 to 3 years on taxes. The average foreclosed H. O. L. C. borrower at the time of foreclosure was again delinquent 20 months in both principal and interest to the Corporation, with unpaid taxes mounting. Since the process of foreclosure requires several months in the average State, the average borrower who has lost his home occupied it rent free for at least 4 and probably 5 years. If he was unable to make any progress toward rehabilitation in that period, little hope could be held out for the future.

Net H. O. L. C. foreclosure authorizations dropped in November to about 2,000 from a peak of 8,000 monthly in the late summer and fall of 1936. In several States, foreclosures virtually have ceased; in many others, withdrawals are about equaling foreclosures. H. O. L. C. has been able to dispose of its acquired properties almost at will, but only offers them for sale in quantities which will not adversely affect the stabilization of the real estate market. In 1938 the Corporation sold more than four times as many as it had sold in the course of its operations up to December 31, 1937.

As rapidly as the H. O. L. C. has acquired homes, they have been placed in condition to yield income. Its reconditioning forces are spending about $100,000 each working day for that purpose and to recapture values lost through depreciation; in all, $45,000,000 has been expended to improve such homes, making a definite contribution toward safeguarding neighborhood values. Of the homes the H. O. L. C. holds, available to yield income, 88 percent are rented; 98.8 percent of the renters either are current or less than a month in arrears.

Although the H. O. L. C. was created to meet an emergency, its officials have sought to make permanent contributions toward a more secure home ownership in the future. Forced to recondition half the homes it refinanced in order to make them good security, the Corporation exposed the full extent of shoddy construction in the small-home field. As a result, its technical forces conceived the Federal Home Building Service plan, which now has been placed in operation by the Federal Home Loan Bank Board, the parent of the H. O. L. C. It is a program which links home-financing agencies, architects, materials dealers, and manufacturers, contractors, and

all other elements of the building industry to give better design and supervision of construction to small-home seekers for the first time in the country's history.

These technical forces now are working on a neighborhood rehabilitation program, which seeks to halt the obsolescence of what should be sound residential areas, either through blight within their borders or from the menace of encroaching slums. They believe that a united front of home owners, real-estate interests, and home-financing agencies can halt the staggering loss in property values which all major communities now bear each year.

The H. O. L. C. has a selfish interest in such programs to better home construction and protect home investments, since it owns a vast number of homes and has mortgages on hundreds of thousands more, all of which are affected by any decline in property values. But, in a broader sense, it is seeking to protect not only itself and its borrowers, but all home owners of the future from the conditions which contributed to the necessity of establishing the H. O. L. C. during the most desperate period of the depression.

I herewith insert an interesting letter received from Chairman Fahey of the Federal Home Loan Board:

FEDERAL HOME LOAN BANK BOARD,
Washington, July 28, 1939.

The Honorable EMANUEL CELLER,
House of Representatives.

MY DEAR MR. CELLER: We recently have received inquiries from a number of Members of the Congress regarding the operations of the Home Owners' Loan Corporation, both nationally and in their own States. Believing that you will be interested, I therefore am attaching a brief, informal report as of December 31, 1938, which not only gives a picture of our current activities but outlines the permanent contributions the Corporation has made to a broader and more secure home ownership. To supplement this report, I am taking the liberty of presenting you with some interesting figures on your own State of New York.

The H. O. L. C. refinanced 80,117 New York home owners, to the extent of $424,032,983, since the beginning of its lending period, June 12, 1933. These New York borrowers, like all H. O. L. C. borrowers, were without private credit at the time; the average was 2 years delinquent in both principal and interest and between 2 and 3 years on taxes.

As of February 28, 1939, New York borrowers had repaid $35,276,568, or 8.3 percent, of their total principal indebtedness. Collections in March were 91.7 percent of billings. One thousand and forty-seven New York borrowers have paid in $3,685,000 to settle their accounts in full; 20,375 others today are current or less than 3 months in arrears, while 12,896 more are in a liquidating class, meaning that they not only are meeting all current bills but, in addition, are making regular monthly payments on their arrearages.

This means that we now have 33,271 accounts in New York in a satisfactory condition, representing borrowers who clearly are on their way to debt-free home ownership. There are 21,335 other borrowers who are making adjusted payments sufficient to keep their accounts active and who are being given every assistance in their effort to rehabilitate themselves.

The H. O. L. C. now owns 18,202 homes in New York. It has sold 1,367 others. Of the homes it owns, and which are available to yield income, 87.9 percent are rented. Rental collections in February were 98.8 percent of billings.

These figures tell a story that we believe is a credit to both home owners and the manner in which they were assisted by the Government. They show that more than 69 percent of these almost hopless home owners H. O. L. C. refinanced either have saved their homes, are almost certain to save them, or at least have a good chance—and only 26 percent are in the last category.

Included in the original loans made in New York were $4,574,000 for reconditioning and repair of homes to make them sound security, and about $31,062,117 for payment of delinquent taxes. The Corporation has advanced an additional $12,320,000 for taxes, maintenance, insurance, and similar purposes to aid and protect borrowers. Further, $9,426,000 more has been spent on properties which the Corporation has acquired. Every dollar spent on reconditioning, of course, stimulated the construction industry and enhanced neighborhood values; the taxes we advanced provided needed revenue to New York communities and to the State.

The story of how the H. O. L. C. tried to serve the purpose for which it was established by the Congress is told in the attached national statement. Its constructive social purposes have been carried out in the Sate of New York to the best of our ability.

Sincerely yours,

JOHN H. FAHEY, *Chairman.*

John Ericsson—Son of Sweden Whose Monitor Saved the Union

EXTENSION OF REMARKS
OF
HON. MARTIN F. SMITH
OF WASHINGTON
IN THE HOUSE OF REPRESENTATIVES
Tuesday, August 1, 1939

ADDRESS BY HON. MARTIN F. SMITH, OF WASHINGTON, DELIVERED AT EXERCISES HELD AT JOHN ERICSSON STATUE, POTOMAC PARK, WASHINGTON, D. C., JULY 31, 1939

Mr. SMITH of Washington. Mr. Speaker, under leave to extend my remarks, I insert the address which I delivered at the memorial exercises held at the John Ericsson statue, Potomac Park, Washington, D. C., July 31, 1939, as follows:

Mr. Chairman, Secretary Edison, Admiral Bowen, distinguished guests, ladies, and gentlemen, we are assembled this evening in beautiful Potomac Park, on the banks of the historic Potomac River, south of the Lincoln Memorial, in our Nation's Capital. We are met before the impressive statue of that great and gifted son of Sweden and noble benefactor of America, John Ericsson, to whose memory we esteem it a privilege and an honor to again pay tribute. In the words of the poet:

> His was one of the few, the immortal names,
> That were not born to die.

John Ericsson was one of the greatest inventors of all time. He was born in Varmland, Sweden, on July 31, 1803, and died in New York City at No. 36 Beach Street on March 8, 1889. His career as an engineer commenced in connection with the construction of the Gota Canal from Stockholm to Göteborg in Sweden. He early became interested in steam locomotion by land and sea. He later went to England, as a young man of 26 designed and built a locomotive, the Novelty, which attained a speed of 28 miles per hour in successful competition with Stevenson's Rocket.

While in England he also designed the screw propeller, which was destined to ultimately change all travel and commerce, and proved its efficacy on two vessels named for Americans, the *Francis B. Ogden* and the *Robert F. Stockton*.

Ericsson came to America in 1839 and introduced his new propeller on the canals and inland waters of the United States, and within 4 years after his arrival 24 merchant vessels were thus equipped. In collaboration with Captain Stockton, of the United States Navy, he commenced construction of the first screw-driven ship of war, the *Princeton*, a frigate of 600 tons, in which for the first time the method and means of propulsion, the screw for the propeller and the engines, were concealed below the water line safe from shot and shell.

He also designed and perfected other important mechanical devices. Among these should be mentioned air compressors, a boiler with artificial draft; a steam fire engine; the caloric engine, which at that time some expected to displace the steam engine; and numerous other valuable devices for use in the pursuits of war and peace. With these alone to his credit he would justly be renowned as one of the outstanding engineers of that period.

However, it is as the designer and inventor of the *Monitor*, and its quick construction in one of the most crucial hours in American history, and hastening its completion just in time to protect and save the Union fleet from destruction by the ironclad *Merrimac* at Hampton Roads, Va., on March 9, 1862, that John Ericsson won undying fame and a high place among the immortals in the age-long struggle of mankind for liberty and freedom. Second only to the savior of the Union, Abraham Lincoln, whose majestic memorial and shrine is nearby, will live forever the name of John Ericsson.

Those of us who are able to trace our ancestry to the sturdy people of the powerful little Kingdom of Sweden are naturally proud of the important and valuable contribution which our forbears have made to the discovery, the growth, the development, and the progress of the United States of America. We take justifiable pride in the fact that it was that heroic champion of religious freedom and also one of the greatest military leaders of the ages, Gustavus Adolphus II, who was responsible for planting on American soil a Swedish colony. It was his great chancelor, Axel Oxenstjerna, who carried to fruition the King's idea when he died on the field of Lutzen in 1632, and thereby gave New Sweden to the New World, which later became known as Delaware. Through the period of the Revolutionary War and in every subsequent crisis and emergency in our country's history down to the present hour,

men and women of Swedish birth and ancestry have played a leading role in our national history. Altogether 2,000,000 people of Swedish birth and ancestry now live in the United States and are noted for their industry, their integrity, their culture, their patriotism, and their manifold qualities of good citizenship.

It is fitting and appropriate that this magnificent statue of John Ericsson is located not far from the wonderful memorial which expresses the everlasting gratitude and affection of the American people for Abraham Lincoln and that this modern destroyer of our Navy should be named after Ericsson who nearly 80 years ago said to Lincoln: "Attachment to the Union alone impels me to offer my services." Tradition records the fact that Lincoln gladly and gratefully accepted the proffer and after going over the plans of the Monitor with Ericsson, added a little gayety to an otherwise solemn occasion by remarking in his characteristically humorous vein, "Well, like the girl that put her foot in the stocking, it strikes me there's something in it." Events later proved that there was indeed something in the idea of the stolid scientist from the North and together Lincoln and Ericsson wrote one of the most interesting and glorious chapters in American history.

In a world of storm and strife, it is significant that after 150 years of unbroken friendship, the bonds of attachment and mutual regard, which have always existed between the United States and Sweden, are today stronger than ever and it is our fervent hope and prayer that they may always remain so.

Un-American Activities

EXTENSION OF REMARKS

OF

HON. J. THORKELSON

OF MONTANA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, August 1, 1939

Mr. THORKELSON. Mr. Speaker, as I review this session of Congress, I am happy to note that the oseus structure of many Members is undergoing calcification. This to me is a hopeful sign, for statesmen need to have a good strong spine to support themselves in an upright position. This manifests itself in independent action and in firmer support of the people instead of the President.

Like other freshmen in Congress, I had much advice and help from some of the veteran statesmen. I was told to listen to the veteran Members, which, of course, I did; and, believe it or not, listening is always enlightening, in more ways than one.

I soon began to suspect the wisdom expounded by these veteran statesmen, for at times their opinions did not seem to be based upon a sound premise. Many of these Members seemed to be depriving the people of rights instead of preserving and protecting such rights. They were, of course, very loyal to the President, but in attempting to please him, they appeared to be disloyal to the people. Not once did I hear anyone say, "Let us set our course from the Constitution," or "Let us use this document for guidance." All I heard was, "The President wants this," and "We must make democracy work."

In cogitating upon this peculiar statesmanship, it occurred to me that "democracy" had worked, very successfully, for the past 26 years. For is not our Republic being transformed into a socialistic, proletarian State? Surely no one can deny that "democracy" has not worked, for are we not now on the eve of internal strife? Is not our Nation almost in the hands of the Communist? Are not our industries and business dormant? And is not our economic and social structure undergoing rapid deterioration? Certainly it is, and that in itself is the best sign that "democracy" is working.

In my early days as a Member of Congress, I felt alone in my advocacy of perfectly obvious sound principles, but I now note that many of the Members are beginning to speak on these lines, and for that I am grateful. I am also appreciative to the public for its interest, which has found expression in letters from many patriotic bodies and from a large number of sincere and patriotic citizens throughout the United States.

In their desire to help, a few overzealous patriots reach a little too far when they attempt to speak for me, for no one is authorized to speak for me or to act in my behalf. Naturally, I prefer to do that myself. In order that I will not be misunderstood, it is my desire to say that, excluding my party, I am not connected with any political or "anti" society, anywhere in the world. I am instead free from political entanglements, free from subservience to anyone, and I sincerely hope that I will always remain so. I have always been of the opinion that elective and appointive members of the Government should dedicate themselves and their work to the general welfare of the United States, instead of to political parties. I have always held that the Government can render the greatest help to the people and to the Nation by attending to its duty which is clearly set forth in the Constitution of the United States. It is rotten politics, political grafting, fraud, waste, and outright stealing of public wealth, irresponsibility, and incompetence, that are the causes for the mess we are in today. Our nitwitted politicians do not seem to realize that when the Government collapses, everything worth while falls with it; that in the ruins of fallen government lie strife, suffering, and poverty. It is in the knowledge of this danger that I have tried to arouse public interest so that the people will act and restore the sound government that the politicians have destroyed. I dread sharing the fate of other nations that have been ruined and destroyed because of public indifference to their own interest.

President Washington aptly said, "Tyrants arise on the ruins of public liberties." My greatest desire is to clean out the enemies within our Nation, and if this is done now, we will prepare ourselves to meet assaults from without.

My political faith is simple: I am a firm believer in sound, constitutional government. I believe in the equal rights of all people who are loyal to our Government and to the fundamental principles upon which our Nation was created. This makes me a pro-American.

I am opposed to communism, anarchism, and all those who attempt to destroy our Government, no matter in what manner such destructive attempts are made. That makes me anticommunistic, which I am in fact.

He who attacks my stand must therefore be opposed to my principles and consequently anti-American and pro-Communist.

The Communist, to hide his activities, calls those who oppose him Nazi, Fascist, or anti-Semitic. This is done, first, to divert public attention from himself; and second, to enlist the people as crusaders for his cause, by directing their activities against those patriotic citizens who denounce communism and destruction of the Government. In other words, all of our people who are now directing their efforts against the Fascist, the Nazi, and the anti-Semitic are aiding and abetting the Communist, so that he may without interference or danger of exposure, destroy the Government and convert it into a proletarian State.

This is not new. As a matter of fact, it is over 20 years old, and the United Mine Workers of America exposed this plan to Congress and to the country by publishing in the newspapers, yet Congress nor anyone paid the least bit of attention to this expose, and now as we rapidly approach the final dissolution of the Government, a person may wonder what is wrong with Congress. Congress and the people were warned that the Communists were active over 20 years ago, and Congress is still waiting, and thereby helping the Communists to consummate their plan.

I quote from Senate Document No. 14, Attempt by Communists to Seize the American Labor Movement, prepared by the United Mine Workers of America and published in

newspapers of the United States. Presented by Mr. Lodge January 3, 1924, and ordered to be printed:

THE AMAZING SCHEME

The United Mine Workers of America with this article begins an expose of the Communist revolutionary movement in America, as promoted and fostered by the Communist International at Moscow, and dealing with it as it involves the welfare of the miners' union, and other similar labor organizations, and the interest of the American people as a whole.

The purpose and object of the United Mine Workers of America in bringing to the attention of the American people the far-reaching and intensive activities of the Communist organization in this country is twofold. The United Mine Workers of America wants the public to know what this thing is. It wants the public to know something about the fight which the miners' union is waging to stamp it out. First, it desires to reveal and make known the sinister and destructive groups and elements attempting to "bore from within" its own ranks and membership and to seize possession of the organization, and, through such seizure, to later gain possession of all legitimate trade-unions; second, to inform the American people of the scope and purpose of the hostile and inimical movement being carried on within their midst.

Imported revolution is knocking at the door of the United Mine Workers of America and of the American people. The seizure of this union is being attempted as the first step in the realization of a thoroughly organized program of the agencies and forces behind the Communist International at Moscow for the conquest of the American continent.

The overthrow and destruction of this Government, with the establishment of an absolute and arbitrary dictatorship, and the elimination of all forms of popular voice in governmental affairs, is being attempted on a more gigantic scale, with more resolute purposes, and with more crafty design, than at any time in the history of this Nation.

The Communist regime at Moscow, bent on world conquest, is promoting and directing one of the best organized and most far-reaching campaigns in America with which any country has ever been confronted. The Communist organization on the American continent is composed of more than 6,000 active leaders and lieutenants, and approximately 1,000,000 members, adherents and sympathizers, scattered in every State and province of the United States and Canada, and who are actively or tacitly promoting the scheme to import bolshevism and sovietism to this side of the Atlantic.

I shall now quote the concluding paragraph in this report, and shall ask you to read it carefully:

The Communist movement in the next 12 months will be conducted along more intensive lines than it has at any time in the past. The labor organizations will meet their greatest assaults and attacks, and the Communists will make greater efforts than they have at any time in the past to get possession of them. The movement is aimed not only at the labor unions but at the entire industrial, social, and political structure of the country, and with the single aim of eventually establishing a Soviet dictatorship in the United States, and converting the country into a vassal colony of the Communist International at Moscow. It is a situation that challenges not only organized labor but every employer as well. This is one occasion when labor and the employer might very well join hands and fight together instead of fighting each other.

This should be a credit to the United Mine Workers of America, for they advocated that business and labor should unite in peaceful solution both of their own problems and for the security of the United States by eliminating communism. Continual failure to heed this warning leaves all responsibility upon the Congress of the United States.

The United Mine Workers of America realized the danger of communism and bolshevism. They complained to Congress about it, and their findings were inserted in the CONGRESSIONAL RECORD, but that was the end of it, like other warnings inserted in the RECORD. Had the Nation been blessed with statesmen instead of political fools, communism would have been nipped in the bud. As it is now, it is a full-fledged, well-ncurished monster bent upon destruction of our Nation and the enslavement of our people. I might be a little harsh in my statements about Members in Congress, but my purpose is not to be vindictive, yet facts are facts. "Statesman" is a misnomer for a person whose vision reaches no farther than the end of his nose. It was that type of "statesman" that did not heed the warning of the United Mine Workers of America.

The question may be asked, What is communism and who are the proponents of this vicious doctrine?

The proponents are Karl Marx and Engels. It is a part of their philosophy and interwoven in the life of their own people. Communism is a special prepared socialism that is employed to destroy sound government, and the proponents are composed of radicals led by those who subscribe to the communistic doctrine. If this were not true, they would not shout "anti-Semitic" or "Nazi," for they do not hate communism but they hate those who discover them, instead.

It was Germany that discovered the insidious wiles of these internationalists, first, when they brought about inflation and second, when they attempted to take charge of the German Government by the control of gold and credit. It was only natural for Germany, understanding the socialism of Marx and Engels better than any other country, to call their hand. But when Germany said to the money changers, "You are discovered. You are destroying the morale of our people, and you are undermining our nation," the Communist, in dismay at having been caught red-handed, exclaimed, "Germany is anti-Semitic, and the Nazi is our enemy."

In the United States, the same crowd, filled with hatreds, has organized over a thousand anti-Nazi leagues, the sole purpose of which is to boycott Germany. Nazi is a word coined by the international Communists. They want it to be known that Germany is an enemy to civilization, and they advocate, "Do not trade with the enemy." It is indeed strange that this particular group of people should take it upon themselves to designate a friendly nation as an enemy to the United States because such nation set its own house in order. They do not seem to consider that 120,000,000 Gentiles or Christian Americans may not agree with them. They assume instead that because Germany is selected by them as their enemy, that in itself is sufficient grounds for the whole Nation to rally to their support. This, if nothing else, is extraordinary reasoning. As a matter of fact, it borders on the ridiculous. Let us suppose that other nationals in the United States presumed to pursue the same course. We would then have thousands of leagues advocating that those who discover their attempted destruction of our Government be declared anti-English, anti-Irish, anti-Scandinavian, and so forth. And if they pursued this course further, as is now done by the Jews, then we would have the slogan, "Do not trade with any foreign nation, for they are enemies to civilization."

The United States being made up of many nationals would therefore find itself in a ridiculous position where we would not have any foreign trade because some particular people took the liberty upon themselves of speaking only in their own interest.

Let us ask ourselves this question: Why should the Jew consider himself so sacred or important that the whole Nation must join hands with him to fight those he chooses to designate anti-Semitics? Have we reached the point where one particular race may consider itself more important than 120,000,000 other people? I hardly think so, for is it not better for us to be a Nation of united Americans than a Nation divided by many nationalities?

It should now be clear that when we follow such faulty reasoning, all patriotic organizations, papers, and periodicals, that stand in defense of constitutional government and for the American ideals of our founding fathers are called anti-Semitic, Nazi, Fascist, reactionary—by whom? By the Jew-Communist and the international fanatics; and, believe it or not, these words were coined by them.

The American patriot, being aware of this danger, calls those who are engaged in destruction of our Government Communists or communistic Jews. The patriot stands in defense of the country and the flag. The communistic Jew fights for himself and for those in the invisible government who have a fantastic desire for world power.

To those who read this let it be understood that I use the term "communistic Jew" because the group I am speaking of classifies itself as such. It is my desire to draw a distinction, because we have many Jews in the United States who are good, stanch American citizens, so no one must blame all for the sins of the few.

As proof of my statement let me read into the RECORD a few paragraphs by Mr. J. Soltin in The Struggle Against Anti-Semitism—A Program of Action for American Jewry:

We, the Jewish Communists, have to render account to ourselves concerning the contributions we have made through our work among the Jewish masses toward the accomplishment of this great task of the present moment. * * *

"The Struggle Against Anti-Semitism Is a Struggle for Democracy." This is the title of the first chapter. What is the real meaning of this title? Let me interpret: The struggle against Americanism is a struggle for communism. This is the subtle psychology of the communistic Jew to deceive the tolerant gentile.

Continuing with the quotation:

Two years ago, at our conference of September 1936, we signalized the danger of an international pogrom upon Jews prepared by fascism in all capitalist countries. Basing our forecast upon the Marxist-Leninist analysis of the Communist International and our American Party, which foresaw a sharpening of the struggle between the forces of progress and reaction, we pointed out that in this struggle fascism would to an ever greater degree make use of anti-Semitism as its sharpest weapon of attack. * * *

Millions of the working population in the United States, Jews and non-Jews, ask the question, How can anti-Semitism be successfully combated; how can it be defeated? To this question we Jewish Communists must furnish the answer. We must point the way and dispel the feeling of despair and hopelessness among the Jewish masses; we must draw up a program of action that will be acceptable to the Jewish masses and find support in the camp of progressive American democracy.

May I reply to the question, How can anti-Semitism be successfully combated? by pointing out that it will stop of its own accord if every Jew in the United States becomes a good American citizen? We have no trouble with the problem of anti-Semitism in Montana, because we have no Communistic Jews. The very fact that the Jew fights for himself and for his race is cause for anti-Semitism, so he brings it upon himself when he does not support constitutional government and American ideals.

The Jewish workers in the needle industry, with the Jewish Communists in the vanguard, have before them an important task. * * * The Jewish Communists must be in the front ranks of the fighters for a constructive program in the unions that will create harmony among the workers in the industry. The Jewish Communists must consider it their duty at all times to explain to the Jewish, Italian, Negro, Greek, Polish, and other workers in the various trades that the Fascists seek only to create antagonism and disunity in the ranks of the workers; that the Fascists are actuated only by antilabor aims: To divide and demoralize the workers in this or that industry in order to smash the working class as a whole.

The strange part of this philosophy is that the Jewish Communist does exactly what he accuses the Fascist of doing. It is well for the American people to bear in mind that the Jewish Communist disguises his activities by ascribing them to others, as he does in this paragraph. No one in the United States has seen a Fascist and there is no record of an organization of that sort. Yet it is used in this instance as a cloak for the very thing that the communistic Jew is doing. He spreads this "unity" among the workers. He sets up class hatreds between Italian, Negro, Greek, and Polish. He divides and demoralizes the workers by willful prevarication as a shield for his own activities.

THE SOVIET UNION POINTS THE WAY

The great Stalinist constitution expresses the fact that the land of socialism is the greatest and broadest democracy in the world. This constitution embodies the unity of the workers and other toilers in the Soviet Union, the unity of the Soviet people with its Bolshevik Party and its Soviet government, the unity of the peoples and nationalities comprising the Soviet Union—the unity which has made the Soviet Union into a power unequaled in this world.

We base our approach to Jewish culture squarely upon the teachings of Lenin and Stalin, which are already being carried out in the life of the Soviet Union, where national cultures of peoples, among them also Jewish culture—socialist in content and national in form—are being built with the greatest devotion and enthusiasm.

We Jewish Communists have not, however, taken full advantage in our daily work of the influence and prestige of our party among the Jewish masses. Knowing that a great, strong Communist Party is the strongest bulwark for the Jews and all oppressed groups against the attacks of all their enemies, we have not done enough to build our party among the Jewish masses. We have not exerted enough effort to convince the most militant elements among the toiling Jews to recruit them as members of our party.

The great importance of our party in the life of the masses is due to its correct line based on the scientific doctrine of Marxism-Leninism * * *.

The question of the organizational work of the Jewish Communists is one of the most important before this conference. No matter how correct may be the line of struggle that we have presented here and the program that we propose, it will not lead us one step further unless we simultaneously take the proper measures to strengthen our organization, to improve our organizational methods. In the words of Comrade Stalin, "Organization decides everything." We must eliminate the serious shortcomings and frequent blunders in our organizational work and methods.

It should now be clear to all who read this that the word "democracy" is synonymous with "communism," and that the reactionaries are those who object to the Communist; that the Nazi and Fascist are the "stooges" of the Jewish Communist, and the so-called "anti-Semitics" are patriotic American citizens who are interested in the welfare of our country and the security of our Nation. Unfortunately, this movement is conducted and nourished by Jewish Communists in the invisible government, the money changers, and those who now have control of the Nation's gold and credit. It is this group that furnishes the money to finance these subversive activities. To pursue a program as outlined in the letter which I shall now quote is bound to cost a lot of money, and the poor Communist cannot pay for that. It must be paid by the rich Communist.

JOINT BOYCOTT COUNCIL OF THE
AMERICAN JEWISH CONGRESS AND JEWISH LABOR COMMITTEE,
New York, N. Y.

DEAR FRIEND: The struggle between the Nazis and the democracies is now entering its final and decisive stage. By increasing the number of his victims and by bringing new misery to countless millions, Hitler is endeavoring to break the resistance of world democracy. However, to submit at this point would render all previous sacrifices futile and would make any future struggle with Hitlerism hopeless.

Mere protests are unavailing, but economic sanctions can still bring Hitler to his knees. The anti-Nazi boycott, resulting from an aroused world public opinion, has already proven its damaging effect on German economy. Hitler admitted it when he declared, "Germany must export or die." Even the booty of Hitler's latest conquest cannot for long stem the tide of the economic disintegration that has overtaken the Third Reich.

The Joint Boycott Council is now planning to intensify its anti-Nazi boycott campaign throughout the United States. For this purpose we will employ every means of propaganda and persuasion through the distribution of anti-Nazi boycott literature, public meetings, mass demonstrations, and radio programs. We will also enlarge our boycott bulletin, which is to serve as the mouthpiece and rallying instrument for our anti-Nazi activities.

May we, therefore, ask you to subscribe to our bulletin and help destroy the Nazi serpent? We look forward to your joining the ranks of the anti-Nazi combatants by sending us your check and by approaching your friends for them to do likewise.

Sincerely yours,

JOSEPH TENENBAUM.

Senate Document No. 14, entitled "Attempt by Communists to Seize the American Labor Movement," was compiled about 20 years ago as I have already said, and in this pamphlet, communism and bolshevism were described fully. These subversive activities are still going on and they are now nourished by the many appropriations to various Federal projects. We, the Members of Congress, know that, for we have heard exposés of communism in writers' projects, art projects, W. P. A., and many other Federal political relief organizations.

We now have before us a spending and lending bill, and we will soon have the low-cost housing bill, both of them unsound, and directly or indirectly responsible for nourishing communism by employing the Communist. We employ hundreds of professors in the Government, and I advise the Members to look over the list of their names in the Appendix of the CONGRESSIONAL RECORD, page 3552. This list was inserted by the gentleman from Missouri [Mr. DEWEY SHORT], and it is very enlightening, for it proves conclusively that the Government must be operated on fundamental business principles and common sense, instead of on theoretical, professorial flights of imagination.

The Medical Society of New Jersey

EXTENSION OF REMARKS

OF

HON. J. PARNELL THOMAS

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Tuesday, August 1, 1939

STATEMENT BY THE PUBLIC RELATIONS COMMITTEE OF THE MEDICAL SOCIETY OF NEW JERSEY

Mr. THOMAS of New Jersey. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following authoritative information on State-wide activities of organized medicine in New Jersey, just released by the Public Relations Committee of the Medical Society of New Jersey:

[From News of the Medical Profession in New Jersey]

It is estimated that New Jersey physicians will donate more than $20,000,000 worth of medical services in 1939 to persons unable to pay for those services. This will approximate almost $4,000 worth of services per physician.

This estimate is contained in the final report of the survey of the need and supply of medical care conducted by the Medical Society of New Jersey and its component county medical societies during the last year. The estimate does not include the value of free maternity service, the figures for this category of service being too incomplete to permit their inclusion.

Seventeen percent of the total number of visits made by a representative group of physicians during 1 week of October 1938 were free visits. More than 5,100 physicians were asked to present a résumé of their practice during this 1 week. One thousand one hundred and eighty-two physicians returned questionnaire forms. These 1,182 doctors reported 16,070 free office and home calls for the week. They also reported 1,985 operative procedures performed during the week for which they received no payment.

From these figures an estimate was made of the amount of service given throughout the year by 4,630 physicians in active practice in New Jersey. To this estimate was added the value of services given toward cases in 75 general hospitals of the State.

The estimate for the year is broken down as follows:

Estimated total free office and home calls by 4,630 physicians in 1 year	3,342,560
Estimated value, at $1.50 each	$5,013,840
Estimated number of free operative procedures performed in 1 year	412,880
Estimated value, at $25 each	$10,322,000
Estimated value of services given to ward cases in general hospitals of the State	$4,040,000
Total estimated value	$19,375,840

The report states that "the attending physician or surgeon in our hospitals receives no pay for his work and responsibility for the care of ward cases. Many patients receiving this free service actually believe that the physician is being well paid."

Other observations set forth in the report include these:

"There is a feeling that hospital facilities for the average-price patient are inadequate and should be increased by additional facilities in the form of moderately priced semiprivate hospital beds."

Hospital insurance is favored by physicians as a solution of the hospital problem for the low-income group.

Reports from rural areas do not indicate that general hospital facilities are inadequate in those areas.

There appears to be some lack of facilities for the care of the chronically ill.

Social-service investigation relating to hospital facilities, clinic practice, and free private practice is inadequate.

There appears to be some need for additional public funds for drugs and medical supplies for home care of the indigent.

Referring to the general adequacy of medical facilities in New Jersey, the report states:

"Within the scope of any reasonable definition of the term (adequacy), the facilities and their distribution in this State are adequate. Lack of acceptance of these facilities is the only reason for any person in this State not receiving medical care."

The Medical Society of New Jersey proposed no specific recommendations in this report, stating that it preferred to leave recommendations to the New Jersey health and welfare conference committee appointed by Governor Moore to investigate the status of medical and health care in the State.

In a preliminary report of the national findings, the American Medical Association cited the report of the Medical Society of New Jersey as being particularly noteworthy. Its report read: "Some State medical societies deserve special mention for the services which they rendered the medical profession of their own State and of the whole country in making such a summary. New Jersey may be offered as an outstanding example; its State report forms a large volume which covers every type of medical problem and lays the foundation for further study and for solutions where these are possible."

America Was Built From the Dreams of Our Torchbearers

EXTENSION OF REMARKS

OF

HON. HOMER D. ANGELL

OF OREGON

IN THE HOUSE OF REPRESENTATIVES

Tuesday, August 1, 1939

ADDRESS BY HON. HOMER D. ANGELL, OF OREGON, JUNE 24, 1939

Mr. ANGELL. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following address delivered by me before the Indianapolis Townsend convention on June 24, 1939:

As a Member of the Seventy-sixth Congress of the United States I voted for the Townsend bill. I am proud of it. I want here to express to this great gathering of the representatives of the Townsend organization from every State in the Union my acknowledgment of the great privilege to have my vote permanently recorded in the public records of the Congress in support of this plan.

At the outset, I want to express to you my appreciation for the privilege of appearing before this great group of earnest, enthusiastic men and women pledged to support a great humanitarian cause. Coming from the State of Oregon, way out on the Pacific shore, the most western rim of continental United States, "out where the West begins," I want to bring to you here assembled the greetings, good wishes, and a message from the Townsend folks of my own State assuring you of the renewed and continued support of the Townsend program by the enthusiastic membership of my own State. In my office in Washington every day I am receiving scores of letters from home telling of the enthusiasm prevailing in the clubs of my district and of the thousands of new members that are being continually added to the membership rolls. The reports coming to me show that the support of the movement there is growing by leaps and bounds. I have received and filed with the Congress petitions signed by many thousands of Oregon citizens urging Congress to adopt this plan. My people are loyal, enthusiastic, and determined workers in this great cause which has as its purpose the alleviation of human suffering, caring for our aged, and restoring the youth of America to honest, remunerative employment under the American system of government.

In my experience in public life, extending over a number of years, I have never come in contact with any folks who were more enthusiastic, earnest, and devoted to a cause than the supporters of the great movement inaugurated by our beloved friend, Dr. Townsend. In my own State of Oregon we placed upon the ballot a petition urging an amendment to the National Constitution embodying the Townsend plan, which was carried by a majority of the voters of the State, over 183,000 voting in favor of the proposal. Pursuant to the mandate of this vote, I have offered in the Congress a resolution for a constitutional amendment providing for the levying of a tax for old-age pensions. My own State legislature in several sessions has petitioned the Congress of the United States to consider the Townsend plan. As a Member of Congress, I took occasion to compile a list of all the States of the Union which had petitioned the Congress to consider the Townsend program, and I found at that time that 18 sovereign States by formal resolutions of their respective legislatures had taken such a course. Calling this to the attention of my colleagues on the floor of the House, I issued a challenge to any Member to produce any legislative proposal now pending or proposed in recent years which had received such support from the legislatures of the States of the Union. That challenge remains unanswered.

As one of the participants in the great contest recently had in the National Congress on the Townsend bill, H. R. 6466, I bring to you a personal report from one on the firing line who participated in the battle. While some who were not present and who did not have a part in the day-to-day struggle during this session of Congress and preceding Congresses to bring this bill out on the floor of the House may have been discouraged with the vote in the House, I want to assure you that the rank and file of the Townsend adherents in Congress who carry the sears of battle are not in the least discouraged.

We feel that a great victory has been won. For the first time the Ways and Means Committee, the most powerful and outstanding committee of the Congress, gave a full and complete hearing on the bill and permitted its proponents to present in detail without limitation the evidence in support of the program. For the first time we were permitted to bring the measure on the

floor for open debate and a vote upon its merits. It was a long hard fight, it involved many hours of persistent and laborious work, but in the end our efforts were crowned with success. The veteran chairman of the Ways and Means Committee, Congressman DOUGHTON, said in all his experience it was the first time they had reported out a bill without a favorable or an adverse report. It is true we did not have sufficient support for the passage of the bill, but I want to call your attention to the fact that every great movement in America for the alleviation of suffering or for the embodiment in law of a great social plan has suffered many, many defeats before ultimately success was achieved. No measure pending before this Congress has received more publicity through the press, the radio, and on the platform than has the Townsend program. Chairman DOUGHTON stated on the floor of the House:

"Never in all my knowledge of the work of our committee has there been such universal or general demand that the House be given an opportunity to consider any measure that has been before our committee. I received more than 25,000 letters urging, and some demanding, that this measure be reported out by our committee so that the Members could have an opportunity to express themselves upon it.

"In addition to this, Mr. Speaker, scores, and I may say hundreds, of Members of this House, some for and some against the measure, some favorable and some unfavorable, have said to me that they felt that this bill is of sufficient importance to the membership of the House and to the entire country that the Members should be given an opportunity to vote on it."

The vote upon the measure, although adverse, has enabled us to know who are our friends and who are our enemies and will enable us to draw the lines of battle and map our course so that we may go forward with renewed energy and ultimate success. Some of those who voted against our bill, in the election campaign gave assurances they would support the plan. I respect my colleagues who honestly believed the measure was without merit and voted against it, but I have only contempt for those who pretended before election they favored the plan and would support it, in order to curry favor with the Townsend group, and then after winning their seats in Congress with Townsend support brazenly voted with the opposition.

The legislation is not merely a tax measure, it is not merely an old-age program, but it is a philosophy of life; it is a great social-welfare movement for the restoration of prosperity in America by putting back on the pay rolls of private industry the unemployed millions who are now tramping the streets and highways of our country, and at the same time giving decent care to our aged. It is generally conceded by all students of our economic and social structure that we will never attain prosperity until the millions of unemployed, those in the lower walks of life, and our aged citizens are again provided with purchasing power. The difficulty lies not with the machinery of production nor the ability to produce efficiently and cheaply, but with the proper distribution of the products of industry. The means must be provided whereby the necessities of life may be acquired by the great masses of our people who are now without purchasing power. The Townsend program by providing this purchasing power regularly and adequately to all of our people will supply this much needed impetus to recovery.

The forced spending each month of the old-age annuities distributed pro rata to our old people in every city, hamlet, and countryside will provide a uniform purchasing power throughout the Nation. The wheels of industry will start again. The men and women on the farms, in the fields, in the forests, in the factories, stores, and shops—workmen everywhere—will find again gainful employment in supplying the wants of some 8,000,000 Americans who will receive these annuities and who must, under the plan, spend the funds within the current month. This will not only make necessary the supplying of goods and merchandise for the annuitants, but the great numbers of workmen who will be put to work in providing these necessities will likewise consume, and their needs also must be supplied. No group of Americans will fail to feel the impetus given to industry by this renewed activity in blood streams of industrial enterprise.

This legislation is easily comprehended. It merely levies a tax of one-half to 2 percent on transactions, the proceeds of which shall be divided pro rata among our aged citizens, 60 years or over in age, providing they retire from gainful pursuits and spend the money during the month received for American services or American-made goods. The plan is a pay-as-you-go program. It is based on the tax formula of a direct tax, widely distributed. It is a tax on everyone to help everyone who grows old. It is not based on borrowing and spending; it does not mortgage tomorrow to pay today's debts. In this respect it differs materially from the social-security program.

The followers of this program urge its adoption because it is a real contribution to national recovery. For over 6 years now we have been laboring in the throes of a depression. We are the only one of the great family of nations of the world that has not been able to throw it off. We are the only one of the leading nations that has piled up an immense public debt in an endeavor to beat the depression. During the last 6 years the revenues of the Federal Government have increased from $3,115,554,000 to approximately $5,750,000,000 in the current year. During that time the public debt has doubled, and the Federal expenditures have increased from $7,105,050,000 in 1934 to approximately $9,000,000,000 in 1939. The deficit during this period amounted to $20,889,000,000, which, added to the public debt, has reached the grand total of over $41,000,000,000. In addition the Federal Government is liable on contingent liabilities guaranteed as to principal and interest in the sum of approximately $5,500,000,000. The per capita public debt has increased from $131 in 1931 to $305 in 1939. That means that each one of you here today and every other citizen of the United States has as his share of this public debt $305, and if there are five in your family, the family debt is over $1,500. The interest on this public debt is over $1,000,000,000 a year, more than the total cost of government a few years ago. In 1913 only 6.4 percent of the total national income was required for Federal, State, and local taxes. In 1930, 14.2 percent was required for such taxes, and in 1938, 23.6 percent of the total income of the American people was handed over to the tax collectors. Approximately one-fourth of the time of everyone who labors in the United States is spent in working for the tax collectors. In 1913, 1.9 percent of the national income went for Federal taxes. In 1930, 4.8 percent was required, but in 1938 it increased to 10.9 percent. State and local taxes in 1938 had increased to 12.7 percent.

The burden on the taxpayer has been increased almost threefold in the last 7 years, as shown by tax revenues collected, which are as follows:

1933	$2,080,000,000
1934	3,116,000,000
1935	3,800,000,000
1936	4,116,000,000
1937	5,294,000,000
1938	6,242,000,000
1939	5,520,000,000

The appropriations for the next fiscal year will be approximately $10,000,000,000. The public debt in 1931 was $16,801,000,000. It will approximate $41,132,000,000 on July 1, 1939, and, it is estimated, will reach $45,000,000,000 by July 1, 1940, which is the maximum allowed under the law. Notwithstanding the huge increase in taxes, the deficit each year is increasing. The deficit is estimated to be for the current year an all-time high of $3,972,000,000, except for 1936, when the soldiers' bonus was paid. The deficits for the last 7 years are—

1932	$3,148,000,000
1933	3,063,000,000
1934	3,939,000,000
1935	3,575,000,000
1936	4,764,000,000
1937	2,811,000,000
1938	1,449,000,000

It is obvious that the policy we have been pursuing for 6 years of attempting to borrow and spend ourselves into prosperity has failed miserably. It has only succeeded in piling up an immense Federal debt and in tripling the tax burden and keeping out of employment some twelve or thirteen million of our people. Isn't it time that those in charge of the Government put into operation some plan, if not the general recovery act, which will solve these problems and save our country? Well may we ask, Why is it that America, with the greatest resources of any nation, with two-thirds of the world's gold and half of the world's wealth, is on its knees and starving, with 12,000,000 of its workers unemployed—apparently permanently resigned to idleness, poverty, misery, and a Government pittance? Must America continue to live on relief and charity? Must the millions of young Americans released from our colleges and schools face idleness and uncertainty, with only the hope of a W. P. A. job? Our President has said that one-third of our people are underfed, poorly clad, and poorly housed. It is true that a million new homes are needed in America every year, and only 300,000 were built last year. This building program alone should absorb 2,000,000 men. Over 30 percent of our railroads are insolvent and the whole railroad system needs rehabilitation. Half a million men could be profitably employed in restoring our railroad system to full efficiency. Public utilities are in need of modernization and expansion. One billion dollars could be expended profitably in this endeavor alone, giving employment to another million men.

The durable-goods industry has been allowed to deteriorate, with practically no plant betterments, extensions, or repairs. A million men could profitably be employed in this industrial activity. The National Bureau of Economic Research shows that expenditures for durable goods and for private construction dropped from $14,500,000,000 in 1929 to $3,500,000,000 in 1933, and had increased to $6,000,000,000 in 1935 with 2 years of heavy Government spending. To provide the necessities of life, clothing, food, and shelter for the lower one-third of which the President spoke would require the services of several millions of laborers in the factories, the fields, the shops, the mines, the forests, and the transportation systems.

The industrial machine of America, the finest and best on earth, manned with the most efficient and intelligent workmen, is idle. It is ready to start production—it only needs the green light to go ahead. Our whole economic and social structure is bogged down and is not functioning. Our national house is out of order. Our emergency measures, adopted to meet the situation, have apparently become permanent and the crisis chronic. Spending has deluged the Treasury and has frozen unemployment into our industrial structure. The only result of the whole miserable process is the ever-increasing tax burden, greater public debts, mounting deficits, increased unemployment, stagnation of business, and loss of confidence in our Government and its ability to bring order and

normal industrial activity out of the whole sordid mess in which we are wallowing.

Uncle Sam should right-about-face in this whole "crackpot" effort to borrow and spend himself into prosperity. He should inaugurate a pay-as-you-go program, reduce the back-breaking tax burden now strangling industry, and substitute in its place a good-neighbor policy of friendly cooperation with industrial enterprise. Our 12,000,000 unemployed can only be restored to pay rolls by private industry. Private industry under proper supervision and regulation by government has made America what it was at the beginning of this depression, and private industry alone can restore it. The Brookings Institution, in a recent study, said:

"The vital problem is to secure a great increase in national production and income. The central issue with respect to all public finance is whether such an expansion of production can best be stimulated by extravagant Federal expenditures, increasing deficits, and heavier taxes, or by some modifications of taxes and a reduction of Federal expenditures—within the limits set by essential requirements * * *.

"Unless we can promptly secure a substantial increase in the national income it will be necessary to conclude that the United States has already reached the danger point in the growth of public indebtedness."

The national recovery plan for which we stand offers some hope for the beginning of a solution to this problem. The American people are pension-minded. The Gallup poll, released February 26, 1939, shows that 94 percent of our American people are in favor of a reasonable pension. The American public is determined that our old people, who have labored through the years in making America and in preserving our democracy, are entitled to share in their old age in what America produces by reason of their contribution during their productive years.

There are some 8,000,000 Americans over the age of 60 years who could qualify under this plan, and half of them are employed in gainful pursuits. This would reduce the unemployment rolls by some 4,000,000. The forced spending of these funds would immediately provide buying power and would at once put to work great numbers of other workers in providing the necessary goods, which, under the provisions of the act, must be manufactured or fabricated in the United States. It would mean that the laborers in the woods, in the fields, in the mines, in the shops, in the stores, as well as professional workers, would find a market for their goods or services. It is reasonable to believe that these incentives given to business and the increased volume of trade would largely absorb the transaction tax.

As soon as this program comes into full operation and effect it will save immense expenditures on the part of the Federal, State, and local governments for relief which will be taken care of under the Townsend program. First of all it takes the place of titles I, II, and VIII of the Social Security Act, with a load of approximately $1,000,000,000 a year. It would also give aid to many who are now on W. P. A. and P. W. A. rolls. Being a uniform pension to which our citizens are eligible eventually it would take care of all pension obligations of the Government. Immense offsets from veteran pensions would thus be available. It can only be determined by experience under the operation of the legislation as to the particular aggregate savings of the plan, but it is reasonable to believe that the total expense on the Government from the tax imposed will to a large measure be balanced by the elimination of these other tax burdens.

The social-security program for old-age assistance has not worked out as planned. It was a commendable effort looking toward social justice. Its old-age-relief program needs fundamental amendment. On August 14, 1935, our Social Security Act became effective. It is computed that under title II there will have been collected up to June 30, 1940, $1,826,000,000. This is exacted from the industries of America and some 40,000,000 workers. Out of this huge sum, however, we will have paid only $60,000,000 to the beneficiaries. Approximately 3 cents out of each dollar will go to the beneficiaries and 97 cents for the reserve account. The employers are now taxed 1 percent of the pay rolls and the employees a like amount. The employers, however, are paying 3 percent for unemployment insurance.

Under the schedules of the act these taxes will increase until 1949, when the employers will be required to pay 6 percent and the employees 3 percent, making a 9-percent pay-roll tax taken directly out of industry. It is patent that this tax is and will be added to the cost of the goods produced and, therefore, will fall upon the consuming public. Should the provisions of this act be carried out and the full amount of taxes exacted, the reserve account will have by 1980 nearly $47,000,000,000. Furthermore, the social-security law is much restricted in its application and affords relief to only a selected group of workers rather than to all senior citizens equally deserving. This huge sum of money exacted from industry and workers is not being devoted to the relief of the beneficiaries, the workers, but is being used to finance the ordinary activities of the Government. Statisticians and economists tell us that it is not necessary to carry a full reserve account to protect these payments. This is apparent to the layman as well. These funds, collected as trust funds, having been spent by the Federal Government to meet its running expenses, necessitates the levying of taxes hereafter to pay the beneficiaries as the obligations become due. The plan should be revised or superseded by another plan so framed as to cover all senior citizens 60 years of age or over, with tax provisions designed to raise only such funds as are needed on a pay-as-you-go basis, with a contingency fund sufficient only to meet emergencies. The funds so raised should be restricted to the use for which they were raised.

Mr. Roger W. Babson, the outstanding financial expert, said:

"If the social-security system is not changed, I doubt very much if the young people of 20 to 30 years of age will ever receive any benefit from it. When their time arrives to get their $40, $50, or $60 monthly Government check it may not even buy a pair of shoes or a roast of beef. The Townsend plan on some reasonable basis is far safer."

And the economist John T. Flynn, testifying before the Ways and Means Committee of the House, said:

"Over the next 40 years what they are actually going to do under the guise of creating a reserve is to collect $47,000,000,000 more than they pay out, and this $47,000,000,000 is never going to be paid back in any form to the social-security system.

* * * * * * *

"I want the Government to stop collecting money it is not going to use for social security. * * * Next year it is going to take $714,000,000; it is going to pay out $22,000,000 in benefits and spend $52,000,000 to run the system, making $74,000,000 in all, and it is going to borrow the balance and use it to pay the expenses of running the Government—maybe buy a battleship or two and a few other things. That money is never going to be used for social security."

Dr. A. L. Epstein, executive secretary of the American Association for Social Security, referring to the social-security law for old age, said:

"Moreover, to the extent that our system, contrary to that of any other nation, and therefore, again, to the extent that our system contemplates the private insurance system of reserves, and seeks to build up in the worst years of depression, in the years when we need every penny we earn to spend, in years when we are saving all our lives to get money for that purpose, when we in these years of the worst depression are trying to save money, then trying to take out in taxes billions of dollars more than we are actually paying in benefits, obviously what you are doing is deliberately not to create social security, not to increase or enhance security of the workers, but deliberately to decrease the purchasing power of the workers and to enhance unemployment and enhance depression."

The immense sums of money being exacted from employers and employees under the social-security program for old-age assistance are being spent as received for carrying on the ordinary activities of the Government. In the place of the tax dollars he has collected, Uncle Sam is placing I O U's in the till. Eventually when these annuities must be paid the Government will have to levy another tax upon the American people to meet these obligations.

This, in effect, is a fraud upon industry and upon our workmen who are compelled to pay these taxes. The taxpayer's burden has increased threefold in the last 7 years, notwithstanding that our deficit has averaged $3,000,000,000 a year, and the public debt has increased over twenty-three billions, now exceeding forty billions. We are piling this immense debt on the backs of future generations and are squandering the borrowed money on ourselves.

While it is true that the Townsend plan failed to pass in the House, everyone must concede that the force of Dr. Townsend's program and the millions of his loyal supporters have changed the whole course of pensions and old-age assistance in America. There was little legislation on this important subject at the time Dr. Townsend began his crusade. The social-security legislation which became effective August 14, 1935, was incited to a large extent by Dr. Townsend's efforts. While the House recently voted down the plan, it did, through the leadership of the Ways and Means Committee, liberalize the social-security law, extending its provisions and increasing the payments. This was unquestionably due largely by reason of the drive of the Townsend group for decent old-age annuities. The amendments to the Social Security Act as passed in the House speed up payments to start next January instead of January 1942, as originally provided by the law. It has also been extended to include the dependents of a deceased annuitant. The monthly annuities have been increased, and the pay-roll taxes have been frozen at 1 percent for the next 3 years. Furthermore, the assistance provided by the act by grants to States for old-age pensions has been modified by increasing the Government's contribution to $20 a month for each annuitant to be matched equally by the States.

This, however, is a mere gesture, by reason of the fact that only one State in the Union now, namely California, is matching the Federal Government's present authorized contribution of $15. The average old-age pension throughout the United States is $19.27, half of which is provided by the Federal Government and half by the States. It ranges from the low of $6.22 in Arkansas to $32.39 in California. The State of Oregon pays $21.28. It is a travesty on social justice to maintain such wholly inadequate and indefensible payments to our old people. Even though the proposed Federal aid of $20 per month becomes a law, our experience shows that the States cannot take advantage of it as they are unable to meet the existing $15 contribution, the average contribution being less than $10.

It is significant to note that the Federal Government proposes to pension its mules that have passed the age of usefulness at a cost to the Government reported to be $1 a day. Uncle Sam can afford to pay $30 a month for pensioning his mules, but the average contribution he makes to the old men and women of America who have passed the age of their usefulness in the present economic set-up is less than $10. Our Uncle believes in giving

adequate housing and care to his mules, but wants to turn out to pasture our old men and women who worked through the years to give us America. But then mules are mules, and old men and women are only human beings.

At rare intervals in times of great emergency when catastrophe seems about to engulf us, an individual is raised up whose vision and insight enable him to pierce the gloom that encompasses us and discern the eternal truth and to lead the way out onto the heights of progress and happiness. The dreams of these great leaders of men, impelled by the visions of great human accomplishment for the upbuilding of mankind, become the realities of tomorrow. Woodrow Wilson said:

"We grow great by dreams. All big men are dreamers. They see things in the soft haze of a spring day or in the red fire of a long winter's evening. Some of us let these great dreams die, but others nourish and protect them, nurse them through bad days till they bring them to the sunshine and light which come always to those who sincerely hope that their dreams will come true."

"Great lives and great ages never grow from dead hopes." Life itself is a great adventure. America was built from the dreams of our torchbearers. Columbus led the way when he followed a dream across an uncharted ocean to find this New World. Faith pushed our frontiers across a continent, over plains and mountain ranges to the Pacific, faith, vision, and leadership will continue to take America on new adventures into the world of prosperity and happiness. May we have the vision to follow such leadership.

"God, give us men! A time like this demands
Strong minds, great hearts, true faith, and ready hands;
Men whom the lust for office does not kill;
Men whom the spoils of office cannot buy;
Men who possess opinions and a will;
Men who have honor; men who will not lie;
Men who can stand before a demagogue
And damn his treacherous flatteries without winking;
Tall men, sun-crowned; men who live above the fog
In public duty, and in private thinking."

After all is said, the ultimate solution of the problems of social, economic, and political welfare of our people, which threaten to engulf us, lies in our response to the unseen spiritual realities. Through sheer necessity we are forced back to the simple faith of our fathers for a solution of our troubles which seem about to tear civilization into tatters.

When the history of this decade shall have been written there will be emblazoned on its pages in bold relief the record of the vision and work of Dr. Francis E. Townsend, the great humanitarian of our times, the indomitable leader of men, who has towered above the crowd in these dark hours of our Nation's woes and, like a beacon light on a mountain top, has pointed the way—the man who made the United States pension-minded and gave us the plan of effective social security and justice to all of our old folks, thereby restoring to America prosperity and contentment.

Trend Toward National Socialism in United States Housing Authority

EXTENSION OF REMARKS

OF

HON. HARRY B. COFFEE

OF NEBRASKA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, August 1, 1939

Mr. COFFEE of Nebraska. Mr. Speaker, I am convinced that before prosperity returns to the people of this country we must restore confidence. Private enterprise with its billions of dollars of idle capital must eventually absorb the army of unemployed. The Federal Government can employ at best only a relatively few people in comparison with the number employed in private industry.

Now the question arises as to how we can best encourage private industry to put to work its idle cash and our idle men. First we must restore confidence; confidence in the future financial stability of our Government; confidence that personal and property rights will be preserved; confidence that dollars invested in productive enterprise will have a fair chance to earn a profit; confidence that competition by the Federal Government in the field of private enterprise will be discouraged. Unless confidence is restored and private employment of capital and labor encouraged, the trend toward national socialism will be inevitable.

It should be remembered that practically every country in Europe that has fallen into a dictatorship first became financially impaired. What has happened in Europe since the World War should be a solemn warning to the people of this country. The issues involved far transcend partisan politics and present a challenge to the patriotic statesmanship of every Member of this body.

The United States Housing Authority bill, which has already passed the Senate and has been reported for consideration in the House, would more than double the scope and activities of that agency. It is designed to provide low-cost housing for slum dwellers in metropolitan centers. Under this bill the United States Housing Authority will be authorized to bind the future credit of the United States Government in outright grants for rent subsidies to the extent of $45,000,000 per year for the next 60 years, or a total of $2,700,000,000. That is exactly what is contemplated. I consider it an unsound socialistic deterrent to the restoration of confidence.

Under previous authority granted by Congress the United States Housing Authority was authorized to issue $800,000,000 in bonds, interest and principal guaranteed by the Federal Government, and to loan this money to local housing agencies on slum-clearance projects up to 90 percent of the cost. Ten percent of the development cost is supposed to be subscribed locally.

There was also authorized an annual appropriation of $28,000,000 for Federal rent contributions. Under the terms of the contracts already executed by the United States Housing Authority with the local housing agencies the Federal Government will be bound to contribute $28,000,000 annually for the next 60 years, or a total of $1,680,000,000. This amount added to the authorization in the present bill would make a grand total of $4,380,000,000 which the Government will be obligated to pay during the next 60 years in rent subsidies. On the projects now built or under contract the average Federal contribution amounts to $215 per year per family unit for the next 60 years. In addition to the annual Federal contributions, the local authorities must make annual contributions by way of tax exemptions, which under the contracts now executed amount to approximately 65 percent as much as the Federal contributions. Consequently States, municipalities, and school districts share this burden indirectly through tax exemptions with the Federal Government.

According to the evidence submitted in the Senate when this bill was under consideration, the average over-all cost per unit in these slum-clearance projects was $5,520. I have been advised by the United States Housing Authority that on the 55 projects now under construction, containing 24,600 units, the average over-all cost per unit is $4,728. While this shows a reduction in unit cost, nevertheless, it is still more than the cost of the average American dwelling, and as a consequence the average home owner will be taxed for 60 years to provide a better home for these selected subsidized tenants than he himself enjoys.

I am convinced these slum-clearance projects tend to discourage confidence in our Government and its future financial stability; that these projects will furnish only temporary employment to building trades, but will tend to discourage private construction and private employment in the future. This program is not the answer to the need for low-cost housing. We must strive for more business in government and less government in business. When the United States Housing Authority was created I cast one of the 86 votes in the House against the measure. I hope the House will defeat this Senate-approved measure which would greatly enlarge the scope and activity of the United States Housing Authority. If it is defeated, the action of the House will have a very salutary effect in aiding business recovery and helping to restore confidence.

I am one of those old-fashioned Jeffersonian Democrats who still believes in State rights and who is opposed to further centralizing bureaucratic control in Washington. I have confidence in the American people and in our institutions. I believe they will in the future as they have in the past be able to solve the many complex economic problems now confronting labor, industry, and agriculture. There are maladjustments between these groups as well as

within each group that must be corrected. Experience has taught us that one group cannot prosper long at the expense of another, nor can one section of the country long prosper at the expense of the other sections. A normal, balanced, free economy must be preserved. Agriculture must receive its fair share of the national income if it is to have the purchasing power to buy its share of the products of labor and industry. Labor must be employed at fair wages to be able to purchase its share of farm and industrial products at a fair price. Industry must have an opportunity to make a reasonable profit if it is to provide normal employment at fair wages and pay a fair price for agricultural products. The economic machinery that has developed this country into the greatest Nation of the world, is very intricate and sensitive and it does not take much tinkering to throw it out of gear.

Farm Security Administration

EXTENSION OF REMARKS

OF

HON. CHARLES HAWKS, JR.

OF WISCONSIN

IN THE HOUSE OF REPRESENTATIVES

Tuesday, August 1, 1939

Mr. HAWKS. Mr. Speaker, I note in the July 25 issue of the Washington Post the following article:

REMAKING THE SOUTH—A SOUND INVESTMENT

(By Ernest K. Lindley)

Here are 116,000 farm families in the South. Three or four years ago they were worth $451 per family. This, on the average, represented everything they owned—including farm equipment, furniture, and clothes—after their debts had been deducted.

By the end of the 1938 crop year, the net of these 116,000 families had risen by a total of $35,000,000—or to $752 per family—after all debts had been deducted. Most of that $35,000,000 was invested in tools and equipment made by northern industries.

How did it happen? These families could not borrow money from the banks. They were not even suitable risks for the Farm Credit Administration, which helps to finance more prosperous farmers. Most of them, in fact, were on relief or in need of relief.

What happened was this: The Farm Security Administration made small loans for equipment, mules, seed, etc. In tens of thousands of cases it worked out written leases under which tenants would have an incentive to improve the land and buildings. Most important, it sent people into the field to show these families how to raise something besides cotton, how to enrich the soil by crop rotation, how to produce and preserve for winter use a considerable part of their own food (better and more varied food, too, than many of them had known before).

Last year these families canned more than 23,000,000 quarts of fruits and vegetables for their own use—more than 200 quarts per family. Until F. S. A. agents showed them how, many of these farm wives had never canned anything in their lives.

Most of these families have been put on their feet. Many of them have been paying off their F. S. A. loans more rapidly than the installments become due. F. S. A. expects to recover, with interest, more than 80 percent of the total amount it has put out in the South in rehabilitation loans.

83 FAMILIES PICKED FOR F. S. A. EXPERIMENT

There are 83 other southern farm families, more fortunate than most of those 116,000. They were picked to live in the experimental farm community which F. S. A. made out of a bankrupt cotton plantation in Georgia. Each has a good house and about 75 acres of land which he rents and may eventually buy. The community has its own store, cotton gin, and seed cleaner, and carries mule insurance. Instead of cotton alone, these farmers raise also tobacco, peanuts, melons, and livestock, as well as vegetables, fruits, and poultry for their own use. For small monthly payments they receive regular medical attention.

Most of these families were absolutely destitute when they got the chance to try their luck in this experimental farm community. They have been increasing their net worth—over and above all debt—by about $250 per family per year. The average family in the original group of 28 which have lived in the community since its beginning in 1935 now owns $232 worth of work stock, $115 worth of farm equipment, $267 worth of cattle, hogs, and poultry, and $231 worth of home-raised food. The Government will get back most of its investment—not all, because the housing was a bit too expensive.

There are 83 F. S. A. experimental communities in the South. They are of many different kinds. Part of the cost will have to be charged up to experimentation. But some probably will pay out in full. F. S. A. has gradually evolved a simple, solid farmhouse that can be built for $1,100. This is within reach of thousands of southern families, although it is still too expensive for a family earning less than $500 a year. With a moderate subsidy, such as is now paid for "slum clearance" in the cities, houses of this type could replace dilapidated shacks throughout the Cotton Belt.

Then there are those families—7,000 so far—who are buying farms with the help of the 3-percent, 40-year loans which F. S. A. makes under the Bankhead Farm Tenant Act.

REBUILDING OF SOUTHERN AGRICULTURE NOT CURE-ALL

The rebuilding of southern agriculture at the bottom is not a cure-all. The birth rate on the farm is high; machinery is reducing the need for farm labor; there isn't enough good land to provide a subsistence homestead for every rural family. But the purchasing power growing out of a rehabilitated agriculture will give jobs to many who cannot be absorbed on the land.

Dr. Will Alexander, F. S. A. administrator, says that the Government could profitably invest a billion dollars a year for many years to come in rehabilitating the southern farmer. Profitably from every angle—the improvement of people, the improvement of land, the reduction of relief costs now and in the future, the increase of the national income and wealth—all in addition to the direct repayment to the Government of most of the money invested. This is what the "Budget balancers" call an "orgy of spending." To me, it looks like a sound business proposition.

First, I doubt the accuracy of the statements that are being sent out by the Farm Security Administration; and, secondly, I challenge the Farm Security Administration to have the Agricultural Economics Department or the Secretary of Agriculture attach their names to the political propaganda that is emanating from this most effervescent source.

(1) If this so-called Farm Security Administration can take people from the relief rolls, set them up in communistic colonies or in private farming, and have them increase their net worth "by about $250 per family per year," why has it been necessary to pour over $1,000,000,000 of the $2,500,000,000, appropriated for agriculture, into 13 Southern States the past 6 years? Why 40 percent of the appropriations for less than 10 percent of the crop value of the United States?

(2) Why ask for parity payments when these farms can be turned over to the Farm Security Administration, as they can show profits with new men from the relief rolls, when regular farmers are losing their farms? Of course, when they do not pay they can call them "experiments," but the average farmers cannot do this.

(3) Why does not this so-called Farm Security Administration give us the facts on the financial returns from the Arthurdale (W. Va.) agricultural enterprise?

(4) This may be farm security to the few, but it is farm insecurity to the great number of farmers already on their farms, and losing them by the thousands due to the New Deal agricultural program.

(5) As long as the New Deal agricultural prices are 26 percent less for cheese, 17 percent less for eggs, and so on, I cannot see any sense in trying to set new farmers up in business in competition with the ones already on their farms. We are making landlords out of tenants, and tenants out of landlords.

(6) We should try to get an agricultural program that has some fairness and equity in connection with it. We have one now, where during the past 6 years, Southern States have already obtained from 15 to 21 percent of their farm values from the United States Treasury. Many real agricultural regions where farmers are workers have had only 1 to 3 percent in Agricultural Adjustment subsidies.

(7) We are sure that here is one Federal agency that will have to be more careful of the political propaganda it is sending out if the Hatch bill is signed by the President. Common horse sense is the greatest need of our agriculture today.

Amendments to Social Security Act

EXTENSION OF REMARKS

OF

HON. ROBERT F. WAGNER

OF NEW YORK

IN THE SENATE OF THE UNITED STATES

Tuesday, August 1, 1939

ARTICLE BY ERNEST K. LINDLEY AND EDITORIALS FROM LEADING NEWSPAPERS

Mr. WAGNER. Mr. President, I ask unanimous consent to have printed in the Appendix of the RECORD a very able article written by Mr. Ernest K. Lindley, one of the most eminent and widely read writers on political economy and social subjects, having particular reference to the amendments to the Social Security Act which are now pending in conference; and also several editorials from leading newspapers expressing the same sentiment, and expressing the hope and the prayer that the amendments will finally be agreed upon by the conferees and adopted by both Houses before the adjournment of Congress.

There being no objection, the article and editorials were ordered to be printed in the RECORD, as follows:

[From the Washington Post of July 31, 1939]

MAJOR BILLS IN DANGER

(By Ernest K. Lindley)

RECORD FOR DIZZINESS

The last days of the session of any legislature seldom reveal those qualities in our form of government which are celebrated in textbooks and Fourth of July orations. It looks, however, as if the wind-up of this session of Congress would set a record for dizziness surpassing even the crazy period around June 30 of this year.

The Hatch bill, noble in purpose and sound at the heart, was trimmed with amendments which raise grave questions of public policy, wholly apart from the constitutional "ifs" (which may not prove to be very substantial). As the bill stands it is a greater joy to the professional politicians who want to prevent the nomination of a Progressive Democrat in 1940 than to many of the friends of good government who want to curb the power of the professional politicians.

The works finance bill is floundering through clouds of oratorical hokum. Take Senator GEORGE, as an example. Last summer when the President was opposing his renomination, Senator GEORGE and his friends insisted that the Senator had been a supporter of the New Deal. They pointed to his voting record to prove it, and said that the President was sore only because GEORGE had opposed his Supreme Court plan. A few weeks ago GEORGE voted to boost the agricultural appropriation bill about $300,000,000 above the Budget estimate, and more recently he voted to give Senators another clerk all around. Now GEORGE professes to be panicky about the effect on Federal finances of a conservative set of proposals for self-liquidating loans. An ordinary observer is entitled to suspect that the current outpourings of GEORGE and many of his colleagues do not originate in high-principled concern for the state of the Federal Budget.

CONFEREES HOLD UP SECURITY REVISIONS

The social-security amendments are deadlocked in conference, and there is real danger that no action will be taken on them. This after months of detailed committee work in both Houses. Neither the Senate nor the House version of the amendments could be called streamlined. Both are rather botchy, although well above the standards of the present Congress. (Compared to the W. P. A. appropriation bill, they are perfection.) Both sides have taken firm positions in conference, and the result may well be nothing.

If there is no action, old-age insurance taxes will go up January 1, in accordance with existing law—at a cost to employers and employees of about $275,000,000 during 1940. The present rate of 1 percent could be "frozen" by a special resolution. But the bill, in both versions, contains other important changes.

If there is no action some $110,000,000 will be bottled up in the old-age insurance fund which otherwise would be paid out to the aged and their survivors under the new liberalized plan. This figure is based on the more liberal Senate plan. The House plan would put out only $42,000,000 more than under the existing law.

MILLIONS WILL BE DENIED PROTECTION

Even more important than the money, and its effect as a stimulant to business, is the fact that if no action is taken protection will be denied to millions of citizens. Wage salary earners with wives and young children will lack the protection offered by the new survivor insurance. About 1,300,000 workers—mostly seamen and bank employes—who are now outside the insurance system would remain out.

There are benefits at stake, too, for employers under the proposed changes in the unemployment compensation system.

More money for public health, maternal and child care, and crippled children is involved. So is a better break for dependent children—the new amendments put Federal aid for them on a 50–50 basis and increase the allowance per child.

MORE GENEROUS AID TO AGED AT STAKE

Finally, more generous aid for indigent old people is at stake. This is one of the main points of issue between the House and the Senate. The House bill increases the maximum Federal grant to $20—which helps a few wealthy States—but otherwise does nothing for the indigent old people. The Senate adopted the Connally plan, under which the Federal Government would put up $10 to go with the first $5 put up by the State.

The Connally plan would bring up the average of old-age assistance, although it is not as well devised as the Social Security Board's scheme for variable grants (ignored by both Houses) and creates some new difficulties of its own. But the House conferees seem to be dead set against it, chiefly because it would increase the cost to the Federal Government by about $120,000,000 a year.

Such is the state of one of the most important pieces of legislation before this Congress. The deadlock appears to be unbreakable unless the people who are affected—which means almost everybody—promptly take bricks in hand and heave them at the conference committee.

[From the Washington Daily News of July 29, 1939]

THE SENATE SHOULD YIELD

Both branches of Congress have passed social-security amendments to do these things:

Save American employers and workers $275,000,000 a year for the next 3 years by postponing scheduled increases in the payroll tax for old-age insurance.

Make available next year $110,000,000 in more liberal benefits to the aged, to widows, and children, and others.

Extend social security to about 1,100,000 seamen, bank employees, and others not now included in the program.

These changes, we think, are wise. But there is danger that they may not go into effect because the Senate insists on another change that is not wise. That is the Connally amendment, which would require the Federal Government to put up two-thirds of the money paid out to aged persons on the States' pension rolls. A Senate-House conference committee is deadlocked, with the House Members standing firm for the present system of 50–50 pension contributions by the States and the Federal Government.

The House Members are right. But if the deadlock continues until Congress adjourns, employers and employees may lose that $275,000,000 saving next year; the $110,000,000 in more liberal social-security benefits may have to be withheld; the additional persons may not be included in the program. It is the Senate which should yield and permit the wise social-security amendments to become law.

[From the Washington Times-Herald of August 1, 1939]

AMEND THE SOCIAL SECURITY ACT

Some time back, before emotions in the present Congress came to their present flash point, some important amendments to the Social Security Act were amicably agreed on by majorities in both the Senate and the House, and were sent to conference.

CONFERENCE DEADLOCKED

These proposed amendments extend the old-age pension benefits of the Social Security Act to about 1,000,000 more people—bank clerks, employed persons over 65, and sailors. They provide for beginning old-age-pension payments next January 1 instead of January 1, 1942. And they hold the old-age-pension-tax on employees and employers at 1 percent each for the next 2 years instead of allowing it to jump to 2 percent next June 1. This amendment, if adopted, will cut down that $47,000,000,000 reserve which will accumulate under present arrangements by about 1980, to the vast dislocation of our economic and financial set-up.

Congressional emotions now, however, have reached the aforesaid flash point; and these amendments are tied up in conference. There is a grave possibility that Congress may adjourn without adopting them, since a lot of Members have it in for a lot of other Members.

This would be a sad mistake, we believe. Nor can we make out how anybody in Congress would profit by it politically.

BUILD ON THIS FOUNDATION

If any New Deal measure has more popular approval than any other, we believe the Social Security Act has. It is an act to spread mass buying power and to insure great masses of people against various hazards which they cannot combat single-handed in our complex society—hazards of unemployment and of bankrupt old age.

The proposed amendments are aimed at building on that foundation—improving the Social Security Act as experience up to now shows it can be improved. We believe most people want these improvements made; and that they will be pretty mad at Congress if political divisions and animosities keep them from being made.

These social-security improvements are a good deal more desirable, not to mention being much more truly conservative, than such things as the contemplated sabotaging of the wage-hour law and the Smith bill aimed at putting our alien population in a legal strait jacket. We'd suggest that if Congress is in such a hurry to adjourn it pass the S. S. A. amendments and forget to do anything further about the wage-hour law and the antialien bill.

[From the New York Daily News of August 1, 1939]

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BUILD ON THIS FOUNDATION

If any New Deal measure has more popular approval than any other, we believe the Social Security Act has. It is an act to spread mass buying power and to insure great masses of people against various hazards which they cannot combat single-handed in our complex society—hazards of unemployment and of bankrupt old age.

The proposed amendments are aimed at building on that foundation—improving the Social Security Act as experience up to now shows it can be improved. We believe most people want these improvements made and that they will be pretty mad at Congress if political divisions and animosities keep them from being made.

These social-security improvements are a good deal more desirable, not to mention being much more truly conservative, than such things as the contemplated sabotaging of the wage-hour law, and the Smith bill, aimed at putting our alien population in a legal strait jacket. We'd suggest that if Congress is in such a hurry to adjourn it pass the S. S. A. amendments and forget to do anything further about the wage-hour law and the antialien bill.

[From the Washington Daily News of July 29, 1939]

PENSION PLAN FACES DEATH IN CONFERENCE

(By Marshall McNeil)

Hailed when passed as a major "business appeasement" measure and a real liberation of the social-security program, the bill amending the Social Security Act lies deadlocked in conference.

It is possible that the bill may be shelved until next session, jeopardizing the $825,000,000 3-year tax savings to workers and employers provided in the measure.

TWO-FOR-ONE ISSUE

The deadlock exists because Senate conferees won't recede from, and House conferees won't agree to, the two-for-one old-age pension amendment of Senator TOM CONNALLY (Democrat, Texas).

The amendment provides that for the first $15 of monthly pension, the Federal Government shall put up $10 and the State $5, and that thereafter contributions shall be split 50–50. This, it is estimated, would cost the Federal Government $80,000,000 the first year.

Senator CONNALLY, supported by three other Senate conferees, including Chairman PAT HARRISON (Democrat, Mississippi), of the Senate Finance Committee, by one House conferee, and a 43-to-35 vote of the Senate itself, insists his amendment gives necessary help to the poorer States.

SEEK SEPARATION

Strategy of the Senate conferees from the outset has been to sit tight until House conferees either agree to the amendment or consent to take it back for a separate vote.

There is a chance that arrangements for the separate vote will be made at the next meeting of the committee, probably Tuesday.

It would require a coalition of Democrats and Republicans to put over the Connally amendment in the House, where similar proposals were soundly defeated (but not on record votes) when the bill was being debated there. That Republicans may not join such a coalition was indicated today when Minority Leader JOE MARTIN (Republican, Massachusetts) said he expected his partisans, generally, to vote against the amendment.

Third Term Urged for President Roosevelt

EXTENSION OF REMARKS

OF

HON. REUBEN T. WOOD

OF MISSOURI

IN THE HOUSE OF REPRESENTATIVES

Tuesday, August 1, 1939

RESOLUTIONS OF THE MISSOURI STATE FEDERATION OF LABOR AND THE KANSAS CITY CENTRAL LABOR UNION

Mr. WOOD. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following resolutions:

Whereas we have today in the White House a Chief Executive of unsurpassed ability and statesmanship; a man of unimpeachable character and stainless record, whose great sympathy and understanding of the needs of the common people have endeared him to the masses of this Nation, and whose championing of the cause of the wage earners of our country has brought down upon his head the enmity and the hatred of the privileged class; a man whose recognition, support, and encouragement to our American labor movement have enabled us to carry on in our resistless march toward the liberation of the American working man and woman; and

Whereas this great humanitarian, President Franklin Delano Roosevelt, has by his liberal and progressive administration, his persistent and resolute opposition to the chiseler and the profiteer, the exploiter and the parasite, aroused against him all of the reactionary forces of the Nation; and

Whereas there is no legal nor logical reason why our great President cannot accept a third term as Chief Executive, and in view of the overwhelming sentiment of the great mass of people in his favor: Be it therefore

Resolved, That the forty-third annual and third biennial convention of the Missouri State Federation of Labor go on record as urging upon Franklin Delano Roosevelt, in the name of the common people, for the sake of the "forgotten man," and in the cause of humanity, to accept a third term as President of the United States, and thereby pledge our loyal support to his success; and be it further

Resolved, That all interested parties be furnished with copies of this resolution.

This is to certify that the above is a true and correct copy of resolution adopted at the Springfield convention of the Missouri State Federation of Labor, May 24, 1939.

[SEAL] FRANK J. MURPHY,
Secretary-Treasurer, Missouri State Federation of Labor.

To the officers and delegates of the Kansas City Central Labor Union in regular meeting assembled, greeting:

Whereas we have today in the White House a Chief Executive of unsurpassed statesmanship, a man of unimpeachable character and stainless record, whose great sympathy and fine understanding of the needs of the common people have endeared him to the masses of this Nation, and whose championing of the cause of the wage earners of our country has brought down upon his head the enmity and hatred of the privileged class; a man whose recognition, support, and encouragement to our American labor movement have enabled us to carry on in our resistless march toward the liberation of the American working man and woman; and

Whereas this great humanitarian, President Franklin Delano Roosevelt, has by his liberal and progressive administration, by his resolute and persistent opposition to the chiseler, exploiter, and profiteer, aroused against him all the reactionary forces of the Nation; and

Whereas there is no legal or logical reason why our great President cannot or should not accept a third term as Chief Executive of the United States, and in view of the overwhelming sentiment of the great mass of our people favoring such a course: Be it therefore

Resolved by the Kansas City Central Labor Union, That we go on record as urging upon Franklin Delano Roosevelt, in the name of the common people for the sake of "the forgotten man" and in the cause of humanity, to accept a third term as President of the United States; and be it further

Resolved, That a copy of this resolution be sent to the President's secretary in Washington, and a copy given to our official labor paper and to the press.

HARRY S. HELGESEN.
MARION BURNS.
WILLIAM R. STEPP.
GARNETT E. BRYANT.

Industrially Owned Child Nurseries

EXTENSION OF REMARKS

OF

HON. CHARLES O. ANDREWS

OF FLORIDA

IN THE SENATE OF THE UNITED STATES

Tuesday, August 1, 1939

STATEMENT BY HON. CHARLES O. ANDREWS, OF FLORIDA

Mr. ANDREWS. Mr. President, I ask to have printed in the Appendix of the RECORD a statement prepared by me on the subject of Industrially Owned Child Nurseries to Aid Married Working Women Who Have Small Children.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

I wish to call the attention of my colleagues to a most significant development taking place in the industrial South. In these days it is encouraging to point to something that is good and wholesome among businessmen and industrialists. Particularly does this seem to be the situation in regard to southern businessmen and industrialists.

I believe it is worthy of the time and attention of this Senate to be informed that one of our Florida industrialists, who employs over 3,000 persons, is taking a stride in the field of social service and labor relations which is not only unique, but at the same time could well serve as a model for other businessmen and industrialists in the country. There are a few other instances of this kind in other localities also deserving highest commendation.

I refer to the establishment of a nursery at the new cigar plant in Jacksonville, Fla., the King Edward Industrial Nursery, which I hope will be the first among thousands of establishments designed to lighten the burden of all parents who must labor and thus provide a better life and a better chance for their children.

It is an enterprise conceived and executed by Mr. Swisher because throughout his life he has maintained an intimate and sympathetic contact with the thousands of men and women who are engaged in his manufacturing establishment.

It is an enterprise that grows from a realization and understanding of the problems of those workers. It is a sincere, and, I am sure, will be a successful attempt to solve one of the greatest of those problems.

The trials and tribulations of parents who labor in the factories are severe, regardless of our place in society. They are much more severe for the father or mother who, in order to earn a livelihood, must leave his child for the greater part of the day while he goes to his work.

Often such a child must be left in the care of those who are without any training in their handling, are without proper sympathy for their needs, and are without any conception of the means of meeting the emergencies which almost constantly surround a small child. Such circumstances are not only bad for the child, but demoralizing to the parent and disruptive to the home. Yet they have been permitted to exist among millions of workers, and but very few industrialists have attempted to remedy these conditions.

Some months ago this Jacksonville factory was confronted with the necessity of building an addition to its plant. It was then that the concept of this new type of nursery came to Mr. Swisher. After consultation with other executives of the plant, it was decided that the top floor of the new structure and its roof should be devoted to the nursery.

I understand that some time after the planning, the mounting costs began to worry the executives of the company, to the extent that they called for a conference with Mr. Swisher. He told them that their job was to get the finest nursery possible, whatever the cost. I think that at that time Mr. Swisher had a vision of these children of his factory workers, much as Dickens saw children when he wrote:

"They are idols of hearts and of households;
They are angels of God in disguise;
His sunlight still sleeps in their tresses;
His glory still gleams in their eyes."

Our Nation, Mr. President, has, in recent years, been experiencing the bitterness of struggle against the economic catastrophe to which we have been subjected. Instead of uniting and fighting against the common enemy we have been too willing to fight among ourselves. The differences of these groups, instead of being softened by our common adversity, have been permitted to grow and develop. When each fights against each, we all lose. We have disregarded the common touch and each man looks upon the other as his enemy. Our gravest need is to restore mutual understanding; to come to a realization that man is man's greatest friend; that we are human, not predatory beasts prowling and seeking whom we may destroy.

Sometimes I despair that this restoration of understanding shall come in the time of our generation. But I know, as certainly as I know that I stand here, that if our industrialists throughout the Nation will follow this example, we shall, in the coming years, have a generation which will get back to the fundamentals of Americanism and of humanity.

The Swisher plant employs about 3,000 persons, 2,000 of whom are women. It is this preponderance of female labor—labor well paid by any standards of comparison—that lends the plant so ideally to the experiment which the Swishers are conducting.

Employees' children of preschool age will be eligible for admission to the nursery. It is planned that each case for admittance will stand on its own merits, the aim being to admit first those whose condition most urgently demands such action. Since the nursery will be open at all times, even over the week ends when the plant is closed, children will be cared for for varying lengths of time, again depending on the individual circumstances. There will be no charge.

It is stated that the company now is consulting with the greatest authorities in the country on the conduct of nurseries and schools, to the end that the most efficient methods of care and education will be used. But to my mind, it is more important that the human note is to be retained throughout, and that each child will keep its individuality.

I am informed that the nursery is nearing completion and that within the next 2 months the first child will be admitted.

With this information comes to me authority to invite the Members of the Senate to visit Jacksonville and attend the dedication of this industrial nursery, and we should welcome it as a great forward step in man's relation to his fellow beings.

High Cost of Agricultural Implements and Machinery

EXTENSION OF REMARKS

OF

HON. CARL T. CURTIS

OF NEBRASKA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, August 1, 1939

Mr. CURTIS. Mr. Speaker, I rise in support of House Joint Resolution 368, which has been introduced by Representative GOSSETT, of Texas. This resolution calls for definite action on the part of Congress with reference to the situation of the high cost of agricultural implements and machinery.

I call attention to the remarks of the gentleman from Texas who introduced the resolution, which appear on page 10252 of the RECORD, and I urge the House to take favorable action thereon. In order to show the need of the enactment of this resolution, permit me to say that on June 12 I wrote the chairman of the Temporary National Economic Committee on this very important subject. To date I have not received a reply thereto. My letter to that committee was as follows:

HOUSE OF REPRESENTATIVES,
Washington, D. C., June 12, 1939.

Hon. JOSEPH O'MAHONEY,
Chairman, Temporary National Economic Committee,
Washington, D. C.

MY DEAR SENATOR O'MAHONEY: I am addressing this inquiry to you concerning the farm-machinery industry. For some time the farmers of our country have had a back-breaking burden in their machinery costs. The situation is steadily growing worse. The spread between what the farmer receives for his labors and products and what he is compelled to pay for farm machinery is growing larger.

In the first place, I would like to have you inform me what your committee has already done or what it expects to do in the way of determining the facts and information which are causing this unfair situation.

In the second place, I wish you would inform me what, if any, corrective legislation your committee will prepare and submit to Congress to remedy the situation.

I thank you very much for a reply.

Yours truly,

CARL T. CURTIS.

Freight-Rate Discriminations

EXTENSION OF REMARKS

OF

HON. LISTER HILL

OF ALABAMA

IN THE SENATE OF THE UNITED STATES

Tuesday, August 1, 1939

ADDRESS OF HON. LISTER HILL TO THE ALABAMA FURNITURE DEALERS' ASSOCIATION AT BIRMINGHAM, ALA., JULY 26, 1939

• Mr. HILL. Mr. President, I ask unanimous consent to have printed in the Appendix of the RECORD an address delivered by me on July 26, 1939, to the Alabama Furniture Dealers' Association at Birmingham, Ala.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

At the beginning of this session of Congress a number of bills were introduced whose purposes were the removal of the unfair discriminations in freight rates as between the different regions or sections of the country. The distinguished chairman of the Senate Committee on Interstate Commerce, Senator WHEELER, appointed a subcommittee composed of the Senator from Florida, Mr. ANDREWS; the Senator from Minnesota, Mr. LUNDEEN; the Senator from New Hampshire, Mr. TOBEY; the Senator from North Dakota, Mr. GURNEY; and myself, as chairman, to consider these bills and the general subject of interterritorial freight-rate discriminations. The subcommittee heard many witnesses from practically all the different parts of the country and went into the matter thoroughly. At the conclusion of the hearings I introduced in the Senate, Senate Joint Resolution 99, and Congressman RAMSPECK, of Georgia, introduced an identical resolution in the House of Representatives. This joint resolution was favorably reported by the subcommittee of the Senate Committee on Interstate Commerce. The provisions of the joint resolution in their entirety were written into the general railroad bill (S. 2009) by the Senate Committee on Interstate Commerce, were adopted by the Senate, and the bill was passed by the Senate embodying them on May 25, 1939. The House of Representatives has this day passed the general railroad bill with the provisions as written in the bill by the Senate.

The first provision amends section 3 (1) of part 1 of the Interstate Commerce Act by inserting in that section of the law the words "region, district, territory." This section has always made it unlawful for any common carrier by railroad to make, give, or cause any undue or unreasonable preference or advantage, prejudice or disadvantage as between persons, natural or artificial, localities, and particular descriptions of traffic, and the inclusion of the words I have mentioned will make the inhibitions of this section apply also to regions, districts, and territories.

The second provision of the act authorizes and directs the Interstate Commerce Commission to institute investigations into the rates on manufactured products and raw materials between points in one classification territory and points in another such territory and into like rates within any of such territories for the purpose of determining whether said rates are unjust or unreasonable or unlawful in any other respect in and of themselves or in their relation to each other and to enter such orders as may be appropriate for the removal of any unlawfulness which may be found to exist. Under the provisions when the bill becomes law any undue or unreasonable preference or advantage of one region, district, or territory over another region, district, or territory is made unlawful and prohibited and the Interstate Commerce Commission is directed to investigate immediately and upon finding such undue or unreasonable preference or advantage to exist to enter such orders as may be necessary for the removal of same.

The necessity for the writing of these provisions into the law and for the removal of unfair interterritorial freight-rate discriminations constitutes one of the most compelling and challenging problems before the country today. Transportation is a vital necessity to our civilization. It is as much responsible for the economic and social development and for the political unity and solidarity of the United States as any other single factor. The future growth, development, and destiny of our country will depend in large measure both upon the adequacy of our transportation facilities and upon the efficiency, economy, and uniformity with which such facilities function in the interest of the country as a whole. Attainment of a sound national economy demands equality of opportunity for all parts of the United States to develop in a manner and to an extent justified by the human and natural resources present in the various regions. To have a full and fair opportunity to participate in the commerce of the entire Nation in a Nation-wide market on a basis of free and fair competition to all concerned is a right that not only belongs inherently to all the people of all the States and to all the regions of the country, but unless such a right is accorded there necessarily follows a denial of a free flow of commerce, which retards the social and economic growth of certain sections of the country, and this is to inevitably retard the economic growth of the whole country.

Business expansion, the unemployment problem, the problem of wage inequalities, the farm problem, the development of our national resources, the attainment of a sound and balanced national economy are all involved and interwoven in the matter of freight-rate inequalities. These inequalities constitute a key log in the economic jam which is holding back our national recovery and progress.

Our railroads, which have been and still are the dominant transportation agency, are entitled to great credit for their part in the amazing economic growth and power of the United States; but as important as this contribution has been in the past we are now able to perceive certain uneven results and unbalanced conditions that ought to be corrected in the public interest, which, of course, includes the welfare of the railroads themselves.

Through the development of engineering skill railroad service, as evidenced by the physical ability and capacity to move goods from place to place over the country, has been nationalized. Every citizen who has to wait at a railroad crossing for the passing of a freight train witnesses, in the variety of cars from different railroads which usually make up the train, a visual demonstration of this nationalized service. It is, indeed, a great achievement.

The economic side of railroad transportation, however, has not kept pace with the physical and technical developments. The freight-rate structure of the country, which epitomizes the economic phase of railroad operations, has, in fact, followed a contrary trend to the growth of service. On the one hand, uniformity and standardization of service on a national scale appears to have been the ultimate goal, while on the other hand, regionalization has been the outcome, whether by design or circumstance, in freight-rate structures.

Today we have no national freight-rate structure. We have five separate regional or territorial freight-rate structures, namely, eastern or official, southern, southwestern, western trunk-line, and mountain-Pacific. We find the region lying north of the Ohio River and east of the Mississippi the official territory; that south of the Ohio River and the Mississippi River the southern territory; that west of the Mississippi and taking in Arkansas, Oklahoma, Texas, most of Louisiana, and the southwestern part of New Mexico, the southwestern territory; that west of the Mississippi River and due north of the southwestern territory, the western trunk-line territory; and all the region west of the trunk-line territory and the southwestern territory, the mountain-Pacific territory. These territories have a number of subregions and zones which have differing rate structures.

Present railroad rate territories were not fashioned according to any predetermined plan. They are simply the outgrowth of tradition. The rate structures within them grew up topsy-turvy. The aim of the railroads was to get the traffic, and they got the traffic by meeting competition. The railroads from the very beginning have paid little attention to costs, equality, or relativity in fixing their rates. The Interstate Commerce Commission, in readjusting those rates and taking the basic railroad patterns, has largely disregarded transportation costs. It has proceeded on what is called the value of the service theory of rate making, rather than the cost of service. As a result, the Commission has felt itself compelled to endorse as reasonable a rate on comparative noncompetitive traffic which may be four or five times as high as a rate which they likewise endorse on what is called competitive traffic.

In the official territory we find greater consideration given to the manufacturer and his freight than to the producer of raw products and his freight. Railroads in the official territory naturally established their rate structure with the idea of moving the existing traffic and serving the manufacturers as they predominated in furnishing the traffic. From the very beginning it has been the policy of the eastern railroads to bring in from the outside essential industrial raw materials to the manufacturers at favorably low rates and to carry the finished products at low rates as compared with southern and western sections of the country. The southern and western railroads were not much concerned with the building up of manufacturing in their territories. They did not have manufacturing. On a whole their policy was to keep rates as high as possible where competition did not compel reductions and to put them as low as possible where competition required it. There could be no better picture of how freight rates have been made than the one given in the so-called southern Governors' case when Mr. James P. Harrington, a member of the auxiliary committee of the New England Freight Association, testified as follows on examination by one of the attorneys for the southern Governors:

"Q. To get specific, assuming a cost of service, the costs of transportation in New England are 25 percent higher than from the South, how can you make a lower rate from New England into Central Freight Association territory than you are willing to join with in the South?"

And Mr. Harrington answered:

"A. We don't figure cost in there at all, because you can't figure cost, one factor against the other. You have got two different things to talk about.

"Q. The cost of hauling freight in the South as contrasted with New England and the South as compared with Central Freight Association territory doesn't enter into the determination of your

particular rate?—A. No; that is the last thing that has to be looked at. I am afraid that the rate would be adjusted before we looked at that."

A witness named W. L. O'Neil testified. He was employed by the Trunk Line Association as chairman of the general freight committee, with headquarters at 143 Liberty Street, New York City. A lawyer asked him this question:

"You do know that southern carriers can put in a rate to St. Louis regardless of what the official carriers do?"

And he answered:

"A. That is correct.

"Q. You know that the southern carriers cannot put in a rate to Cleveland without the consent of official carriers?—A. That is correct."

I read this for the purpose of pointing out that all of this rate structure is arbitrary. It discriminates not only between territories or regions but between cities within a region and between zones within territories.

For instance, in the territory represented by my distinguished friend the Senator from New Hampshire they arbitrarily charge the States in the north corner of the country a higher rate than they charge other States within official territory. It is all a matter of arbitrary rate making.

Mr. O'Neil was asked this question:

"Q. You men don't care anything about cost?—A. Rates are not made based on cost.

"Q. So, it does not make any difference to you in performing your function what it costs in the South, New England, or the North to haul the freight?—A. What we are interested in, Judge, is what the traffic will bear, and the revenue needs of the carriers.

"Q. You get all you can regardless of what it costs you to haul it?—A. We will get what the traffic will bear, or we try to get what the traffic will bear.

"Q. You do not know and do not care to know what it costs to haul it?—A. Again I will say, I do not think anyone would be in a position to determine what it"——

He was interrupted by this question:

"Q. You do not try to determine?—A. No, sir, because I couldn't.

"Q. But you do know that the Commission has made many studies to determine that question. Have you ever looked at any?—A. All of the reports I have seen issued by the Commission. I don't know of any report where the rates were based on cost."

He was asked if he had ever looked for costs, and he said, no, he had not in making freight rates. Then he was asked this:

"Q. It does not make any difference if it costs 25 percent higher to haul freight in eastern trunk-line territory than it does in the South. You would make the rates regardless of cost?—A. What we are vitally interested in, and one of the determining factors, is what the traffic will bear."

Then he was asked:

"Q. Well, your broad statement was that when you made freight rates you did not pay any attention to costs whatever. That is a little too broad, is it not? You do not go below cost, if you know it, do you, when you make a freight rate?—A. I have never as a rate man taken into consideration the elements of cost of transportation, that is, in a physical sense."

Because rates have been made on the basis of competition and of all that the traffic will bear rather than on a basis of cost and of the economy and well-being of the entire Nation, we find shocking disparities as between the rates in the different regions. Class-rate levels in official territory established and maintained by the railroads are on a much lower level than the class rates in the West and South. To illustrate, for 500 miles the rate level established immediately west of the Mississippi River is 29 percent higher than in the official territory; the rate level west of the Missouri is 46 percent higher; in western trunk-line territory and in the Southwest the level is 60 percent higher; in the differential territory, west Texas, Wyoming, and that section the level is 85 percent higher, and in the South the level is 41 percent higher. With these different levels as the basis for interterritorial rates we can well understand the discriminations in such rates. As a result the shipper outside of official territory is tremendously handicapped as compared with any competitor located in that territory and the consumers in official territory are denied the right to purchase goods and commodities at the lowest and most reasonable costs.

Even shippers in Canada enjoy a material advantage in shipping into the official territory over shippers in the other territories of the United States. For example it is 748 miles from Omaha, Nebr., to Columbus, Ohio, and the first-class rate is $1.87 per hundred pounds. It is 738 miles from Montreal, Quebec, to Columbus, Ohio, and the rate is $1.66. It is 743 miles from Fitchburg, Mass., to Columbus, Ohio, and the rate is $1.52. We see that the rate from Omaha to Columbus is 21 cents higher than from Montreal to Columbus and is 35 cents higher than from Fitchburg to Columbus.

It is exactly 560 miles from Des Moines, Iowa, to Cincinnati, Ohio, from Peterboro, Ontario, to Cincinnati, and from Baltimore, Md., to Cincinnati, and yet the first-class rate from Des Moines to Cincinnati is $1.58 per 100 pounds, from Peterboro to Cincinnati $1.45 and from Baltimore to Cincinnati $1.28.

It is exactly 657 miles from my home city of Montgomery, Ala., to Springfield, Ohio, from Ottawa, Ontario, to Springfield, and from New York, N. Y., to Springfield, and yet the first-class rate from Montgomery to Springfield is $2.02 per 100 pounds, from Ottawa to Springfield $1.60, from New York to Springfield $1.41. The rate is 42 cents higher from Montgomery to Springfield than it is from Ottawa to Springfield and 61 cents higher from Montgomery to Springfield than it is from New York to Springfield.

From Trenton, N. J., to Peoria, Ill., is 928 miles and the first-class rate is $1.74. From Valdosta, Ga., to Peoria is 935 miles and the rate is $2.44. From Houston, Tex., to Peoria is 928 miles and the rate is $2.73. From Colorado Springs, Colo., to Peoria, Ill., is 923 miles and the rate is $2.67.

The further west we go the greater are the differences in the rates. From Dallas, Tex., to Toledo, Ohio, is 1,100 miles and the first-class rate is $2.84. From Boston, Mass., to Toledo is 1,109 miles and the rate is $1.85. In other words Dallas, Tex., has to pay a 99-cent higher rate into official territory than the rate within the territory. We could go on indefinitely with these comparisons and I do not know of a single one that can be made in favor of the western and southern territories over the eastern territory on manufactured commodities ready for use by the ultimate consumer.

In the Cullom report made in 1886 by a Senate committee out of which came the original Interstate Commerce Act creating the Interstate Commerce Commission in 1887, we find the following statement:

"It is substantially agreed by all parties in interest that the great desideratum is to secure equality so far as practicable in the facilities for transportation afforded and the rates charged by the instrumentalities of commerce."

At a little later date we find the Supreme Court of the United States declaring that the fundamental purposes of the law regulating railroads and common carriers is "to compel the carrier as a public agent to give equal terms to all and cut up by the roots every form of discrimination, favoritism, and inequity." And yet we find a system of rate structures prevailing throughout the country today which has perhaps best been described by Commissioner Joseph B. Eastman, of Massachusetts, in his 1934 report as Federal Coordinator of Transportation, in the following language:

"An objectionable phase of the railroad situation for many years has been the maintenance of regional differences and distinctions, which are very imperfectly related to differences in costs, and of territorial boundary lines ('Chinese walls') where rate systems and practices change. It has tended to provincialize the railroads and discourage national unity of action. It has been a prolific source of complaints to the Commission. Regional competition in rates and service has been as keen as the direct competition of parallel lines, and has had equally undesirable and uneven results."

It was doubtless these thoughts that caused Commissioner Eastman a year later, in 1935, to declare:

"The freight-rate structure of the railroads in particular is a complicated product of conditions of former days. Many of those conditions no longer exist or have been greatly modified. They have been superseded by new conditions created or influenced by the new means of transportation. Already this freight-rate structure shows signs of much disturbance and unsettlement. It is bound to suffer revision, and order will gradually be established on a new and, I hope, much simpler basis. The revision will have an important and perhaps profound effect on industrial conditions, but I am not yet clear what that effect will be."

Commissioner Porter, of the Interstate Commerce Commission, from Iowa, has recently declared:

"The wide difference between the rate levels in the respective major territories of the country rested upon quite secure foundations in the earlier days of railroading before the population became as well scattered as it is today; but the time is here when, because of the increased density of the population and the industrial development of all of the major territories with which we are here directly or indirectly concerned, the differences in the costs of transportation in those territories have become less and less until today, as appears to some extent upon this record * * * those differences are very much less than the differences in the class rates. Reason dictates that the narrowing differences in cost should be reflected, at least to some extent, in narrowing differences in rates * * * already too great, between the Southwest on the one hand and officials and southern territories on the other."

Commissioner Mahaffie, of the Interstate Commerce Commission, from Oklahoma, in the Western Trunk Line class-rate case, emphasizes that the Commission ought to take note of what has happened in connection with traffic in recent years and that both the Commission and the railroads ought to be willing to abandon theories that no longer even approximately fit the facts.

Considering the influence of transportation charges on the flow of commerce and upon the consequent development and utilization of the natural resources of the country, it is not surprising in the light of distinct regionalization to find uneven results in the economic progress of different regions and sections of the country. The effect of the regionalization of freight-rate structures has been to localize commerce by hampering a natural flow of goods across the territorial boundary lines. In analyzing the present unequal economic situation in the country it should be borne in mind that transportation charges en masse always have a pronounced impact on both regional and national economies. Railroad freight charges, considering only class 1 carriers, which are the roads having an annual gross operating revenue of a million dollars or more, now aggregate annually approximately $3,000,000,000. If we should add to this the revenues of smaller railroads, motortruck lines, electric railways, pipe lines, and water carriers, the total would reach somewhere in the neighborhood of $5,000,000,000 per year, or approxi-

mately one-fifteenth of the total national income from all economic activities. The commerce of the country must bear these heavy charges.

The burden may be spread out among different regions and sections so as to make the impact proportionately uniform, or it may be distributed in an uneven and distorted manner, thereby tending to create and perpetuate unbalances in the economic growth of the Nation. The economic effect of regional discriminations in transportation charges cannot be measured simply by the quantitative differences in the total revenues accruing to the railroads in the several regions of the country. The total amount of the charges received by the railroads, of course, has an important influence on regional development, but the manner in which these charges are spread over the different classes of commerce, or the way in which the general rate burden is distributed, frequently has a much greater effect than the amount of the charges. In one region, for instance, freight charges may be so distributed among the different articles of commerce as to result in relatively low rates on manufactured and processed goods, while in other regions relatively low rates on raw materials and high ones on manufactured and processed articles may be the characteristic features of the rate structure.

A continuation of such divergent systems of rates may result in making a workshop of one region of the country and raw material producers of another region with all the economic and social consequences which flow out of such disparities.

Exactly this situation has developed in this country. In the area of our country extending from Boston, on the north, to Baltimore and Washington, on the south, the average density of population runs well over 1,000 people per square mile. This is the area of heavy manufacturing and the area where freight rates are holding industry and pulling more industry to it. In contrast, the average density of population throughout the United States is only some 41 people per square mile. In the great western section of the United States, comprising 70 percent of the country's area, the average is less than 10 persons per square mile. In the Southeast the average is about 50 persons per square mile. So long as competition makes freight rates it is obvious that the areas that now have the lowest freight rates will continue to have them. They had them originally and they have them now, as all transportation agencies in these areas compete for the heavy volume of traffic from the manufacturing plants that keep the millions upon millions of people occupied supplying themselves and the rest of the country.

While we speak of manufacturing it is interesting to note the distribution of manufacturing plants in the United States by counties. We find that 25 percent of the manufacturing plants in the country are located in 7 of the more than 3,000 counties in the United States. We find that another 25 percent of the manufacturing plants of the country are located in 46 counties. In other words, in 53 counties of the more than 3,000 counties, 50 percent of the manufacturing plants of the United States are located today. Of these counties 41 are in official territory, 2 in southern territory, 4 in western trunk-line territory, 1 in southwestern territory, and 5 in Pacific territory. The official territory has 71.65 percent of the manufactures of the country and three-fourths of the purchasing power of the Nation.

These figures show one of the results of interterritorial freight-rate discriminations based on the competitive theory of rate making. They show how these discriminations tend to concentrate plants in greater and greater degree where they already are and prevent development of those parts of the country that have little in the way of competitive force to bring down freight rates. They show how regions rich in raw materials have a serious if not fatal handicap when they undertake to convert their raw materials into finished goods and market them in the face of the existing regional discriminations in freight-rate structures. They show how one region of a country may be an empire while other regions of that same country may be but satrapies of that empire.

The discriminations cannot be justified by any differences in the cost of the transportation of freight in the different regions. This is clearly shown by the reports of the Bureau of Statistics of the Interstate Commerce Commission, and particularly the report entitled "Territorial Variation in the Cost of Car Load Freight Service on Class One Steam Railways in the United States for the Calendar Year 1936." The following table, taken from the latter report, gives the picture of the relative costs in the different regions:

Ratio to United States average taken as 100

Regions and districts:	
Eastern district	99.3
New England region	132.1
Great Lakes region	96.1
Central eastern region	100.6
Southern district	89.2
Pocahontas region	73.3
Southern region	95.5
Western district	106.7
Northwestern region	109.8
Central western region	107.9
Southwestern region	101.4

From this table it would appear that in 1936, the same as in the other years for which studies have been made, there is no controlling reason from the angle of cost of transportation service for higher rates to be charged on traffic between western territory points or between southern territory points and the official territory points than the rates charged between points in the latter territory. From the standpoint of cost of service some sections of official territory, such as the New England region, have much higher costs than do the less-favored-rate territories. The cost of performing the service in the entire area west of the Mississippi River is rapidly approaching the cost in official territory. The cost in the area south of the Ohio and Potomac Rivers has already been clearly shown to be less than the cost in official territory for the same service. The interests of the East and the official territory, as well as the interest of the whole country, demand that there be an end to the gross and unjustified inequalities in freight rates and that the country be permitted to develop and progress on natural lines. The development of industry in the West and South does not mean to rob the East of industry. The development of industry in the West and South means to give a higher standard of living to the people in those sections and to increase their purchasing power for the products of eastern industry. If we can raise a farmer in the West or the South from an 80 cents a day income to a $3 a day income as an industrial worker, we have furnished a consumer with a new purchasing power for the products of the work of a high-priced mechanic in the East.

Several years ago Dr. H. A. Morgan, the present Chairman of the Tennessee Valley Authority and former president of the University of Tennessee, made a study of the value that comes from the decentralization of industry. He compared the States of Mississippi and Ohio. In Ohio he found industry distributed almost ideally. Mississippi has practically no industry. In Mississippi he found only 13 percent of the population urban. In Ohio the population is 63.8 urban. Dr. Morgan asks "* * * and what of agriculture?" Mississippi, with an area larger than that of Ohio and with farming practically its only occupation, produces annually agricultural products to the value of only $965,000,000. Ohio, a smaller State with less land in agriculture and fewer farmers, produces for the comparable year $3,096,000,000 in agricultural products, nearly three and a third times as much in value as Mississippi. Dr. Morgan asks, "Do you see what industry does for agriculture?" Industry does two important things for a locality. It decreases the tax rate of the farmer; it produces an industrial wage to buy diversified farm products and thereby increases farm income and the purchasing power of the locality. When I think of the people of the East and the freight-rate problem, I am reminded of an extract from a speech made by President Roosevelt on July 5, 1937, at Mount Marion, N. Y. The President was addressing the descendents of the old Hudson Valley farm families. His invitation to do so had come from a Mrs. Meyer, whose forebears came into that particular section of New York about the same time the Roosevelt forebears came there. The President said:

"I was reading a book the other day, a book talking about the politics of a little over a hundred years ago and the good people of the Hudson River Valley who were all opposing this "crazy" idea of Governor Clinton to build a great, big ditch from Albany out to Buffalo. Well, the people here in the Hudson River Valley had a reason to object to the building of the Erie Canal because we of that time were the granary of New York City. Most of the wheat for the city of New York, most of the oats for the horses down there, most of the rye, most of the corn that was used in the city was grown in the Hudson River Valley for the very simple reason that the people out in the western part of the State had no means of transporting their products to the city.

"But Gov. De Witt Clinton was thinking about the whole State. He was thinking about thousands of people who had moved out beyond the Catskill Mountains—think of it, away out in the wilderness—and they had no way of making a decent livelihood if they couldn't get the products of their farms into the city. And so, over the opposition of us people here in the valley who, frankly, were too selfish in thinking only about ourselves, the legislature and the Governor built "Clinton's big ditch," the Erie Canal.

"Well, it did hurt our farms in the Hudson River Valley to a certain extent, but I noticed that the Meyer family did not become extinct because of that and neither did the Roosevelt family. Since then, in the later generations, we have invented new kinds of crops—not just the crops that we raise on our own soil but the crops that come to us every summer out of the big city, and they are very welcome."

While we speak of the East, it is interesting to note a letter from Mr. D. Scrivanich, president of D. Scrivanich & Co., of Philadelphia, written to Hon. A. LEONARD ALLEN, Member of Congress, in which Mr. Scrivanich says:

"It is about time that everybody may realize that the Civil War is over and has been over and that discrimination in transportation is hurting the entire Nation, no matter where this discrimination is effective. Transportation is one of our major problems, and many of our economical ills are due to the difficulty which the flow of trade finds in keeping an even keel because of the unfortunate barriers raised everywhere by the high cost of transportation.

"It is, indeed, a shameful thing when in an age of plenty, and in a country as rich as ours, we may have sections of our country in dire need of the very same staples which are even too plentiful in other sections.

"You might have seen by the papers recently the story of scurvy spreading through Maine and Vermont because our northern brothers are unable to get cheaply enough oranges from Florida and California, and yet both in Florida and California many oranges which could save life on the Canadian border are rotting away waiting for buyers.

"Right here in Philadelphia we have to pay 35 cents per dozen for eating oranges, for which the Florida grower does not get a nickel."

Mr. Scrivanich speaks as one consumer living in the region enjoying low rates on manufactured and processed goods. It is plain that these consumers are deprived of the opportunity to draw on all sources of products in the United States in meeting their daily requirements. Their source of supply for finished goods is largely limited to one region irrespective of whether or not it is the region where goods may be produced most efficiently and at the lowest cost. The consumers of official territory, as well as the consumers of all the territories, have the right to purchase their goods and their necessities in a Nation-wide market at the lowest possible prices. To deny them this right is to impose undue and unjust burdens upon them and to deprive them of the fair treatment which as American citizens they are entitled to.

One may ask, what of the railroads of the West and South if rates are to be reduced? From the standpoint of these carriers, and certainly in the interest of a sound, long-range policy, it might be desirable that rates be reduced. Indeed a study of the situation of many of these carriers indicates that one of their chief problems is to reconcile their immediate revenue needs with sound, long-range policies. Unless this important question is satisfactorily settled, these railroads may continue to be confronted with serious difficulties. Recent experience with freight-rate increases in these regions indicates that this procedure does not offer a permanent cure for railroad ills. Today, for instance, the railroads of the West and the South, notwithstanding the high-rate levels which they charge on manufactured goods particularly, are not more prosperous than the eastern railroads. In fact, the very contrary is true in some cases. A revision of freight levels which would give the railroads in and between each of the territories a greater volume of traffic would result greatly to the benefit of western and southern railroads. The railroads of the West and the South need business and this business can only come through the development and industrialization of these sections, based upon a better and wiser utilization of their natural resources. To relieve any unnecessary apprehension on this score, however, it may be pointed out that the removal of discriminations does not always require reductions in rates. Some may be reduced where found to be too high and others that are unduly low may be increased.

Mr. Joseph G. Kerr, chairman of the Southern Freight Association, in testifying as a representative of the southern railroads in behalf of the reduction of rates in the so-called Governors' case, said: "We believe that the making of competitive rates from the South to official territory on the basis which we advocate is not only in the interest of southern railroads and southern shippers but is likewise to the interest of the great mass of consumers in northern territory and therefore in the general public interest."

The problem of regional differences in freight-rate structures in reality receives its major emphasis from the increasing consciousness of the American people of the importance of properly conserving and utilizing their human and natural resources. It is impossible logically to divorce the function of transportation from the broad subject of conservation. The demand for the removal of regional freight-rate discriminations is one of the expressions of our conservation-minded democracy.

It was only a few years ago that the American people came to realize that their natural resources were not inexhaustible. With the settling of the West there came a realization that these natural endowments were by no means unlimited, but were being wastefully exploited at the ultimate expense of human welfare. With the increasing maturity of our economy we began to cast about for means by which to improve our guardianship of human and natural resources, which responsibility heretofore had rested too lightly on us. A policy of better conservation and more rational utilization has become the order of the day. We have developed a keener sense of responsibility toward our natural resources as the potential wealth which our generation and the generations to come must use to support, expand, and improve our civilization.

In analyzing the treatment of our natural heritage of land and raw materials we have come to realize the permanent differences in freight charges as between regions accelerate the removal of products and materials without just or adequate compensation to the regions which furnish them. In the light of our experience of more than a century with organized transportation service, we ask that each region be given freight rates that do not confine the means of livelihood of the people of such region to the depletion of its soil and the exploitation of its essential raw materials, primarily, for the enrichment of another region. May I quote here the words of the illustrious Henry W. Grady, spoken in 1887, the year the Interstate Commerce Act was passed? These words are as true today as they were the day they were spoken 52 years ago. Mr. Grady said:

"But agriculture alone—no matter how rich or varied its resources—cannot establish or maintain a people's prosperity. * * * No Commonwealth ever came to greatness by producing raw materials. Less can this be possible in the future than in the past. The Comstock lode is the richest spot on earth. And yet the miners, gasping for breath 1,500 feet below the earth's surface, get their existence out of the splendor they dig from the earth. It goes to carry the commerce and uphold the industry of distant lands, of which the men who produce it get but dim report. Hardly more is the South profited when, stripping the harvest of her cotton fields, or striking her teeming hills, or leveling her superb forests, she sends the raw material to augment the wealth and power of distant communities."

And yet, this is exactly what the West and the South have been doing ever since this country was founded.

And as a result of this economy the East owns between 80 and 90 percent of the man-made wealth of the United States, if not more. Its proportion of ownership is increasing each year. Of the 200 greatest corporations in America, 180 of them are chartered, operated, and have their home office in the East. The East furnishes between 90 and 95 percent of the national advertising, while the West and South divide the remainder about equally. The life insurance companies of the East have 95 percent of the $105,000,000,000 of life insurance held by the people of the country.

Where is the money of the United States? If we look at the demand deposits of the banks of the Nation, we find that the East has 79.37 percent of them, the South 9.72 percent, and the West 10.91 percent. To put the matter another way, about half the people living in one-fifth of the country have nearly four-fifths of the dollars in American checking accounts. If we look at time deposits, we find that for each southern dollar the East has $14 and for each western dollar the East has $7. Adding individual time and demand deposits, as distributed, we find that each eastern person would have $41,942, each southerner $80.78, and each westerner $222.80. In an emergency, and on the basis of $30 a month for each individual, every person in the East could live for 14 months, the western people could live for 7½ months, and southern people could go for 2 months and 18 days on their savings.

As Prof. Walter Prescott Webb, of the University of Texas, reminds us: "Extreme as this picture is, it fails to do justice to the situation; it leaves out of account two important factors; northern corporation deposits in southern and western banks and southern and western indebtedness to northern individuals and institutions. If all the national chain stores, oil corporations, and railroads of the East should withdraw their deposits from southern and western banks; if life insurance and other financial interests should call their loans and foreclose their mortgages, it is quite probable that the East would have in its possession more than 95 percent of the money of America, a goodly share of real property, to say nothing of a miscellaneous assortment of automobiles, radios, refrigerators, and other installment items."

The East has this enormous ownership and control of the money and the wealth of the Nation, although the West and the South together have 79 percent of the land of the country, produce all of its gold and silver, 95 percent of its oil, 90 percent of its lumber, 63 percent of its agricultural dollars, and, on the basis of yearly production, have practically a monopoly on the natural wealth of America with the exception of coal and iron. The time has come when there must be an end to this condition if the Nation is to endure. The Omaha World Herald sounds the clarion call in the following editorial of August 29 last:

"THE MIDWEST MUST FIGHT

"The Middle West, laggard in growth, needs to face facts squarely.

"There is a wall around it, restricting its markets to local areas, binding its towns and cities, limiting the profits on its farms, keeping its population, in comparison with more favored regions, stagnant.

"It is the wall of discriminatory freight rates.

"It was built when the railroads, competing with the Panama Canal, began to bid for business against coastwise water carriers. They were permitted by the Interstate Commerce Commission to extend favors to east and west coast centers at the expense of the land-locked Midwest.

"Then the Midwest began to slow up. The process was gradual, and only the passage of the years has made clear how heavy the blow has been.

"By inequitable freight rates the Midwest's agriculture, its business, its industry, are being constantly constricted and restricted, its growth stunted, its opportunities narrowed.

"And in the process the railroads themselves that serve this territory are drifting into insolvency.

"A crazy freight-rate structure with reference to livestock and dressed meats is building up packing centers on east and west coasts, although their natural home is the Midwest. Iowa hogs are shipped through Omaha to Los Angeles to be slaughtered and dressed. Western Nebraska cattle seek distant markets instead of the home market. It is cheaper to ship livestock, in spite of the expense of handling en route and the shipment of waste, than to ship dressed meat.

"Sugar is produced by the ton in western Nebraska. But an Omaha factory, using sugar, was forced to move to Chicago to gain lower freight rates.

"The whole freight-rate system is based upon precedents established in the days of rebates, bears little or no relation to actual traffic costs, and is marked by discriminations against the Midwest in favor of the coasts.

"And we take it. We take it although it has blocked the natural growth of this vast and fertile area, with even, in many places, a dwindling of the population.

"We take it, although it penalizes our farmers and cripples our industries.

"We take it, although in the end it means doom of the railroads themselves.

"But we need not take it passively and without effective protest. This western empire must band together to fight for a fair deal in freight rates.

"It must fight with the railroads and the I. C. C. in one field. And it must fight for river service and barge-rail competition in another field.

"If we don't fight and fight hard, we accept death by attrition."

If the West dies, if the South dies, the Nation dies. Once again, a house divided against itself cannot stand; once again we cannot remain half slave and half free. We cannot remain half rich and half poor. No longer can one great region grow richer while the other two great regions grow relatively poorer. If our Nation is to endure there must be that unity of our people which alone can come from all regions growing and becoming richer in all those things which please and prosper human kind. We must be a Nation in our economy as well as in our geography.

Portrait of Hon. Royal C. Johnson

REMARKS

OF

HON. JOHN E. RANKIN

OF MISSISSIPPI

IN THE HOUSE OF REPRESENTATIVES

Saturday, July 29, 1939

Mr. RANKIN. Mr. Speaker, on June 29, 1939, an oil painting of our former colleague, Hon. Royal C. Johnson, of South Dakota, who was for many years chairman of the Committee on World War Veterans' Legislation, was presented to that committee by the friends of Mr. Johnson throughout the country through Hon. Stephen Chadwick, national commander of the American Legion.

It was my privilege, as chairman of the committee, to accept that painting, which now hangs on the wall of the World War Veterans Committee.

Under permission granted me to extend my remarks in the RECORD, I insert at this point a copy of the proceedings on that occasion.

PRESENTATION OF PORTRAIT IN WORLD WAR VETERANS COMMITTEE ROOM JUNE 29, 1939

Mr. RANKIN. The Chair recognizes Hon. Stephen Chadwick, national commander of the American Legion.

Mr. CHADWICK. Mr. Chairman, on this occasion, if it meets with your approval, I would like to have the colors of the American Legion advanced by our national color guard of Washington.

(Advancing of the colors.)

Mr. CHADWICK. So long as a free and self-governing people provide for the necessities of the dependents of those who die in the service of the people and provide for the necessities of those who are broken in mind and body by reason of their service, so long those free people will never want for defenders of the institutions which make them free.

Born out of the World War there was a great fraternity, a fraternity which discovered that "a man was a man for a' that." It made no difference whether he were Jew or gentile, and made no difference whether he were black, white, red, yellow, or brown, if he expressed himself as willing when the opportunity was afforded to him to defend the institutions of his Nation. Some were called upon to die. Some were broken in mind and body. Some of us lived in health because of the sacrifices of those men, of every race or creed.

The House of Representatives of the United States, after the World War, with the responsibilities of the Nation to its defenders scattered among several countries, saw fit to organize the World War Veterans Committee of the House of Representatives. The man instrumental in the formation of that committee is the man whom we, as Legionnaires, today seek to honor. Sometime ago we asked if we might be privileged to present to the committee, so that it might adorn these walls for all time, a portrait of Royal Johnson, late a Member of the House of Representatives from the State of South Dakota and first chairman of this important committee.

So today I am happy that, as national commander of the American Legion, and through the action of some of the members of the American Legion, we can be here. Mr. Johnson, at the time I made the request, had met with an accident, but I am happy that he could be with us today. Not alone was he important in the formation of this committee and in the formation of all the laws, but he himself was a distinguished soldier in the World War, and we think this a fitting tribute to him as the chairman of the first committee and who for a period of 9 years was instrumental in the direction of its course, a course of which we were so proud. All of the veterans' facilities have been established through the legislation which went through this committee. He introduced in Congress in 1919 the bill creating and incorporating the American Legion.

This is one of the few public opportunities that I have had, as the representative of a million-man organization and 500,000 women who constitute our auxiliary, to express our appreciation to you and your committee, and particularly to Royal C. Johnson, the man whom we seek to honor.

And so, on behalf of the American Legion, I tender you this portrait that it may be hung in this committee room, so it may be hung as a memorial charting a course which will long redound to the credit of this great and free country, a course which can only be approached through well-directed legislation.

It was my pleasure and privilege through a number of years to serve with Royal Johnson in these Halls. In public hearings and in private conferences I had fullest opportunity to observe him in action on legislative matters and to collaborate with him in the days of trial and tribulation as he strove toward equitable treatment of those bearing the scars of war. The very foundation of the whole system of Federal relief as it exists today is based upon the Reed-Johnson Act of June 7, 1924. While many pieces of legislation of various sorts and covering many activities were sponsored by Royal Johnson, I believe if he should be called upon to name one which should lastingly carry his name, it would be the act of 1924. On the other hand, if every bill for the relief of veterans that was sponsored by this man should carry his name, the list would be most extensive.

Mr. Chairman, there never has been and never will be either written or enacted any measure that, in one swoop, would do all that everyone desired in the way of veterans' legislation. Indeed, there has never appeared before this committee a single bill that finally found its way into the statute books which was not amended in some way. In other words, between what is desired and what is practical is what makes the word "legislation" almost synonymous with "compromise." Time after time I have seen Royal Johnson face insurmountable obstacles in his endeavors to obtain certain objectives for those with whom he served, and on many occasions when it appeared that any legislation whatsoever was impossible it was the honesty and popularity of this man that made it possible for him to achieve something.

It has become a trite saying around the Capitol, "This is all a nonpartisan matter." No matter what is the nature of the legislation this is always a convenient expression, although it usually means nothing. However, the records show, and I can attest, that during his leadership of this committee Royal Johnson's consistent effort was to place veterans' legislation on a plane above partisanship. Just as a single example typical of his endeavors, I recall that when there were many complaints about the conditions in the hospitals and he decided that the true facts should be developed regardless of where the chips might fall or the responsibility might be placed, he named a member of the other party as chairman of a subcommittee to investigate certain sections of the country under instructions that the truth should be brought out regardless of whether pleasant or unpleasant and responsibilities for failures should be placed without regard to the official who might be to blame. I might interpolate at this point that the present chairman of this committee, Mr. RANKIN, is endeavoring to follow the same policy of nonpartisanship in the conduct of the present committee.

One of Royal Johnson's first acts when war came was to resign his congressional seat. He enlisted, went through the rigors of severe training as a private and noncommissioned officer; he went overseas and was promoted; he led his troops through the hell of enemy shell fire, and for valor in action he earned the Distinguished Service Cross. After a long siege of hospitalization he returned to congressional duties and was among the first to realize that the treatment of the returning wounded men was intolerable.

At that time the handling of the disabled was scattered through a labyrinth of Federal agencies totally uncoordinated, and in chaotic condition from broad policies down to the handling of the individual cases. Indeed, Congress itself was no more prepared to handle the problem than were the other Government bureaus, so it was largely through his efforts that one committee in Congress was named to meet the situation and largely through his efforts that the confusing and conflicting Federal bureaus were gathered under one head with one responsibility.

I believe General Hines would probably be the first to deny that the Veterans' Administration of today is perfect or approaches perfection. Nevertheless, those of us who have been close to the scenes during the interim since the armistice can understand and appreciate that things are incomparably better. In this improvement it is doubtful if one individual is entitled to a greater share of credit and appreciation from the disabled and their dependents than is Royal Johnson.

Mr. Chairman, there are other speakers here today, and I do not desire to trespass further upon the time of this meeting. But, in conclusion, I do desire to express the sincere appreciation of the Disabled American Veterans to Royal C. Johnson for his consistent consideration of our programs during the time we were privileged to cooperate with him as chairman of this committee. Furthermore, both officially and personally I extend to this man our very best wishes for his continued happiness and prosperity, and it is only proper that there should be placed in this committee hall this attractive painting as a constant reminder of one who performed well his sacred duties as a soldier and as a legislator.

Mr. RANKIN. The Honorable Millard W. Rice, legislative representative of the Veterans of Foreign Wars.

Mr. RICE. Honorable Chairman, Hon. Royal C. Johnson, it gives me real pleasure to have the opportunity of saying a few words in this program as a tribute to you for the service which you have rendered to your less fortunate comrades of the World War, as the first chairman of the House Committee on World War Veterans' Legislation.

Prior to the World War, I was one of your constituents, living in a small town in northeastern South Dakota. I recall first seeing your name while a student at the University of South Dakota at Vermillion. Your name, Royal C. Johnson, was written and carved out in the drawer and top of my first study table, in a rooming house, in which you had apparently lived and studied several years before that. I then wondered who you might be. Soon thereafter you became a Congressman from the State of South Dakota. My father took you around places, among the townfolks and nearby farmers, during your campaign.

During the World War I served overseas with the United States Marine Corps. The State of South Dakota took the trouble to give to all of its citizens, even though serving in the Army, Navy, and Marine Corps, the opportunity of voting in its annual elections in the fall of 1918, by sending ballots overseas to them. I received one of such ballots, and then had the privilege of voting for you for a Member of Congress, even though you were then yourself serving in the Army in France.

After my return to this country I became engaged in veteran activities, and several times had the occasion for personally contacting you, and for sending detailed briefs to you, in your capacity as chairman of the House Committee on World War Veterans' Legislation.

Because of these many and varied points of contact with your name and with you personally, I have long felt a peculiar attachment to the name of Royal C. Johnson. It is with unsual pleasure, therefore, as an individual, and as the legislative representative of the V. F. W., that I extend to you, personally, and as former chairman of this valued Committee on World War Veterans' Legislation, best wishes for a very happy and prosperous life, with the continued esteem of your former constituents, your former associates in Congress, your comrades, and your friends.

Mr. RANKIN. Since the House is to meet in a few minutes, we will have to hurry on. The next speaker will be Gen. Frank T. Hines, the Administrator of Veterans' Affairs.

General HINES. It has been my privilege and honor to sit on the opposite side of the table from the committee first presided over by Royal C. Johnson and later by our distinguished chairman at this time. This is a most fitting tribute to the splendid work done by Royal Johnson on behalf of the veterans of the World War. That work also extends beyond the veterans of the World War, because this committee brought out the basic legislation which gave to the veterans of all wars the greatest benefit, in my judgment, that has ever been given—that of hospitalization.

I am glad to be here to see this splendid tribute brought about by the great American Legion. It demonstrates the appreciation of the veterans' groups that the work of those men who took part in building the original structure upon which our present laws are based, resulted in laws which show to the American people that we do recognize service to our country.

I appreciate greatly, Mr. Chairman, the opportunity of being invited to say a few words in commendation of the work which Royal Johnson did in the early days in setting up the present structure. Without the support, the assistance, and the cooperation of the members of the World War Veterans Committee of the House of Representatives from the time that I started in, now something over 16 years ago, it would have been impossible to have carried out your wishes in building and carrying on our great system of hospitals of which the national commander has spoken. Most certainly in after years, when those who come before your committee have an opportunity of appearing here, they will have occasion to recognize in that portrait a picture of a man who believed in the veteran and believed in taking care of him and his dependents.

I thank you, Mr. Present Chairman, and I certainly hope for Mr. Royal Johnson continued life and happiness, and I am sure the veterans will be always grateful for what he has done.

Mr. RANKIN. The gentleman from North Carolina.

Major BULWINKLE. While I realize Royal Johnson is a very handsome man, yet the picture flatters him, and I think that we should see the artist from South Dakota who painted this picture—Miss Brisbine—and Senator BULOW here will conduct her up.

(Senator BULOW conducts Miss Brisbine to the Chair.)

Mr. RANKIN. Ladies and gentlemen, I agree with Major BULWINKLE, that I thought when we got through with Royal Johnson on this committee, that he was just about perfect, but he certainly has improved in the last few years. If you don't believe that, just look at this portrait; and I am going to present to you now one of his greatest benefactors, who put the finishing touches on that improvement. I present to you Miss Margaret Brisbine.

(Miss Brisbine rose and made her bow.)

Mr. RANKIN. The Chair recognizes the representative of the United Spanish War Veterans, Honorable Edward Inman.

Mr. INMAN. Mr. Chairman, Thomas W. Payne, commander in chief of the United Spanish War Veterans, is in Detroit and found it impossible to come to Washington in time for this presentation. He has asked me to express his regret that he could not personally pay tribute to Royal Johnson today, although he did authorize me to bring his greetings to the chairman and to the first chairman of this important committee.

It is proper that organized veterans of the Spanish-American War, and the 2-years' period of conflict immediately following, participate in this deserved tribute to the eminent soldier who was chosen by his leaders in the Congress to be first chairman of the Committee on World War Veterans' Legislation. It will be remembered that a great many men who served in the ranks or in the lower commissioned groups between 1898 and 1902 assumed the leadership in the World War. Their earlier experiences had furnished the background which gave them necessary qualities of leadership. Their interests, therefore, in the problems which faced the World War group after demobilization were one with the rest of those who served.

When Comrade Johnson assumed the chairmanship of this committee, his intimate knowledge of the veteran problem, gained from his own outstanding service overseas, peculiarly fitted him for the task he undertook. He not only accepted but he also sought the advice of those Spanish War veterans who also served in the great World War. Those men like to feel that they were a part in the building up of the ground work of veteran benefits which have maintained the morale of the younger men with whom they served.

The policies first adopted by this committee are being carried out in large part by its present membership, a monument to the wisdom and sagacity of Mr. Johnson and those who labored with him. Veterans will ever be grateful for the security guaranteed to them and to their dependents by the Committee on World War Veterans' Legislation.

The United Spanish War Veterans are glad to have the opportunity of paying tribute to Royal Johnson and to his accomplishments. They wish for him many more years of active service in a cause to which he is intensely devoted. They trust, as has been suggested, that the precedent established here today will be followed in the future, to the end that there may adorn these walls portraits of the present and future chairmen of this committee, dedicated to their great service for our needy living in devoted memory to our honored dead.

Mr. RANKIN. This meeting would be incomplete without an expression from you, Major BULWINKLE.

Major BULWINKLE. After nearly 20 years' experience in the House of Representatives, I want to say Royal C. Johnson was one of the very best chairmen that I served under. At the time that we started the committee back there in 1922, I think there were only 9 or 12 Members of the House who were service men of the World War. Today there are 155 in the House.

During the years that I served on that committee there was no partisan politics in it, as the chairman so well expressed. There was no man who could be fairer to the minority members of a committee than Chairman Royal Johnson was. I was chairman of the subcommittee that investigated the veterans' hospitals, and, of course, we had the assistance of General Hines and his staff, and I mustn't forget Milliken, Watson Miller, and some others, but we two Democrats collaborated with Royal C. Johnson in writing the act of 1924. We had a great committee, and it is a great committee yet. I hope that it will still continue to do as it did in those days, and I know that it will under you, Mr. Chairman. We are first Americans, we are next service men of the World War.

I am delighted that this picture is presented by the Legion, and I hope that they will place in the committee room the portraits of each succeeding chairman of this committee down through the years.

Mr. RANKIN. We have the representatives of the other veterans' organizations with us, and I am going to introduce now the Honorable Thomas Kirby, of the Disabled American Veterans of the World War.

Mr. KIRBY. Mr. Chairman, I am pleased to add the felicitations of the disabled American veterans to the one whom we are honoring today.

In looking over this assembly, which overflows into the corridors, it is believed that it is representative of the very cross-sections that would make Royal Johnson proud. We have here today not only members of the Senate and House, and ranking representatives of the Veterans' Administration, and the service organizations, but there are included relatives, classmates, former colleagues, professional associates, and those with whom Royal Johnson served in the crucible of war. It is doubtful if any former Member of Congress or former soldier ever had gathered in his honor a more representative host.

Mr. RANKIN. The Chair recognizes at this time our distinguished former chairman, the Honorable Royal C. Johnson, of South Dakota.

Mr. JOHNSON. Mr. Chairman, Commander Chadwick, and friends: The few words I shall use today will express nothing of the emotions I feel, because I shall not allow myself to show them.

This is an occasion which can never happen twice in the life of any man, and the expressions of the commander and the chairman of the committee concerning the Committee on World War Veterans' Legislation, and my connection with that work between 1923 and 1931, savor much of the reading of one's own obituary. Perhaps it is much like a decoration awarded posthumously.

It will always be impossible for me to really tell you how much I appreciate this occasion.

I have been fortunate in that there has been much of happiness in my life—the happiness of college days, the happy time

when I was in the Army, and the 18 wonderful years as a Member of the House of Representatives.

After all of those years in Congress, I may say rather advisedly that no one will receive much from congressional service but self-respect outside of the wonderful friendships that one makes.

Many of those friendships are terminated forever because at least half of the original Members of this famous committee have gone to their final reward.

I am not particularly modest, but I do feel modest today because I am being honored above my deserts. The chairman of this committee did not enact the legislation. No man does anything by himself. If there is anything that I did, Mr. Chairman, to alleviate the condition of the service man after the World War, or anything that you are doing today with the same purpose in mind, it is the work of Congress and the work of the committee, assisted by this great organization, the American Legion, and those other great veterans' organizations, the Veterans of Foreign Wars and the Disabled American Veterans.

I am sensible enough to know that this painting will hang here forever, so long as the building exists, and the fact that it hangs here would be of the greatest satisfaction to me if some of those who come after me would say, "With all his limitations he did his best."

We are all so much older now than we were in the World War. For myself, I have two grandchildren here today. Long after you service men are taking a great rest at Arlington Cemetery and after every one of you who knew of the faults, frailties, and inconsistencies and mistakes of Royal Johnson are gone, it might be possible that these little children can come in and take some satisfaction at having been present today.

It would be at a time when no one living could tell of the mistakes we made.

There is great satisfaction in living long enough to make close friends and retain them. This cross section of old and young, men and women, of all political faiths and religions who are here today gives me the satisfaction of having made some friendships.

From the bottom of my heart, Mr. Commander, Legionnaires, former Members of Congress, three or four of you who were with me at Montfaucon in combat days, and you, Mr. Chairman, who were with me so many years, I thank you for this courteous gesture to me and to mine.

Mr. RANKIN. Mr. Commander, Mr. Johnson, veterans of the World War, I cannot express my feelings this morning as I stand before you, the representative of this committee of which Royal C. Johnson was the first chairman, to accept this portrait of a worthy man, a brave soldier, and one of the best friends the service men of this Nation ever had.

Someone has said that the friendships that spring up between members of the different political parties of the House might well be called the flowers that overhang the wall of party politics. Whatever I might say about Royal Johnson this morning would be colored by an unaffected friendship that grew out of our years of association on this committee, when we were passing through the troublous times of its organization, putting it on its feet, and establishing a policy for the care and protection of the veterans of the World War and their widows and orphans.

I am the only member of the committee now who was on it the first time we met. I don't know whether or not there are any other members in the room at this time besides Mr. Johnson and our very distinguished and very able colleague, Major BULWINKLE, of North Carolina.

During those years, under the guidance of the leadership of Royal Johnson, we not only passed laws for the protection of the World War veterans and their widows and orphans but we established a policy under which we have built the finest system of veterans' hospitals under the shining sun. No country on earth can boast of as fine a system of veterans' hospitals as we have in the United States. Now remember we haven't done everything that we wanted to do. No committee ever does. We are having the same troubles now that we had when Royal Johnson and I were "shadow boxing" on this committee, each one fighting for what he thought was best.

We are most delighted to have him here today and to have his grandson, Royal C. Johnson, 2d, with him. I hope it will not be necessary for us to send that grandson to another foreign war. The greatest assurance that we can have against another conflict of that kind is for us to properly take care of the veterans of the last war. That has been one of the outstanding objectives of the membership of this committee ever since its organization.

Royal Johnson was not only a distinguished legislator, but he was a distinguished soldier and made a most enviable record in the World War. He had bestowed upon him the American Distinguished Service Cross, the French Croix de Guerre, and the Order of the Purple Heart for extraordinary heroism against an armed enemy of the United States.

I am delighted, on the part of this committee, and as a Representative of Congress to accept this portrait not only on behalf of the committee of World War veterans but on behalf of the Congress of the United States, that it may hang on these walls long after we have disappeared from public life, as a constant reminder of the patriotic services rendered by Royal C. Johnson in his efforts to do justice to the veterans of the World War, those men and their dependents, who have suffered as a result of their services during the conflict of 1917–18. On behalf of the committee and of the Congress, I accept this portrait with pleasure and with greetings to our former chairman, Royal C. Johnson.

Civil Aeronautics Authority

EXTENSION OF REMARKS

OF

HON. BENNETT CHAMP CLARK

OF MISSOURI

IN THE SENATE OF THE UNITED STATES

Tuesday, August 1, 1939

RADIO ADDRESS BY ROBERT H. HINCKLEY, CHAIRMAN OF THE CIVIL AERONAUTICS AUTHORITY

Mr. CLARK of Missouri. Mr. President, I ask unanimous consent to have printed in the RECORD an address on the subject of the Civil Aeronautics Authority, delivered by Robert H. Hinckley, chairman of the Civil Aeronautics Authority, over the National Radio Forum, on Monday, July 31, 1939.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

With the organization of the Civil Aeronautics Authority just a year ago, the relation of this Government to civil aviation was set on a new footing. After a year of experience we can take a new look at aviation's position. Scarcely more than an infant in years, much of its development has been through years of unprecedented depression. Yet the record of its achievement would have been fabulous even in the supremely prosperous 1920's.

When the Government began to publish records on civil air transportation 13 years ago air transport lines were operating on 8,000 miles of routes within the United States. Tonight they are serving over 36,000 miles of air routes within the United States and over 47,000 miles in foreign countries, and American-built airplanes under foreign ownership and pilotage fly on many thousands of miles in addition. In a dozen years the spread of American-operated air transport has increased tenfold.

Like the clipper ships of a hundred years ago, the air lines established by American enterprise with Government encouragement and sponsorship range nearly from one Arctic region to the other, cover both oceans, and touch upon a hundred ports, both great and small. During the few minutes in which I talk to you tonight American transport planes will have traveled a distance greater than that from Miami to Seattle. The miles that they fly daily and the passengers that they carry almost double the combined figures of the air lines of Great Britain, France, Germany, and Italy.

A 300-PERCENT INCREASE

In the whole year of 1926 our commercial air lines carried no more people than could be seated in many an auditorium. During the 12 months just ended they carried more than the population of Detroit or Los Angeles. For every air traveler in 1926 there are 300 today.

More than 2,000 prepared landing places for aircraft spot the map of the United States, 11,000 airplanes use those airports, and there are 26,000 pilots to use the airplanes. In the year since the Civil Aeronautics Authority took office, passenger travel by air has increased by a third and the number of pilots is 5,500 more than it was a year ago.

All of these figures and illustrations add up to a single conclusion. They dramatize the fact that, moving irresistibly ahead, American civil aviation has multiplied itself many times over without check by economic disturbance. American civil aviation has become big business.

In aviation's growth it encountered laws and regulations, and even the development plans of cities that had been drafted without consideration of the needs of this fastest-growing youngster in the transportation family. Aviation's many problems were parceled out piecemeal to whatever public agencies seemed fitted to cope with them. The Department of Agriculture handled its weather reports, the Department of Commerce its airports and airways problems, the Post Office Department awarded the contracts for carrying the mails, the Interstate Commerce Commisison fixed the rates at which the air lines would thereafter be paid for mail service, and the Departments of State, War, Navy, Treasury, and other agencies of government all intervened to varying degrees.

RAN WILD IN THE THIRTIES

The aviation business ran wild in the early 1930's. In a frenzied effort to get control of air routes, transport companies made suicidal bids on air-mail contracts and engaged in so many types of cutthroat competition that by 1938 over 80 percent of the country's transport firms had failed. It was said that more than half of all private capital invested in American air transport had been lost. The situation is fairly expressed in the report of a committee of the House of Representatives early last year. That report said:

"The result of this chaotic situation has been to shake the faith of the investing public in the financial stability of the air carriers and to prevent the flow of funds into the industry."

The committee of Congress that I have just quoted had been investigating a proposal to create a new independent Federal agency, the Civil Aeronautics Authority, designed expressly to draw together at one point all the governmental relationships to civil aviation, then so widely scattered.

Just a year ago Congress passed the law which set up the Civil Aeronautics Authority, not as something to harass the industry, but on the industry's own recommendation and request to provide a central agency through which Government would watch the interests both of the industry and the general public. So far as this is regulation, it has been sought by those regulated.

COMPOSED OF THREE ELEMENTS

Administratively, this Civil Aeronautics Authority is composed of three elements: The Authority of five members, which develops economic and safety policies and enforces them through its Bureaus of Economic and Safety Regulation; an administrator, whose principal concern is the construction and operation of the vast ground plant of the Federal airways system; a three-man safety board, which is left free of restriction and charged with the duty of finding out actual facts concerning accidents.

At this point I would like to thank the National Broadcasting Co. and the Washington Star, not only for myself and the individual members of the Authority, but also for the administrator and the safety board, for making possible this radio report to the public.

In the light of world events during the past year, most of us now understand the reason that Congress had for passing the Civil Aeronautics Act. Congress was thinking far beyond the long recognized importance of airplanes to the Postal Service, and said so in the new law. Air transport had to be strengthened because of its vital importance both in modern commerce and in national defense.

In its relation to the economic problems of air transportation the Civil Aeronautics Act enters wholly new territory. In the first place, it puts an end to the unrestrained, cutthroat competition among air carriers which a year ago threatened the wreck of the industry, by requiring that the test of public convenience and necessity be met before a new line could be established. The new law also gives the Civil Aeronautics Authority the power and responsibility of determining the amounts that air lines are to receive from the Government for the transportation of mail. The determination has to be made after considering both the needs of the community for the service to be rendered and the need of the transport company for an amount of revenue sufficient to serve the public properly.

FIXING OF MAIL PAYMENT

An air line is a permanently continuing enterprise. It comes into existence in most cases partly because of the desire for improved postal service. To insure that such service can be supplied and at the same time permit the development of an air transportation system that will properly care for passenger and express transportation and meet the national defense, the payment to be made for the carriage of mail must be fixed after examining all the circumstances of the particular route and keeping a continuous watch on all the changes that they undergo.

The way in which mail compensation is paid can largely determine the kind of service that is rendered and the manner of its development. It is the Authority's policy to seek means of payment that will provide the greatest possible incentive for development on sound commercial lines and the display of commercial initiative in seeking increased traffic.

Payments must be sufficient to make it possible for an efficient management to do everything necessary to keep the service at the highest standard of safety and reliability.

NOT A SUBSIDY

Air transportation has a status similar to that of some other classes of mail service for which it is traditional to pay amounts sufficient to insure that they will be adequately performed, even though the expense thereby incurred exceeds the postage on mail that is carried. One sometimes hears the word "subsidy" used as if all payments for the carriage of mail by air could be properly so described. To pay the sum necessary for the proper maintenance of a necessary public service would hardly seem to be a subsidy in any event; but certainly it would be absurd to describe as subsidy the amounts paid for the maintenance of a service which automatically and at the very same moment brings most of its cost back to the Treasury in Washington. That part of the pay for carrying air mail which is covered by the postage on the letters does not come from the Government, but from the people who mail the letters. The Government is merely the channel of transmission, and that is not subsidy.

The whole domestic air transport system has been swift in its approach to a balance of the Government's books in that sense. For the fiscal year 1938, the last for which figures are complete, the total amount paid out to air transport lines for carrying air mail within the United States was some $15,712,000, whereas the Post Office Department's computation of the total postage on air-mail letters showed about $15,301,000. While a part of the postal receipts may, of course, be regarded as having been spent for handling the letters on the ground and making the final delivery, the striking fact remains that last year the United States Government paid to domestic air lines only about $411,000 more than came back to the Post Office through purchase of air-mail stamps, as against eight times that amount of direct deficit in 1936, and a difference of more than $14,500,000 in 1932. For the fiscal year just ended, the postal revenue may be expected for the first time to exceed direct payments to domestic air lines.

AVIATION'S GROWTH

There will be further extensions of the air-transport network. Some of them will require rates which will substantially exceed the postal revenue that may be expected. From the moment when each line is established, however, it begins a development of inherent commercial and economic strength that tends on the whole to a steady reduction of its dependence on government.

One of the most dramatic aspects of American civil aviation in which the Civil Aeronautics Authority has been engaged in the past 12 months, has been its expansion beyond our own borders. In 12 years the route mileage operated has shown the almost unbelievable increase of 30,000 percent. Last year our foreign routes alone carried 192,000 passengers.

These far-flung, high-speed facilities also are vitally important to commerce and national defense. To the north and south, they bind the commercial interests of the two Americas much closer together. And across the broad oceans our clippers show the way to the world in luxury, economy, and efficiency. Our great airliners are now being purchased in many nations, and these purchases make it possible for us to maintain at home manufacturing plants which would be priceless in any emergency.

ACTIVITIES GO AROUND THE WORLD

To serve our foreign air routes, the responsibilities and activities of the Civil Aeronautics Authority extend in varying degrees literally around the world. One American company has within the past 2 months inaugurated regular commercial air service between the United States and Europe, while a second is completing survey flights looking toward similar commercial service in the future.

Behind these great accomplishments are months of intensive study and work not only by the Civil Aeronautics Authority, but by other agencies of Government, producing for the first time a definite national policy on trans-Atlantic air service.

In close cooperation with the State Department we have been active in a great number of international aviation conferences and in conducting diplomatic negotiations for aviation agreements with other countries.

No form of transportation could succeed if it asked its patrons to assume undue risks, and in the recent record of air transportation nothing is more impressive than its high standard of safety. In the 12 months that ended last night, the domestic air lines of the United States flew more than 73,000,000 miles with passengers and carried an average of more than eight passengers in each airplane, yet there were fewer serious accidents than in any year since 1926, when there was less air-line flying in that year than there is now in a month.

SAFETY DOUBLED

By any of the conventional statistics by which safety is measured, air transport during the 12 months just ended has been more than twice as safe as in any past year.

I can report tonight that there have been more than 28,000,000 miles of airline flying since any life has been lost in an airline accident. The total amount of passenger traffic during that "no accident" period has been equivalent to moving the entire half-million population of the city of Buffalo from their present home to Chicago without a single mishap, or of transporting the entire Regular Army of the United States from New Orleans to New York with a similar freedom from misadventure.

The superstitious may feel that I should knock on wood when I recite such figures, but it is not necessary to regard them in superstition's light, for they are not the result of luck. They are the result of hard work and wise planning, great skill and great care. They tell a story of air transport lines and their people and of Government and its people all pulling together.

Constantly improving standards of safety come from a constant emphasis on safety, and an insistence that no chances shall ever be taken and no precaution neglected. They come from the airline pilots' pride in their profession and constant study to meet its demands. They come from the work of research laboratories and airplane designers in improving the airplanes, and from that of the Civil Aeronautics Authority in setting the requirements that new airplanes must be able to meet in all matters affecting safety.

CONTRIBUTIONS TO SAFETY

Increased safety comes from the research of the airline operators on means of navigating safely and surely to the intended landing place, and from the research of the Civil Aeronautics Authority's own people in the same field.

Safety comes from 25,000 miles of modern airways, lighted and furnished with a network of radio beams for guidance and radio markers of various types to give the pilot his location along his course—a vast ground plant set up and maintained under the direction of the administrator in the Civil Aeronautics Authority, and improved from time to time as new discoveries in radio science permit.

Finally, safety comes from the ceaseless study of accidents—not only the accidents that have happened, but those that might possibly happen and that can be prevented if they are foreseen and the necessary precautions taken. It is for precisely that purpose that the Air Safety Board was established within the Civil Aeronautics Authority, having no other responsibilities to break

into its time, and free to devote itself exclusively to study and recommendations that will save lives and increase public confidence in the airplane.

Take all the work of government, add to it the constant efforts of the aircraft industry in its various parts, and you will know why we look forward with confidence to seeing air transportation break its own safety records over and over again.

THIRTEEN COLLEGE TRAINING COURSES

Almost as soon as it was organized, the Authority began to develop a plan for training a large number of civilian pilots. As a trial effort, with the aid of funds from the National Youth Administration, we already have conducted 13 training courses at as many colleges in various parts of the country—courses using not only the college facilities but those at nearby flying fields. At the first 9 schools to get this course under way, 220 students were enrolled; and of these, 215 already have received their private flying certificates.

We believe that these experiments are the beginning of proof that a very large percentage of the general public can fly airplanes—particularly since qualified instructors are extravagant in their praise of these graduates, rating their general level of efficiency far above the graduates of flying schools that have not heretofore employed the well-planned flight course now prepared by the Authority.

On the basis of this experience, we asked and Congress has authorized a much larger program for the future.

This program is in line with the democratic philosophy which maintains that one of the best means for national defense is the development of civilian personnel and facilities which can be quickly turned to defense when emergency arises, but which may be used for peacetime activities if no such emergency develops.

PROGRAM WON'T BE A LOSS

If no military emergency develops, there will be no economic loss. These pilots will use their training in aviation in peaceful pursuits. As mechanics in airplane and airplane-motor factories, as dispatchers in the airport towers, as workers in the weather stations, as radiomen, as aeronautical engineers, as airport managers, as administrators and executives in aviation companies, they will be more efficient and therefore more desirable workers because of their knowledge and skill as pilots. Furthermore, they and their friends and families are more likely to become customers of the scheduled air lines. Many will be purchasers of airplanes for business and for pleasure.

Already the effect of our small experimental training program has been felt by the light-plane industry. All companies manufacturing light airplanes report increased business, and some of them report difficulty in filling orders in spite of 100-percent increase in their production. Certainly the increased employment that will grow out of the proposed training program will be a byproduct that will not be the least of its desirable features.

That is the story I wanted to tell you—the story of how American civil aviation has become today supreme in the world, and of how the aviation agency of your Government—the Civil Aeronautics Authority—has coordinated the Government's part in this achievement, during its first year of existence.

Should anyone come before the microphone a year from now to speak to a similar title, the figures he will give you will be still more impressive; the industries that deal with civil aviation will be producing still more planes, and flying still more miles with even greater safety; and still more of you in the radio audience will listen to him with more understanding interest because you will have become regular air travelers and users of aviation's service.

Remember Goliad!

EXTENSION OF REMARKS

OF

HON. JOSEPH J. MANSFIELD

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, August 1, 1939

ADDRESS BY HON. HARBERT DAVENPORT AT DEDICATION OF GOLIAD MONUMENT ERECTED TO THE MEMORY OF COL. J. W. FANNIN AND HIS MEN

Mr. MANSFIELD. Mr. Speaker, on Palm Sunday, March 27, 1836, at Goliad, Tex., occurred one of the most barbarous and revolting scenes ever perpetrated by men in ancient or modern times. Col. J. W. Fannin, Jr., a soldier and officer in the Army for the Independence of Texas, with about 329 men in his command, all of whom were prisoners of war, were marched from their prison at daylight, faced before firing squads, and shot to death without warning. In their terms of surrender to General Urrea they had been guaranteed the rights and privileges of prisoners of war under international law.

Their execution was ordered by President Santa Anna, President of Mexico. It is historically referred to as the Goliad massacre, and shared with the Alamo in the battle cry at San Jacinto of "Remember the Alamo! Remember Goliad!"

The Battle of San Jacinto occurred nearly 1 month later and resulted in one of the most brilliant victories ever achieved upon the field of battle. About 600 Americans, under Sam Houston, actually killed more than 700 Mexicans, and captured as many more, including the Commander in Chief, Gen. Santa Anna, President of Mexico, the self-styled "Napoleon of the West."

The Goliad massacre was one of the important events which led to the independence of Texas and its ultimate admission into the Union.

The State of Texas has erected a monument and established a State park at Goliad in honor of Colonel Fannin and his men. This park was dedicated on June 4, 1939, when the dedicatory address was delivered by Hon. Harbert Davenport, of Brownsville, Tex. His address is of great historical and educational value, and is herewith embraced:

It is proper and fitting now that the people of Texas have at last performed the sacred duty of commemorating the men who died for Texas, at Goliad, March 27, 1836; and of marking the grave where now they lie, that their memorial has been erected by the State of Texas and paid for by the United States. They died as soldiers of Texas; but their place in history is not so much in that they lived and died for Texas, as in that they were slain as Texas volunteers from the United States. The memory of their wanton and needless slaughter was for three-quarters of a century the controlling influence in the international relationships between Mexico and the United States.

Though part of the Texan battlecry at San Jacinto was "Remember Goliad!" (more literally, "Remember Labadee!" "Remember the Alamo!") was what the Texans really meant. "Forget Goliad" was then, and has always been a more precise expression of the mingled shame and pride with which Texas regarded Fannin's men. That anarchy in Texas councils; incompetent Texan leadership and worse; petty personal prejudices, factional intrigues, and high-handed determination of minor Texan leaders, each to have his own way, were directly responsible for the horrors of Goliad, was well known, to all Texans, in 1836. But struggling Texas had then no time for mortification, and could not afford shame. Harmony in council and unity in action were as necessary after San Jacinto as when the want of them led to the shameful sacrifice of Fannin and his men. If those responsible should be pointed out and punished, unity and harmony could not prevail. Colonel Fannin, who was dead, and General Houston, now the popular idol, could conveniently be made to shoulder the blame. And the Texans, in another sense, had a shame-faced feeling that the men of Goliad had let them down. Texas undertook her unequal struggle with Mexico sustained by an almost insolent reliance on race pride. That Texans were natural soldiers and brave men, and invincible as against Mexican courage, and Mexican numbers, and Mexico's material means, were the touchstones of Texas confidence and Texan faith.

In the first capture of Goliad, and at Conception, Lipantitlan, the taking of San Antonio, and at the Alamo, and San Jacinto, the legend of Texan invincibility had been abundantly sustained. Defeat of the Grant and Johnson parties could be attributed to overwhelming numbers, assisted by surprise. But if looked to too closely, the defeat and capture of Colonel Fannin would have to be explained; and the explanation admitted that even Texas courage was not proof against hunger, thirst, and blunders in strategy and tactics, and that Mexicans could be brave. Before such admissions were forced upon the Texans, the story of Mexican faithlessness at Goliad, and of the treacherous deaths of Colonel Fannin and his men, had spread like wildfire over the United States. No other moment in American history has surpassed, for indignation and deep-seated horror, that when the tragedy of Goliad was thus made known. The victims of Goliad now fought more effectively for Texas, in death, than they could ever have fought in life with all their gallantry and courage. The Texans were glad to bury their recollections of the self-seeking and inefficiency, and almost criminal apathy, which had brought about the sacrifice of Fannin's men and join in the world-wide expression of indignation and horror, ending from Santa Anna's stupid and ghastly mistake. Texas made provision in land bounties for the heirs of the Goliad victims, and remembered the Alamo, glorified San Jacinto, and cursed Santa Anna and all Mexicans, thereby forgetting Goliad and softening the memory of their own sins. And that is what we of Texas have been doing ever since. It is no accident, nor yet is it an error of those charged with responsibility for building in Texan memorials, that this one com-

pares with the magnificent shaft commemorating San Jacinto as the faint, cold radiance of Polaris compares with the noonday splendor of a Texan summer sun. Such is and always has been the Texan point of view. It is part of the unconscious tribute that we pay to self-confidence and racial pride.

THE TEXAS REVOLUTION, 1835–36

As a proving ground of history, the Texan revolution was unique. Though fought on a terrain comparable with that of the World War of 1914–18, and, as regards the value and area of the contested region, affected for a comparable prize, the numbers engaged were so small that the historian can trace the mainsprings of human action and human conduct which caused its every move, and actuating motives, mental oddities, and moral obliquities of the participants, their shifting plans—their increasing heartbreaks—as can be done with no other event of similar importance in the history of the world. Every problem, economic, political, personal, governmental, emotional, military, and financial, that vexes our so-called modern era passes beneath the microscope of the student of history, who examines the story of Texas from May 1835 to May 1836. And under the microscope of history, these are seen in clear relief, even as a slow-motion picture passes, in detailed review, action too rapid for the normal eye. Human motives, and human conduct, and human reactions to hardship, ambition, selfishness, and greed, and to a government that is either too arbitrary, or too weak, are in all ages, much the same. The United States, Mexico, and Texas suffered, and, from 1835 to 1880, for the most part solved, all the problems—social, political, economic, and governmental—that threaten world peace and human happiness today.

Mexico, in 1834 to 1835, sought relief from the uncertainties and weaknesses, hardships and petty tyrannies, which arose from an ill-conceived and badly working effort at democracy, for which the Mexican people, not yet accustomed to self-government, were not prepared, and yielded to the personal dictatorship of Gen. Santa Anna, as a measure of relief from lesser ills. For this error, Mexico paid such penalties as those nations that have surrendered themselves to despotism have always paid; in this case, loss of half her territory and an unmerited reputation, through many decades for cruelty, treachery, and bad faith.

Texas, resisting despotism and fighting for the natural right of a free people to have and maintain a free, orderly government, failed in her first attempt to establish one because many of her leaders were unwilling to make those personal sacrifices without which free government cannot exist, and failed, until too late, to subordinate their selfish aims, individual prejudices, factional intrigues, and personal jealousies and ambitions to the common good.

SANTA ANNA'S GHASTLY AND STUPID MISTAKE

But Santa Anna then set about proving that no democratic Government, however vicious, bad, or weak, can ever be as bad, or as stupid, or as cruel as despotism, even at despotism's best. Prior to Goliad, Santa Anna, though notoriously crafty and cunning, had not been thought a cruel man; and in spite of the cautery a generation of desperate internal fighting, beginning with the first Mexican outbreaks against Spain, the Mexican people had acquired no reputation for cruelty or bad faith. Mexico, from the point of view of Americans, was a friendly Republic, not too well governed, according to our lights, but a land newly aspiring to freedom, and immune, absolutely, from American aggression and from undue interference at American hands. This was but too well proved in November and December 1835. Gen. Jose Antonio Mexia, in league with some of the Texas leaders and as part of the general plan to use the disturbances in Texas as an opportunity for the rising of the Mexican liberals against Santa Anna's usurpation of arbitrary power, made an attack on Tampico, with Americans recruited at New Orleans, about 150 men. Twenty-eight of these were captured in the course of the fighting, tried as pirates, convicted, and shot. The American reaction, almost universal, was "served them right."

It was common knowledge that the Texans, in undertaking to fight Santa Anna, had done so in reliance on help in men, munitions, and money from the United States. It was too much to expect Santa Anna, or any other despot, to understand the gulf existing in American public opinion between aiding the cause of Texas, resisting despotic government, and a predatory expedition undertaken by filibusterers or soldiers of fortune against a purely Mexican town. Technically, and from Santa Anna's viewpoint, Texas and Tampico alike, were Mexican soil. That many of the Texan leaders failed also to see this distinction was one of the underlying causes of the sacrifice of Fannin's men. Even so, there is no excuse for Santa Anna in so completely misjudging his means to an end. Relying on the Tampico precedent, he decreed, before beginning his invasion of Texas, that all "foreigners" taken in arms in Texas should be treated as pirates and shot. He thought thus by intimidation to cut off Texas from American aid. It was, of course, a complete misunderstanding of the American people to suppose that such a fulmination would be likely to have that effect. But when Fannin's men were captured by Urrea, the first wave of American sympathy for Texas was spent. Even at New Orleans, where American interest was most consequential, the Texan commissioners had difficulty in finding money and were compelled to secure it on drastic terms. There was a marked reaction against Texas because the marine underwriters and the New Orleans merchants trading in Mexico were effectively backfiring Texan support. American reaction against the Tampico expedition; the stupidity of the Texan provisional government; tales of neglect and hardships whispered by volunteers returning from Texas; and the serious divisions in Texas counsel, apparent to all, were having their effect. The storming of the Alamo and the surrender of Fannin had restored the prestige of the Mexican arms. As at no other time during the revolution, Texas was dependent on aid and sympathy from the United States. Had Santa Anna seized the opportunity of Fannin's surrender to dump Fannin's men with Miller's on the wharves at New Orleans, starving, half naked, penniless, homesick, humiliated, and forlorn, and each with his painful story of Texan mismanagement and Texan neglect, Texas' standing with the American people would have fallen to a new low; and American men and American money for the Texan venture would have been scarce indeed. Killing them was exactly the fillip needed to American sympathy and American pride to insure for Texas the financial and moral backing of which the struggling young Republic was in such dire and desperate need.

CROSS-CURRENTS OF REVOLUTION

For a story of the cross-currents of the Texan revolution, this is neither the time nor the place. These began at Monclava, Coahuila, and Texas capital before the revolution itself and continued until after the sacrifices of Fannin and his men. An important group of Texans planned, at Monclova, with Vice President Gomez Farias, of Mexico, and Gov. Augustin Viesca, of Coahuila and Texas, a counter revolt against the despotism of Santa Anna, to be fought by American soldiers, whom the Texan party undertook to find, and armed by the State government of Coahuila and Texas—that is, a Mexican, rather than a Texan, revolution—to be paid for from the proceeds of an authorized speculation in Texas lands.

This plan was unpopular with a large majority of the Texan settlers, who were as strongly opposed to mixing in the internal affairs of Mexico as this character of speculations in Texas land. Other cross-currents developed from the personal aims and ambitions of Texas' "50 would-be great men" as well. Demagogues urged upon the Texan "army" assembling at Gonzales in October 1835 that since Texan patriotism and much of Texan virtue was gathered there, the "army" ought to take over the responsibilities of civil government in Texas as well as becoming its fighting arm.

Gen. Stephen F. Austin and Gen. Sam Houston were the two big men in Texas, in American eyes, and in this estimate American public opinion was largely right. Austin and Houston, working together, could and would have avoided practically all of the costly Texan mistakes. Had General Austin been permitted to attend the consultation, this doubtless would have bene arranged. But it had become a desideration of both the demagogues and the speculators to keep the two big men of Texas working, and thinking, apart. General Houston was not immune to the influences of personal vanity; General Austin could be persuaded, on occasion, to yield his own better judgment to the importunities of his friends. An agreement that General Austin should be the head of Texas' new civil government and General Houston the new commander in chief was prevented from being put into effect.

General Austin was sent to the United States, as Commissioner—that is, in honorable exile—and General Houston, after having been deprived by the Provisional Council of all his real duties and responsibilities as commander of the Army, through the council's appointment of Colonel Fannin as agent, with similar powers, and—of more practical importance—with sole control of Texas' small quota of supplies and cash, left for eastern Texas, on furlough, to treat with the Indians, and made no pretense of functioning as general of the army from the 21st of January until reappointed by the new convention on March 4. At the critical period of preparation for Santa Anna's coming, Texas was thus without the effective services of her two essential men. Henry Smith, who had been made Governor in Austin's stead, was without executive sense. Besides, the council, on January 11, deposed him, and then, in its turn, never functioned as a council after January 17. Lieutenant Governor Robinson, made Acting Governor by the remnant council and recognized as such by Colonel Fannin, had even less executive ability, and much less character and courage, than Governor Smith.

No Texan can read the records of that fatal month of January without a sickening sense of mortification, wounded pride, and shame. This complete break-down of the provisional government arose from the determination of those allied with the Gomez Farias party to continue the fighting as a contest for "constitutional liberty" in Mexico, just when a majority of the Texans had become convinced that an outright war for independence was Texas' only way. Texas was dependent on American help and sympathy; and that, now, was definitely the American point of view. The "constitutional liberty" party professed to believe—some of them, doubtless, did believe—that the shortest road to Texan security and independence lay through an alliance with the Mexican liberals. But after Mexia's failure at Tampico, the Mexican Liberals, as a party, had virtually ceased to exist. But there were many Liberals in Tamaulipas, and the Texans who favored the Liberal alliance now proposed an expedition to Matamoros to take that city and organize further efforts in conjunction with the Liberals there. To understand the actual merits of this project, one needs only to know that it was suggested both to the Texan leaders and to the Tamaulipas Liberals by Capt. Pedro Julian Miracle, Santa Anna's clever spy.

MILITARY PROBLEMS OF THE GOLIAD CAMPAIGN

To understand what happened at Goliad, it should be borne in mind that the military problems of the Texan Revolution were, essentially problems of supply; and that the port of Aransas Pass, with its interior landing at Copano, played an important part in both Texan and Mexican plans. In the years immediately prior to the revolution, Copano had become the principal port for Goliad and Bexar. A Mexican army advancing from the Rio Grande must draw its supplies by mule train from the Mexican interior, unless Copano and Aransas Pass, its Gulf entrance, were Mexican controlled. The Mexican campaign in the Texan colonies involved opening Copano as a Mexican port and military base. On the Texan side there were no means of transport available sufficient to supply, from elsewhere than Copano, a sizable Texan garrison at Bexar. Of the importance of controlling Copano, both Mexicans and Texans had recent proof; Cos' army had landed there, and his army had later been starved into capitulation when the Texans, at Goliad, had cut his communication with the coast. Texas, in feeding a besieging army at San Antonio, had had to denude the Texan settlements of supplies.

Since it was essential for the Texans to control Copano in order to prevent its becoming an enemy base, and necessary for the security of Texas that its growing volunteer army should be assembled, organized, disciplined, trained, and fed, these ends could all be most conveniently accomplished by assembling the Texan troops near Copano, particularly since that vicinity also provided a healthful location, good water (at least at Refugio; Copano was of itself deficient in that respect), and easy access to rations of beef. General Houston planned, therefore, to assemble the Texan forces at and near Copano, and on December 30, 1835, ordered Colonel Fannin to transport the volunteers at the mouth of the Brazos to Copano, by sea. Immediate execution of this order was postponed owing to the disturbances arising from the proposed Matamoros project; and the plans, even of those who favored taking Matamoros, were upset by the added scheme of Dr. James Grant and Col. F. W. Johnson, who had organized their own Matamoros expedition, for which they had enlisted six companies—four of infantry, one of cavalry, and one of artillery—from among the eager and restless volunteers at Bexar. Their scheme contemplated an army to be commissioned, armed, fed, and clothed by Texas, but managed, privately, by Johnson and Grant. The council did not take kindly to this independent idea, but in the general breakdown of the provisional government were browbeaten into a vague acceptance of his plans.

In the meantime, however, General Houston had overtaken Grant's army at Goliad and persuaded all but two of the companies to enlist in the service of Texas rather than in the private army of Johnson and Grant. The latter then proceeded to San Patricio with their two remaining companies—60 men—in order to maintain a semblance of independent command. This was on January 22, on which same day General Urrea occupied Matamoros with reinforcements sufficient to hold that place against any force the Texans, at that time, could bring to bear. The flank and rear of a Texan force advancing from Copano toward Matamoros would be exposed, of course, to attack by Santa Anna's principal army then concentrating at Laredo and points north for its march to Bexar. The small Texan army left by General Houston at Refugio—7 companies and about 200 men—were without breadstuffs or adequate supplies of ammunition and could only await the coming of Colonel Fannin's command.

That officer sailed from the mouth of the Brazos on January 24 with the four companies of the Georgia battalion and Capt. Luis Guerra's Mexican artillery company (brought by General Mexia from the fort at the Tampico bar), and was followed by the *Invincible* with Capt. Burr H. Duval's company on January 26. Fannin, after a rough passage, made his landfall at Aransas Pass on January 28 and moved up to Copano and had disembarked his troops and stores by February 4. The *Invincible* brought cheering news. Col. John A. Wharton, General Houston's adjutant general, had just arrived off the Brazos from New Orleans with Captain Turner's and Hart's companies of recruits—100 men—and with the schooner *Tamaulipas*, laden with powder, munitions, clothing, and ordnance, and the schooners *Caroline* and *Emeline*, laden with provisions purchased by the Texan agents at New Orleans with the new money the Texan commissioners had found. This flotilla, convoyed by the naval schooner *Liberty*, would be due at Copano within 3 or 4 days. The brig *Mattawamkeag*, with the New York battalion—184 men—was also eagerly expected, though some weeks overdue. Colonel Fannin wrote happily from Copano on the 4th of his plans for an effective Matamoros campaign. He was disillusioned by a letter from Maj. R. C. Morris on February 6. Morris, commanding the Grant and Johnson party then at San Patricio, sent definite advices of Urrea's arrival at Matamoros and of the extraordinary measures undertaken by General Santa Anna to overwhelm the small Texas garrison at Bexar. A few days later Colonel Fannin also learned that the *Tamaulipas*, in attempting to sail from the mouth of the Brazos with Captain Turner's two companies and the Texan army's stock of powder, shoes, clothing, and ordnance supplies, had been cast away on the Brazos bar, and that the *Emeline* was also lost in Matagorda Bay with her cargo of flour and corn. The other provision schooner, *Caroline*, discharged her cargo February 14 at Cox's Point.

As a result of these mishaps Captain Turner's men never came to Goliad nor were the men with Colonel Fannin, many of whom had marched on foot from Natchitoches, La., to Refugio, and thence back to Goliad, without a change of shoes or raiment, never adequately supplied with clothing or shoes: And the *Mattawamkeag* had been seized as a pirate by the British in the Bahamas and detained for 2 months at Nassau. The men on this ship finally sailed for New Orleans, arriving there February 12. Even so, they should have joined Colonel Fannin in March, but never did.

As early as February 7 Colonel Fannin decided to withdraw his small army to Goliad and look to the *Lavaca*, instead of *Copano*, for his supplies. New Orleans underwriters refused to insure vessels or cargo consigned via Aransas; and, with the enemy in force at Matamoros, Colonel Fannin had also concluded that Aransas Pass was unsafe. By February 12 he had concentrated all his forces at Goliad, except the companies of Captains Cooke and Burke, sent forward to San Patricia, February 7, to support Major Morris and Captain Duval's company, which had also marched to San Patricio on February 12, escorting teams and cars, to enable Captain Cooke to bring off a large quantity of ammunition, and three cannon, left behind at the Irish village by Johnson and Grant.

GOLIAD AND ITS INHABITANTS, FEBRUARY 1836

Dr. Barnard has left us a graphic picture of Goliad as it appeared on February 12 to Colonel Fannin and his men. Because Goliad, as rebuilded, was on an entirely different site, we can still visualize the typical Mexican frontier village as they saw it on that day. In outline and outward appearance the presidio church and the old fort are now much as they were seen by Fannin's men. The few stone houses of the wealthier citizens, flat roofed, with shuttered, glassless windows, and floors of hardened mortar, are no more. It is not too difficult to imagine them as outworks in close proximity to the fort. Fifty or a hundred jacales, housing the humbler inhabitants, then sprawled about, for the most part seemingly between the river and the fort. But Goliad, as Colonel Fannin found it, was not an inhabited town, for its Mexican citizens, as Dr. Barnard tells us—

"Fearful of compromising themselves too far, had removed to some 'ranchos' about 15 miles below the town."

This removal of the Goliad inhabitants was reported to General Austin by Captain Dimitt, October 25, 1835. Dimitt wrote:

"For some reason or another the people of this place have nearly all left town. I have done and have said everything which I could to inspire them with confidence—but they had seen the brilliant equipment of General Cos, his sword and retinue; * * * they had listened to his flattering and captivating speeches; they had attended his parties and tasted his wine."

Since October this situation had not changed. Joseph T. Williams, of the Georgia battalion, thus describes Goliad as he saw it as one of Fannin's men:

"At the commencement of difficulties between this country and Mexico, this village contained not less than a thousand inhabitants. * * * Since this period the inhabitants, who were * * * native Mexicans, have gradually retired down the river to another port, and this place is now inhabited * * * by volunteers. I do not believe there are 10 native citizens here at this time. One-third of the place affords ample and comfortable quarters to the soldiers, and the residue is abandoned to cattle and dogs."

It may be remarked, in passing, that Colonel Fannin and other Texans underestimated the importance of these Mexicans of Goliad, and the resentment in their hearts due to having had to leave their homes. Unlike the Mexican citizenry of San Patricio and Victoria, who came for the most part of good ranchero stock, the "Badenos," as they called the people of Goliad, were descendants of the presidial soldiers stationed at La Bahia through the years, and were not too highly regarded by their countrymen or by anyone else. They were indolent and none too honest, but they were expert horsemen—among the world's best—knew every acre of the Goliad region and for a hundred miles around; and, contrary to the prevalent belief of the Texans, were anything but cowardly when convinced of the advantages of being brave. Their leader, Carlos de la Garza, had dignity and force of character, and courage and intelligence as well. They had abandoned Goliad at his bidding, and it was to his "rancho" on the San Antonio that they had gone. He and his men were "everywhere" after General Urrea came.

FANNIN'S MEN

It was a remarkable body of soldiers in the making which gathered at Goliad under Colonel Fannin in February 1836. Almost half of those who escaped from the massacre achieved, afterward, commissions in the Texan army, or rose to other important place. There were promotions in similar ratio for those spared at Victoria, and among the men who escaped capture through having separated from Colonel Ward, many of the other survivors failed to achieve like promotion only because they died young.

Col. Reuben M. Potter, who met at Matamoros some 16 or more prisoners from the command of Johnson and Grant, wrote that—

"The followers of Johnson and Grant, if the survivors may be accepted as a fair sample, were, I think, about the average of the men who composed the volunteer forces of Texas from abroad. * * * Some were gentlemen, none of the lowest filibuster type, and in their case we see fine material for soldiership."

Actually, the Johnson and Grant party averaged below, rather than above, the rank and file of Fannin's men.

Dr. Barnard attests that—

"The men, for the most part, were altogether superior to the ordinary material of an army in intelligence and education. They were far from being a class of mercenaries, but were men of char-

acter and standing, and some of them of wealth, who had left their homes from sympathy for a people who had taken up their arms for liberty."

And Capt. Burr H. Duval, writing to his father, then Governor of Florida, from Goliad, on March 9, exclaimed:

"I have never seen such men as this army is composed of—no man ever thinks of surrender or retreat. They must be exterminated to be whipped. Nothing can depress their ardor. We are frequently for days with nothing but bull beef to eat, and, after working hard all day, could you at night hear the boys crowing, gobbling, barking, bellowing, laughing and singing, you would think them the happiest and best fed men in the world."

Considered by units, and in the order in which they came to Goliad, under Colonel Fannin's command, his little army consisted of:

1. A detachment of regulars, called, usually, Captain Westover's company, but consisting actually of:

A small company of regular infantry enlisted by Capt. John M. Allen from among the survivors of Mexia's Tampico men, which was marched to Refugio under Lt. Francis W. Thornton, about January 1, 1836, and returned to Goliad, by order of General Houston, on January 19. It then consisted, all told, of 29 men.

The nucleus (say 14 men) of a company of regular artillery, recruited in the Irish colonies by Capt. Ira J. Westover, about January 7, 1836.

Eight or ten regulars recruited by Lt. B. F. Saunders at Matagorda during January and sent forward to Goliad, and assigned to Captain Westover's command.

2. A volunteer company, 29 in all, enlisted by Capt. John Chenoweth, in December and January, from among volunteers who then were, or had been, at Bexar, for the special purpose of garrisoning Copano, where they arrived about January 20, 1836. Some of Chenoweth's men returned to the Alamo and were there killed; others went forward under Captain Chenoweth, on February 26, to guard the Cibolo crossing on the road to Bexar. These joined Colonel Neill's forces at Gonzales and did not return to Colonel Fannin's command. The residue transferred to, and were killed with, other companies of Colonel Fannin's command.

3. Six companies that were organized, by Grant and Johnson, at Bexar, in December 1835 as a nucleus for their proposed Matamoros campaign. These were:

(1) The San Antonio Greys under Capt. William G. Cooke, composed almost entirely of men from the Cooke or Morris company of New Orleans Greys, which had distinguished itself in the fighting at Bexar.

(2) The Mobile Greys, under Capt. David N. Burke, the nucleus of which was a company of about 30 men, organized at Mobile early in November 1835 by James Butler Bonham, A. C. Horton, and Samuel P. St. John; which, through a combination of delays, failed to arrive at the Texan camp at San Antonio until 3 days after the surrender of Cos. It was enlarged by several transfers from Captain Breece's company of New Orleans Greys.

(3) The "Mustang" company of Capt. Benjamin L. Lawrence, a combination of the United States Independent Cavalry company, originally from Tennessee, and the mounted portion of Capt. James Tarleton's company of Louisville Volunteers. This company was recruited as the cavalry unit of the Johnson and Grant Army; hence the nickname "Mustangs."

(4) Capt. H. R. A. Wigginton's company, the core of which was the unmounted portion of the Louisville Volunteers, with accretions from broken companies and other groups of volunteers at Bexar.

(5) A company of artillery, under Capt. Thomas K. Pearson, who had landed at Paso Cavallo, in November, with a small company of men, and aided in transporting an 18-pounder cannon from Dimmitt's Landing to Bexar—a feat of engineering which caused his arrival at Bexar to be 3 days after the capitulation of Cos.

(6) Capt. Thomas Lewellen's company, composed of men who had served with other companies during the San Antonio campaign, but who had reenlisted for new service after having been discharged with General Burleson's men.

Lewellen's and Pearson's companies went ahead from Refugio to San Patricio with Grant and Johnson before Colonel Fannin reached Refugio and assumed command, and so were never regularly enlisted in the service of Texas, nor became, except nominally, units of Colonel Fannin's command.

4. Two companies recruited by Capt. Peyton S. Wyatt, of Huntsville, Ala., and at Paducah, Ky., and en route to Texas, in November and December 1835. Captain Wyatt left Huntsville November 8, with "50 first-rate United States muskets," borrowed by Captain Wyatt from the State of Alabama, and 18 men, and arrived at Nacogdoches, in December, with two companies totaling 67—being his own company, armed with the United States muskets, and a "light company," armed with rifles, 19 men, commanded by Capt. Amon B. King.

5. The four companies of the Georgia Battalion included:

(1) The "First Company," under Capt. William A. O. Wadsworth, enlisted at Columbus Ga. (home town of Colonel Fannin and of Mirabeau B. Lamar), but much enlarged by recruiting at New Orleans and en route.

(2) The "Second Company," under Capt. Uriah J. Bullock, being one moiety of a very large company, enlisted at Macon, Ga., and vicinity by Maj. William Ward. When this company left the Brazos on January 24 Captain Bullock was sick with measles and unable to travel, and he never thereafter rejoined it or exercised command.

(3) The "Third Company," under Capt. James C. Winn, of Gwinnett County, Ga., being the second moiety of the large company organized at Macon by Maj. William Ward. This company was also enlarged at the mouth of the Brazos or en route, the additions being, for the most part, Mississippi volunteers.

(4) The "Alabama Greys," under Capt. Isaac Ticknor, recruited by Edward Hanrick, at Montgomery, Ala. This company arrived at the mouth of the Brazos only a few days before Colonel Fannin sailed.

6. A company recruited by Capt. Burr H. Duval, of Bardstown, Ky., from which place he began his journey to Texas in early December with only 6 or 8 men. These had increased to more than 20 upon their arrival on the Brazos the last week in December 1835.

7. After his arrival at Goliad, Colonel Fanning was reinforced successively by:

(1) The "Red Rovers," enlisted at Courtland and Tuscumbia, Ala., under Capt. Jack Shackelford, and armed, as was Captain Wyatt's company, with muskets borrowed from the arsenal of the State of Alabama. This company also received additions after landing in Texas and en route. It was well commanded and well equipped and had increased by March 19 to almost 70 men.

(2) A squad, or small company, 10 men, recruited in Tennessee and Mississippi by Capt. John C. Grace, which joined Colonel Fannin, at Goliad, in company with Captain Shackelford's command.

(3) Another squad, or small company, eight or nine men, sent forward by the council from San Felipe, on February 9, under Lt. Samuel Sprague.

(4) The Refugio Militia Company, under Capt. Hugh McDonald Fraser; 15 or 20 men mentioned by Colonel Fannin as being in active service on February 11 and 12. This company was diminished by details as couriers and to care for fleeing families until it was only a squad when the actual fighting began.

(5) Capt. A. C. Horton's company of Matagorda Volunteers, 42 in all, which did not join Colonel Fannin until after the loss of the Georgia Battalion and Captains King's and Wyatt's men.

(6) Five of those who escaped from Grant's defeat at Agua Dulce, three who had been at San Patricio with Johnson, and one or more of General Houston's couriers were captured with Colonel Fannin on March 20 and shared the fate of his command.

REORGANIZATION OF COLONEL FANNIN'S COMMAND

While still at Refugio, on February 7, Colonel Fannin began organizing a regiment from the volunteers there, of which he was chosen colonel and Maj. William Ward lieutenant colonel without debate. The Georgia Volunteers insisted upon choosing a major, instead of Major Ward, promoted; and Dr. Warren J. Mitchell, of Columbus, Ga., was elected to that post. Organization of the Second, or LaFayette Battalion, was not effected until after Captain Cooke's companies had returned to Goliad from San Patricio, about February 18. Several of the companies, including Captain Cooke's, were much reduced in size. Upon his departure from Refugio, on January 21, General Houston took with him Captains Lawrence and Wigginton, in order to send them on recruiting service to the United States. Many men of both their companies and a number from Captain Cooke's, dissatisfied, and some of them ill, were released from the service at the same time.

Upon Colonel Fannin's arrival at Copano, on February 4, Captain Wyatt, unwilling to participate in the Matamoros project, took advantage of the vessels that brought out Colonel Fannin to return, for recruiting service, to the United States, taking with him, and paying the passages of, a number of his dissatisfied men.

As reorganized by Colonel Fannin, what remained of Captain Lawrence's "Mustang company" was consolidated with Captain Duval's, called, henceforth, "Duval's Mustangs." The remnant of Captain Wigginton's company, under Lt. Edward Fuller, was absorbed by Captain Wyatt's company, with First Lt. Benjamin F. Bradford, a Kentuckian, in command. Captain Cooke resigned and was succeeded by his first lieutenant, Samuel O. Pettus, another Virginian, and the company was enlarged by being consolidated with Captain Grace's small company, Captain Grace, from Memphis, Tenn., being chosen first lieutenant in Captain Pettus' former place.

Until after his arrival at Goliad, Colonel Fannin's artillery was served by Capt. Luis Guerra's company of Mexican artillerymen and the Texan regular artillery from Captain Westover's command. Upon the arrival of Santa Anna's army at San Antonio, the men of Captain Guerra's company were, at their own request, discharged and were replaced by a small company of volunteer artillery, recruited from the other companies of Colonel Fannin's command. They were commanded by Capt. Stephen D. Hurst, from Philadelphia; Benjamin H. Holland, engineer and sailor, from New Orleans, and four Polish engineers commanded guns.

Benjamin C. Wallace, from Erie, Pa., who was chosen as major of the Second, or LaFayette, Battalion; Capts. Joseph M. Chadwick, a West Pointer, born in Exeter, N. H.; John S. Brooks, of Staunton, Va., who had had 11 months' service as private and corporal in the United States marines; and Nathaniel R. Brister, from Fredericksburg, Va., the regimental adjutant, who had served, also, as adjutant in the San Antonio fighting and who had come to Texas as a member of the New Orleans Greys were the working members of Colonel Fannin's staff.

FANNIN AT GOLIAD

Soon after his arrival at Goliad his evil genius prompted Colonel Fannin to strengthen and rebuild the fort. This was unwise for two reasons: Little good could be had from such fortifications, and the time spent in this relatively useless labor was badly needed

for training his men. An American volunteer could not be made to labor unless he was first interested in his work. Convinced of the importance and usefulness of his labor, he wished to stay around and see its results.

Even though much of their 6 weeks at Goliad was so wasted, Colonel Fannin's men, in the battle with Urrea, were much the best trained and most efficient army that Texas, as State or Republic, has ever placed in the field. The weakness of Texan armies in 1835 and 1836 was the unwillingness and inability of the average frontiersman to subject himself to military command. He was invincible with flanks and rear protected—in his own language, when "fighting from the brush"—but a prudent enemy was unlikely to afford opportunities from many conceptions. Offensively, a frontiersman's army could only be used, as at San Jacinto, in a single headlong rush, at the end of which, win or lose, it was entirely out of hand. An attack of that nature could not be risked where there existed the possibility of hidden enemy reserves.

Colonel Fannin was well aware of this fundamental weakness of the Texas armies, and with the efficient help of Captain Brooks and Chadwick, he accomplished miracles in taking it out of his Goliad men. They were not frontiersmen, but came from cultured homes in settled communities and could be made to understand the necessity for discipline and of military training and drill.

Their want of frontier training was a weakness, however, in another respect. Such details of life in Texas as yoking and driving wild oxen, and keeping and riding horses, "on the grass," were without the scope of their knowledge, and this ignorance in the long run cost them dear. And instead of such learning they spent their precious weeks at Goliad strengthening the old fort. This was done under the tutelage of Captains Brooks and Chadwick, and of the Polish engineers. Strangely, it was the Virginian, rather than the son of New England, who was the inventive genius of the twain. It was Brooks who designed a half-moon battery, designed to cover the sally port or entrance to the fort; and it was Brooks who invented an "infernal machine" mounting, in a wooden frame, a hundred old muskets which Collingsworth had captured in October, which could all be fired with a single match—an early nineteenth century version of the principles of machine-gun fire.

FANNIN'S GOLIAD CAMPAIGN

Before the Goliad fortifications were completed—about the time, indeed, that the volunteers had become really interested in that work—there came a courier from Colonel Travis with the report that the enemy in overwhelming numbers had invested Colonel Travis in the Alamo, after retaking the town of Bexar. Colonel Travis called urgently for help. Colonel Fannin made an instant gesture of responding, but his heart was never in the movement, and it ended on the north bank of the San Antonio, 2 miles from the Goliad fort. Colonel Travis' message was received on February 25. Colonel Fannin's gesture toward San Antonio began next day.

Captain Westover's regulars and Captain Guerra's company were left in garrison at Goliad, and Captain King's company was recalled from its outpost duty at Refugio to join them, while Captain Chenoweth, with the available mounted men, went forward to cover the crossing of the Cibolo, on the Bexar-Goliad Road. Colonel Fannin took with him all the other volunteers. A cart broke down, and oxen strayed, and the day was spent at the San Antonio ford. A "council of war in the bushes" ended the movement next day. It was thought best to return to Goliad and continue rebuilding the fort.

Johnson and Grant, after a horse-buying visit to Rancho Santa Rosa and beyond, had separated; Johnson returning to San Patricio with a hundred horses, so acquired, and 34 men; while Grant wandered toward Camargo for more horses with 26 men. General Urrea, after a forced march from Matamoros, attacked Johnson at San Patricio, in cold, rain, and darkness, at 3 a. m. on February 27—the same morning that was spent by Colonel Fannin's command on the north bank of the San Antonio at the end of their futile movement toward Bexar. Johnson's men were encamped in five separate parties, without sentinels, and were asleep. There was no opportunity for resistance, and they were all killed or captured but 6, including Johnson, who escaped. On March 2 Grant's men were surprised, while on the march, at the crossing of the Agua Dulce, and, in their turn, were all killed or captured except 6.

At this time Colonel Fannin, at Goliad, was also becoming seriously embarrassed by problems of supply. Though the cargo of the *Caroline* was landed at Cox Point (now Port Lavaca) on February 14, and another cargo which followed was soon discharged at Cox Point and Dimmitts Landing, none of this abundance of provisions had as yet reached Colonel Fannin in larger quantities than an overnight supply. He did not receive them in quantities until the afternoon of March 10. Of this he complained bitterly, as a reproach to the people of Texas, in a private letter written on February 28.

That indictment requires some explanation, even now. That explanation is that the people of Texas—that is, Austin's old settlers; those whose families were in Texas; those who owned and tilled the soil—had been told, and had believed, since the previous autumn, that Cos' defeat meant the end of the war. They had exerted themselves to the utmost to supply the Texan army before Bexar. Cos was beaten; and insofar as the old Texans were concerned, that was the end of the war. Their present job was planting corn. To do it, they had urgent need of their wagons, teams, and tools. They had no interest in Mexican politics; and felt sure that after they had expelled the obnoxious Mexican garrisons, the Government of Mexico would not dare trouble them again; and they were, for their part, more than willing to let Mexico alone. The Matamoros Expedition was no affair of theirs. Feeding the army, if an army was needed (and that one was needed, they did not really believe) was the business of the government; and if the provisional government failed, or refused, to function, the new convention would assemble March 1. January had been punctuated with rumors of a new invasion. The rumors had had no basis, and Colonel Fannin's alarming messages were likely others of the same sort. Texas' job for the present was growing corn; and if Texas did not grow corn, Texan families, as well as the Texan soldiers, would surely go hungry before the end of the year. War was a pleasurable excitement, after the crops had been gathered in the fall. Meantime, the Texans and their families had to eat. Most of this was wrong, of course, but it was, at that time, the normal Texan's point of view.

In their thought that feeding the army was, first of all, the duty of the government, they were right; and that the government did not so feed them, Colonel Fannin, as much as any other individual, was to blame. His letters were all directed to Acting Governor Robinson, and the discredited remnant of the Council, which was too lacking in character and credit, and had become too impotent and feeble, to so much as hire a courier, much less find wagons, teams, provisions, and military transport or supplies. And yet it lacked the patriotism and intelligence to get out of the way, and permit others to discharge the duties it had failed to perform.

Copano had now been abandoned by the Texans, and remaining at Goliad with the means at Colonel Fannin's command could not save Copano from being put to the enemy's use. Goliad had, therefore, become unimportant as a military post. Of this Colonel Fannin was always quite aware. But having interested his soliders in rebuilding Goliad, and they having become, while so doing, enamored of their work, they were most unwilling to leave it until the enemy had tried it out. Colonel Fanning well knew that he ought to put the Guadalupe between his forces and the enemy, fall back to Victoria, a place "Most defensible by a small force of any, whatever, in Texas," and put himself in contact with, and in position to defend, his supplies; but he lacked the moral courage to suggest "a retrograde movement" to his "sanguine, chivalrous volunteers." These, fed for months on bull beef, were spoiling for a fight. They had not yet come to realize that war was other than an exciting and pleasurable game.

Colonel Fannin, seeking an order that would explain and justify a retiring movement to his men, wrote the rump government, to which he still paid homage, on March 1:

"I should be pleased to have one more express from Washington, and if we are not to be sustained in a proper manner, and in good time, receive orders to fall back to the provisions, and on to the colonies, and let us all go together. Let me repeat to you that I consider myself bound to obey your orders. * * * I have orders from you not to make a retrograde movement, but to await orders and reinforcements."

There was small excuse for his having directed this letter to Robinson and the remnant council—the new convention met the day it was written, March 1. He did so believing, doubtless, that the members of the old council, were, at least, his personal friends. And even that imbecile council should have been able to interpret his letter for what it was—an urgent invitation for an order to retreat. Futile to the end, the ineffective Robinson could only write, on March 6:

"We * * * instruct you to use your own discretion to remain where you are, or to retreat, as you may think best for the safety of the brave volunteers under your command, and the regulars and militia, and the interest of our beloved country requires, unless you shall be instructed otherwise by General Houston, who has by this convention been confirmed and appointed commander in chief of the army of Texas, militia and volunteers, as well as regulars."

Discretionary orders were of small use to Colonel Fannin, who had pleaded for a direct and positive order that would satisfy his men; but even this discretionary order came too late to be of use.

He could have retreated, and, of course, should have retreated, without orders; but that he was "not, practically, an experienced commander," he had already discovered, for himself. But he was a good soldier, though not yet ready for the responsibilities of chief command, and should have been able to guard his soldiers from the errors that destroyed them so rapidly after March 12. The fate of the Johnson and Grant parties should have warned them against going about in small parties of 25 or 30 men. Against this danger General Houston had repeatedly advised them; but Colonel Fannin had seen it done, for months, with impunity in the presence of an unenterprising enemy at Bexar, and could not be made to realize that he was now facing a different type of foe. This practice was now especially dangerous since Colonel Fannin's army, while it continued at Goliad, was virtually blind. He was without cavalry, and every road and trail from Goliad was now under the observation of enemy horsemen.

Pressure, as yet, was but lightly applied; but northern, southern, and western roads were held by the enemy scouts, while the lithe horsemen from Carlos' Rancho kept watch on everything moving toward the East. Fannin's every movement was known to Santa

Anna in less than 30 hours; to Urrea in less than 15; while Fannin, in his turn, had no means of knowing, nor even surmising, what his enemy was doing, day by day. The situation left small hope for Fannin, unless he had evacuated Goliad before March 12, on which day Urrea began his movement from San Patricio, while Colonel Morales also marched to engage him, with two battalions of veteran infantry, and two 12-pounders, from Bexar. Yet, even as these movements were beginning, Colonel Fannin, whose men could not be made to believe in danger from an enemy, particularly a Mexican enemy, whom they could not so much as see, had out at least two parties, of only 20 to 30 men. One, sent under Lieutenant Francis to Carlos Rancho, was not molested. The Goliad people were not yet ready to take chances with the American's wrath. But Captain King, at Refugio, had marched, on an errand of mercy directly into the path of Urrea's advance, and had stirred up a hornet's nest of armed rancheros, allied Indians, and enemy scouts; and then sent to Colonel Fannin, at Goliad, for help. Taking council of his heart, rather than of his military education, or his head, Colonel Fannin hurried the Georgia battalion and Lieutenant Bradford's company, under Lieutenant Colonel Ward, to King's relief. This happening, which led directly to Colonel Fannin's destruction, illustrates the amateurism, as well as the knight errantry on Colonel Fannin's part to send King and his company to Refugio, directly in the path by which Urrea was daily expected to advance. King, at Refugio, had to turn knight errant also, in order to punish some rancheros who had disturbed the Texan families and plundered their deserted homes.

Fannin, as another act of chivalry, sent Colonel Ward to Captain King's relief. He had intended sending Brooks and Chadwick, his two best officers, to insure this expedition's prompt return; but they became lost in the prairie, failed to overtake Colonel Ward, and, finding themselves at daylight near Goliad, returned there at dawn. Ward, at Refugio, was as anxious for the fun of a brush with the enemy as King had been 2 days before. King and Ward quarreled as to which of them was best entitled to stir up the new excitement; and, as a result, King decided to turn knight errant on his own. Urrea was promptly informed of all these movements and would have overtaken them on the open prairie had they kept together and endeavored to return to Goliad by road. Their military errors, therefore, were not of much importance in what ultimately occurred. But they illustrate the hopeless amateurism of the Texan point of view. King and Ward both fought, and fought well, until their ammunition was spent; when, unable to resist longer, they separately attempted to retreat. King was taken on the 15th and shot, with 14 of his men, next day. Ward wandered for a week through swamps and prairies, but was finally taken, on the Garcitas, on March 22, with the greater portion of his men, and was returned with them to Goliad, where they shared the common fate of Fannin's men.

Colonel Fannin, at Goliad, received, on March 14, the long-awaited orders from General Houston to retreat. The retreat was not attempted until March 19. Two days were lost awaiting Ward and King, as well as the coming of Capt. A. C. Horton and his Matagorda company, from Victoria, with teams and carts. No good reason has ever been suggested for not marching on the 17th. It was not done, doubtless, because Colonel Fannin was still awaiting Ward and King. But no good could come from waiting, if they were involved with the enemy; and they could have fallen back as well to Victoria as to Goliad, if they were not. Captain Horton, scouting, on the 17th, toward Bexar, discovered Morales' column, which encamped that night on the Manahuilla, in position to command the Victoria road. The 18th was spent in the excitement of a series of skirmishes with the cavalry of Morales' command.

This wore down the Texan horses—part of Captain Horton's company were mounted men—and left the all-important oxen to stand in the corrals and starve. A plan to retreat that night was abandoned, Captain Horton believing it impracticable to find the roads in the dark. For Fannin's men, who were not frontiersmen, that was no doubt the case. Fannin had nine brass cannon and insisted on taking all of them along. Amateurs to the end, his men brought out all their arms, including the 9 cannon and 500 spare muskets, but loaded all their ammunition in a single oxcart and forgot to bring along anything they could eat. The morning of the 19th was spent chasing hungry and unmanageable oxen and in dragging an unwieldly howitzer across the San Antonio ford. In the prairie beyond the Manahuilla, Colonel Fannin halted so for his oxen to rest. Captains Duval and Shackelford, his best company commanders, objected to this halt without water and where no good military position could be had. Their men smiled. They believed, in all simplicity, that their prudent captains were personally afraid. Pursued and overtaken, Colonel Fannin's men deployed cooly and bravely and, as calmly as veterans could have been, formed a hollow square. The ammunition cart broke down and brought them to a halt. Surrounded in the open prairie without protection flank or rear, without water, and without food, they had reached their end.

But they did not recognize that fact. They fought courageously and calmly through the long afternoon, and only quit when their sympathy for the suffering of their wounded became more than human feelings could endure.

That they were told that their capitulation was an honorable one, and that they would soon be sent to New Orleans on parole, and in that belief surrendered, there can never be a doubt. Whether there was ever such a capitulation, or General Urrea only promised, as he claimed, to intercede with Santa Anna for some such terms, is now beside the point. Santa Anna was solely responsible, on either version of the facts, for the heartless and useless sacrifice of Fannin's men.

CONSEQUENCES

Few events in American history have so gripped the imaginations of the American people as did this bloody and futile slaughter, and no other happening on the North American Continent has more profoundly influenced human affairs.

Paroled and landed at New Orleans, the men who died at Goliad would have become so many witnesses to the incompetence, and worse, of the Texan leaders, to the strange apathy of the Texan people; to the anarchy existing in the Texas government; to Texas' lack of appreciation for the brave volunteers who had hearkened to her call.

They would have become 400 advocates of toleration for Mexico, from 400 cultured Americans, residing in every portion of the United States. Even our racial egotists, weltering in insolence and pride, would have been forced to the admission that the Mexicans, even though not as our people, were not at all bad. Any thought of American interference in the internal affairs of Mexico, or forcible conquest of Mexican territory would have been banned for two generations from all right-thinking American minds.

That any good could come to Mexico from killing them, only the inflamed ego of a despot could have ever believed. The better Mexican officers, loathed, or disapproved, the deed.

But terror is the body servant of the dictator; and ruthlessness is the invariable element in every despot's creed. Santa Anna's was the creed of the dictator, and he took the despot's way.

The grim effect of his cruelty on American opinion was not due to the mere execution of prisoners; its depth lay in the odium of killing prisoners such as these. These men had been guilty of no outrage; they were not filibusters or soldiers of fortune; they were incapable of an act of pillage, looting, or rapine. They were among the brightest and ablest of America's young men; who had foregathered from the best of American families; they were high-minded gentlemen, whose coming to Texas had been without thought of profit or advantage to themselves. Young, imaginative, daring, their hearts were charged with high emprise; in consecrating themselves to the service of Texas, their only wish had been to help a struggling people to liberty and freedom, in the right to which each of them devotedly believed.

Despotism can kill such men; but if it does so, it must pay the price. Nations which yield to despots must pay, regrettably, as well. Santa Anna's payment has been made in the universal obloquy that envelops his name. Mexico, however innocent, has also paid in territory and in pride and in an unmerited reputation for barbarity and want of public faith.

Portilla's volleys, echoing from the banks of the San Antonio, above the bloody forms of Fannin's men, reechoed in after years from the fertile banks of the Rio Grande; from the high passes of the Sierra Madre; from California's forests, shores, and ranchos; from Chapultepec and Churrubusco; from the historic shadows of Mexico itself.

That American opinion sanctioned war in 1846 only by reason of Goliad, we are not left to surmise or doubt. Even with the infamy in which, in American public opinion, Goliad had enveloped the Mexican name, America tolerated a war of conquest against a sister American republic only by reason of the personal management and insistence of President Polk; and James K. Polk became President through the grim determination and inspired leadership of the brother and father of a victim of Goliad, Samuel Smith Sanders, who lies buried with the others in this, their common grave. And no President of the United States, however chosen or however shrewd, could have brought about a war with Mexico but for the bias in American public opinion which the Goliad slaughter had produced.

It is not to the credit of Texas that the men of Goliad should have reposed for a century in an unmarked, unhonored, and almost unknown grave. A hundred and three years have passed since the Texan army, having retaken Goliad, buried their bones where now they lie; and since General Rusk, betrayed by his feelings, broke down in attempting to deliver the simple though eloquent eulogy he had prepared for delivery at their grave. Even now, when Texas, at a very long last, has remembered them, their monument is not in keeping with some that have been builded, to commemorate smaller men and less important deeds. But their real memorials are elsewhere; this one but preserves their names and marks their grave. The flag of their country floating over the Rio Grande's orchards and gardens; New Mexico's, and Arizona's cattle ranges, mines, and farms; the great dams on the western Colorado and its kindred rivers; the city of El Paso, and the even greater cities, as Los Angeles, San Diego, and San Francisco, arisen on America's Pacific slope; the western islands, and the mighty works which span the Golden Gate; these are their true memorials, and although they never knew it, it was for these they gave their lives and such has been the measure of Mexico's atonements for Santa Anna's deed.

And while Texas and Texans have been derelict in consecrating the grave of these, their heroes, there is another tribute due them, in which Texas must not fail. There is an immortality of memory which is close akin to immortality of the soul. Men who die for

their country are due an eternal remembrance in the consciousness of those for whom they die—that immortality of memory, enshrined in human hearts and human minds, which makes their memories live forever in the remembrance of what they have done, and as we dedicate to them this memorial of bronze and stone, we do so in the sure hope and fond belief that the story of their lives, and of their deaths, and of their devotion to the freedom for which they died, will live on in the hearts of the men and women of Texas, and that through the years that are coming, and all the changes that occur, our prayer, at their grave, shall always be, "Lord: Keep their memories green."

James A. Farley

EXTENSION OF REMARKS
OF
HON. JAMES A. SHANLEY
OF CONNECTICUT
IN THE HOUSE OF REPRESENTATIVES
Tuesday, August 1, 1939

EDITORIALS FROM THE DANBURY (CONN.) NEWS-TIMES AND THE HARTFORD (CONN.) TIMES

Mr. SHANLEY. Mr. Speaker, I appreciate the courtesy of this body in extending to me unanimous consent to insert in the RECORD two editorials commenting on the remarkable record of our Postmaster General, James A. Farley, as follows:

[From the Danbury (Conn.) News-Times of July 24, 1939]

FARLEY AS POSTMASTER GENERAL

Reading the address of James A. Farley, Postmaster General, made to the annual convention of Connecticut Chapter of the National Association of Postmasters, one will scarcely realize that the speaker is one of the most successful politicians of the Nation.

The Postmaster General talks of efficiency, courtesy, and duty to the Service. Reminding that the post office handles $8,000,000,000 annually, that it is the biggest single business in the country, that it makes an astonishingly small number of mistakes in handling mail, he says that the credit is not his. The credit belongs, he says, to the long line of those who, in many previous years, gave their lives to the Service.

Its gross for the year was $745,098,350, a record year. This is $17,000,000 more than the figure for 1938, which was then highest of all time. Postal receipts in Connecticut were $11,374,134, which is 20 percent more than the gross in 1934. Mail volume is increasing, working conditions are improving.

The work done by Connecticut postmasters and their staff during the hurricane was commended by Mr. Farley. He said: "If ever the Department's motto, "Neither rain, nor snow, nor heat, nor gloom of night stays these couriers from the swift completion of their appointed rounds' was carried out in its full meaning, it was certainly during those difficult days of last fall when transportation and communication facilities in this State were so badly crippled."

Mr. Farley does a good job at the head of the post office. Many will regret his retirement, if this should unfortunately take place.

[From the Hartford Times of July 24, 1939]

THE POST OFFICE DEPARTMENT

When Postmaster General Farley speaks about the Post Office Department, as he did in New Haven Saturday night he does so with all the satisfaction that a successful administrator of a tremendous business takes in the accomplishment of his organization. The Postmaster General is as felicitous as a narrator of the record of his Department as he is persuasive in his operations as national chairman of the Democratic Party. At the moment he seems likely to go down in history as an outstanding administrator of a great Department of the Government as well as one of the most popular and efficient chief executives of his party.

The Postmaster General is justified in taking pride in the fact that the Post Office Department operated at a "net profit of $10,000,000" during the 1939 fiscal year that ended June 30, during which postal revenues rose to $745,098,350, an all-time high. It is the fifth year that a profit has been reported under Mr. Farley's administration of the Department. It is, of course, a book-keeping profit, for the free services it renders the Government create a deficit.

Interesting, too, is the contribution which Connecticut makes to the postal revenues. Mr. Farley told his audience that in the calendar year 1938 the increase in Connecticut was "one of the best of any State in the Union during the last 4 years." Postal receipts were $11,374,134, slightly under $1,000,000 a month. They represent a 20 percent increase over Connecticut receipts for 1934, said Mr. Farley.

It is doubtless true that postal receipts are a barometer of business conditions, and Mr. Farley's figures indicate a welcome improvement. To this Mr. Farley has contributed considerable through his salesmanship ability. No Postmaster General readily recalled ever was so active in producing new issues of stamps and encouraging their purchase. The substitution of "permit postage," which obviates the use of stamps, has resulted in large savings to the Department as well as to large users of the mails. The Post Office Department is one Branch of the Federal Government of which little complaint is heard from business or the public.

Connecticut seconds what Mr. Farley said to the postmasters about their service during the hurricane last September, and about their general cooperation with the public. While he did not say it, many observers will declare that elimination of politics from the operations of the Department, through the extension of the civil-service system to include postmasters has had much to do with the increased efficiency and the public's general satisfaction with the Postal Service.

But Don't Forget 1940

EXTENSION OF REMARKS
OF
HON. MICHAEL J. KENNEDY
OF NEW YORK
IN THE HOUSE OF REPRESENTATIVES
Tuesday, August 1, 1939

EDITORIAL FROM THE NEW YORK WORLD-TELEGRAM

Mr. MICHAEL J. KENNEDY. Mr. Speaker, under leave to extend my remarks in the RECORD, I wish to include therein an editorial which appeared in the New York World-Telegram of July 31, 1939, relative to the pending Barden amendments to the Wage and Hour Act, which is an excellent illustration of the tremendous good that may be accomplished by the press of our country, whose editorial policies are sincere and straightforward. When these policies are utilized constructively for the purpose of familiarizing millions of readers with the legislative processes, pointing out advantages here and fallacies there, this, indeed, is a civic duty well done. I am bringing to the attention of the House of Representatives their editorial entitled "But Don't Forget 1940," because it is both meritorious and timely, and in doing so I wish to commend the World-Telegram for their series of similar articles on the Wage and Hour Act.

It is my conviction that the Barden amendments to this act by eliminating more than 2,000,000 of the least protected workers from its requirements that a minimum of 25 cents an hour in wages be paid, and by further excluding many millions of other workers from the maximum-workweek provision, is one of the most despicable attempts to oppress the living conditions of the laboring classes that has ever come to my attention. All of organized labor, regardless of its affiliations, is united in bitter opposition to the Barden bill. Should it be presented to the House during this session or next for consideration, I shall continue my efforts in opposition to this bill, or any bill tendered for the purpose of emasculating an act designed for the sole benefit and protection of the workingmen and women of my city and country. The editorial follows:

[From the New York World-Telegram of July 31, 1939]

BUT DON'T FORGET 1940

The House is expected to choose this week among three sets of amendments to the Wage-Hour Act. One is the Norton bill, most of the provisions of which have been recommended by Wage-Hour Administrator Andrews. One is the Ramspeck bill, which goes somewhat further. And one is the Barden bill which would strip the 25-cents-an-hour protection of the Wage-Hour Act from more than a million workers, most of them engaged in processing farm products.

A week or two ago it looked as if the dime-an-hour crusaders who were behind the Barden amendments had decided to retreat. Their principal champion, Representative EUGENE COX, of Georgia, announced that in view of President Roosevelt's denunciation of

the Barden plan, and his apparent intention to veto it if passed, a compromise seemed to be the best way out.

Since then, two things have happened:

1. Administrator Andrews, in an unfortunate press-conference remark, said he no longer favored the plan to exempt from the overtime provisions all workers earning $200 a month or more—because "organized labor" opposed it and "organized labor has done such a swell job of fighting my battle for me."

2. John L. Lewis, in testifying against the Barden amendments, made a sensational attack on Vice President Garner.

The Andrews and Lewis statements played into the hands of the men who think $11 for 44 hours of work in a canning plant is more than the American system can tolerate. The House Rules Committee, dominated by conservatives, quickly decreed that the House should have a chance to vote on the Barden amendments.

The Wage-Hour Division and the House Labor Committee had been fighting to avert such a test on the floor, because they were afraid the Barden bill would win. This newspaper, while it regards the bill as a scandalous assault on a measure of far-reaching potentialities for the public good, cannot honestly concur in the widespread regret at the Rules Committee's action. The House is supposed to legislate. If a majority of the members of that body deem it wise to support the Barden bill, let them vote for it. But let them also look forward to 1940 and reflect that their opponents will inevitably plague them with that "dime an hour" tag.

Or, to put it on a higher plane than that of vote getting, let them explain how real prosperity is going to return to this country unless purchasing power is spread a little thicker in the lower brackets.

National Debt Policy

EXTENSION OF REMARKS

OF

HON. DANIEL A. REED

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, August 1, 1939

REPORT ON THE WORKS FINANCING ACT BY THE REPUBLICAN CONFERENCE COMMITTEE ON NATIONAL DEBT POLICY

Mr. REED of New York. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the report on the Works Financing Act by the Republican Conference Committee on National Debt Policy, made public July 26, 1939:

On June 21, 1939, President Roosevelt announced the fourth New Deal spending scheme. In the month since legislation embodying the President's lend-to-spend proposal has been drafted and introduced, hearings have been held, and the majority leadership, under White House insistence, is bringing the measure to an early vote.

Since New Deal pressure tactics and the desire for adjournment are serving to prevent adequate public consideration of this measure, we, your Special Committee on National Debt Policy, have studied its provisions most carefully so the conference would have the advantage of our findings. We believe the issues involved in this latest artifice of the President to create a gigantic political pork barrel should be disclosed to the Congress and the Country.

Our examination of the scheme reveals that this is but a device for increasing the public debt through a subterfuge; that it is spending by deception; and that it is state socialism by stealth. Consequently, we strongly condemn the undue haste and the dangerous strategy employed by the administration to force enactment of this legislation. The citizens of this country should be given a fair opportunity to decide whether they wish to embark upon such a completely new and questionable policy.

A. A. Berle, Jr., Assistant Secretary of State, admittedly a spokesman for the administration, said:

"If wealth is to be created by creation of Government debt, the scope of Government enterprise must be largely increased. Briefly, the Government will have to enter into the direct financing of activities now supposed to be private and a continuance of that direct financing must be inevitably that the Government ultimately will control and own those activities. * * * Over a period of years the Government will gradually come to own most of the productive plants of the United States." This is socialism.

Only those who have lost faith in America and, as a consequence, have fallen prey to the collectivist infection would propose such a bill as this. The President evidently believes that America is permanently stagnated because in proof of that he points to "vast reservoirs" of private credit. He alleges that this inactive credit justifies a permanent spending program. The President, however, ignores the paramount fact that these reservoirs of credit have been created and rendered stagnant by his own unsound deficit financing program. He refuses to recognize that because of various and devious New Deal policies, contradictions, inconsistencies, and studied hostility toward business the American investor is afraid to risk his capital in ventures that hold little prospect of safety, let alone of profit.

This program of deficit financing and tinkering with the economic mechanisms ensnares us in a vicious circle. The more we spend the more we borrow; the more we borrow the more we spend; and the reservoirs of stagnant credit necessarily grow apace. As these stagnant pools of credit increase, investors become more and more fearful of the future.

Specifically, our analysis reveals that the new program differs in two major and highly dangerous respects from previous New Deal spending efforts. First, spending from now on will take the deceptive form, as well as the deceptive name, of lending; and, second, runaway spending by lending will become a permanent function of the Federal Government and will be under the absolute discretion of the President.

Against this background our analysis leads us to the following conclusions:

(1) This program of deceptive spending is an insidious and pernicious attempt to avoid the $45,000,000,000 statutory debt limit the Congress so wisely set. In addition, let us remind you, Congress has already authorized various and sundry Government corporations and establishments to incur $14,000,000,000 of contingent liabilities which are guaranteed both as to principal and interest by the American taxpayers. Although $9,000,000,000 of these contingent liabilities has not as yet been utilized, the President nevertheless requests that this already staggering sum be increased by $3,000,000,000. The administration apparently lacks the courage to come before Congress and frankly ask for an increase in the debt limit. Instead, it attempts to accomplish the same end by underhand and deceptive back-door methods.

(2) The administration has within its own experience the absolute proof that these so-called self-liquidating projects will not pay their own way. Although the Home Owners' Loan Corporation, the Federal Housing Administration, the Tennessee Valley Authority, the United States Maritime Commission, the Commodity Credit Corporation, the Rural Electrification Administration, and the Farm Security Administration all have incurred vast losses, the administration still pretends that these same things done again tomorrow will turn the losses of yesterday into the profits of the future.

The whole premise is fallacious. The arguments for the bill are specious. The policy is utterly dangerous to the welfare of the Nation, and both the proposals and the underlying principle should be denounced and rejected by the Congress.

Submitted unanimously by the Republican Conference Committee on National Debt Policy.

Daniel A. Reed, New York, chairman; Dewey Short, Missouri; Edward H. Rees, Kansas; Albert E. Carter, California; Albert J. Engel, Michigan; Albert G. Rutherford, Pennsylvania; Albert E. Austin, Connecticut; Albert L. Vreeland, New Jersey; L. L. Marshall, Ohio; Frank O. Horton, Wyoming; Charles Hawks, Jr., Wisconsin.

List of Daily Newspapers Which Are Supporting Editorially the Legislation to Create the Kings Canyon National Park

EXTENSION OF REMARKS

OF

HON. BERTRAND W. GEARHART

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, August 1, 1939

Mr. GEARHART. Mr. Speaker, pursuant to the consent of the membership of the House, unanimously expressed just a moment ago, it is my privilege to hand to the Public Printer for inclusion in the CONGRESSIONAL RECORD a list of publications, magazines and daily newspapers, of wide circulation and high influence, which have from time to time editorially endorsed the pending bill to create in California a new national park to be known and called the Kings Canyon National Park, the legislation which passed the House of Representatives with the emphatic approval of the membership just 2 weeks ago today.

The list follows: Alameda Times-Star, Christian Science Monitor, Daily Californian (University of California newspaper), Field and Stream Magazine, Fresno Bee and Republican, Lodi News-Sentinel, Long Beach Press-Telegram, Long Beach Sun, Los Angeles Times, Los Angeles Daily News, Los Angeles Evening News, Modesto Bee, New York Herald Tribune, New York Times, Pasadena Star-News, People's World

(west coast labor daily newspaper), Riverside Press and Enterprise, Sacramento Bee, Sacramento Union, San Diego Sun, San Francisco Argonaut, San Francisco News, Santa Barbara News-Press, Santa Monica Outlook, Santa Paula Chronicle, Santa Rosa Press-Democrat, Vallejo Times Register, Ventura Star-Free Press, Woodland Democrat.

Statement of the Progressive Bloc of the House of Representatives Relative to the W. P. A.—Liberals Fought Injustices Incorporated in Woodrum Bill—Point Out Cruelties and Inequities—Pledge Continuation of Fight to Restore Fair Treatment to Unemployed

EXTENSION OF REMARKS

OF

HON. JOHN M. COFFEE

OF WASHINGTON

IN THE HOUSE OF REPRESENTATIVES

Tuesday, August 1, 1939

Mr. COFFEE of Washington. Mr. Speaker, Americans, through all their history, have been proud that theirs was a government of the people, by the people, and for the people.

We have been eager to claim that here equality of opportunity existed. And for many years the bounty of nature made this equality of opportunity a reality almost as much as an ideal.

In recent years the scourge of unemployment has fallen upon the Nation, and so far no Congress has had the wisdom and the courage to solve that basic human problem.

Precisely because we needed time to solve it, the administration of President Roosevelt inaugurated, among other agencies—and Congress created—the Works Progress Administration, to hire, at a small monthly wage, people who found it impossible to secure employment in private industry. Through the years these people—W. P. A. workers—have been building roads, making garments, constructing buildings, digging sewers, making parks, and doing many other things for the benefit of the Nation.

Congress has, on the whole, had little concern about these millions of people. They have been dismissed at times by the hundreds of thousands because Congress decided to economize. Then hundreds of thousands have been rehired because Congress changed its mind. Never have they known—these W. P. A. workers—from one month's end to the next what would happen to them. Always they have wished for one thing more than anything else—that they could get a job in private industry.

But they could not. And they cannot now. And until the very Congress that so freely buffets them about goes to work in earnest to solve the fundamental economic problems of America they will, most of them, search in vain for private employment.

The Members of Congress who are termed the progressive bloc are as eager as anyone to see a balanced Budget and an end to increasing Federal public debt. We believe sincerely that legislation already introduced in the Congress—notably in the field of basic reform of our archaic monetary system—would accomplish these ends.

But we are utterly unwilling to cut the ground from under the meager livelihood of the unemployed and the trade of the small-business man by attempting to balance the Budget by further reducing the living standards of those on W. P. A. or by increasing idleness among our people.

Our position is that from any realistic standpoint it is clearly evident that the Nation as a whole is bound to be better off as a result of a policy of employing unemployed people at constructive labor than it can possibly be if a policy of supporting people at a starvation level in idleness is pursued.

So long as unemployment lasts we believe that there should be a sufficiently broad program of public works to employ at least one member of every totally unemployed family. We are convinced that a large proportion of such a long-range program can be made self-liquidating and that by a scientific national accounting system its cost need not be exorbitant. Therefore we have tried to do what we could to protect the basic right to work of the American people. We have done this partly from humanitarian motives and a sense of justice, partly because we knew that it must always be better economy to employ people at useful constructive labor than to permit a wastage in idleness of their talents, their skill, their effort, and their hope.

We condemn without qualification the action of the present Congress in its dealing with the unemployed of America. We are reluctantly driven to conclude that the reactionary forces which dominate the Congress at present are willing to traffic in human misery to gain a political end.

We, members of the Progressive bloc, feel we have a right to make the record straight. In conjunction with one American Labor Party, two Progressive Party, and one Farmer-Labor Party, Members of the House, we fought as hard as we could while the so-called relief bill was under consideration against its harsh provisions. We have never ceased to fight against them. We stand ready to do anything we can about the situation. But until we can command a majority of the House and Senate it is obvious that neither we, who are sadly outnumbered in Congress, nor those charged with the administration of W. P. A. can do anything to change the law.

One or two specific matters should be spoken of. We supported as vigorously as we knew how the Casey amendment which would have provided 3,000,000 instead of 2,000,000 W. P. A. jobs in the coming year. That was the first and most important thing. One of the many reasons impelling our support of the Casey amendment was the inclusion of a provision for the continuation of the prevailing hourly wage for skilled labor. We lost the fight.

We fought the provision for the arbitrary dismissal of everyone, regardless of need, number of dependents, age, or anything else, who has been employed for 18 months. We fought the elimination, or virtual elimination, of the white-collar and arts projects. We endeavored to raise to $123,000,000—the Budget figure—the appropriation for the National Youth Administration. We endeavored to raise the appropriation for the Farm Security Administration on the ground that it is the only agency of Government which is doing work directly calculated to save the American family-sized farm or to meet the desperate need of several hundred thousand homeless migrants.

Since the bill was passed we have followed with sad hearts the evidences of dismay among our unemployed people. Bills have been introduced by members of our group to restore the "white collar" projects including the theater, to correct the wage scales, to eliminate the enforced dismissals of 18-month workers where they affected heads of families and to make the rotation a gradual one with regard to everyone. We have begged for hearings on these bills, but we have been denied such hearings by the committee. Above all, the Casey bill which would provide an additional 1,000,000 jobs is still before the House and could be acted upon if there were enough support both in and out of Congress.

Meanwhile we have done and shall continue to do everything in our power to pass other legislation, the bill for self-liquidating loans for public works, a continuance of P. W. A., and similar measures to increase the employment of our unemployed people. We still hope for success with some of these things. But the same forces that were responsible for the provisions of the so-called relief bill are busily at work trying to defeat these other bills.

In conclusion, it should be made very plain to everyone that the provisions of the Emergency Relief Appropriation Act of 1939 were written into law by a tory coalition comprised of the

solid support of the entire Republican membership of the House—with, literally, not over four or five exceptions—together with a reactionary segment of the Democratic membership consisting of about one-third of the total. The bill in all but name is a Republican measure, and it is only fair that it be so regarded by the Nation.

Construction and Financing of Self-Liquidating Projects

EXTENSION OF REMARKS
OF
HON. JOSHUA L. JOHNS
OF WISCONSIN
IN THE HOUSE OF REPRESENTATIVES
Tuesday, August 1, 1939

Mr. JOHNS. Mr. Speaker, I have reviewed with considerable interest the proposed bill now being considered which was originally entitled "A bill to provide for the construction and financing of self-liquidating projects" (H. R. 7120), but has now been changed under Senate 2864 to the Works Financing Act of 1939. I think it was a mistake to change the title of this bill because if put into full force and effect it certainly would liquidate the Government as the taxpayers would never be able to earn enough money to carry out all the projects that would be started under this bill and the money that would be required to finish and maintain them after their completion.

To me the bill is an admission that we have no formula for economic recovery at the present time. Congress, with little if any encouragement from anybody, except the people back home, have made some progress toward eliminating some of the difficulties under which the people have been suffering by correcting faulty tax policies and reforming the relief program. The public must understand that the present bill is no more or less than a plan to dodge the responsibility of borrowing money to spend under the Budget, which is limited to $45,000,000,000. In it there is the gravest danger to the Government's credit, and there is also grave danger to American business and industry. There is no doubt in my mind, and in the minds of many Members of Congress, that this scheme is the first step in a well-conceived plan to rule the country's economy. The complete socialization of industry is one of its chief aims.

There is no reason for such a program of this kind, and there are many reasons why we should refuse it. We have been assured that everything would be self-liquidating, and would not cost the taxpayers a cent. This, of course, is highly doubtful. Such a program might help this or that particular group, who have some particular pet project they would like to see finished at this time, but who have not the courage or confidence to borrow the money from the banks, or the project may be so questionable that private bankers would not care to finance the project or speculate on loaning the money. The effect of the whole program can only be to carry us still further in the direction of a Government-controlled economy and away from Federal solvency.

We have now had over 6 years of trying to spend ourselves back to prosperity without success and the promise of further efforts along this line will hardly help any by setting up a double budget and calling some of the expenditures self-liquidating. In the end the taxpayer will pay the bill. The greatest need at the present time that I can conceive of is a Government policy that will encourage the flow of billions of dollars of private funds into productive industry. I have seen many magicians perform in my time but those who are handling this bag of magic have brought forth one of the most staggering propositions that I have ever heard or read about in the field of financing.

This spending program began as an emergency measure, and for a time we talked about the amount of money we owed. It finally reached the point where the amount we were owing, or may I say deficits, are now referred to as investments. In the President's letter to Senator BYRNES the President proposes to make this spending a permanent policy. We are assured, of course, that we have nothing to worry about, because all the money that is being spent and the deficits being created through the issuance of the obligations of the Government is money that is owing to ourselves.

If we were assured that all these projects would be self-liquidating, then there would be no reason for the Government to loan anyone money, because the answer would be very simple and without argument. If the projects are self-liquidating, then there is absolutely no need for the Government to go into the loan business, because the commercial banks of the country can and will provide all the financing needed without any risk to the taxpayers. On July 20, 1939, we had $4,490,000,000 in reserves that is ready and willing to be invested in private industry or public programs of improvements.

Mr. A. A. Berle, Jr., Assistant Secretary of State, in a statement before the Temporary National Economic (Monopoly) Committee, stated that the program of large-scale Government financing over a period of years would mean that the Government will gradually come to own most of the productive plants in the United States.

To make it more clear, the money which the Government would borrow under this scheme would not appear in the Budget nor as a part of the public debt, but, of course, the amount that would be borrowed would be added to the large contingent liabilities which the Government is now obligated with. It is simply a piece of trick bookkeeping, which fails to show the actual condition of the finances of the Government, but will, if ever adopted, exceed the present statutory debt limit of $45,000,000,000 fixed by the Congress.

I cannot sum this up better than Westbrook Pegler, writing in the Scripps-Howard newspapers, when he said:

> It is certain also that private business will quit trying to operate as such, but will throw in with the Government and accept political management rather than go to smash resisting. This may be the only way out now, but if so, this will be fascism, American style, and the nature of the substitute for the American form of government and capitalism should be stated openly by those who are trying to create it so that the people may make the decision. Instead, up to now they have been inched along toward fascism by leaders who constantly reiterate their devotion to democracy.

Frank R. Kent, writing in the Baltimore Sun, puts it in very few words, but which are understandable to every American citizen:

> It is a straight stride toward a socialistic state, where all credit will be controlled by the Government—all business, big and little, will lean upon the Government; States and municipalities be so heavily obligated to the Government and so many persons supported by the Government that individual independence and initiative will be wholly lost.

No wiser words have ever been uttered by anyone than these.

The figures I am going to give you ought to convince Members of Congress that the program outlined in this bill should not be adopted. I feel, however, before giving them to you I ought to discuss with you briefly the spirit of the American people who have through their sacrifices in the past built the great institutions that have so gloriously made the United States the outstanding Nation of the world. There is written in every marker that identifies this Republic's sacred shrines, every monument that pays tribute to its immortal dead, the story of a militant and indomitable spirit that overcame every obstacle in the realization of a prosperity, a freedom, and happiness never known this side of Paradise.

With our trials and tribulations, if we really wanted to put our finger on the sore spot in America today, I do not think we would have any difficulty in doing it. It can all be boiled down to the obvious truth that we the people, aided and abetted by our Government, are trying to find a substitute for hard money and hard work. And the only known substitute for hard money and hard work is hard times. Science has performed many a miracle, but the alchemists in the Middle Ages who tried to transmute lead into gold could

not fool Providence. And the poets and philosophers who have long dreamed of an indolent Utopia, where man could become prosperous and happy without work, all died in poverty. We shall earn our bread in the sweat of our brows.

Could we summon from their tombs the martyrs of Lexington, Concord, and Bunker Hill and let them testify how they died that we might be free, then we all might be moved to write a new Declaration of Independence. The Declaration of Independence and Constitution were sacred to our forefathers because they were written in blood, and I think that America as we have known it for 150 years will be insecure until we, their sons, if need be, are also willing to die to crush any form of tyranny that threatens to destroy the liberty they handed down as our richest inheritance.

Need we be reminded that freedom is not something fixed and permanent? Every page of recorded history testifies that freedom is something for which men are forced to fight for over and over again and again.

For the purpose of the consideration of this bill, we need not concern ourselves here with despotisms abroad in which cowering peoples, through the fear of tyrannies, or in exchange for a bit of gold braid, have goose-stepped themselves into subjugation. We have troubles enough of our own, as we barter our ancient freedom for a mess of patronage, and an easy way for living.

We are free here to act today and do something to stop the reckless spending that has been going on and help save the Nation, and I feel that it is our duty to exercise our independence right here to do so. Of all the slaveries known to our kind from the time that men, as chattels, were chained to their carts, there is none as subservient as that which enslaves the mind or puts men's souls in fetters.

There is nothing vainglorious in the boast that I am a happy spirit today because I am free. Thank God, there is no issue in America that I am afraid to meet, no crisis that I am unwilling to face. I have no mortgage, political or otherwise, on my soul, and I accept the challenge of these changing times as a personal and patriotic responsibility.

A man might become more prosperous with his tongue in his cheek and his conscience on his sleeve, but he cannot do it and be happy. We live in a superselfish epoch. Thousands of organizations of one kind or another give lip service to great ideals, but pinch their purses and a coward squawks. I drank my democracy from my mother's knee, but greater than either a Democrat or Republican is to be first a good American citizen. And even greater than being an American is to be a free and unselfish patriot.

With these few preliminary remarks I am going to quote the following from an American, with whom every Member of this Congress is acquainted. He is no less a personage than the President of the United States, when on October 18, 1932, he made this statement, and certainly, if it was true at that time, it is just as true today. I quote:

> The credit of the family depends chiefly on whether that family is living within its income. And that is equally true of the Nation. If the Nation is living within its income, its credit is good. If, in some crises, it lives beyond its income for a year or two, it can usually borrow temporarily at reasonable rates. But if, like a spendthrift, it throws discretion to the winds and is willing to make no sacrifice at all in spending—if it extends its taxing to the limit of the people's power to pay and continues to pile up deficits, then it is on the road to bankruptcy.

I feel, before we can conscientiously vote for or against this bill, we should have before us some of the facts and figures regarding the tremendous amount of money that has been spent to remedy some of the same conditions that this bill is intended to cure. I am going to give you the expenditures of this Government beginning with June 30, 1933, and down to the fiscal year 1939, a period of 6 years. For the fiscal year ending June 30, 1933, these expenditures amounted to $3,559,000,000:

1934	$6,353,000,000.00
1935	7,581,000,000.00
1936	8,969,000,000.00
1937	8,550,000,000.00
1938	7,684,000,000.00
1939	9,268,338,030.54

Of course, with these great expenditures it has been necessary for us to keep the Budget out of balance for 6 years, and it was out of balance for 3 years prior to that time. We have reached the point where those responsible for these deficits no longer refer to them as deficits but as "investments." Of course, you realize as individuals an investment in deficits soon leads to disastrous consequences with the individual, and, of course, it is no different with the Government, which is a collection of individuals. The deficits for the fiscal years beginning with 1933 are as follows:

1933	$1,942,000,000.00
1934	3,238,000,000.00
1935	3,780,000,000.00
1936	4,853,000,000.00
1937	3,256,000,000.00
1938	1,442,000,000.00
1939	3,940,591,612.61

These deficits have constantly increased, except for the years 1937–38, and this has been true notwithstanding the fact that the taxes of the Government have also constantly increased since June 30, 1933, when the receipts were:

1933	$2,079,000,000.00
1934	3,115,000,000.00
1935	3,800,000,000.00
1936	4,115,000,000.00
1937	5,293,000,000.00
1938	6,241,000,000.00
1939	5,327,746,417.93

In 1933 we had approximately 11,000,000 unemployed people looking for work. Today we have approximately the same number, and our relief expenditures have constantly increased. At the end of the fiscal year 1934 they were $1,846,000,000; 1935, $2,353,000,000; 1936, $2,387,000,000; 1937, $2,505,000,000; 1938, $1,983,000,000; 1939, $3,104,687,554.41. The increase this year over 1938 is approximately $1,000,000,000.

I also desire to call your attention to the fact that on July 15 of this year our public debt was $40,612,115,666.77. For the corresponding period 1 year ago it was $37,164,662,338.70, or an increase of $3,447,453,328.07.

We are now paying, with the lowest rate of interest on record, about $1,050,000,000 interest on our public debt each year. With the expenditure of all of this money, we have more people on relief and unemployed than we had 4 years ago. In 1928 we were using new capital in private enterprise at an average monthly rate of $446,000,000. Last year the average monthly rate was less than $70,000,000. That was not even enough to keep modern equipment for the workers now employed, as it takes about $4,000 of capital to equip a job for each worker. In 1928, 75 percent of our new capital went into private enterprise and 25 percent of it into governmental expenditures. Last year less than 20 percent of it went into private enterprise and more than 80 percent of it into governmental expenditures—20 percent into jobs which produce the wherewithal to pay taxes, 80 percent into jobs which consume taxes. Of course, the result of all this is that the Government apparently grows richer and richer, while the population grows poorer and poorer.

This bill proposes the spending of a great deal more money for public works and other purposes. From the figures I have given you, you will realize that we have spent billions of dollars, and so far as any perceptible recovery from the depression is concerned, we seem to be about where we were when we started in 1933, except we have created billions of dollars of indebtedness.

You may be interested in some of the amounts of money spent for public works. In 1931 we spent for public works $421,000,000; 1933, $472,000,000; 1935, $766,000,000; 1937, $1,100,000,000; 1939, $1,250,000,000. In 9 years we have spent approximately $7,000,000,000 in public works and so far as recovery is concerned it is still not in sight. These figures do not include the Works Progress Administration but include only nonrelief public works.

It is of interest to note some of the items for which this money is being spent. For public roads the estimated expenditures this year is $232,000,000. At first it extended only to roads between municipalities. It now extends in millions

of dollars a year to roads within municipalities. To begin with it extended only to the main roads. Now it extends also to feeder roads. Last year to feeder roads $5,000,000, this year $20,000,000, and next year $25,000,000. This expenditure for a time did not extend to the elimination of local grade crossings. Now we are using money for this purpose also. Last year for grade crossings $10,000,000, this year $40,000,000, next year $50,000,000. This will give you an idea how these expenditures increase from year to year and these projects also increased and added to. Herein lies the great danger in the passage of this bill.

This year we will have spent $60,000,000 in Federal public buildings in more than 700 American cities and villages. In addition to this we have given grants to local governments for structures wholly non-Federal and wholly local in the amount of $392,000,000. These projects cover all of the 48 States and are grants for school buildings, dormitories, zoos, hospitals, laboratories, nurses' homes, viaducts, street lights, traffic signals, police stations, jails, sewers, water mains, drains, bird farms, fish hatcheries, gymnasiums, stadiums, bathhouses, swimming pools, parks, and country clubs. Of course, the Public Works Administration does not have to force municipalities to take these gifts because the public is constantly asking for more and more from the Public Works Administration. The latest list covers approximately 6,000 proposed projects, which would cost nearly $800,000,000. It has reached the point where the Congress is constantly being pressed for more money to be given to the Public Works Administration to build more and more projects.

The Works Progress Administration has cost the American taxpayers a neat sum of money in the last few years. For the fiscal year 1936 the sum of $1,263,661,000; 1937, $1,896,447,000; 1938, $1,472,499,000; and for 1939 approximately $2,250,000,000. Congress has just appropriated for the year beginning July 1, 1939, $1,477,000,000, which in my opinion will not be sufficient unless business improves more than I anticipate it will during the coming year, and I think Congress will be called upon again after we convene next January to take care of people unemployed and on relief. Over $200,000,000 a month was spent last year, and of course with a reduction this year it means a direct loss to business of $36,000,000 a month. Officials estimate that a total of $72 per month is spent for each W. P. A. worker. It is estimated that 22,000,000 persons receive some form of public aid annually. These costs, moreover, show little indication of shrinking. Old-age assistance, either under relief or social-security benefits, are certain to increase. Furthermore, the administration, by separating the National Youth Administration from W. P. A. in 1940, indicates that young persons, too, will continue to demand special treatment. Old people and youth, in fact, constitute the gravest relief problems in the land, for private industry is reluctant to employ persons beyond 45 years of age and shies at hiring inexperienced workers between 18 and 25 years. These groups will remain longest on relief rolls.

I shall not mention the tremendous increase in the expenditures for the Army and Navy, because this is an item that we all agree is necessary for national defense, but many agree that it is much more than is necessary for the defense of the Nation.

It may be more interesting if we just take the first 15 days of this fiscal year and take the deficit, which was at the rate of $22,359,366 a day, or $931,223 an hour or $15,520 every minute, we can more fully appreciate perhaps the speed at which we are reaching the point of repudiation, inflation, or bankruptcy. Our total expenditures for the first 15 days was at the rate of $32,097,333 per day.

I am indebted to the American Federation of Investors, Inc., for the figures I am going to quote to you, who have made a comprehensive study of 163 typical business corporations, representing a cross-section of American industry showing how enormous expenditures of Government are consuming more and more of the earnings of American industry, the loss falling most heavily on millions of workers, savers, and investors. This survey was made for the year 1938 and cover some 163 typical business corporations having forty and one-half billions of assets, six and one-half million stockholders, and three million employees.

Out of every dollar that they took in last year 61.6 percent went for taxes, and the net earnings were 38.4 percent. The total income from these 163 corporations was $2,666,192,399 and the taxes of these companies for 1938, Federal, State, and local, took the sum of $1,643,466,791 of this income, leaving only 38.4 percent available for dividends to the investors, or for conversion to surplus to meet the needs of plant expansion or other necessary purposes.

Some of the interesting figures are that American industry paid more than twice as much in taxes for 1938 as was paid in dividends to common stockholders. The total number of employees of these 163 companies in 1938 averaged 2,854,000, or less than one-half the number of investors in common stock. The average number employed per company in 1938 was 17,601 compared with an average of 21,141 per company in 1937. The taxes paid in 1938 by these companies were equivalent to $283 per common stockholder and to $576 per employee. These companies had 602,683,000 shares of common stock and these taxes amounted to an average of $2.73 on each share of this stock, while the dividends paid to the 5,806,000 holders of common stock was equivalent to but $1.33 for each share of common stock. Nineteen of these companies reported a deficit before taxes, while the earnings of 15 others were wiped out by taxes, leaving net deficits for the year.

I agree with the final statement of this organization in which it states:

> Self-protection is nature's first law. Unless the thrifty, middle-class citizens who constitute the workers, savers, and investors of America unite for self-protection, their hard-earned savings and investments may be completely wiped out by taxes resulting from huge governmental expenditures. Government debts and obligations must be paid. The only way to reduce taxes is for the people to insist that their representatives reduce governmental expenditures.

Our taxes today take from the people approximately $16,000,000,000 annually. This is approximately 25 cents on every dollar out of an income which has been very low for 10 years, and still the Government debts and taxes keep getting higher and higher every year. These taxes today amount to more than twice the entire farm or agriculture income. In other words to bring home clearer to the farmer this tax burden is so great that it requires 2 years' work and the entire income of the 40,000,000 of our people who work and live on farms to pay the national tax burden for 1 year. As a result not only agriculture, but business, industry, and labor are in a depressed and chaotic state today. These destructive and burdensome taxes naturally destroy purchasing power, curtail consumption and production, lead in the end to unemployment and then relief, which means more debts and more taxes and as a result we have a vicious circle that continues all the time. It has reached the point where these burdensome taxes are so depressing that they destroy the incentive for capital, business, and industry to go to work and build up our Government and develop it as has been done heretofore in the past.

We all know that in the final analysis these governmental debts and taxes must be paid and must be paid through the sweat and toil of our farmers, laborers, and workers. It is self-evident that we can have no substantial recovery, or any sound recovery and these conditions will continue to grow gradually worse until the people are given relief from these mounting debts and taxes. They are undermining the principles and the very foundation of our Constitution and our representative Government that we have enjoyed for so many years in the past.

I cannot sum up what I have said any better than to quote the words of Mr. Robert M. Harriss, of New York City, which was placed in the CONGRESSIONAL RECORD a few days ago, when he said:

> In conclusion, we have the choice of two roads ahead. One road is the road we are traveling, the wrong road—the road of

Government borrowing, spending, crop reduction, regimentation, interference, and competition with agriculture, industry, labor, business, banking, increasing governmental debts, and uneconomic, punitive, and strangulating taxes. The end of this road is inflation, repudiation, and disaster.

The other road is the right road, the constitutional road. It will require courage, and fortitude to take the constitutional road because we must have the strength of mind and justice to face and equitably adjust the tax, debt, or money question and adopt a sound, constructive, economic, and financial program. Delay may mean the loss to us and our children of that wonderful God-given form of constitutional government we inherited from the founding fathers. Therefore, before it is too late, whether we be Democrat, Republican, or Independent, let us all unite in this most serious crisis in the history of our country and demand that Congress take the right road, the patriotic road, the constitutional road. "The price of liberty is eternal vigilance."

Heretofore in these remarks I quoted from an address, also of the President, who had this to say on September 29, 1932, at Sioux City, Iowa, and certainly if the language used by him at that time was appropriate it is much more so today. I quote:

We are not getting an adequate return for the money we are spending in Washington, or to put it another way, we are spending altogether too much money for Government services that are neither practical nor necessary.

This Congress has appropriated approximately $13,000,000,000, more money than the last, although it was elected on the promise it would be more economical.

We are now asked to add to the billions already appropriated—much of which I voted against—this new and additional indebtedness creating new and larger deficits. I know not what other Members of this Congress intend to do, but for myself, I intend to vote against this bill and all others during this session that put additional burdens upon the people. I shall keep my campaign pledge to my people who elected me.

Progressive Republicanism Required for 1940

EXTENSION OF REMARKS

OF

HON. JAMES C. OLIVER

OF MAINE

IN THE HOUSE OF REPRESENTATIVES

Tuesday, August 1, 1939

RADIO ADDRESS BY HON. JAMES C. OLIVER, OF MAINE, JULY 29, 1939

Mr. OLIVER. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following address which I delivered over the radio on July 29, 1939:

Citizens of the First District, the past 2 weeks in the Congress—a period of uncommon hustle and bustle, born of the desire to bring the session to a close—have been in their nonproductivity sadly reminiscent of the many weeks gone before. Wisdom and desire to advance the best interests of the American people have been lost in the hectic jockeying of forces designed to enhance the chances of predomination of this or that school of thought in the Congress and during the coming Presidential campaign. Such jockeying makes for strange bedfellows, strange results, and strange ignoring of the demands of justice and service to the great mass of the people. It breeds an unhealthy state of government and its defeatist aims can inspire nothing more than contempt and loss of faith upon the part of the people. Sad to say, this session of Congress has resulted in just such a loss of faith. Faced by problems of vital and tremendous importance, this Congress has failed to meet its obligations. The results are manifest everywhere throughout the Nation.

Since that dark day when the very heavens poured their portent of woe in a veritable cloudburst upon the sodden, blurred, discomforted pageantry of President Roosevelt's second inauguration this evil result has been unmistakably indicated. The ensuing years have seen the ripening of the inevitable harvest—the harvest born of folly, of impractical theories, of deliberate evasion of avenues of escape from economic misery, of nonsense gilded to imitate wisdom, of selfishness and personal ambitions run amuck in a frenzy of Democratic Party back stabbing and throat cutting and brawling, of one mad scheme after another desperately seeking to stem the crash of madder schemes condemned.

Desperation has ruled at one end of Pennsylvania Avenue; jealousy and disloyalty to party and to leader at the other. Upon all the land which these men were elected to govern wisely and to rescue from misery, have fallen the ever-deepening shades of disillusionment and discouragement and chaos; have fallen want and increasing economic misery to presage what we must inevitably behold again and very soon—pitiful queues of fellow Americans stretched into bread lines.

Let no man mistake the bold handwriting upon the wall. The house of cards men termed the "New Deal" has collapsed. The once immeasurable personal popularity of the leader of that New Deal has paled into a pitying regret of the sadly mistaken; into sorrow that one so magnificently favored by opportunity to perform great service to his fellow men has been betrayed into folly upon folly by his weakness for harkening to opportunists and theorists and fools. The vaunted cry of abundance has produced only greater want, only wider spread destitution, only a greater number of pauperized citizens, only greater dependence upon governmental and local charity for the existence of the many; only, such lessening, as to border upon stagnation, of buying power among the mass of the people; only the amassing of a national and of State and local governmental debts such as beggar the imagination and shake the very foundations of faith in governmental solvency. The shade of Barnum must shake its head sagely as it scans the shambles, for, true again is proven by this New Deal harvest, the old adage that "you can't fool all of the people all of the time." The time of fooling is past. Even the most faithful cannot but accept the fact of the collapse of the house of New Deal folly upon its contents of impractical theories.

No, my friends; no longer may a radio voice alone suffice to mesmerize its hearers into forgetfulness of want and misery and discouragement. No longer is hope content to find sustenance in glib but empty promises of recovery. No longer is faith content to repose in the works of the New Deal nor in those of the bickering, warring, recovery-impeding "brain trusters" of whom the New Deal stands as a symbol. Mark well my words. The great debauch of common sense and practicality in government nears its end. Remains but the dread aftermath—the inescapable menace of the morning after—the day of reckoning. Awaits thereafter the need of a man in the White House and courageous men upon Capitol Hill to clean up the mess left by the present administration. And where shall America find such a man and such men?

Let desperate New Deal job holders babble as they will of a third term for Mr. Roosevelt; but, to my mind, the possibility of such national calamity is as remote as the stars; just so remote, as enlightened America knows, and Mr. Roosevelt himself knows, that he couldn't be reelected, even were he miraculously nominated in the face of the bitter and widespread opposition in his own party. It is doubtful that he could be elected even in the event of war or threatening war, no matter how many Wilsonian devices he might use to try to keep America from changing horses while crossing a stream. That Mr. Roosevelt is well aware of the hopelessness of any third-term ambition appears manifest by his recent about face toward organized labor, once his especial pet when votes were to be needed. That, the frank among his advisers who dare speak truth to him, must have warned him of the futility of seeking a third terms appears logical to believe. And that the American public knows he hasn't a fiddler's chance to be reelected is evidenced everywhere. The reign of Mr. Roosevelt draws to an end. And the stalwarts of his own party, the leaders he swept and swung into office and affluence, long ago sensing the approach of that end, turned from servility to insolence, from respect to disrespect, from cooperation to deliberate obstruction of his wishes. Began then the jockeying for strange bedfellows, the face for prominence, the ignoring of duty, and the forgetting of the people. The back-stabbing and the throat-cutting and the intra-party warfare of the brothers of the donkey goes furiously on, my friends. The fruits of this session have been poisoned by it, the hope of America have been destroyed, and the peope have been forgotten in its fury.

But the people, ladies and gentlemen, the citizenry which these self-centered and forgetful party warriors have failed to aid but have permitted to plunge deeper into economic misery, the people who have watched a glorious hope die ingloriously and who have awakened at last to the terrible hoax played upon them, these people are not going to forget. As months rolls on and the bread lines grow before their eyes, they will recall other bread lines—shorter bread lines once deemed so horrible in that day when a man in whom they had reposed their faith and a party in which they hoped to find salvation voiced great promises of abundance and justice and a new deal for all. They will remember. Have no doubt of that. They will remember and they will be filled with bitterness and resentment against those who have betrayed them and they will be in no mood for crooners upon the radio nor pompous mouthers of platitudes upon the stage of Congress. Their revulsion will be against Roosevelt and his cronies, as it was against Hoover, Andy Mellon, Ogden Mills, and all the rest they swept from the national stage in 1932; and what then, my friends? To whom will they turn in their desperation and wrath? From whom will they expect guidance out of the morass into which the New Deal has led them? That is the question in 1940. But be not too certain that you know the answer, now.

On the face of things one might hazard the prophecy of a Republican victory—of the election of a Republican President and a general defeat of Democrats. But that is a snap judgment and one based upon the ignoring of a great many considerations. It leaps at the erroneous conclusion that a repugnant Democratic Party presupposes an attractive Republican Party. Nothing, my friends, could be further from the truth, nor less likely to satisfy the demands which the American people may be expected to press when next election rolls around. Let us not forget the ability to remember of those whose votes swept the last Republican administration out of office. The bitterness impelling that purge may have faded somewhat and the ugly opinion of things Republican so generally prevailing in 1932 may have softened with the years, but you can bet that people are not going to be content to vote for any revival of republicanism under leaders of the type then in control of the Republican Party.

If the Republicans are to win in the national elections, their victory must be predicated upon a sound, easily understood, and immediately effective program designed to rectify the faults underlying our present chaos and unemployment and general economic misery. Promises will not serve. High-sounding but empty references to economy and conservatism and a return to the "good old days" are not going to be sufficient to attract the voters. Success cannot be won by following leaders whose names awaken ugly memories and arouse instant suspicion. We can't go back to Old Guardism with even the faintest hope of victory. We can't offer candidates whose reputations savor of reaction or whose only stock in trade is solely vague babble about economy or normalcy or "return of confidence." When we offer economy it must be an economy not of dollars alone but of human values, an economy pointed toward the widened extension of opportunity for our people to rescue themselves from misery and destitution and pauperization and despair. If we are to offer normalcy, it must be the normalcy of decent living and decent working conditions and decent promotion of honest trade. It must be a normalcy in which social justice reigns; a normalcy in which businessmen are free of the thousand and one senseless impositions of government which serve no purpose but to employ a horde of political proteges; a normalcy in which there shall be work for the willing and labor is insured a just wage in return for honest effort; and it must be a normalcy in which the Government is not supporting but is supported by its people as it rightfully should be.

The success or defeat of the Republican Party in 1940 lies wholly in the hands of the rank and file of that party. The Nation is normally Republican. Only the follies of reactionary leadership brought republicanism to the sorry pass where America disowned it and turned in desperation to the opposition. And today the question of the leadership Republicans choose to follow in this State and in every other part of the Nation is the vital one. Upon that choice hinges success or failure, for that choice must be such as to restore confidence and faith among the mass of the people, among those who turned away from the party in disgust in 1932, and among those desperate millions of our fellows who are disillusioned and distrustful and determined to become pawns of politicians no more. The choice of the Republicans must lie between the outmoded, reactionary, self-interested, and self-ordained leadership once dominant and now eager to dominate anew, and the younger, newer, more aggressive, far-sighted, and well-informed men who alone possess the qualifications and the records of service and the honesty of purpose warranted to appeal to the exacting demands of the American voter of 1940.

You are aware, ladies and gentlemen, of both types of leaders here in the first district and in the State. You know the reactionaries whose leadership shared in putting the party on the rocks in 1932. You know that those same leaders are striving to regain control, to insinuate their stooges into office, to rule the roost for their own purposes and for the furtherance of their own egotistical desires rather than for the welfare and advancement of the people. Their stooges are unmistakable, for their platforms are built upon nothing more substantial than vague references to economy and service and return of confidence; references devoid of specific substance, devoid of definite form, and mouthed with a glibness that betrays frequent rehearsals at the behest of their scheming masters. Of such beware! Their ilk created the debacle of 1932 and stand repudiated by the American people.

And, too, ladies and gentlemen, you are aware of the other type of leader, the leader whose efforts are expended solely in the interests of the people and who recognizes no master but the will of the people he serves, rich and poor, humble and affluent, alike. Upon such rests the true destiny of the Republican Party and the only hope of political victory in 1940. The choice is yours, to go onward toward the restoration of national faith and prosperity behind such leaders, or to go back to the leadership of the reactionaries and their stooges; the fruits of whose leadership no man can forget.

That choice will face every Republican in 1940. As you, the good people of Maine choose between self-seeking reactionaries and forward-looking, sincere servants of the people, so must the Republicans of America choose. Upon that choice rests success or defeat for the party—defeat, if reactionaries be chosen; success, if wisdom prevail and leaders deserving of faith and confidence lead the way into the battle of ballots. May your choice and the choice of all America be wise.

Friends, on January 14, I started my scheduled broadcasts for the first session of the Seventy-sixth Congress with the statement that congressional action in 1939 must be appraised with the 1940 Democratic political convention and Presidential nomination contest in mind. So, tonight, in the shadow of adjournment, as I close this series of congressional reports, it is completely apparent that major legislative activity on Capitol Hill in Washington has been strenuously influenced by those factors. Seven months of political jockeying at the expense of the American people with its resultant confusion and chaos for all.

It has been a real pleasure for me to have been of this radio service to you. I hope my efforts have held your interest. After adjournment I shall be available and shall welcome your personal call on me at 305 Federal Court Building in Portland.

Good wishes and good night.

A Pain in the Industrial Neck

EXTENSION OF REMARKS
OF
HON. CLARE E. HOFFMAN
OF MICHIGAN
IN THE HOUSE OF REPRESENTATIVES

Tuesday, August 1, 1939

Mr. HOFFMAN. Mr. Speaker, the President seems to feel that everyone who does not agree with him in every particular is "out of step" with the times.

Not so long ago he asked a committee to tell him why people would not invest their money, engage in business enterprises, and give employment. If President Franklin Delano Roosevelt would send out "in the sticks" for a few hundred copies of little daily newspapers, small weeklies and semiweeklies, whose editors and publishers get down to their offices around 7 o'clock in the morning and who leave only when the day's tasks are finished; who are industrious, thrifty, and economical; who live cleanly and think clearly; who meet and solve practical problems every day as they arise—and read what those men, reflecting as they do the thoughts and the considered judgment of thousands upon thousands of workaday, taxpaying, patriotic Americans, he would learn that the thing that frightens those who could and would give employment and bring back prosperity is the fear of what they believe a very unreliable man named Franklin Delano Roosevelt may do.

The trouble with the President is that he listens to the "yes-boys." He surrounds himself with self-seeking, ambitious, impractical men who have nothing to offer but vague, extravagant promises incapable of fulfillment.

Here is an editorial from the Sturgis Daily Journal, published in the southern section of Michigan, down near the Indiana line, by Mark Haines. I do not know whether Mark drinks whisky—if he does, I hope he drinks the same brand used by Grant and JACK GARNER. I do not know whether he plays poker, seven-up, casino, authors, or old maid—but I hope, if he does play cards, he is as successful at it as JACK GARNER is reported to be. I do know that he is the same kind of a family man that JACK GARNER is; and, with all due respect to the President and his friend Lewis, Jack's example in his domestic life is not a bad one to follow. In fact, it is one of which most Americans are proud.

But back to the editorial, which reads:

A PAIN IN THE INDUSTRIAL NECK

Ray Tucker, in his National Whirligig Column, points out that the wage and hour law is well along the road to being nullified in the same way that the Volstead Act was nullified. The Federal dictatorship over the number of hours that a man shall work is being resented by employer and employee alike. Tucker says that the law is being violated in full or in part almost every day and everywhere, usually with the connivance of employers and employees. Already there are 19,000 complaints piled up in the central office of the Wage-Hour Administrator in Washington, with little likelihood that even a small fraction of them will ever be acted upon. Administrator Andrews' staff of investigators is hopelessly inadequate to run down and check up on all of the complaints that are being made. Congress is notably unsympathetic toward the statute and refuses to increase appropriations for its administration.

The wage and hour law is a loosely drawn statute that was filled at the outset with the seeds of controversy. There was and is very little objection upon the part of employers to the minimum-wage feature. It is the arbitrary limitation on hours that has worked to the disadvantage of worker and employer alike.

The chief objection to the wage and hour law is its inflexible regimentation of all kinds of businesses under a single formula. It should have been obvious to the lawmakers at Washington that there is no fixed workweek that can be adapted to all types of industry. There are some occupations where even 40 hours is too long a workweek. There are other trades in which 48 or even 50 hours can be worked with no serious drain upon the worker's strength.

What has happened is that the law has forced employers and employees to enter in to a conspiracy to evade the provision of time and a half for overtime. This creates a situation that is manifestly unfair to the firms that are conscientiously observing the provisions of the act.

The law as it now stands is detrimental to both employer and employee. The theory, of course, which has not worked out in practice, is that restricting hours of work would increase employment. It hasn't worked out that way. Pay rolls have not been increased and there has been no obvious increase in the number of jobs. On the contrary hundreds of thousands of workers in all kinds of industries have been forced to accept a cut in their weekly earnings because of the restriction on hours worked and the punitive time and a half for overtime. Owners of businesses have found that they cannot operate profitably on time which costs them 50 percent more than their industries have been accustomed to. They have simply dropped to the 44-hour week and reduced production to that schedule.

Nullification is always a drastic and dangerous expedient because it tends to destroy respect for all law. The wage and hour law should be amended to eliminate the restriction on hours, or at least provide machinery for different types of business to establish their own limitation on hours. Otherwise the act faces the same fate as the effort to impose prohibition on the country.

If the President will examine into the workings of his social-security law, his Wagner Act, and his wage-hour law, he will discover the real causes that are preventing recovery.

Mark Haines knows what he is writing about because he knows conditions outside of Washington, as do the thousands of other editors. The President would do well to mix a little common sense with his idealistic theorizing.

The Oriental Crisis—What Can We Do?—H. R. 5432, the Japanese Embargo Bill

EXTENSION OF REMARKS

OF

HON. JOHN M. COFFEE

OF WASHINGTON

IN THE HOUSE OF REPRESENTATIVES

Monday, July 31, 1939

RADIO ADDRESS BY HON. JOHN M. COFFEE, OF WASHINGTON

Mr. COFFEE of Washington. Mr. Speaker, under leave to extend my own remarks in the RECORD, I append hereto a radio speech recently delivered by myself in the city of Norfolk, Va. I have introduced a bill, H. R. 5432, which, in effect, embargoes the shipment of munitions and essential materials of war from the United States to Japan, and otherwise restricts or interdicts commercial intercourse between such two countries. The following radio address discusses this bill and the reasons justifying its proposal:

More than 10 months have rolled by since the "peace" of Munich deepened the war crisis in Europe, intensified Japan's war of conquest in the Far East, and brought home to every American family the truth that our own national security, our own peace, are in danger.

In that brief period the people of the world learned the lesson that peace is not to be bought by "appeasing" the Fascist war makers. They learned that if we are indeed to know "peace in our time" there must be no more Munichs. Even Mr. Chamberlain was forced by the people of his own country and by the bitter logic of facts to admit that what followed Munich "cannot accurately be described as peace."

THE PRICE OF APPEASEMENT

These were expensive lessons. The free and independent Republic of Czechoslovakia, a foster child of our own great democracy, died while we were learning. The peace forces of the world surrendered its powerful army, its great munitions works, and its impregnable fortifications to the German war machine. Betrayed by the policies of "nonintervention" and American "neutrality," Spain became a new and important base for fascism, from which it could strike at Britain's life line to the Empire and at our own vital interests on the Western Hemisphere. Italy seized another strategic advantage by swallowing Albania. Hitler helped himself to Memel. The Japanese militarists took Hainan and the Spratley Islands, commanding the approaches to French Indochina, Hong Kong, British Singapore, and the Philippine Islands.

It was clear that peace and the interests of all peace-seeking nations are indivisible. It was clear also that the smallest surrender to any one of the three axis powers strengthened the axis as a whole and whetted the appetite of its rapacious partners, Germany, Italy, and Japan.

We in America have not escaped payment for these lessons that we were so reluctant and so slow to learn. We are paying for them in the loss of foreign markets and the damage to our domestic economy consequent on that loss. We are paying billions for a rearmament program forced upon us by the policy of isolation which allowed aggression to grow unchecked, until it became a menace to our national security which we can no longer ignore. We are paying a heavy toll of fear, the fear of parents for the future of their sons, the fear of a democratic people who see the future of democracy in doubt.

We have paid a heavy price for these lessons of history. Now we must see that at least the lesson has been well learned. As President Roosevelt said in his opening message to this Congress, we must make sure that what has happened does not happen any more.

EMBARGO WAR TRADE WITH JAPAN

I believe that on the whole the American people are better students of history than are their representatives in Congress. The most recent public-opinion polls show that the majority of the people support President Roosevelt's foreign policies, and oppose the so-called neutrality which builds up and strengthens aggressor nations. The popular support which has begun to rally behind my bill for an embargo on trade and credits to Japan convinces me that the American people want to rid this country of its present share in Japan's war guilt.

News from the Far East tells us these days that it is not impossible to resist Fascist aggression. The Chinese people, against overwhelming military and economic odds, are resisting—heroically and successfully. A story by Hugh Byas in a recent issue of the New York Times adds one more link to the long chain of evidence proving that Japan and her war partners are not invincible.

Writing from Tokyo, Mr. Byas said:

"The struggle in the Far East has entered a phase in which economic power is more important than military. The military effort was relatively easy for Japan; she was fighting on her strongest ground. She is now fighting where she is weak."

This statement, which can be substantiated from many other sources, shows what we must do. We do not need, either out of sympathy for the Chinese people or in the interest of our own national safety, to send an expeditionary force to foreign soil. We do not need to fire a single shot or shed one drop of American blood. We need only to stop bolstering up Japanese economy by providing essential foreign exchange for Japanese silk and manufactured products. We need only to stop providing the scrap iron, the pig iron, the oil, and other raw materials which today make America a munitions dump for the Japanese war machine.

BAN SHIPMENT OF SCRAP METAL TO JAPAN

In 1937 a third of the raw material used in Japan's steel industry came from American scrap. In 1938, while maintaining about the same rate of scrap buying in this country, Japan sharply increased the purchase of pig iron. This pig iron is an alternative raw material to scrap in smelting steel. But it is of better quality than scrap and is made to exact specifications which make it especially suitable for military purposes.

In addition to the raw materials for making steel we have been selling millions of tons of finished steel to Japan since her war machine began its operations in China. These finished American steels are alloyed with such metals as copper, aluminum, nickel, and molybdenum. Japan lacks these alloys. We supply them to her.

Almost all of Japan's oil supply, without which her mechanized army cannot move, is imported. In 1937, 80 percent of Japan's oil imports came from California.

The figures I have cited only begin to tell the story of our partnership with Japan in the invasion of China. I will be glad to send you fuller figures, gathered from official sources, if you will write me in Washington.

THE COFFEE EMBARGO BILL

It is because the evidence shows that we are rearming Japan, not only against China but also against the Philippines and against ourselves, that I introduced in the House of Representatives my bill (H. R. 5432) to place a complete embargo on all trade with Japan.

We hear a lot these days about the world armament race. It is a particularly strange and dangerous race in which the United States is engaged today. We are rearming at an unprecedented rate—trying to keep up with a potential enemy whom we, ourselves, are helping to rearm.

Does that make sense to you? Would it not be far saner and safer to stop feeding scrap and pig iron and oil and money to Japan—in order that we could beat our own swords into plowshares, and put our money into housing, schools, hospitals, and machinery for the production of all the goods our own people need for peacetime living?

PROFITS AND EXPEDIENCY VERSUS JUSTICE AND LOGIC

There are those who say that an embargo is dangerous, that it will lead us into war. But you will remember that, following a statement of policy by Secretary Hull, American manufacturers ceased selling Japan airplanes from which to bomb the helpless women and children of China. I am sure this did not please Japan, any more than the passage of my embargo bill would please her. But Japan did not come over here and attack us as a result of this action. Japan did not make war on Australia, although Australia has forbidden further exports of iron ore to Japan on the ground that a national issue is involved. Acting under the powers granted him by the Tariff Act, President Roosevelt applied countervailing duties to imports from Nazi Germany. I am sure this did not please Herr Hitler. But he has not made war on the United States because of it. As former Secretary of State Henry L. Stimson said before the Senate Foreign Relations Committee, "The mere fact that we are a democracy irritates the dictators." The interests of our own national security will not be served by cajoling or kow-towing to the dictators, by avoiding any course of action calculated to irritate or displease them. On the contrary, our national security, our very existence as a free and democratic nation, our peace demand that we use those methods, short of war but more effective than mere words, which will check the war-makers and bring peace and order again to the world.

CEASE OUR PARTNERSHIP WITH NIPPON'S WAR LORDS

Economic embargo is one of those methods. If we apply the embargo, as proposed in my bill, to Japan we do more than defend our own far-western frontiers. Aggressions in Europe and in Asia are bound together by the Rome-Berlin-Tokyo axis. An embargo against Japan would weaken Hitler and Mussolini, as well as Hirohito. It would strengthen the campaign for revision or outright repeal of the un-neutral Neutrality Act. It would follow up President Roosevelt's peace message with such practical action as must place the United States on the pages of history as a decisive force for peace in the world. Such leadership by us could not but be followed by other peoples and their governments.

War is even now not inevitable. The Fascist war makers can be stopped, as the growing anti-Fascist bloc makes us hope they will be stopped. But the time is passing swiftly, and we cannot afford to learn as slowly and as expensively as we have learned in the past. Congress must master the lesson and act upon it in this session—now. It is from the people back home that Congress learns most surely, and from them that it takes its orders. And so it is up to you to see that Congress acts.

Effects of Government Spending

EXTENSION OF REMARKS

OF

HON. FREDERICK C. SMITH

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Tuesday, August 1, 1939

LETTER FROM A CONSTITUENT

Mr. SMITH of Ohio. Mr. Speaker, the following letter was received by me from one of my good friends and constituents, a "country phyiscian of the 'horse and buggy' days." It shows you how the really forgotten man feels about the way his Government, if that you can call it, is treating him.

At no time in the history of our country has it ever been more essential that we return once again to those principles of government which have for their essential purpose the protection of just what Dr. Mundy so forcefully states are now being destroyed.

FOREST, OHIO, *July 3, 1939.*

Hon. FREDERICK C. SMITH.

SIR: Conditions appear to be growing worse. Surely no man can spend his way into prosperity. No man can last long financially that continually spends more than his income. Neither can a state or a nation. True, a nation can tax its citizens and thus exhaust the source of its income. Like the fellow in the fable, they can kill the goose that laid the golden egg. The Nations is doing that very thing today. The middleman, the man of small income, the industrious, frugal fellow, is totally forgotten, is really penalized for his frugality, thrift, and efforts to provide for his household when that proverbial rainy day comes. The ne'er-do-well is glorified and provided for in his old age by a too generous government. I need only to cite you what they have done to the returns on your life-insurance policies, your bonds, your stocks, and your bank deposits.

I am near my eightieth year, no longer able to work as of yore, trying to live on the returns from my savings, and I know what the Government has done to the income from that source. It is men in my class that are feeling the heavy hand of the Government. The administration is glorifying profligacy, shiftlessness, and dependency. The individual who desires to be independent of charity is punished for his frugality.

The stupendous amount asked for by the President as a loaning proposition is fallacious and dangerous, and is but another wedge in curtailing business. This is the province of the banks. I would advise the administration to read Wilson's account of the panic of 1837 in his History of the American People. Please use your efforts to stop this wild orgy of spending being indulged in by the present administration. I know some would call me an economic royalist by reason of my objections. I am a country physician of the "horse and buggy" days, and have endeavored to live honestly and economically, and have lived long enough to see my Government depriving me of a portion of the fruits of my labor.

Sincerely yours,

W. N. MUNDY, M. D.

The United States Customs Service

EXTENSION OF REMARKS

OF

HON. JOHN W. McCORMACK

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, August 1, 1939

Mr. McCORMACK. Mr. Speaker, today marks the sesquicentennial of our United States customs organization and of the first Federal tariff it was assigned to collect. I should like to call the attention of this House and of the entire Nation to the splendid century and a half record of this service which bore the pioneer burden of raising revenue for a new republic and continues today to carry out the responsibilities assigned to it by the Congress.

Plans for the first tariff were in the making before the First Congress, which assembled in New York on March 4, 1789, had finished its initial task of electing the first President.

On April 14 of that year a delegation from the Congress arrived at Mount Vernon and notified George Washington he had been chosen for the Presidency. Washington took his oath April 30. A month later, on June 1, 1789, he signed the first piece of legislation of the First Congress, "An act to regulate the time and manner of administering certain oaths," to be taken by Members of the Congress, members of the State legislatures, all Federal appointive officers, and all executive and judicial officers of the several States. The form prescribed is yet employed: "I do solemnly swear or affirm (as the case may be) that I will support the Constitution of the United States."

It was more than a month later—while the young Nation was celebrating the thirteenth anniversary of its independence—that President Washington signed the second law of the First Congress, "An act for laying a duty on goods, wares, and merchandises imported into the United States."

The several duties listed were to be laid, the pioneer Senators and Representatives declared, "from and after the first day of August next ensuing."

With the Federal Government hard pressed financially, the Congress next delivered to the new President "an act imposing duties on tonnage," which he signed on July 20. Its effective date was August 15.

With that accomplished, the attention of the Congress was diverted to the status of the United States in the family of nations, and on July 27 Presidential approval was given to the fourth act of the Congress, legislation setting up a Department of Foreign Affairs, forerunner of the State Department.

August 1 was not far off, and still no machinery had been provided for the collection of the tariff which was to become due on that date. A law-making task of great import confronted the Congress. But they met their responsibility, spread over 40 sections of their fifth act, "* * * to regulate the collection of the duties imposed by law on the tonnage of ships or vessels, and on goods, wares, and merchandise imported into the United States," and sent it to the President in time for his signature on July 31.

The following morning a very small and youthful organization was ready to collect the first United States customs duties.

For 75 years before the Revolution there was an annual trade balance against the American Colonies and in favor of Great Britain. It was estimated in 1754 that the Colonies ran behind annually to the extent of $1,000,000. In 1760 the Colonies imported more than they exported to the extent of $9,000,000, not a large total according to the standards of today, but to the Colonials of 1760 it was a staggering sum. These debts were carried along as open credits or transformed into the more solid form of mortgages.

There was hardly any English money in circulation in the Colonies. Instead of sending money across the sea, the merchants and money lenders of London wanted money sent to them to cover past-due indebtedness. The result was that America was always drained of English currency.

Lord Cornwallis surrendered in 1781. His troops marched out of Yorktown to a tune called The World Turned Upside Down. The American Revolution ended officially in 1783, with the signing on September 3 of the Treaty of Paris. From then until March 4, 1789, this country was not a nation. It was a small set of independent nations.

When it came to taxation the Continental Government was a pleading pauper. The Congress did not have power to levy taxes directly; it made requisitions on the States in proportion to the assessed value of their land. As a rule the States ignored the requisitions, and there was nothing to be done about it. At one time the Treasury did not possess a dollar. In 1781 the Continental Government needed $9,000,000. The Congress hoped to raise $4,000,000 in loans, and $5,000,000 was asked of the States. Only $442,000 was collected from the States. However, the Congress could issue bonds, or certificates of indebtedness. These issues depreciated at once, as there was nothing back of them but promise.

Every State had a different tariff law and some States set up tariffs against neighboring States.

The Bureau of Customs, 1939, is a branch of the Treasury Department having charge of the collection of duties on imports, the collection of tonnage taxes, fees, and penalties assessed against vessels, the enforcement of laws relating to vessels and navigation, the registering and licensing of vessels, the enforcement of laws and regulations restricting imports and exports, the transmittal of papers yielding statistics of imports and exports, and the enforcement of laws and regulations governing the departure of persons.

The Customs Bureau is the agency controlling the movement of commodities, persons, vessels, air, and land vehicles between the United States and foreign countries, except that the admission of aliens is controlled by the Bureau of Immigration and Naturalization of the Department of Labor, the documentation of vessels is under the Department of Commerce, and the administration of the national quarantine system is under direction of the United States Public Health Service. Customs officers collect all immigration, navigation, and public-health charges and fees. Officers of the customs act at some places for these and other services not there represented. Other departments, particularly the Departments of Commerce, Labor, Agriculture, State, and other bureaus of the Treasury Department, promulgate regulations to be enforced by customs officers, advise these officers regarding specific action, and hear appeals in cases of dissatisfaction with customs rulings.

Investigative and advisory powers are vested in the Customs Agency Service.

Up to the beginning of the World War more than one-half of the ordinary receipts of the Government were derived from customs revenues. The Bureau, however, has never published annual reports describing its operations and organization. A few formal pages in the annual report of the Secretary of the Treasury are about the only source of information concerning the customs.

THE FIRST TARIFF ACT, JULY 4, 1789

Thirteen years after the signing of the Declaration of Independence at Philadelphia, on July 4, 1789, the first United States Tariff Act was signed at New York by George Washington. It become effective August 1. James Madison, a free trader, proposed the tariff measure as a temporary expedient intended to provide operative revenues.

Madison's plan was a flat 5-percent levy on all imports, but protectionists, wishing to encourage domestic production, amended the bill to provide higher levies.

Duties were assessed against imports of beverages, foods, candles, steel and iron, carriages, harness, footwear, glass, furs, paper, spices, fruits, and cane products.

The debate on the bill was not without acrimony. There was not a little logrolling, according to the Journal of Senator William Maclay of Pennsylvania.

Madison, on April 8, offered a resolution levying duties on rum and spirituous liquors, molasses, wines, teas, pepper, sugar, cocoa, and coffee. The next day, Mr. Fitzsimmons, a representative of Pennsylvania, offered an amendment adding a hundred more articles to the Madison list.

When Washington signed the first tariff act it contained Madison's items, those of Fitzsimmons, and many others offered in amendment by Senators and Representatives whose constituents resided in the industrial centers of the North.

The South demanded protection also, mainly for tobacco, cane products, hemp, and coal, iron, and steel. New England rum distillers wanted free trade in molasses; Southern producers favored a duty up to 6 cents per gallon; Pennsylvania brewers asked for a tax of 9 cents per gallon on beer in casks, but wanted beer bottles admitted free. Maryland demanded a glass tax to protect a vital industry. Virginia—then including West Virginia—sought protection for its coal mines; and tobacco-growing States demanded a duty that "ought to amount to a prohibition."

This tariff act caused great rejoicing throughout the country and in the newspapers was referred to as a second declaration of independence.

The next act of the Congress was a law placing tonnage taxes on vessels. The tariff act was a duty on merchandise, the other a tax on common carriers. This distinction maintains to the present day.

As finally approved, the act embraced a long list of specific duties, and five classes of goods imposed with ad valorem rates. It contained a short free list, made provisions for the repayment of all duties upon goods again exported, and admitted the principle of discrimination in favor of commodities imported in vessels built or owned by citizens of the United States.

Upon specific duties, spirits were taxed up to 10 cents per gallon; wines up to 18 cents per gallon; beer, ale, and porter in casks, 5 cents per gallon; molasses, 2½ cents per gallon; tea, from 6 to 45 cents per pound; manufactured tobacco, 6 cents per pound; salt, 6 cents per bushel; and twine and packet thread, at $2 per 112 pounds.

Carriages and parts were assessed an ad valorem duty of 15 percent, while goods—not tea—not brought in American ships were imposed with 12½ percent.

On the free list was tin pigs and tin plates, wire, dyes, and furs.

According to the Customs Service of the port of New York, or the Gateway of the Continent, by Samuel Stockvis:

> The first vessel to arrive at the port of New York under the new law—that of 1789—was the brigantine *Persis*, James Weeks, master, from Leghorn, with a miscellaneous cargo. She arrived August 5, 1789, and was consigned to William Seton who paid $774.71 in duties.

John Lamb was the collector of the port. Lamb was one of the heroes of the capture of Fort Ticonderoga. It will be noted that Collector Lamb waited 5 days for his first ship.

Total duties collected the first year of the Customs Service were approximately $2,000,000. Customs revenues steadily increased until in 1929, the peak year, they amounted to more than $600,000,000.

Customs revenues fell off measurably during the World War, but the work increased very materially and customs personnel took on much additional work for other departments.

Prior to 1929 the total number of authorized employees of the Customs Service was about 10,050. Since 1930, many positions have been abolished. There were no dismissals, enforced furloughs without pay, or reductions in salaries, but vacancies were not filled as they occurred. The reduction in personnel was necessary because of reduced revenues from customs and the decreased number of transactions. The authorized personnel (1939) numbers 8,879.

Neither the Tariff Act nor the Tonnage Act created any machinery for the collection of duties, so on July 31, 1789, there was approved by the Congress an Organization Act providing for the establishment of customs districts and ports of entry, the appointment of customs officers, and the method of collecting duties and paying employees.

The original act required the collector to board vessels and authorized him to acquire or hire boats or cutters. But it was not until August 4, 1790, that $10,000 was appropriated to build 10 cutters. This was the beginning of the Revenue Cutter Service, now the United States Coast Guard.

Rates of the original act underwent their first change in 1791, when a duty of 9 cents per pound was fixed against raw cotton, and an ad valorem rate of 7½ percent against cotton fabrics.

Five years later the young Republic financed its campaign against the Barbary pirates by an additional duty of 2½ percent levied on goods paying an ad valorem rate, and 10 percent additional on goods imported in vessels not American-owned. Two men of war were sent to the Mediterranean against the pirates.

Before Commodore Stephen Decatur had conquered the Tripoli marauders the new Government was forced to raise funds to finance the War of 1812 with England. On July 1, 1812, Congress passed a supplemental impost act increasing by a hundred percent existing duties on imported wares. This rate continued to June 30, 1816, when it was reduced to 42 percent.

So by 1816, despite the free-trade sympathies of Jefferson and Madison, the duty on coffee had increased from 2½ cents per pound in 1789 to 10 cents. Other items subjected to comparable changes over the period include coal, from 2 to 10 cents per bushel; leather shoes, from 7 to 30 cents per pair; ready-made clothing, from 7½ to 30 percent; calicoes, from 7½ to 35 percent. Duty increases on teas averaged 500 percent.

The Organization Act of July 31, 1789, created 59 customs districts in 11 States, no provision being made for North Carolina and Rhode Island, as those States had not adopted the Constitution. For a short period these States were required to pay import duties on goods shipped into other States.

The office of Commissioner of the Revenue, paying a salary of $1,900 per year, and under the Secretary of the Treasury, was created by the Second Congress, in 1792.

Another act, approved July 16, 1798, created the Marine Hospital Service, now a part of the Public Health Service, and required customs collectors to gather hospital dues of 20 cents a month from every seaman arriving from foreign ports. In 1799, collectors were required to "aid in the execution of quarantine," and in enforcing health laws of the States.

Early in 1803 new legislation provided that collectors assist in the protection of seamen by requiring masters of vessels bound to foreign ports to file a roster of the crew and furnish bond to produce the seamen upon their return.

The security of maritime passengers and the obtaining of statistics concerning immigrants were required by the act of March 2, 1819, whose enforcement was assigned to the customs collectors. The act regulated the number of persons that might be carried by ships and provided for minimum quantities of water and provisions. A manifest was required for each immigrant.

Salaries of collectors were the proceeds of specific fees fixed by law, with a commission on the amount paid into the Treasury. The commission was one-half of 1 percent at the larger ports and 1 percent at the others; office rent and stationery costs were paid by the collector. At ports of entry where naval officers served also as collectors, the officer received half of the fees and was required to pay half of the rent and stationery costs. He received no commission on sums paid into the Treasury. Surveyors, measurers, gagers, and weighers were paid from fees; inspectors were paid $1.25 per day. The erstwhile naval officer now is known as comptroller of the customs.

Early laws governing the customs specified no term of office, and appointees usually continued in office during good behavior. On May 15, 1820, there was passed the Tenure of Office Act, which established the 4-year term for collectors, surveyors, naval officers, and other officers in the Service. The act is still in force.

Loose appraisement methods of the early days were changed from time to time, and by 1823 "the respectable resident merchant" appraiser system had vanished and many of the larger ports were provided with permanent appraisers of merchandise. In the smaller ports collectors were empowered to order the appraisement of merchandise. Appeals were allowed to the Secretary of the Treasury.

By the act of May 19, 1828, it was made mandatory for the collector to cause an appraisement to be made of all goods subject to ad valorem duty, or on which the duty was estimated on the value of any quantity.

The Tariff Act on August 30, 1842, provided that in case of disagreement between the appraiser of merchandise and the importer the collector should choose two experienced merchants to fix the value. Previously the merchant chose one of the appraisers. It was not until 1890 that the Government dispensed with opinions of persons outside the Customs Service and established a Board of General Appraisers.

The early customs laws provided that customs duties should be payable in cash if not exceeding $50. If the duties exceeded $50, the importer was granted 4, 6, or 12 months to pay them, according to the kind of merchandise. The importer was permitted to give a bond or to deposit merchandise in double the amount of the duties as security. In 1842 credits were abolished, and in 1846 the Warehousing Act permitted merchandise to be stored in the custody of the Government without the payment of duty. This system of warehousing is still in operation. Private bonded warehouses were authorized in 1854.

In 1847 and 1848, with the passage of laws further regulating the carrying of passengers on merchant vessels, customs officers were given the added duties of inspection to insure the limit of passengers according to deck area and rules for ventilation and sanitation.

The first regulatory act giving Customs officers control over specific classes of imports became effective on June 26, 1848, by which all drugs, medicines, and chemicals were required to be examined by Customs officers. Special examiners of drugs and medicines were appointed by the Secretary of the Treasury at New York, Boston, Philadelphia, Baltimore, Charleston, and New Orleans.

The act of 1849 created the office of Commissioner of Customs. His duties were primarily with accounts of customs officers.

Customhouses, July 29, 1850, were made the recording offices for all papers affecting the title to vessels. This made possible a national system of recording title to marine property which has continued to the present with little change.

Before June 30, 1849, Congress made no appropriations for the operation of the Customs Service, all expenses being deducted from receipts before transfer to the Treasury. In this year the law was amended to provide that all receipts be paid into the Treasury, and Congress made an annual appropriation of not more than $1,560,000, plus fees from cartage, labor, and storage, until such time as specific appropriations should be made. Congress did not make specific appropriations until 1913, although the indefinite appropriation was increased to $5,500,000, plus receipts, by various Congresses.

Inspection of steamboats in the early days had been made by appointees of district judges, but the Steamboat Act of

1852 created supervising inspectors of steamboats and placed the appointment of local inspectors under a board consisting of the collector of customs, the district judge, and the supervising inspector of the district. This law provided that no document should be issued to a steamboat until all the inspectors had certified that safety provisions had been complied with. This act is the foundation of the present steamboat-inspection laws. Much of the authority conferred on customs officers by this act is still retained, but the selection of inspectors by the board, of which the collector was a member, was terminated in 1896.

By 1852 the Customs Service had reached the height of its development as the branch of the Government dealing with matters relating to imports, exports, and shipping. For over 50 years there had been no legislation affecting the organization of the service, and but few minor laws changing the character of its activities.

The War between the States caused little change in customs laws and practices, though a provision was enacted in 1863 allowing for the establishment of manufacturing bonded warehouses where certain articles could be fashioned for export without payment of tax. In 1866 the statutes were changed to allow the exportation of distilled liquor tax free.

Transportation of merchandise in bond was first provided for in the act of 1846. The act of 1870 elaborated the procedure, and the act of 1880, as amended by the act of 1899, simplified the procedure and placed it on its present basis.

Shipping commissioners for the protection of seamen were first provided by the act of June 7, 1872, which provided also that collectors of customs should act as shipping commissioners at ports where there were no such officers. The registration of Chinese laborers was made the duty of customs collectors in 1882. The next year came the first legislation providing for control of importation of impure tea through the collector of customs.

When the office of the Secretary of the Treasury was reorganized in 1875, provision was made for a Division of Customs. The Chief of this Division was first named specifically in the appropriation act for the fiscal year of 1879. The first appropriation for the personnel of this division as a separate unit was approved March 3, 1885, but that act did not specify the duties of the division.

Customs affairs are by law directly under the Secretary of the Treasury. The act of 1885 and all subsequent appropriation acts simply have provided an administrative unit for carrying out the orders of the Secretary.

There were several tariff acts during this period after the War between the States and many minor acts creating ports of entry or establishing new customs districts. All of these added to the difficulties of interpretation and in 1889 the Secretary of the Treasury called attention to the fact that the administrative laws were "derived from 263 acts of Congress passed during a period of 90 years."

The act of June 10, 1890, established the Board of General Appraisers, nine members appointed by the President.

On July 1, 1903, there was transferred to the new Department of Commerce and Labor the direction of all matters relating to the measurement, enrollment, licensing and inspection of vessels, although the duties of customs officers in these matters did not change.

Although the Board of General Appraisers promoted uniformity in the appraisement of merchandise, there resulted a lack of harmony on appeals to the circuit court of the United States, and as late as 1908 the Secretary of the Treasury in his annual report declared that the law made "each of at least 120 judges a possible final judge of customs appeals.

Dockets of the circuit courts were so congested that appeals from decisions of the Board of General Appraisers awaited an average of 4½ years before judicial decisions.

Removing delays and inconsistencies, the Tariff Act of 1909 created the Court of Customs Appeals and gave it exclusive jurisdiction in reviewing decisions of the Board of General Appraisers, with provisions for review by the Supreme Court of the United States in certain cases.

Legislation looking toward the consolidation and realinement of customs districts finally came on August 24, 1912, and authorized the President to cause the changes. There were unnecessary offices, antiquated regulations, and inequitable compensations. Along the Canadian border, for instance, collectors were allowed to charge 10 cents for each blank prepared and executed, some of them aggregating an annual earning of $17,000, more than the salary of the collector for the port of New York. There were 35 methods for payment of collectors and surveyors.

By Executive order on March 3, 1913, 49 customs districts were established to replace the 126 districts and 38 independent ports. This order placed all collectors on a salary basis.

In 1915 the Secretary of the Treasury abolished the Division of Special Agents, in charge of investigative work, and placed the supervision of special agents in the Division of Customs, where it remained until the creation of the Special Agency Service in 1922.

Between the outbreak of the World War in 1914 and the declaration of war by the United States in 1917, the work of the customs was increased by the necessity of watching for violation of neutrality laws. Customs officers acted as local agents of the Bureau of War Risk Insurance, engaged in insuring vessels, cargoes, and seamen against risks incident to the war. When the United States entered the war the work of the customs was still further increased. In April 1917 customs officers seized 79 German and Austrian ships in United States ports, and retained possession until they were transferred to other Federal branches. Enforcement of import and export licensing under the War Trade Board was made a responsibility of customs officers.

An aftermath of the World War was the system of licensing imports of sodium nitrate, dyes, coal-tar products, synthetic organic drugs and synthetic organic chemicals. It operated until November 1922.

An order of the Secretary of the Treasury, effective February 1, 1922, created the Special Agency Service as a separate unit in customs administration, coordinate with the Division of Customs. The new unit was given control of all investigative work of the service, including the examination of the accounts and actions of customs officers and employees, the investigation of frauds by importers, and the collection, in both the United States and foreign countries, of information which might be of value in the administration of customs laws.

Nearly a third of the Tariff Act of September 21, 1922, was devoted to a codification of the administrative provisions of the customs laws. The administrative code in the act of 1922 superseded many of the older statutes and repealed many obsolete acts. The old designation of naval officer was changed to comptroller of customs, and provision was made for extension of the work of the comptrollers over all districts and ports.

Statistics of imports and exports were compiled by the Treasury Department from the reports of collectors from the beginning of the Government. The statistics were published by the Office of the Register of the Treasury from 1820 to 1846, and by the Bureau of Statistics of the Treasury Department to 1903. That bureau, transferred to the Department of Commerce and Labor in 1903, continued publication of import and export statistics until its consolidation with the Bureau of Manufactures in 1912 to form the Bureau of Foreign and Domestic Commerce. The collectors still report statistics to the Department of Commerce for publication.

The act of March 4, 1923, authorized the appointment of a Director and two Assistant Directors of Customs, and of a Director and Assistant Director of the Special Agency Service. A law enacted in 1927 provided for the establishment of the Bureau of Customs, and for the appointment of a Commissioner of Customs to head the Bureau.

The Commissioner of Customs, October 14, 1929, divided the Bureau into three units—administrative, legal, and investigative. The legal unit was composed of the Divisions of Classification, Enforcement, Drawback, Entry, and Appraisement, to which was later added a Division of Appeals and Protests.

The administrative unit was composed of the Divisions of Finance, Personnel, Records, Mails, and Files, and the Scale Engineer, and later the Statistical Division.

Abolishment of the administrative unit was effected January 26, 1933, and the Divisions of Personnel and Fiscal Administration and the Wool Administrator were set up as separate units.

Effective February 1, 1936, the office of Deputy Commissioner of Customs, in charge of administrative activities, was reestablished. The Wool Administrator and the newly created Division of Laboratories were placed under the administrative unit on May 5, 1937.

The Commissioner of Customs, July 5, 1935, established in the Bureau of Customs a school of instruction to assist customs officers and employees in acquiring a more comprehensive knowledge of customs law, regulations, and procedure.

A Division of Laboratories was established March 28, 1936, with chemists of the nine laboratories and the field service under the supervision of the Chief of the Division of Laboratories.

The Secretary of the Treasury, in the summer of 1936, transferred the customs border patrols from the jurisdiction of various collectors of customs to the Customs Agency Service and created four patrol districts with headquarters at Buffalo, N. Y., Jacksonville, Fla., El Paso, Tex., and Havre, Mont. This unit is now known as the Customs Patrol Service.

On September 1, 1937, and June 1, 1938, the Secretary of the Treasury separated 32 appraisers of merchandise, at the principal ports of entry, from the administrative control of the collectors of customs and made them coordinate officers. These 32 appraisers were placed directly under the administrative control of the Commissioner of Customs, who created an appraisement unit in the Bureau of Customs to have immediate supervision of the work and personnel.

By an order effective March 15, 1939, the Secretary of the Treasury consolidated into one division, known as the Division of Tariff Administration, the legal divisions of Tariff Classification, Entry and Appraisement, Drawback and Bonds, Enforcement, and Appeals and Protests, under a Deputy Commissioner.

It is the function of the Customs Service to prevent smuggling, whether it be of persons, permissible merchandise, or prohibited merchandise.

If prohibited aliens get into the country, or permissible or prohibited merchandise gets by the customs without the usual formalities, it is still the function of the customs to arrest the persons or to seize the merchandize except in cases coming under the Immigration, Narcotics, or Internal Revenue Services.

United States Coast Guard officers are ex-officio officers of customs, with authority to board and search vessels on the water. They have cooperated closely with customs officers since 1790, when the Coast Guard was established as the Revenue Cutter Service.

Customs officers perform a service in the protection of life and health of humans, animals, and plants in the examination and seizure of pests and infected or diseased animals and plants, and their products, which importers attempt to bring into the country.

The Customs Patrol Service is engaged in the detection and prevention of smuggling. This Service was formerly known as the Mounted Inspectors, many of whom were recruited from the Texas Rangers and the ranks of law-enforcement officers along the Canadian border. These men patrol large areas of waste and uninhabited land, remain long away from their posts and are frequently in danger of their lives. The Bureau has a large honor roll of Customs Patrol men who have lost their lives in line of duty.

The Customs Agency Service is the investigating branch of the customs. Its officers have Federal authority to carry firearms, make searches and seizures, make arrests, and secure evidence.

Tin Investigation (H. Res. 275)—Facts Developed by Former Tin Investigation by the Committee on Foreign Affairs, Strongly Indicate That Further Examination of This Matter at This Time Is Desirable

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EXTENSION OF REMARKS

OF

HON. SOL BLOOM

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, August 1, 1939

Mr. BLOOM. Mr. Speaker, an investigation by the Committee on Foreign Affairs pursuant to House Resolution 404, Seventy-third Congress, second session, and reported under date of April 15, 1935, developed the following important facts:

(1) Tin is an element, mined from the earth. There is no production in the United States.

(2) Tin is a metal so essential to the commercial and military needs of this country that the stoppage or serious curtailment of the supply imported from foreign nations would be a real disaster, and in time of war would give rise to an extremely critical situation.

(3) The United States is wholly dependent upon foreign nations for its supply of the metal. It consumes approximately one-half the total world production. Our normal annual consumption will average between 60,000 and 90,000 tons. An average approximate price of tin is $1,000 per ton, making our annual tin bill payable to foreign countries from $60,000,000 to $90,000,000.

(4) The world production and price of tin are controlled by the International Tin Committee, officially representing the producing nations (principally Great Britain, Holland, Bolivia, Nigeria, and Siam). This committee is under de facto control of Great Britain. The United States must pay the prices supported by the committee. Frequently these prices bear no relation to the cost of production.

(5) There is no known substitute for tin. It is absolutely essential to the manufacture of tin cans and all tin-plate articles, solder, babbit, all incandescent electric lights, automobile and airplane motors, machinery of all kinds, electric motors and generators, telephone, telegraph, and radio equipment, machine guns, rifles, pistols, gun carriages, tanks, helmets, batteries, gun mounts, cables, propeller shafts, and so forth.

While no tin ore is produced in the United States and no commercial deposits have been developed, the former investigation brought out that the following locations show sufficient indications of possible commercial deposits to warrant further examination: Virginia, West Virginia, North Carolina, South Carolina, Alabama, Washington, Idaho, South Dakota, Wyoming, California, Nevada, New Mexico, Texas, and Alaska.

RESULTS OF THE FORMER INVESTIGATION

(1) This was the first thoroughgoing investigation by Congress of a vital strategic material, and, although confined almost wholly to tin, it served to emphasize and bring to the attention of Congress not only the dangerous situation of the United States as regards this metal but other materials as well.

(2) Passage of the act prohibiting the exportation of tin-plate scrap, except under license, was a direct result of the investigation (Public, No. 448, 74th Cong.).

(3) Passage of the act authorizing the purchase by the Government of stock piles of strategic materials (Public, 117, 76th Cong.) was largely founded on the facts brought out by this investigation. This act also provides for exploration and research with regard to strategic materials in general.

(4) In the light of the investigation and its emphasis on the great need of the United States for more assured supplies of tin, the State Department has on several occasions endeavored to improve the position of the Government as regards this metal through—

(a) Reciprocal trade treaties, notably with Great Britain (1939) and Holland (1936).

(b) Barter agreements with both these countries under which cotton or wheat might be exchanged for tin.

None of these efforts has so far secured a pound of tin. In fact, our position regarding possible supplies of the metal has been materially weakened by a provision in the reciprocal-trade agreement with the United Kingdom under which the United States undertakes not to place a duty on metallic tin; thus for the time being preventing our employing imposing a tariff on the metal and encouraging free importation of the ores for smelting in this country—this being one of the principal possible methods by which our position could be strengthened as against the international committee.

PRESENT SITUATION AND USEFUL PURPOSES WHICH THE PENDING RESOLUTION IS DESIGNED TO SERVE

(1) More than 4 years have elapsed since the former report on this subject by the committee. During that period world conditions have undergone vital changes which affect unfavorably our tin position. Notable among these are:

(a) The practical shutting off of China by Japan, removing the Yunnan tin mines as a potential source of supply.

(b) The apparently increased influence of Germany over Holland which has resulted in the latter country's declining to exchange tin for cotton or wheat.

(c) The reciprocal trade agreement with the United Kingdom above referred to, which prevents our taking at least one remediable step by way of a tariff on imported metallic tin for the purpose of forcing foreign producers to send in tin ore to American smelteries instead.

(d) The more than doubling of our military and naval program, which has greatly increased both our military and commercial requirements.

(e) The collapse of the Bolivian situation, and other realignments between tin-producing and tin-consuming countries.

(f) Greatly increased armament programs of other nations. This has tended to increase competition between nations for available tin production and resources.

The tin situation of the United States was dangerous to the national welfare in 1935. Today, its gravity has greatly increased. We have been forced to fall back upon a policy of purchasing stock piles of this material. This is, no doubt, a wise procedure under the circumstances, but, because of the enormous quantity of the metal required for a 2-year supply—the stock preferred by the Military Establishments—it can at best afford only a minor safeguard. A 2-year war supply of tin would approximate 200,000 tons at a cost of $200,000,000. The purchase and storage of any such quantity of the metal under the existing law is manifestly impossible, when it is remembered that the total authorized appropriation for all strategic materials is $100,000,000, spread over a 4-year period. This must cover purchases of rubber, chromium, nickel, manganese, and many other materials beside tin. If the entire annual authorization of $25,000,000 were expended on tin, we should have, at the end of the first year, about 3 months' supply on hand.

The Stock Pile Purchasing Act also provides for research and exploration by the Department of the Interior looking toward the development of possible domestic resources and possible substitutes for strategic materials in general. But no emphasis is placed on tin. It is not even specifically named in the law.

Facts developed by the former tin investigation by the committee strongly indicate that further examination of this matter at this time is desirable and might well result in the development of factual bases for legislation which would lead to the establishment of an American tin-smelting industry, based on foreign or domestic ores, or on both. The committee has previously unanimously recommended such establishment as the best possible solution of the problem.

Perpetual Planning and Permanent Spending—H. R. 7120, Considered August 1, 1939

EXTENSION OF REMARKS

OF

HON. FRED L. CRAWFORD

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Tuesday, August 1, 1939

Mr. CRAWFORD. Mr. Speaker, having grown tired of the essentially transitory effect of funds operating under and dependent upon annual appropriations provided by appropriating committees the recommendations of which are subject to review and revision by the House and the Senate, the drafters of this bill presented it to the committee well implemented for perpetual planning and permanent spending.

The draftsman's skill is well measured by Secretary Morgenthau when he says:

> I do not wish to contend that the program embodied in this bill constitutes a final or adequate solution of our economic problem, but it does constitute a realistic approach to that problem.

Indeed! Should the Congress leave in the bill the revolving mechanics and the pipe line from the Treasury to these projects, the "realistic" approach will be measured by the streams of dollars which flow from the pockets of taxpayers to the Treasury and then on to the disbursing agents of the Department of Agriculture, the Public Roads Administration, the Public Works Administration, Reconstruction Finance Corporation for railroads, the rural electrification agency, and the reclamation projects agency.

The entirely adequate, self-appropriating provisions of the bill carry us directly into the whirlpool of totalitarian prosperity. If we approve the bill we sell our birthright for a mess of spoiled pottage.

With self-liquidating public enterprise no longer hampered by a legislative budgetary control, and with the solvency of each and every project literally guaranteed by the taxpayers, we can well appreciate the apparent sincerity of those chiefs of departments of Government and bureaus who appeared before the Senate and House committees sponsoring the respective bills.

While the hearings were in progress, I briefly quoted to Secretary Morgenthau from the analysis and warning of Dr. Berle. I think it is fair to say that the Secretary somewhat felt I was far off the range in interrogating him about something the Under Secretary of State had said about our economy. But I was very much interested in the observations of Dr. Berle. I think his approach to our problems was much more realistic than those of Mr. Morgenthau. I am frank to say that in my opinion the notion that these projects are a sound basis for reviving private enterprise will largely serve to fool the people. I believe the enactment into law of this proposal will merely cajole a great many of our people into the policy of drift noted by Dr. Berle and against which we may well be warned.

I personally felt Mr. Morgenthau in a way attempted to overlook and minimize what Dr. Berle had said. If only Dr. Berle expressed such ideas we might, in a way overlook them. But he is not alone in all of his views. Dr. Guy Stanton Ford, president of the University of Minnesota, in the preface to his recent and notable volume of essays on dictatorships observes that "the unconscious fascism of many of the prescriptions to preserve democracy should give the thoughtful citizen more anxiety than the vague danger of a handful of radicals." Let me quote from a statement of Dr. Golden-

weiser, of the Federal Reserve System, who, sometime ago said:

I am firmly convinced that monetary control does not exist and that within the framework of our economic and political organization monetary control can never exist. It will not exist until such time * * * when the Government will control substantially all economic activity.

Will anyone rise up and say this is not the trend in Europe? Yea, do we not precipitatively follow in the footpaths of western European totalitarian states? Look at the presentation of Dr. Lubin. Are not his figures predicated on the idea that government must create spending for the sake of spending and not for the sake of the projects themselves? Does he not argue that because private enterprise is a failure, Government projects must be undertaken, even as armament is undertaken, to create what is euphemistically called private employment?

AN ECONOMIC SCREW LOOSE SOMEWHERE

The presentation made by the Secretary of the Treasury, the sweeping estimates made by Dr. Lubin, wherein he explored derivative industry and employment, the dramatic—in its simplicity—approach of Mr. Jesse Jones taking the position that herein we have found a way to do these things without at the same time increasing the debt of the Government, all challenge our deepest thought. In all sincerity I plead with you to closely analyze every sentence of their statements. This we here are about to do, involves the highest policy of our Government.

What is the loose screw in civilized society today that is everywhere preventing the private use of the savings of our people in normally motivated competitive industry? No one can contend these spokesmen of Government do not recognize there is a loose screw. Planned economy in the form of pump priming has been practiced. In recent months we have heard much about the ebb and flow of Government funds or spending volume. We are acquainted with the claims made to the effect that continuity of remedial effects is essential. We also know that in a normal world appropriating committees will not give that constant, continuous stream of funds which the spenders demand. But here, we find open sesame. We find it in the form of the pipe line to the Public Treasury. That is the "catalytic" agent which makes this bill the thing. Take the Government guarantee here proposed but remove from the mechanics of the bill the formula by and through which annual inventories are made and all losses automatically covered by remittances from the Public Treasury to the corporation, and the "catalytic" influence would disappear and the operating forces would not be brought together.

CANNOT AGREE THIS IS A REALISTIC APPROACH

This bill proposes additions to lending authorizations. I believe Congress has already made these top-heavy. I do not believe they should be increased. In my opinion, we have gone too far and the people have now sensed the dangers involved, all evidenced by the cutting from the kite of tax-financed projects the tail of private activity which is supposed to keep it balanced. If this is true, we have reason to believe the whole contrivance will end its flight in a nose dive. This bill presents a scheme for meeting the problem of needless poverty and unemployment. It implies the necessity, if spasmodic operations are to be avoided, for perpetual, noncompetitive projects.

Dr. Wilhelm Roepke makes an appropriate, timely, and worthy contribution to the subject here under consideration in the July number of Harper's Magazine under the title "Totalitarian Prosperity." Introducing the author of this article, Harper's editors say:

When the reader has finished Wilhelm Roepke's Totalitarian Prosperity and has run over in his mind the internal condition of Russia, Italy, Germany, and Great Britain and when he has glanced at the gold hoard pouring into Fort Knox, Ky., and then glanced again at the huge reservoirs of "cash" in the great New York banks be will be inclined to wonder which wall of this blind alley will break first. * * * He (Dr. Roepke) is an economist known throughout Europe and English-speaking countries as well for his work in business cycles. * * * He left the University of Bonn with the advent of Hitler for the University of Istanbul.

The editors add that Dr. Roepke is now working with the Rockefeller Foundation on research into international economic disintegration. His work is, to my mind, precisely of the sort that should have been presented before the Temporary Economic Committee of this Congress. We need just such a rebuttal to the purely statistical and superficial approach which has been substituted for logic and reason in interpretation of facts by technical witnesses and which constitute the basis of the argument presented for this bill in the report of the Senate committee.

The July 27 statement for the press showing the condition of Federal Reserve Bank System says:

Excess reserves of member banks on July 26 were estimated to be approximately $4,490,000,000; unchanged for the week.

The Treasury's daily statement of July 27 shows $16,232,607,280.11 of gold on hand. The last report of the Federal Deposit Insurance Corporation, page 166, shows total demand deposits of operating insured commercial banks to be $27,851,772,000. The figures just quoted illustrate the different walls of the blind alley referred to by the editors.

SAVINGS VERSUS SPENDING

In the Senate report we find this language:

We have in this country a volume of available savings which under present conditions is in excess of the profitable outlets for such savings.

With this statement I am in violent disagreement. You and I know that all about us are outlets clogged by failure of money to circulate. And why? Let Chairman Jesse Jones answer this question. I quote from the hearings:

Mr. CRAWFORD (interrogating Mr. Jones). Will you lend money unless you expect that there will be a profit or an interest rate that will pay you to lend it?
Mr. JONES. Do you mean privately?
Mr. CRAWFORD. Privately; yes, sir.
Mr. JONES. Money lenders usually expect to get a profit.

You and I know how interest rates have been sabotaged by Government debt and its concomitant of unsound banking institutions.

This bill and its philosophies are interwoven with what has been said before the Temporary National Economic Committee. Government spokesmen, such as Messrs. Currie, Henderson, Frank, Berle, and Lubin, along with Dr. Hansen and Dr. Nehemkis, have prepared the way for this proposal. These gentlemen, in their presentations before the committee, have not, in my opinion, adequately or clearly defined the powers of savings and investment. In their discussions, whether intentionally or not, they have confused money and credit with real capital or wealth and presented effects as if they were causes. They are, therefore, recommending only the use of salve on the pimples. They would have us treating the symptoms instead of the disease—doctoring our ills with what have been well termed "econostrums."

I do not believe they have found the weak link in the long chain of modern economic sequences, as they seem to think they have when they recite for us the statistics of the situation which has resulted from—not caused—the failure of that weak link. It appears to me the presentations which have been made have led the distinguished chairman of the Economic Committee far afield and to a point where he expresses his naive belief that revision of the antitrust laws can bring "the most prosperous era ever imagined." The statement of the chairman gives me concern. I wonder if he proposes to attain his results and bring about the prosperous era through control of so-called monopoly by a scheme, the result of which will be a direct persecution of those engaging in honest business and seeking a profit on their investments. At the same time I do not personally accept the theory that Utopia will be at hand even if monopoly is curbed. No one yet has convinced me that price effects we find involved in the cycle of business are caused primarily by monopoly.

Briefly summarizing, a human economy erects its capital structure primarily as a matter of "outlay" of "savings" as we are told it does in the hearings before the T. N. E. C. On the contrary, capital values and prices are a matter of speculative estimates of future net income capitalized at the natural, competitive interest ratio, which is approximately 1 to 20, or 5 percent. "Outlays" for costs are, in basic fact, immaterial. Capital may, therefore, arise in large measure as a mere double-entry bookkeeping transaction without any previous income or savings whatsoever. Capital does not necessarily arise in thrift, nor does thrift implicitly result in formation of capital.

A system of capital values, therefore, cannot be kept in equilibrium for trading if we subsidize interest rates or permit or induce sweeping changes in money conditions. It is hardly surprising under the circumstances of these illusions that we find, as my colleague on the House committee [Mr. WOLCOTT] has pointed out, that "a low rate of interest constitutes one of the most potent weapons for a stimulating business activity" in his immediately preceding statement that "investors are reluctant to place a large amount of their funds in long-term investments at low rates of interest." The economic crackpot has always held that interest is unjustifiable and results only from an unnatural scarcity of capital, zero rates being the ideal. That idea has never been, and cannot be, sustained by reason of experience.

This will is not an approach "back to the American way." Solicitor General Robert H. Jackson recently observed:

> The way of life of the American is practical, hard-headed, and concrete. It is not made of what Justice Holmes once called "pernicious abstraction." Its distinguishing ideology is that it has no ideology except to get results.
>
> No ideology is going to stand in the way of the instinct to eat regularly. Americans prefer private capital to run our business, to build our bridges, and to employ our workmen. But when private capital cannot or will not on reasonable terms do these things, then the people turn to their Government for big bridges, for T. V. A.'s, for big dams, and they will turn to it to relieve unemployment and provide for dependent old age and to meet other problems along the whole social and economic front where private effort fails or falters.

This bill is designed to turn our people away from their preference of private capital to their Government. It is the opening wedge and will greatly accelerate the shift referred to by Dr. Berle when he said:

> The Government can create, and does create, wealth in the form of roads, parks, public buildings, public hospitals, and the traditional public services of the Federal, State, and local units. Plainly these as they now stand are not sufficient to serve as the market for more than a fraction of the capital-goods production in the United States. If, therefore, wealth is to be created by creation of Government debt, the scope of Government enterprise must be largely increased. Briefly, the Government will have to enter into the direct financing of activities now supposed to be private; and a continuance of that direct financing must be inevitably that the Government ultimately will control and own those activities. Put differently, if the Government undertakes to create wealth by using its own credit at the rate of $4,000,000,000 worth a year, or thereabouts, over a period of years the Government will gradually come to own most of the productive plants of the United States.
>
> This is certainly so fundamentally a change in the course of American life that the decision to make it should be taken for reasons other than relief of a series of temporary difficulties. If the country desires to make wealth creation a function of government (I personally believe it must do so in larger measure than it has heretofore), the choice should be the considered choice of the country, and not the result of a policy of drift.

And in this connection Wilhelm Roepke makes the keen observation that—

> Historical evidence seems amply to prove that this traditional system is incapable of achieving permanent full employment. With all the greater fervor the new experients in maintaining full employment on a collectivist or semicollectivist basis are being watched. Here on the side of capitalism, it seems, is disorder, anarchy, and slackness, whereas on the other side of the fence we find order and hectic activity. True, nobody can be unaware of the inconvenient fact that these assets have to be bought at a heavy price—the loss not only of economic but also of political and spiritual freedom. He must be rather naive who can believe that a rigid and really efficient control of prices, wages, profits, investments, consumption, and foreign exchanges is to be had without concentration camps, secret police, and the shadow of prison and death above everyone. But if at this price permanent full employment and economic stability can really be bought how many today would regard this as a square deal and be prepared to pay the price, especially as this means selling something which is not fully appreciated unless it is definitely gone?

Mr. Speaker, it is my sincere hope that the United States will never see the enactment of the provisions set forth in H. R. 7120.

America's Homeless Families, a Problem That Congress Must Face

EXTENSION OF REMARKS

OF

HON. JERRY VOORHIS

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, August 1, 1939

Mr. VOORHIS of California. Mr. Speaker, throughout the United States today there are probably close to half a million people who are members of homeless, migrant families, seeking a place where they can once more strike root in the soil of their native land. Most of these people are dispossessed farm families from the middle and lower Mississippi Valley. About half of them are now in the State of California. Though for years the problem of these American families has been staring us in the face, it is only in very recent months, with the publication of various studies of the problem, a number of magazine articles, and two or three books, that the Nation as a whole has begun to wake up to its seriousness and to think of doing something about it.

In the first session of the Seventy-fifth Congress I introduced two bills which were aimed to meet the most serious and immediate aspects of the problem. The principle of the two bills was, and is, the same, namely, that the Federal Government should reimburse the States for any moneys expended by them for the relief or medical care of nonresidents. One of the bills dealt with relief, the other with medical care and health. Both bills were reintroduced with minor improvements into the present Congress. To date they have received scant attention. I am hopeful of making some progress with them at the next session. For this problem is one of the most dramatic, heart rending, and socially serious ones in the entire American scene today.

CAUSES OF MIGRATION

The forces that have caused these migrant families to abandon their homes and travel elsewhere in search of work are severalfold. Poor farm prices, general agricultural distress, the drought, and unemployment have all contributed. Most important of all, however, are two—the increasing use of machinery in southwestern, middle western, and southern agriculture, and the exhaustion and misuse of the soil in the Great Plains area. The first of these causes simply means that the small farmer and the tenant are being displaced by the tractor on the land. The second cause is described as follows in the 1937 "Report on the Great Plains":

> Indeed, the danger is that the movement may cease with a temporary return of good rainfall. The exodus of the 1930's was needed to correct the misguided development of this area in the 1920's. * * * The minimum reconversion of this land to grazing, which has been recommended by soil experts, would require as many more people to move out as the number which has already left, and a complete return to grazing would displace 900,000 people. To return this area to its best economic use, emigration from the Great Plains would have to proceed continuously at the present rate for more than a decade.

A FEDERAL, NOT A LOCAL, PROBLEM

No more evidence than that should be needed to prove beyond a shadow of doubt that this problem is and will continue to be a national problem requiring action by the Federal Government rather than one with which local relief agencies should be expected to struggle.

The conservative Washington Post in its issue of Monday, July 17, 1939, took cognizance of the problem in an editorial entitled "Grapes of Wrath." It pointed out the great sales of John Steinbeck's book by that title and also that "comparatively little is being done to help the tens of thousands of families who have left their former homes and are adrift in a country that no longer has free land to offer them."

Again, on the importance of recognizing the national nature of the problem, the Post editorial remarked that:

Because of its interstate nature, it is generally admitted that the problem is one which the Federal Government must help solve. Federal relief was granted the transient unemployed in 1933, but was terminated 2 years later when it was believed that all needy employable people would be taken care of by W. P. A. Now, according to a report to the President by W. P. A. Administrator Harrington, special legislation is needed to meet the crying needs of these people.

Colonel Harrington's three recommendations to which the Post referred are as follows:

First. The resettlement of the migrants who are now in California and other destination States and who can become self-supporting there.

Second. The return of those migrants who are willing to resume residence in their State of origin and giving assistance in establishing them there.

Third. The resettlement of other migrants in those areas where employment suited to their abilities is most likely to be found.

Few will question the soundness of those recommendations, and certainly they offer the only permanent solution of the problem. The immediate need, however, must, it seems to me, be met by measures such as the bills referred to above. It is most earnestly to be hoped that, whether or not Congress passes the entire lending program recommended by the President, it will at least provide for a program of broad scope for the resettlement of these uprooted farm families. There would seem to be little reason why a portion of the half billion dollars proposed to be used by the Department of Agriculture for "rural security" should not be used to enable some, at least, of these migrant families to make a new start on the land. Indeed, if the plan of enabling them to acquire small acreages in regions where considerable seasonal employment is available were followed, a considerable number could be taken care of with these funds, the tide of migration slowed down, and many of these now homeless people enabled to become an integral part of new communities.

It is little wonder that States like California, facing at best a staggering problem of unemployment and relief, should balk at accepting the full burden of caring for the needs of tens of thousands of people from other States. Already there is a serious oversupply of labor, and the consequence of such a condition so far as wage levels and living standards are concerned, are only too apparent. Furthermore, schools become terribly overcrowded and county hospitals overburdened. The worst of the situation is that resentment is sometimes directed not against the causes of migration but at the people who have migrated. This is no less tragic than it is perhaps understandable. But the migrant family and the community to which he has gone alike have a right to expect that a growing national interest in the problem will result in some national action at a very early date.

OUTLINE OF ACTION THAT SHOULD BE TAKEN

And the outline of that section should certainly include at least the following points:

First. Continuous and systematic effort on the part of such agencies as the United States Employment Service and Farm Security Administration to spread information about employment opportunities—and lack of such opportunities—and thus to attempt to prevent continuous movement of people into areas where the search for work is hopeless.

Second. Passage of legislation providing for Federal grants to States to reimburse the States for money spent by them or their political subdivisions for relief for out-of-State people.

Third. Continuance and augmentation of the program of grants to State health departments and agencies by the United States Public Health Service. Such grants to be made, among other things, for purpose of enabling local health authorities to care for health needs of nonresident migrants—for example, H. R. 2974. Until a permanent solution for this health problem has been effected a continuance of the F. S. A. health program is necessary.

Fourth. Continuance and wherever possible expansion of the work of the Farm Security Administration, particularly in the field of rehabilitation of distressed farm families in the States of their present residence.

Fifth. Development of F. S. A. migratory labor camps in parts of the Nation where migratory farm labor is essential and in connection therewith a complete information service carried on by cooperation between F. S. A. and Farm Placement Service of the United States Employment Service so that workers can be constantly advised as to where employment opportunities exist and where they do not. State and particularly local cooperation with this program should be enlisted to the greatest possible extent.

Sixth. Above all a long-range program of resettlement on available lands to match the stream of migration from worn-out lands and from regions where mechanization of agriculture is taking place.

Economy Versus Children

EXTENSION OF REMARKS

OF

HON. FRANCK R. HAVENNER

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, August 1, 1939

LETTER FROM MRS. LILLIAN HARRISON

Mr. HAVENNER. Mr. Speaker, under leave to extend my remarks in the RECORD, I quote a letter which I have received from Mrs. Lillian Harrison, of San Francisco:

DEAR MR. HAVENNER: When I took my little boy to nursery school this morning, I was shocked to learn that two of the San Francisco W. P. A. nursery schools were closed up today, and the children released. I presume that this is a result of the recent "W. P. A. economy" measures we have been reading about.

I realize that you took no part in passing these measures. However, you are in a position to bring this matter again before our elected legislators. My impression of the "economy bloc" is that when they talk about economy, they are thinking in terms of figures, and not in terms of human lives. When they supported the Woodrum amendments they didn't have in mind a few score 2- and 3-year-old children, as well as the hundreds of thousands of other people affected.

I wish you would tell them about those children, Mr. HAVENNER. You come from San Francisco; you know how hard it is to raise children decently here. We live in crowded, dark apartments; in many cases we have to share baths and toilets; we have no yards for our children. By the time we scrape up enough money for adequate food, cod-liver oil, and clothing for our children, there just isn't enough money left for rent on the kind of a house we know we should have for our children. And there aren't enough decent dwelling places in the whole city to take care of those who need them.

You've driven down the narrow streets here, and seen the little children playing in the streets. That isn't the mothers' fault. There isn't any other place for those children. This week there was a little boy killed on Hickory Street. The driver of the car was sick over the accident; but it wasn't his fault. The child, 3 years old, was playing with a crowd of children, and had crawled into a packing carton where the driver couldn't see him. And houses on Hickory Street don't have yards. That little boy should have been in a nursery school, playing under trained supervision with other children of his age, examined daily by a public nurse, learning to observe habits of cleanliness and consideration which would serve him throughout his life.

We don't want less nursery schools; we need more of them to take care of every single child like that little boy who was killed. I hope you will tell your fellow Members of the Congress about that.

Government Spending

EXTENSION OF REMARKS
OF
HON. CHARLES L. GIFFORD
OF MASSACHUSETTS
IN THE HOUSE OF REPRESENTATIVES
Tuesday, August 1, 1939

Mr. GIFFORD. Mr. Speaker, my mail and a considerable reading discloses scant support for the new spending plan of the President. Rather it indicates a violent protest and revulsion for a continuance of a fully demonstrated failure. Seven long years has amply demonstrated its utter futility. It has brought a great fear of national bankruptcy to the consciousness of thinking citizens. The Representatives in the Congress recognize this, and only under the lash of the administration over its huge majority can these further billions be voted.

Already has a mortgage of astronomical figures been placed upon our children and grandchildren. World unrest and general conditions would predict sufficient future burdens, without placing upon them futile expensive experiments tried out by those now in power in an attempt to remake America.

Violent reforms have killed the initiative of the business of the Nation. Investment and expansion have been terrorized. The dictatorial methods of other nations have no place in a republic such as ours. Subservience of the judiciary and the legislative branches of government to the executive branch has paralyzed our representative government.

Accumulated savings are hoarded in the banks fearing the risk of investments. Honest business will not proceed because the meager profits do not make it worth while. Government regulations are so multifarious and punitive that fear of full compliance makes honest citizens hesitate.

Sudden reforms, although needed and advocated with the purest of motives, upset completely the economy of our business life. Reforms come slowly. Readjustments must be made gradually that they be not only understood but accepted as justified and reasonable.

Threats of punishment for violations of one or more of a multitude of rules and regulations not at once recognized as even applicable have wrought real havoc to nearly all classes of business activities. With full knowledge of this condition, a stubborn administration is now asking a special investigating committee to find out why idle funds are not put to work.

Any citizens with such idle funds can readily answer—he can find no experienced or professional advisor who dares suggest even a safe repository let alone where to risk it as investment. With the huge national debt increasing at this very moment at even a more accelerated rate, a great distrust and fear has been engendered.

The Congress will appropriate some thirteen billions this year, knowing full well that not more than five and one-half billions of income can be expected. Largesses once bestowed may not be discontinued or even lessened—the attempt to curtail only a little of W. P. A. funds amply demonstrates this statement.

More than eight billions have been appropriated for the farmers the past 6 years and three more billions at this session of the Congress. Great surpluses of wheat, corn, and cotton have resulted and the farmers' plight is still perhaps the major problem of the Nation. The taxpayer must pay the price of dumping and gain the ill will of other nations.

In the vain attempt to change inexorable economic laws we have brought ourselves to an unhappy state. If it were only the actual monetary loss of these subsidies we could mark it off the books and forget it. But the problems left in its wake are far worse than at the beginning.

Housing enthusiasts have induced us to embark on the expenditure of billions of Government funds, under the most fantastic and ridiculous plan of finance that seemingly could be devised. To plan for tenants and repayment for a term of 60 years is utterly impractical. Sentimentality has supplanted reason. Much could and should be done in this field by reasonable and safely demonstrated methods.

However, once gaily embarked upon, by postponing settlement more than a half century, the road seems easy.

How long will our people be willing to finance their Government for such operations? We furnish the money to build—all of it—and then contribute each year for 60 years in full for its repayment. To spend by easy borrowings and be not obliged to tax is indeed "the politicians' paradise."

Entire opposition to the philosophy of this spending orgy with borrowed funds makes attention to the actual details of these measures distressingly difficult. Again we suffer the "weariness of futility" in our opposition. However, let it be understood, that we in the opposition claim in full measure real sympathy for that one-third of our people so often of late exploited for the purpose of making these huge appropriations. We simply have regard for the solvency of the Nation, knowing full well the devastating effect on the entire three-thirds when that solvency is threatened or overthrown.

This administration and its blindly devoted followers have no patent on "love of country and their fellow men." It would be harsh to suggest that these largesses have been granted with somewhat of an expectation that the donors might more safely repose in their public positions. "The whisper goes so." Recent investigations give ample reason for the suggestion.

However, a somewhat brighter picture is now presented. Members of the Congress, hitherto most anxious to cooperate with their leaders, have been pressed to the limit of their endurance. Independence is asserting itself. Orders are unwillingly obeyed. Mutiny is in the ranks. Sentimental outbursts are no longer so persuasive. Recognition of stark failure of policies is recognized. Reason seems once more to be enthroned. When this is demonstrated to the country the wheels of industry will turn. Confidence will be restored. Men will return joyfully to private jobs. Such relief as necessary would be gladly extended. Such a contribution by sufficient Members of the majority will be enthusiastically supplemented by the minority Members of the Congress.

The Extension of T. V. A. Rates Into Arkansas

EXTENSION OF REMARKS
OF
HON. E. C. GATHINGS
OF ARKANSAS
IN THE HOUSE OF REPRESENTATIVES
Tuesday, August 1, 1939

ADDRESS OF HON. E. C. GATHINGS, OF ARKANSAS, TO THE EASTERN ARKANSAS YOUNG MEN'S CLUB, AT MEMPHIS, TENN., MAY 25, 1939.

Mr. GATHINGS. Mr. Speaker, under leave heretofore granted, I wish to include in the extension of remarks an address made by me before the meeting of the Eastern Arkansas Young Men's Club, at Memphis, Tenn., on May 25, 1939, as follows:

It was highly pleasing to learn that the Eastern Arkansas Young Businessmen's Club, at the annual convention held at Jonesboro, Ark., adopted a resolution urging the Tennessee Valley Authority to extend its lines across the Mississippi River to furnish power to eastern Arkansas, the towns and the rural sections, at the T. V. A. yardstick rates.

I want to congratulate your committee on arrangements for their splendid work in preparing for this meeting, particularly

do I refer to the co-chairmen of the T. V. A. committee, Mr. Ray Burch, of Helena, and Mr. C. B. Dennis, of Marked Tree, whose untiring efforts have brought together this large representative delegation of the business leaders from as fine and fertile lands as that of the Nile Valley. East Arkansas bows to no section of the United States in the fertility of its soil and the character of its citizenship.

When I went before the electorate of the 11 eastern Arkansas counties, that it is my privilege to represent, during the summer last past I stated to the people that I would use my efforts to bring to this fertile valley the benefits of cheaper power. To this very moment I have done the very best that I could to make this pledge a reality.

CONTRACT BETWEEN THE TENNESSEE VALLEY AUTHORITY AN THE ARKANSAS POWER & LIGHT CO.

On June 16, 1939, an agreement was made by the Tennessee Valley Authority and the Arkansas Power & Light Co. in which the Authority agreed to furnish to the Arkansas Co. certain surplus power to be transmitted to the consumers in Arkansas. That contract is a 5-year agreement and provides that in order to cancel the agreement 30 months written notice of intention is required. We are today using a great deal of Tennessee Valley Authority power, but, I want to say, that we are not being charged Tennessee Valley Authority rates for this power.

I hold in my hand an absolute copy of this agreement between the Tennessee Valley Authority and the Arkansas Power & Light Co., and anyone interested may have an opportunity to read this contract to determine the amount paid for the energy by the Arkansas Power & Light Co. and compare this cost to them with the ultimate charge made by the company to you as an actual consumer. The only provision that I find in the contract in which the consumer has the right to object is in section 12, paragraph B, page 13, from which I quote in part.

"If Arkansas Co. shall resell to the ultimate consumer any power supplied by Authority hereunder, for an amount which is in excess of any applicable schedule fixed by Authority for the resale of such power, the remedy of Authority shall be to cancel this agreement, and if Authority shall elect to cancel this agreement for the cause aforesaid, such cancelation shall be effected by delivering to Arkansas Co. 2 years' written notice of intention to cancel this agreement."

COMPARISON OF RATES CHARGED

During the early part of 1939, I wrote many people in the First Congressional District of Arkansas asking for receipted bills showing the actual cost of the electrical energy used by them both in their residences and in their various businesses and received many responses showing the amount actually paid for electricity in Arkansas.

I find from a comparison of these bills that the rate seems to be less in the cities who own their electrical distribution system. I have here a paid bill issued by the Arkansas Power & Light Co. to Max Miller, West Memphis, Ark., showing the consumption of 684 kilowatt-hours, and the amount charged was $34.10. This is a charge of 4$^{9}/_{10}$ cents per kilowatt-hour for this place of business. According to this paid bill of 692 kilowatt-hours for a drug store in Corning, Ark., the price paid was $29.38, or a cost of 4$^{2}/_{10}$ cents per kilowatt-hour. The city of Corning is served by the Arkansas-Missouri Corporation.

The Arkanses Utilities Co., of Helena, charges the sum of $41.76 for 843 kilowatt-hours consumed in accordance with the bill I hold in my hand, a charge of 4$^{9}/_{10}$ cents plus per kilowatt-hour.

In the city of Blytheville, in accordance with the Arkansas-Missouri Corporation bill, which I have here, the charge of $9.28 for 284 kilowatt-hours was made on the consumer, which is the residential rate of 3$^{7}/_{8}$ cents per kilowatt-hour.

In accordance with the bill issued by the West Memphis Power & Light Co. for a place of business in the city of West Memphis, 1,693 kilowatt-hours of electricity were consumed at a cost to the consumer of 4$^{8}/_{10}$ cents per kilowatt-hour, or the sum of $83.08.

In accordance with a Tennessee Valley Authority bill issued by the city of Tupelo, Miss., to R. W. McAlister, in which 1,666 kilowatt-hours of electricity were consumed, the amount of the bill was $11.56, which is approximately seven-tenths of a cent per kilowatt-hour.

I have here excerpts from the CONGRESSIONAL RECORD of April 6, 1939, in which a table is included showing the charges and overcharges for electrical energy in the State of Arkansas and in other States for the year 1937. Arkansas has 27,333 consumers using 110,699,000 kilowatt-hours at a cost to the consumer of $3,641,700. This same power at Tennessee Valley Authority rates would have cost the electrical consumers of Arkansas the sum of $1,664,300. In other words, the people of the State of Arkansas are paying $1,937,400 more for their power to the power companies than this same energy would cost should they be given the benefit of the T. V. A. yardstick rates. This figure is more than double the amount that is being paid for T. V. A. power in the States of Tennessee and Mississippi.

Tupelo, Miss.: Tupelo, Miss., is known as America's first T. V. A. city. This city of approximately 6,500 people in northeast Mississippi finds that each year's operation is a greater success. That is to say, that the profit to the city and the savings to the consumer increase each year.

At the time Tupelo obtained T. V. A. power in 1934 the average residences in that city consumed 49 kilowatt-hours of power at 7$^{1}/_{2}$ cents per kilowatt-hour. Today the average residential consumption has jumped to 215 kilowatt-hours, and the rate has dropped to 1$^{1}/_{2}$ cents. This rate is made to the consumer of Tupelo after taking into consideration the actual costs of the power, the operating expenses, maintenance, and the taxes and interest paid, although the enemies of the T. V. A. program continuously state that taxes and interest are not included.

RURAL ELECTRIFICATION

I am proud to have been of assistance to the Woodruff, Clay, and Mississippi County Rural Electrification Associations in obtaining the approval of the R. E. A. for the erection of several hundred miles of rural lines through many eastern Arkansas counties. Other applications are on file in Washington, and every effort will be made to assure their immediate consideration by the R. E. A. officials.

We are far behind many other countries in rural electrification. Practically every country in Europe has 90 percent of its farms electrified. Even in New Zealand, that far-off country, 65 percent of the farms are electrified, while in the United States less than 15 percent of them have rural electrification.

The South's problems: The South's main problem is on its way to a successful solution. In my opinion, that is the dependence on one crop. Diversification of farms is being speeded up, low feed costs are stimulating livestock raising and dairy farming, and chemists are discovering new uses for soybeans, sweet potatoes, cotton, tobacco, and peanuts.

FREIGHT RATES

Another serious problem confronting the South is the differential in freight rates that exists between shipments originating in the South to be shipped to different geographical freight-rate zones in the country. It was stated on the floor of the House last week in a speech on the question of Argentine beef that there was a reason for the restaurants in the city of Washington serving Argentine corned beef, since it could be shipped from Argentina to Washington and delivered to the consumer for less than the freight on the beef from Texas to Washington.

A bloc has been formed in the House of Representatives by the Representatives from the southern and western States to eliminate this differential. It is very difficult to pass a freight-rate bill due to the fact that the large eastern States have many votes in the House. I introduced a bill in the present Congress which was referred to the Interstate Commerce Commission where no action has been had on this proposed legislation to this date.

If the influences of this selfish interest in the East continues to penalize the South and West in freight-rate discriminations, then they may look for the South and West to retaliate, and it will doubtless spell doom for eastern industry. Without the markets in the South and West grass would grow in the streets of eastern cities. The South and West can manufacture their own goods and keep their money circulating in their own localities, thereby enriching their own people and making them independent.

WHITE RIVER DAM

The South is blessed with water-power resources second to none. The waters of the White River in Arkansas should be harnessed and a flood-control dam constructed with penstocks for the generation of hydroelectric power. It was my pleasure, in company with a delegation from Blytheville, to call on that grand old man whose hair has become ashen white and footsteps unsteady in the service of humanity—the Honorable GEORGE W. NORRIS, of Nebraska—who wholeheartedly endorsed the extension of the T. V. A. line across the Mississippi River into Arkansas and offered his every assistance. Just before we left his office he stated that before he passes on he would like to see a power project instituted along the White River in Arkansas, and he is mapping his plans accordingly. I too am in favor of this development. He stated that he would like to come to Arkansas next summer and meet with representative citizens to discuss this matter.

But, in the meantime, we have met here for the purpose of obtaining what we are justly entitled to receive, and that is cheap power for eastern Arkansas at the earliest possible moment. The Honorable David E. Lilienthal, Director of the Tennessee Valley Authority, called by my office last week and discussed this matter. He suggested that each city that is making application should determine the amount of power now being consumed in each city and give him that information first. He then would have a survey made to determine the economic feasibility of the extension and find out whether or not the Authority has available surplus firm power to serve this area.

I want to take this means to congratulate this forward-looking and progressive organization in making this fight to build a better Arkansas and to bring happiness and prosperity to its people. It was the intention of the original T. V. A. Act to make available T. V. A. power to as many people as is possible at a rate that they can afford to pay. The Honorable JOHN E. RANKIN, of Mississippi, co-author of the Tennessee Valley Authority Act, is untiring in his efforts to bring to the people of Arkansas cheap electricity, and, as for me, I wish to say that with the continued help of the E. A. Y. M. C., I will not take "no" for an answer and will not only urge that this be done but will demand it.

Humor and Pathos in Foreign Trade

EXTENSION OF REMARKS
OF
HON. THOMAS E. MARTIN
OF IOWA
IN THE HOUSE OF REPRESENTATIVES
Tuesday, August 1, 1939

ARTICLE BY RICHARD A. STADERMAN AND A. PAGE WEEKS

Mr. MARTIN of Iowa. Mr. Speaker, under leave to extend my remarks in the RECORD, I include therein a supplement of July 25, 1939, to the American Good Government Review. This article is by Richard A. Staderman, president of the society and editor of the Review, and A. Page Weeks, vice president of the society.

This article presents some interesting statistics and suggestions which I feel are well worth careful study and serious consideration.

The matter referred to is as follows:

[From a special supplement to the American Good Government Review, Washington, D. C., July 25, 1939]

HUMOR AND PATHOS IN FOREIGN TRADE: INCLUDING AN ANALYSIS OF THE EFFECTS OF THE RECIPROCAL TRADE AGREEMENTS ON AMERICAN AGRICULTURE

(By Richard A. Staderman, president, and A. Page Weeks, vice president, the American Good Government Society, Washington, D. C.)

Foreign trade is a fascinating subject, yet one fraught with serious effects on the lives and well-being of millions of our citizens.

It is pleasant to look over the list and pick out strange and almost unbelievable items. How many of us know that we import "dragon's blood" from the Far East? This is not a fairyland tale and they don't have to kill dragons for it. It is the name given to a red gum used by certain of our druggists and varnish makers.

Who would think that we imported "apatite" from Russia? This is not a gnawing feeling in the pit of the stomach, but a mineral unlikely to trouble our stomachs in the manner which Owen Meredith relates in his book, Lucille, wherein he likened pangs of hunger to the Furies which afflicted Orestes in ancient mythology.

"Bibulous paper" appears on our import list. Far from being an article for imbibers or for a substitute for an ice pack the morning after, it has true absorption qualities, being a paper used as a filter.

Were one to mentain "divi-divi," many people would think of some type of 50-50 proposition. Actually it is a fruit product from the Tropics from which we extract a tanning material.

Who could read of "Job's tears" without visualizing some hitherto Biblical calamity? But all for nought, for they are seeds from the Philippines which are used for jewelry, and are said to make attractive necklaces—as they should, in view of their price of up to $10 a tear.

TRADE AGREEMENTS—FACTS AND FANCIES

When the trade agreements program was passed in 1934, many economists hoped that this might result in an increase in exports of our surpluses to countries not producing such products in exchange for some of their surpluses of things not competing with products of our own farms, factories, and labor.

Unfortunately this principle of striving to encourage foreign trade in products not competing with one's own producers, was not followed. What did seem to be the objective was that of attempting to increase both exports from and imports into the United States regardless of, or with insufficient regard to, the fact that many of these increased imports might displace our own producers. The theory of the trade-agreements proponents apparently was that all would adjust itself in the long run, presumably on the assumption of a perfect fluidity in business.

By "fluidity" one means that as soon as a farmer were for example ruined by competition of some cheap imported meat or other agricultural product, he might in some magical way transform his farm and himself into a factory and a skilled worker and export something for which the trade agreement was supposed to have increased the demand.

At first it appeared that the proponents of the agreements were succeeding from their standpoint, notwithstanding the ruthless aftermaths on some of our own producers. In 1934, before the trade-agreements program actually got under way, our total exports were $2,130,000,000 in round numbers. By 1937 this had increased to $3,350,000,000.

Thus our export trade seemed to be thriving. One manufacturer of breakfast foods who couldn't sell his product abroad as such, removed the word "breakfast" from the package and advertised its benefits as a bedtime dish for children, and scored good success. Presumably our exports of "weasel's tails" to China also increased. This strange but true item is used by the Chinese to make those fine brushes with which they write.

IMPORTS INCREASE FASTER THAN EXPORTS

During this same period, imports per year in 1934, before the agreements began, came into the United States to an amount of $1,660,000,000. By 1937 this had grown to $3,100,000,000. Offhand this concomitant growth of exports and imports to the tune of the "good-neighbor" melody appeared on the surface to justify the proponents of the scheme.

The first rift in the rainbow occurred when the growth of imports was shown to be $1,440,000,000 or $220,000,000 more than the above $1,220,000,000 increase in exports from the United States in these years. That is, the foreign nations had sold us more in 1937 than in 1934, we had sold them more, but they had sold us over $200,000,000 worth more than we had sold them, on a net basis.

A second rift became apparent when prices received by farmers dropped on the average to less than they had been since before the trade agreements had started. The combined index of prices received by farmers for all their products stood at 107 percent at the beginning of 1935, before the trade agreements had really gone into effect (only the Cuban agreement had been signed before this, the remaining 17 or so agreements were subsequently signed). After a temporary rise due largely to drought in the intervening years, this index dropped to 104 percent in December 1937, or 3 percent less than before the program was started. Incidently, the latest figure for May 1939 shows this index at 90 percent and the end of the decline not yet in sight.

BETWEEN TWO CROSS-FIRES

One factor tending to pull down farm prices in the United States has been the growing amount of low-priced products of the same sort as we raise here being imported under the encouragement of the lowered tariffs of the trade-agreements program.

The unfavorable aspect of these things coming in which we could raise ourselves is not only that so-and-so much of them displaces what we might otherwise raise. In addition we have an economic principle at work that if part of the supply of a product is offered at lower prices, it tends to cause a drop in the rest of the supply which was selling at higher levels.

Meat products offer a good illustration. In 1933, before the agreements were started, for the entire year we imported some 62,000,000 pounds of all kinds of meat products with a value of $9,400,000. For the first 5 months of 1939 we have already imported a greater physical quantity of meat products valued at $12,600,000. At this rate, the total for 1939 of imported meat products will certainly amount to two or three times the pre-reciprocal program amount.

RECIPROCAL-AGREEMENTS PROGRAM BOGGING DOWN

Until 1937 a certain superficial appearance of success could be claimed for the reciprocal program, as we have indicated above. Since then, however, exports from the United States have, on the average, been steadily declining, notwithstanding bigger and allegedly better additional agreements. True, imports in 1938 declined sharply in certain lines, but they are now growing.

Our total exports for the first 5 months of 1938 amounted to $1,360,000,000. For the same months of 1939 these had dropped to $1,180,000,000, a decline of $180,000,000. During these same periods imports into the United States increased from $815,000,000 for 1938's first 5 months to $915,000,000 for those months this year, an increase of $100,000,000 in imports.

THE DISAPPOINTING ANGLO-AMERICAN TRADE TREATY

Great hopes were raised regarding the results of the agreement between Britain and the United States, inasmuch as the British Empire forms the largest market we have for exports. Canada ranks first and the United Kingdom (British Isles proper) ranks second among all the nations of the world in our exporting list.

Have these hopes been realized since January 1, 1939, when the British-American agreement became effective? For the first 5 months of 1938 our exports to Britain were $225,000,000. For these same months this year they were $193,000,000, a drop of $32,000,000 since the agreement became effective.

During the first 5 months of 1938 our imports from Britain were $44,000,000. In these months of 1939 they were $61,000,000, an increase of $17,000,000.

The British are shrewd traders. For many years they have been selling quite a few pieces of used clothing to natives in Africa. A native feels quite important if he can strut around in a "silk-topper" hat, sporting a touch of shiny gold braid from a former military uniform, with a pair of epaulettes to touch it off. Then there is the manufacturer in Seattle to whom the sons of John Bull sell goose feathers, from which he makes badminton shuttles, which he sells in India.

Of the months above quoted, May 1939 showed the largest increase of imports into the United States from Britain, the figure being $15,200,000 for that month, as against $8,600,000 for May 1938. The imports have almost doubled for these periods. Apparently Britain got the best of us on that deal.

DRASTIC DECLINE IN EXPORTS OF FOODSTUFFS

During the first 5 months of this year, as compared with the corresponding months last year, exports of crude materials declined 30 percent. This does not include crude foodstuffs, which in May 1939 were exported from our shores in an amount 68 percent under May 1938.

Imports of crude materials were 55 percent more and those of crude foodstuffs were up 32 percent in this May, as compared to May last year. This is a strange performance for a nation like ours with a large surplus of food products and overproduction problems.

With grain selling substantially lower in Liverpool than in our own country it is small wonder that our total export of all grains dropped from 43,000,000 bushels in May 1938 to 16,000,000 in May this year. These figures include flour and meal. Of the totals the decline in exported corn was the most drastic, the May amount dropping from 25,000,000 bushels to only 1,200,000 bushels this year.

GROWTH OF OUR MEAT IMPORTS

The latest available figures show over 4,000,000 pounds of meats a week being imported into the United States. It is hard to visualize over 200,000 pounds of canned Argentine beef coming in during a single week, or an average of about 30,000 pounds every day. Brazil tops this with sending us 270,000 pounds of canned beef per week, or almost 40,000 pounds a day.

On the average, Denmark sends us 4,000 pounds of hams a day, and little Estonia ships in 15,000 pounds of pork products a day. Holland's shipments of pork and hams to our ports runs over 25,000 pounds every day. The country of Hungary seems to be so well fed that it can ship into our gates some 14,000 pounds a day of hams, pork loins, and canned picnic meat. Italy and Lithuania each send some 5,000 pounds of sausage and hams, respectively, per day.

Poland does not seem to be entirely engrossed in worry over Danzig when it ships us some 24,000 pounds per day of hams, bacon, pork butts, shoulders, pork loins, etc. Rumania sends 10,000 pounds a day of meat products, and even tiny Switzerland, eking out a hard-won existence atop the rugged Alps, is able to ship into our markets some 3,000 pounds per day of bouillon cubes and soup tablets.

Other than a small percentage of these meat imports under special brands for use of foreigners or naturalized citizens living in the United States, there is no good reason apparent why we should not patronize the farmers raising animals for meat who are located in our own United States. We cannot agree with the view of President Franklin D. Roosevelt that certain imported meat is better than similar types marketed by our own producers.

The grain and meat relationship is a commonplace to every farmer. The imports of foreign meats not only backfire on professional raisers of livestock but also keep various farm crops from coming to market "on the hoof."

WHY NOT MORE DOMESTIC WOOL?

During May 1934 we imported 7,500,000 pounds of foreign wool. This was before there were any reciprocal-trade agreements. In May 1938 this had risen to three times as much, or 21,000,000 pounds. Due to our unwise policy of devaluation of the gold dollar, our consumers of wool now have to pay $35 for a quantity of wool which, without devaluation, would have cost only $20.67. Apparently, this is a modern perversion of the ancient Golden Fleece in which foreign producers fleece us with their wool.

The startling thing is that two-thirds of our imports of wool come in free of duty, and all of our imports of sausage casings are duty-free, which, in the case of lamb, sheep, and goat casings amounts so far this year to half a million dollars a month, or, at the rate of $6,000,000 a year. This, added to our present wool imports of about $4,000,000 worth a month, or over $40,000,000 a year, makes a total business of some $50,000,000 a year our own farmers could do if we protected them against these imports. Some who are now not doing so well might fare better if they could turn to sheep-raising and have a market for sheep, lambs, and products therefrom.

PORK AND LARD EXPORTS

During the 1920's our exports of all pork products, including lard, averaged over 100,000,000 pounds a month. During the depression years 1931 and 1932 this held up around 60,000,000 pounds a month. Thus far this year these have averaged not over 34,000,000 pounds a month, barely over half what they were before the reciprocal-trade program was started and but a third of the average of the twenties.

Lard forms an important part of the above exports of pork products. In 1923 exports of lard from the United States averaged 86,000,000 pounds per month. This was exceptional, however, the monthly average for the entire twenties being around 60,000,000 to 65,000,000 pounds a month. During the low point of the 1931–32 years lard exports averaged only about 47,000,000 pounds a month. In the early part of 1934, before scarcity policies plus drought had taken effect, these exports of lard ranged from 37,000,000 pounds in the short month of February to 66,000,000 in that of May.

If the trade-agreements program had succeeded, one would expect that by now exports would be back to the level of the twenties. Figures for May 1939 show lard exports at only 25,000,000 pounds, and the average for the first 5 months of 1939 is only 23,000,000 pounds a month.

WAREHOUSEMEN PROSPER AT EXPENSE OF FARMERS AND TAXPAYERS

That clever humorist of the horse-and-buggy days, Mr. Dooley, once remarked that every lawyer in a bankruptcy case felt he was entitled to "a fair share" of the assets of the bankrupt. Something similar is resulting from the present governmental agricultural policies, which is causing ever-growing surpluses to be stored rather than moving along into the channels of commerce.

This reductio ad absurdum only recently came to light when cotton warehousemen opposed the agreement signed in London June 23, 1939, to barter 600,000 bales of our surplus cotton for 175,000,000 pounds of British rubber. We now reportedly are paying $45,000,000 a year for storage of loan stocks of 11,250,000 bales of cotton, and the warehousemen would lose part of this revenue if the barter transaction is consummated. It would be interesting to know how many more millions of dollars are going for storage of other crops. Obviously this amount paid for warehousing crops that should have been consumed could be used in part for actually helping farmers and in part for easing the load on our taxpayers.

SUGGESTED IMPROVEMENTS

Our survey has shown that agriculture in general has not benefited from the trade-agreements program, although certain manufacturers have been able to increase exports due to the agreements. On the whole, however, the temporary increase in exports of all products from the United States has been reversed, and if the present declines in exports continue, we shall soon be worse off than before the program was started. Agriculture is already less well off than before the agreements, due partly to the price-fixing schemes which keep products off the world market, and partly to the removal of tariffs on imports which compete with our own farmers' products.

Consumers do not usually care where their purchases come from except in the case of certain types of highly processed and manufactured articles. For foods they merely want to avoid excessive prices for satisfactory quality. Consumers would feel badly if they were not permitted to buy a certain amount of French laces or chinaware, Italian olive oil, or Swedish bread. If we were to put prohibitive tariffs on grains, meats, and vegetables that we can readily produce there would be no complaint from consumers at keeping out the foreign products unless the prices of ours became excessive—a development unlikely in view of our present farm capacity.

TRUE ROLE OF THE FOREIGN-TRADE PROGRAM

The original principles of the reciprocal-trade program have broken down with the negotiation of the recent cotton-for-rubber barter deal, as well as the export subsidy announced for cotton. The program has not worked from the standpoint even of its proponents, who claimed it would cause a steady increase in our total export trade each year. It certainly has not worked in the interest of our own producers of foods and raw materials.

A rational foreign-trade policy would, therefore, seem to be one of keeping out foreign products of types which we can produce enough of ourselves, with certain exceptions for highly processed items as above indicated. Tariffs could be adjusted at such a point to normally keep out competitive imports, but still low enough to prevent any monopoly here from rigging the market and collecting extortionate prices.

Our trade-treaty negotiators would then devote their efforts to arranging agreements which would lower foreign nations' tariffs on what we wished to export and grant lower duties here on imports of items we do not produce. Incidentally this policy would aid our national defense and security by rendering us less dependent on foreign sources of supplies and hence less vulnerable to the effects of possible armed conflicts between other nations.

What's Wrong With the "Heavy" Industries?

EXTENSION OF REMARKS

OF

HON. GEORGE H. BENDER

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Tuesday, August 1, 1939

Mr. BENDER. Mr. Speaker, during the first 3 years of the depression, the Nation's "heavy" industries dropped almost 80 percent. Automobiles, new buildings, construction, utilities, and railroads dropped thousands of employees. Their purchases were reduced to a fraction of their normal extent. Today, with conditions recognized as better than they were at the bottom of our industrial crisis in 1933, our "heavy" industries are still lagging far behind the parade. When we recall that it is in just these branches of our national economy that the rolls of our unemployed continue at

a distressingly high figure, we must recognize the importance of some constructive effort to tackle this problem.

For the last 2 months, stock prices have moved slightly upward. But this normal harbinger of improved business seems almost meaningless in these days. For our factories, our shops, operated at a figure which was somewhat under 75 percent of the 1929 rate. We are still moving along in a depressed curve. In April, the National Industrial Conference Board placed the number of our unemployed at 10,177,000, which is only one-third fewer than the worst figure of the depression years.

Every figure makes it obvious that we have recovered only slightly if at all from the extreme difficulties of 1933. And the heart of the problem lies within the walls of official Washington. In April, employment in the factories manufacturing nondurable goods was only 8½ percent under the 1929 level. In our durable-goods industries, we were almost 25 percent under the '29 figures.

Our Government protests constantly that it is keenly interested in stimulating building. Public-works programs flood the newspapers and projects dot the cities of dozens of States. Yet residential building, private-home construction is proceeding at just about half of the 1925–28 rate. It is better than it was in 1933, but any comparison based upon that year could not escape being favorable. People refuse to build, because they are unable to plan. They are fearful of their futures.

In the two greatest areas of our durable-goods production the Nation's desperate economic plight comes even more strongly home. Our railroads and our utilities not long ago were tremendous purchasers. Virtually all their business added to the demands of our heavy industries. Steel, iron, new and replacement equipment gave employment to thousands of workers.

Today any unbiased observer of the American scene would regard the men who run our railroads and operate our utilities as the most abysmal sort of idiot if they chose to venture upon a program of expansion. For 4 years the Nation's railways have been suppliants at the doors of the White House, asking for some form of legislation which would enable them to meet the growing forms of competition which menace their earnings. To every request the national administration has turned a deaf ear. In effect, our railroads have been politely told, "You got yourselves into this mess back in the days before Roosevelt. Now get yourselves out of it." No one who takes this view can be labeled worthy of high public office. For the economic burdens which fall upon the railroads of our Nation are shared by the several million men and women whose livelihoods are dependent upon the successful operation of our roads. They are directly linked with the investments of additional millions whose incomes are equally dependent upon successful operation. To cut them adrift with a sink-or-swim attitude is treason to our people.

No less distressing is the dilemma which confronts our privately owned utilities. Their purchases have been virtually halted by the growing fear of Government competition. With the expansion of the T. V. A. program and the threat of additional ventures along similar lines throughout the land, the "stop" signal has been permanently turned against them. Their immediate future lies hidden in the obscurity of a collective bureaucratic mind uttering its will from Washington.

Steel, the basis of our "heavy" industries, reflects the pessimistic viewpoint of the railroads and our utilities. Expansion programs are out of the question so long as the uncertainty which pervades the atmosphere continues to darken our outlook.

Meanwhile, the 10,177,000 men and women who are unemployed gain little satisfaction from the fervent assurances of Washington that things are on the upgrade. For them, the answer to the question, "What's wrong with the Nation's heavy industries upon which we so largely depend for our livelihoods?" is ready at hand. Too much government, too much regulation, too many restrictions, too many indications that business is the villain—these are the basic causes of our collapse.

To change these conditions requires only the word of the American people. They must speak that word soon.

Rankin Adopted by Chickasaws

EXTENSION OF REMARKS

OF

HON. WILBURN CARTWRIGHT

OF OKLAHOMA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, August 1, 1939

Mr. CARTWRIGHT. Mr. Speaker, on July 29, 1939, the Chickasaw Indians conferred upon our distinguished colleague, Hon. JOHN E. RANKIN, of Mississippi, the highest honor their nation can bestow upon an individual by adopting him as an honorary member of the Chickasaw Nation.

The Chickasaws, most of whom live in my district, were among the most enlightened Indians found in America upon the discovery of the New World. They have always been the friends of the English-speaking white people, and have served this country patriotically in every war in which we have been engaged, from the Revolution down to the present time.

And even before the Revolution they met and defeated the French at the Battle of Ackia and probably saved the western half of this continent for the English-speaking race.

They conferred this honor upon the gentleman from Mississippi [Mr. RANKIN] because of his great service in securing the rehabilitation of the Ackia Battlefield and dedicating it to the memory of the Chickasaw Nation.

In that connection I desire to say also that Mr. RANKIN is largely responsible for the passage of the bill creating the Natchez Trace Parkway, which is also dedicated to the Chickasaw and Choctaw Nations for their services to the United States in the War of 1812.

Under permission granted to me to extend my remarks in the RECORD, I am inserting a letter to the gentleman from Mississisppi [Mr. RANKIN] notifying him of his adoption as an honorary member of the Chickasaw Nation.

CHICKASAW TRIBAL PROTECTIVE ASSOCIATION,
Oklahoma City, Okla., July 29, 1939.

Hon. JOHN E. RANKIN,
House of Representatives, United States of America,
Washington, D. C.

DEAR MR. RANKIN: Your splendid memorial of Douglas H. Johnston, governor of the Chickasaw Nation, which was delivered in the House of Representatives, United States of America, and published in the CONGRESSIONAL RECORD of July 1, 1939, was read before 500 Chickasaws in convention assembled at Seely Chapel, Okla., July 26, 1939.

It was the voice of the convention that your address be embodied in the minutes of the convention and that a letter be written you by the secretary expressing the sincere appreciation of the Chickasaw Nation for your noble tribute to our beloved old chieftain, especially appreciated because it came from our old homeland in Mississippi. The footprints of our ancestors have been gone for many years from the hills and vales of Mississippi, and we are proud to know that their spirited impress—the impress of the "unconquerable Chickasaws"—can still be found in the hearts of the people.

Governor Johnston has always appreciated the loyal friendship you have always manifested for himself and the Chickasaw Nation, and he has told us of the fine tributes you have paid our Nation in the Halls of Congress. He has also told us of the bill you introduced in Congress, and was instrumental in having passed, which provided for the creation of a national park out of the old Ackia Battleground, and which also provided an appropriation to erect a monument to the Chickasaws on the site. The hearts of the Chickasaws were lifted with pride that Mississippi remembered its ancient ones who were our ancestors and for the high honor that has been paid our old nation by Congress and yourself.

As a token of our appreciation for your noble service in our behalf, the Chickasaws on July 26 in convention assembled adopted you as an honorary member of the Chickasaw Nation. Certificate of this action will be sent to you as soon as it can be prepared. As Congress will soon adjourn, will you kindly let me know where we may send your certificate of membership?

The Chickasaw Nation will always remember with gratitude the friendship you have ever manifested for our people, and we are honored to call you brother. May the Great Spirit of our forefathers surround you with His presence always.

The Chickasaws have spoken,

JESSIE B. MOORE,
Secretary-Treasurer, Chickasaw Tribal Protective Association, Official Organ of the Chickasaw Nation.

Invisible Government

EXTENSION OF REMARKS
OF
HON. J. THORKELSON
OF MONTANA
IN THE HOUSE OF REPRESENTATIVES
Tuesday, August 1, 1939

Mr. THORKELSON. Mr. Speaker, the United States Congress will have much to answer for in its failure to recognize that business must be operated differently in a republican form of government than in an imperialistic form of government.

Congress will have much to answer for in its failure to adhere strictly to the fundamental principles upon which the Government must rely in order to be preserved as a republic; in failure to realize that we are gradually drifting away from sound regulated management, into an uncontrolled mass management, which will be directed by theoretical planning; in failure to understand that the present directing power is socialistic and that the guiding influence is communistic; in failure to understand that this movement is directed by a group that is not interested in our people but is instead set to secure a safe place for storage of its gold; in failure to understand that the movement of gold to the United States is deliberate and under the same management, and may be moved out faster than it came in; in failure to understand that the gold now in the United States is here because the invisible government does not control Germany, Italy, and Japan, and is therefore fearful that this gold may fall into the hands of those powers that have divorced themselves from the international money changers in the invisible government; in failure to realize that the present agitation for war is directed by the money changers to force these rebellious powers in line so that they and their own tribe may control the world by the power of gold.

In failure to realize that the President may be the instrument of the invisible government, as Kerensky was in Russia, only to be superseded by another Lenin when the invisible government's organized army, composed of the Communists and anarchists, attempts to take control of the Nation; in failure to recognize that the now popular appeal to the masses, in which the communistic proponents advocate Government ownership, unreasonable interracial relations, license and immorality, dissension and strikes, are for no other purpose than to fool the American people, to keep them unorganized and weak so that they may be overpowered by the organized Communists led by privately employed stooges of the internationalists; in failure to recognize that the attack upon our Government will come from within, and that it is already well organized, subtly, to be sure, but for that very reason a greater menace.

In failure to understand that the so-called liberals among the teaching staffs of the colleges and in the employ of the Federal Government are deluded victims or real employees placed in those positions by the invisible government by stealth to promote their diabolical schemes of destruction and conversion of the United States into a proletarian state; in failure to understand that this movement is general, and conducted through the subterfuge of radical labor organizations whose memberships may not be actually aware of the real situation, and for that reason fail to recognize that the leadership in their own groups is in the hands of those who are intimately associated with communism and anarchism, that the attack will come from within the United States like an evil cloud which at first appears threatening and then develops into a devastating storm, and that the base from which this evil force is operating and upon which it may rely for reserves is in Mexico, a country which is now in the nearly complete control of the Communists.

In order to clarify the issue, I shall publish a list of organizations which are led by radicals and which will be employed in attempted conversion of the Government as now contemplated by the Communists and so published in their own papers. This is not a secret, for no one is bolder than the Communist, and no one is blinder to this danger than the present Executive.

The organizations, their chairman and leaders, are:

American League for Peace and Democracy, 268 Fourth Avenue; Dr. Harry F. Ward (chairman), R. M. Lovett, Earl Browder, Clarence Hathaway.

Amalgamated Clothing Workers (C. I. O.), 15 Union Square, New York City; Sidney Hillman (president), Jacob S. Potofsky.

American Association for Social Security, 41 Union Square, New York City; Abraham Epstein (secretary), Bishop F. J. McConnell.

American Civil Liberties Union, 31 Union Square, New York City; Dr. H. F. Ward, Roger N. Baldwin, Arthur Garfield Hays, Robert W. Dunn.

American Federation of Teachers, Local No. 5, 114 East Sixteenth Street, New York City; C. J. Hendley (president), Rev. Jerome Davis (national president), Dr. Bernhard Stern.

American Committee for Protection of Foreign Born, 100 Fifth Avenue, New York City; Rev. Herman F. Reissig (chairman), Charles Recht, Carol Weiss King.

American Friends of the Chinese People, 168 West Twenty-third Street, New York City; M. S. Stewart (chairman), M. Forsyth, Prof. R. M. Lovett, George S. Counts.

American Friends of the Soviet Union, 461 Fourth Avenue, New York City; Corliss Lamont, A. A. Heller (treasurer).

American Student Union, 112 East Nineteenth Street; Joseph P. Lash (secretary), Celeste Strack (units in 300 colleges).

American Youth Congress, 55 West Forty-second Street, New York City (set up by Y. C. L., 634 Sixth Avenue, New York City); W. Hinckley (chairman), Joseph P. Lash.

Young Communist League, 464 Sixth Avenue, New York City; Carl Ross, Celeste Strack, Angelo Herndon.

Communist Workers School, 31 East Twelfth Street, New York City; A. Markoff (director), J. R. Brodsky, Dr. H. Selsan, L. Boudin, H. Sacker, Irving Schwab.

Co-Operative League of the United States of America, 167 West Twelfth Street, New York City (Moscow affiliate); Dr. J. P. Warbusse, president.

Communist Party, United States of America, 35 East Twelfth Street, New York City; W. Z. Foster (chairman), Earl Browder (general secretary), H. Benjamin, W. Weiner, J. W. Ford, A. W. Berry, A. Markoff.

Congress of Industrial Organizations, New York State Council, 1133 Broadway, New York City; John L. Lewis, national president; New York State, A. S. Haywood, president.

China Aid Council, 268 Fourth Avenue, New York City; M. Forsyth, J. Waterman Wise, Rabbi S. S. Wise, M. Stewart, J. P. Lash, J. P. Davis.

Communist Workers Bookshop, 50 East Thirteenth Street, New York City.

Daily Worker, 50 East Thirteenth Street, New York City; Clarence Hathaway, editor; 120,000 Sunday circulation.

Federated Press, 30 Irving Place, New York City; Frank L. Palmer, president. Serves 104 newspapers.

Federation of Architects, Engineers, Chemists, and Technicians (C. I. O.); M. E. Scherer, vice president; L. A. Berne, president.

Descendants of the American Revolution (born). 126 East Nineteenth Street, New York City; M. Hatfield, national chairman; Arthur Garfield Hays, attorney. Headquarters, 112 Park Avenue.

Garland Fund (American Fund for Public Service), 2 West Thirteenth Street, New York City; R. Baldwin, Morris L. Ernst.

International Labor Defense, 112 East Nineteenth Street, New York City (Moscow affiliate); V. Marcantonio (president), J. Brodsky.

International Ladies Garment Workers Union, 3 West Sixteenth Street, New York City; D. Dubinsky, president.

International Publishers, 381 Fourth Avenue, New York City, A. Trachtenberg.

Jewish Daily Freiheit, 50 East Thirteenth Street; M. J. Olgin, editor.

Jewish People's Committee versus Fascism and Anti-Semitism, 1133 Broadway, New York City; W. Weiner, president.

Labor Research Association, 80 East Eleventh Street, New York City; R. W. Dunn, director, Garland Fund aided.

International Workers Order, 80 Fifth Avenue, New York City; W. Weiner (president), J. Brodsky (attorney).

League for Mutual Aid, 104 Fifth Avenue, New York City; J. Davis, A. Schulkind (executive secretary), J. Baker.

League of American Writers, 381 Fourth Avenue, New York City; D. C. Stewart (president), M. Gold, G. Hicks, F. Fulsom (executive secretary).

League of Women Shoppers, 220 Fifth Avenue, New York City; E. Preston (Mrs. R. N. Baldwin), M. Forsyth.

Methodist Federation for Social Service, 150 Fifth Avenue, New York City; Bishop F. J. McConnell.

National Committee for People's Rights, 150 Fifth Avenue, New York City; R. Kent (chairman), M. Gold.

National Lawyers Guild, 31 Union Square, New York City; national headquarters, Washington, D. C.

National Maritime Union (C. I. O.), 126 Eleventh Avenue; J. Curran, president.

National Mooney-Billings Committee, 112 East Nineteenth Street; Rabbi S. S. Wise.

National Negro Congress, 35 East Twelfth Street; A. P. Randolph, president, J. W. Ford, A. Herndon, J. P. Davis.

National Urban League, 1133 Broadway, New York City; Rev. L. Hollingsworth Wood, W. C. Poletti.

National Women's Trade Union League, 247 Lexington Avenue, New York City; R. Schneiderman, A. Nestor, M. Schwartz.

Negro Youth Congress, 35 East Twelfth Street, New York City; W. F. Richardson, chairman, E. E. Strong, secretary.

New School for Social Research, 66 West Twelfth Street, New York City; A. Johnson, president; B. Bass, attorney, Heywood Broun.

North American Committee to Aid Spanish Democracy, 381 Fourth Avenue, New York City; Bishop F. J. McConnell.

Peoples Press, 1133 Broadway, New York City; Corliss Lamont (owners), J. Waterman Wise, R. S. Childs.

Progressive Women's Council, 80 East Eleventh Street, New York City; C. Shavelson, president; Rose Nelson, secretary, R. Chaikin.

Rand School of Social Science (socialist), 7 East Fifteenth Street, New York City; D. Alexander, Norman Thomas.

Social Economic Foundation, Inc.; C. Lamont, A. A. Heller, C. Recht, M. Van Kleek, directors.

Social Work Today (magazine), 112 East Nineteenth Street; B. Goldman, S. M. Isaacs, L. Merrill, M. Van Kleek.

Scottsboro Defense Committee, 112 East Nineteenth Street, New York City; Rev. A. K. Chalmers, chairman.

Socialist Party, United States of America, 11 West Seventeenth Street, New York City; Norman Thomas, J. Altman.

Southern Tenant Farmers Union (C. I. O.), 112 East Nineteenth Street or 50 East Twelfth Street, New York City; H. Kester.

Transport Workers Union (C. I. O.), 80 East Eleventh Street, New York City; M. Quill, president, A. Hogan, T. Santo.

United Christian Council for Democracy, 150 Fifth Avenue, New York City; W. F. Cochran, president, R. Niebuhr.

United Office and Professional Workers of America (C. I. O.), 30 East Twentieth Street, New York City; L. Merrill, president.

Workers Library Publishers, Inc., 39 East Twelfth Street, New York City (specializes in party propaganda).

Workers Defense League, 112 East Nineteenth Street; J. Davis, R. Morss Lovett, M. Shapiro, N. Thomas.

Workers Alliance, New York State Section, 781 Broadway, New York City; S. Weisman, president, D. Lesser.

Women's International League for Peace and Freedom, 150 Fifth Avenue, New York City.

Young Pioneers, 80 Fifth Avenue, New York City (Communist subsidiary).

Bookniga Corporation, 245 Fifth Avenue, New York City.

I have here named a number of pink, red, and scarlet organizations which are directly or indirectly engaged in destructive activities against the Government of the United States. It is the President's duty to see that the law is faithfully obeyed, and I here and now call his attention to the fact that there is a definite plan on foot by the Communists to undermine and destroy our Government.

In such event, armed forces may be used to bring those who are guilty to the bar of justice:

(3) Whenever insurrection, domestic violence, unlawful combinations, or conspiracies in any State so obstruct or hinder the execution of the laws thereof, and of the United States, as to deprive any portion or class of the people of such State of any of the rights, privileges, or immunities, or protection, named in the Constitution and secured by laws for the protection of such rights, privileges, or immunities, and the constituted authorities of such State are unable to protect, or, from any cause, fail in or refuse protection of the people in such rights, such facts shall be deemed a denial by such State of the equal protection of the laws to which they are entitled under the Constitution of the United States; and in all such cases, or whenever any such insurrection, violence, unlawful combination, or conspiracy, opposes or obstructs the laws of the United States, or the due execution thereof, or impedes or obstructs the due course of justice under the same, it shall be lawful for the President, and it shall be his duty, to take such measures by the employment of the militia or the land and naval forces of the United States, or of either, or by other means, as he may deem necessary, for the suppression of such insurrection, domestic violence, or combinations, R. S. 5299, U. S. C. 50: 203; secs. 504, 1298, M. L., 1929.

Congress failed in its duty to the people in designating the present power to the President of the United States. There is no provision for the delegation of such power in the Constitution, and responsibility cannot in any sense be expected to rest upon those the President appoints, but must instead be assumed by Congress itself, to which the people entrust their safety. Congress failed to recognize the danger of Federal ownership of private industry, when it delegated power by special acts of Congress for the corporations now operated by the Federal Government in direct competition with business. Congress failed to recognize the power and rights which the people reserved to themselves in the tenth amendment of the Constitution when they allowed invasion of the States, not only in federally owned enterprises, but also in destructive taxing power. Congress failed to recognize that it has no power to delegate reorganization and shifting of personnel within the Federal Government except under supervision of Congress, that in the end is responsible for all departments.

We are now at the end of the session, and I sincerely hope when the next session comes around that Congress will in united effort repeal all this unconstitutional power and resume its rightful relation to the people, as provided for in the Constitution of the United States. When the Federal Government is allowed to usurp one business and industry after the other, when the last one is transferred under Federal control, we are no longer a republic, ruled by the people and represented by Congress, but we are instead either a monarchy or a dictatorial government, ruled by a despot. We can be right only if we rely upon the fundamental basic principles of our Government. In departing from these, we cannot escape chaos and destruction.

This danger is not far off, for it is recognized by Members within the Government itself. I quote.

STANFORD UNIVERSITY, CALIF., July 18.—Inflation and repudiation of the public debt are ahead of the United States, W. L. Crum,

professor of economics and consulting expert of the United States Treasury, told the Stanford business conference today.

"Inflation is already here; rise in the public debt is inflation," Crum said. "But it has not yet taken hold enough to send commodity prices soaring.

"Some set of circumstances will set it off—don't ask me when."

Crum addressed the research section of the conference, which concluded the second day of its week-long discussion, with an off-the-record after-dinner talk by former President Herbert Hoover.

The factor tending to conceal inflation is surplus of commodities, keeping prices down. Should a sudden flare-up of public anxiety touch off inflation fire, resulting increase of production might supply enough goods to stop or turn the rise of prices, Crum said.

He said bondholders would be nicked, and stockholders might offset part of effects of price rise by higher dividends, but corporate profits probably would be taxed away.

"I know no protection against inflation any of us can use to take advantage of it in a big way. The best we can do is buy a small homestead," he said.

Debt will probably keep rising, he forecast. It may reach eighty billion and the service cost rise from one billion to three. Then the public outcry against paying so much to bondholders will bring repudiation, he declared.

This is the outlook of the Treasury Department, which I daresay every Member of Congress recognizes to be the final outcome of the maddening spending and waste that has been in vogue for the past 10 years. Disaster may be averted, providing measures are taken now or in the next Congress. Failure to take steps to restore economy and soundness in the Government can only end in uncontrolled inflation.

The Government and the People

EXTENSION OF REMARKS

OF

HON. ROBERT M. LA FOLLETTE, JR.

OF WISCONSIN

IN THE SENATE OF THE UNITED STATES

Tuesday, August 1, 1939

ADDRESS BY HON. LISTER HILL, OF ALABAMA, AT SILVER ANNIVERSARY OF NATIONAL POPULAR GOVERNMENT LEAGUE

Mr. LA FOLLETTE. Mr. President, I ask unanimous consent to have inserted in the Appendix of the RECORD a very eloquent and able address delivered by the junior Senator from Alabama [Mr. HILL] at the silver anniversary of the American Popular Government League at Washington, D. C., on April 29, 1939.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

Long ago Mme. Roland exclaimed, "Oh, liberty, what crimes are committed in thy name!" Tonight we might exclaim, "Oh, States' rights, what crimes are attempted in thy name!"

Vermont under its present control went out of the Union in 1936 and under that control she thinks she is still out. She talks about States' rights and seeks to frighten the people with such bugaboos as "Federal invasion," "the growth of bureaucracy in Washington," and "the Federal Government seizing State lands and State property for its own benefit." She grants private utility companies the power of eminent domain to build dams for private benefit and for the exploitation of the people's heritage but she would deny that power to the Federal Government when as a servant of the people it would build dams to protect them from the ravages, the death and destruction of floods. I would stand to the last for the rights of my State. It is my homeland and I love it, but there is a State sovereignty and there is a Federal sovereignty. The State sovereignty cannot control floods for the very good reason that a flood does not stop at a State line. It knows nothing of such a line and has no respect for it.

The Federal Government, and the Federal Government alone, can control floods, and it necessarily has the power to do the job. Localities in which flood-control reservoirs must be constructed will not pay the cost of rights-of-way, because most of the benefits from the reservoirs go to other localities. The State itself will not furnish the rights-of-way if the protection is for another State. Unless the Federal Government can condemn rights-of-way for the construction of reservoirs, there can be no check to the fury of the flood. The issue is not State rights—the issue is whether States prefer floods to reservoirs.

It was all right to build irrigation dams in the West as there was no power generated at them. It was all right for the Federal Government to spend over $300,000,000 building low dams on the Ohio River as there was no power generated at them. It was all right for the Federal Government to build low dams on many rivers, but it is all wrong and all unconstitutional for the Federal Government to build multipurpose high dams because these dams generate hydroelectric power. When we hear the cry of State rights coming from those who would deny the people's rights, we are reminded that old Dr. Johnson told us that patriotism was the last refuge of a scoundrel. Professor Webb, of Texas, in his fascinating story, Divided We Stand, reminds us that the power companies take their toll from those who use heat in winter, ice in summer, or light in darkness.

They fight the cities where the people want to manufacture their own light; they get out injunctions to stop the construction of dams for the conservation of national resources; they fight the Government when it tries to set up a measuring stick to learn what it really costs to generate electricity; they seek to control State legislatures through lobbies and lucrative retainerships; they inspire investigations designed to oust university professors who have the intelligence to understand them and the courage to teach young men and women the truths they have discovered; they throw about them the panoply of patriotism and cry "States rights" when the Government seeks to protect the people, their lives and their property from devastating floods. If they had had their way and their cry had been heeded there could have been and would have been no Boulder Dam, no Bonneville, no Grand Coulee, no Fort Peck, no Tennessee Valley Authority.

Tonight we celebrate the silver anniversary of the National Popular Government League founded to fight for the people's rights and the Nation's resources. All honor to the brave men and splendid women who brought the association into being—all honor to Judson King, who, as its director, has given the best years of his life to the league and held aloft its flag in the teeth of the wild storm; all honor to Senator Robert L. Owen, the league's first president, indomitable warrior who, though denied the light of day, still sees the better day and fights that common men may own the land; all honor to GEORGE W. NORRIS, whose stout heart has never grown faint, whose mighty arm has never been lowered in battle, and whose white plume, like that of Henry of Navarre, is still in the thick of the fight leading us on to immortal and inevitable victory. The people's rights, the Nation's resources must and shall be preserved.

Mother's Day

EXTENSION OF REMARKS

OF

HON. ALBEN W. BARKLEY

OF KENTUCKY

IN THE SENATE OF THE UNITED STATES

Wednesday, August 2, 1939

ARTICLE BY DAN MCCONNELL

Mr. BARKLEY. Mr. President, some weeks ago I had inserted in the CONGRESSIONAL RECORD an article written by Mr. Earle W. Gage, of the State of New York, concerning the origin of Mother's Day. I did not vouch for the accuracy of the statements contained in the article, but, at his request, I had the article inserted in the RECORD. That article attributed original sponsorship of Mother's Day to a Kentucky lady. I have received protests from another lady, Miss Anna Jarvis, of New Jersey, who had some part, evidently, in the idea of originating Mother's Day, and, at her request, I ask unanimous consent to insert in the CONGRESSIONAL RECORD an article by Dan McConnell, which she has sent to me with respect to it. I repeat that I do not vouch for the statements in either article.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

[From the Camden (N. J.) Courier-Post]

MOTHER'S DAY

(By Dan McConnell)

Mother's Day, now a nationally observed occasion when we all pay tribute to the grandest and most-loved lady in our lives—mother—was honored in Camden.

This reporter vividly recalls when and how the observance of Mother's Day had its New Jersey beginning.

The first Mother's Day association in New Jersey was organized in our town and the former Camden Daily Courier played a most important part, sponsoring the movement to set aside the second Sunday in May to pay tribute to living mothers and to revere the memories of those dead.

Miss Anna Jarvis, the founder, requested newspaper officials to organize our first New Jersey association.

The late George A. Fry, former city treasurer, and publisher, was elected president, and Walter L. Tushingham, now vice president and business manager of the Courier-Post newspapers, was named secretary.

This was the first New Jersey organization to conduct a city-wide observance of Mother's Day.

On Sunday, May 12, Camden citizens, church members, and pastors, as well as civic and fraternal organizations, joined in the movement.

In a news story in the Daily Courier, Miss Jarvis said: "I hope Camden will take the lead in the State of New Jersey in having permanent Mother's Day organizations formed throughout the State," etc. The wishes of this grand lady were more than fulfilled.

FIRST OBSERVANCE WAS GALA OCCASION

The first Mother's Day observance in Camden was staged on Sunday. It was one of the most colorful and reverential occasions seen here in many years.

More than 110 fraternal and civic organizations turned out and attended church services on that epochal day.

Fifty volunteer bands furnished music for a massed street parade that formed at Fifth and Mickle Streets. Those who participated were assigned to attend church services at 37 churches.

A committee of citizens, members of the association, and city officials met Miss Jarvis and her party at Federal Street Ferry.

There were few "smart" automobiles in Camden in those days, but the aggressive and more youthful Walter Tushingham borrowed a limousine owned by the late Charles A. Reynolds, a respected philanthropist and charity worker.

In the flag-bedecked car, Miss Jarvis and committee members began a triumphant tour through city streets, as thousands lined the sidewalks on Federal Street and Haddon Avenue.

As the car containing the founder rolled along, men, women, and children ran out to greet her, waving handkerchiefs and small American flags. It was, we believe, the happiest day of Miss Jarvis' life.

FOUNDER MADE TOUR OF CAMDEN CHURCHES

On her eventful trip to Camden Miss Jarvis was escorted on a "flying squadron" tour of the churches. By arrangement with the pastors, the founder was escorted to and she spoke briefly in every one of the 37 churches where these special services were held.

In little more than 2 hours, approximately from 7 to 9:30 p. m., Miss Jarvis covered the route of churches, starting with the First Methodist Episcopal Church and ending with Broadway Methodist Episcopal Church.

At the conclusion of an exhausting, eventful day, Miss Jarvis happily told members of the association's committee that it "was the greatest day of my life."

During her stay in Camden the founder of Mother's Day was an honored guest of the Y. M. C. A. and friends.

Annually for years the parade of fraternities to churches on Mother's Day was continued under direction of Daily Courier.

Miss Jarvis formed similar associations in other cities and countries.

The movement spread rapidly.

The first association was formed in Philadelphia headquarters.

However Camden was the first city to hold a massed observance of Mother's Day.

In 1938 a great historical Catholic field mass had celebrants from New Jersey and Pennsylvania.

CONGRESS RECOGNIZED FOUNDER'S REQUEST

Miss Jarvis continued her efforts over years to have the second Sunday in May annually an American flag day, so the flag would be displayed yearly on Mother's Day in honor of American homes, mothers, and other patriotic women and home folks.

Finally, May 8, 1914, historical recognition was given to her Mother's Day flag resolution, through its passage by the Congress.

Already she had Mother's Day celebrated around the world, or the resolution would not have been passed. At the time of the passage of the Mother's Day flag resolution, Miss Jarvis was a guest in the House of Representatives gallery.

Later she was given the signature pen used by the President in signing the resolution, and also was given a facsimile official copy of the resolution.

It is alleged Anna Jarvis, founder of Mother's Day, is the first woman to have established a national flag day in honor of homes and patriot women.

Miss Jarvis' work for the American flag has been active, specific, unceasing, and constructive on original lines.

The Camden Y. M. C. A. presented her with a large American silk flag following the first Camden pageant, and other presentation flags have been given her.

GUEST OF CITY OF BOSTON

Anna Jarvis was the first woman to be the guest of Boston for her personal achievement.

She was entertained over the week end in an honored, official way.

She was escorted to the mayor's offices and presented with a golden, encased key to the city of Boston; also was given official portrait of the mayor and bound volume of history of Boston.

On Sunday an official reception by the city was given to her, followed by a large parade to the common.

There a mass meeting of thousands of men, women, and children was held under leading State, city, and patriotic officials.

Those of us who have been so blessed by having our mother with us should remember her on Mother's Day.

Visit your mother with token of your love and respect—no matter how small the gift.

God bless you, Anna Jarvis, for your work in establishing one of the happiest periods of the year—Mother's Day.

It must be a source of joy and satisfaction for Miss Jarvis to know that through her pioneering efforts the Mother's Day movement has spread to all parts of the world, even into Asia and Africa.

Once in paying tribute to the founder, Miss Jarvis, the late John Wanamaker, United States Postmaster General, said:

"I would rather be the accepted author of Mother's Day than to be the King of England."

Shipment of Munitions to Japan

EXTENSION OF REMARKS

OF

HON. GERALD P. NYE

OF NORTH DAKOTA

IN THE SENATE OF THE UNITED STATES

Wednesday, August 2, 1939

ARTICLE FROM THE CHRISTIAN SCIENCE MONITOR OF JUNE 27, 1939

Mr. NYE. Mr. President, the Christian Science Monitor of June 27, 1939, carried a very interesting story, accompanied by a tabulation, under the heading "Where Japan Gets Its Guns—United States Found Leading Provider." I ask unanimous consent that the article be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

[From the Christian Science Monitor of June 27, 1939]

WHERE JAPAN GETS ITS GUNS: UNITED STATES FOUND LEADING PROVIDER

(By Saville R. Davis)

WASHINGTON, June 27.—The United States is far and away the most important supplier of war materials to Japan, according to a broad and painstaking survey of world trade with that country, made public by the Chinese Council for Economic Research here.

Figures were obtained by Hu Tun-yuan from official Government sources and show that the United States supplied 56 percent of all Japan's imports of the most strategic war materials in 1938—a slight increase over the year previous—as compared with only 20.7 percent supplied by the British Empire in second place, and the 8.6 percent from Netherland India in third place.

The three nations, all interested in curbing Japanese aggression in China, controlled between them approximately 85 percent of Japan's foreign supply of these materials—a fact of prime importance in the event that economic restraining action should be attempted in the future. While there are undoubtedly other sources for many of these materials, should these major suppliers adopt an embargo, the cost would be far greater and most of the commodities could not be found elsewhere in anything like the quantities needed by Japan.

FIGURES TELL STORY

The accompanying table speaks eloquently of the extent to which the United States has underwritten Japan's war on China—supplying in the past year 90 percent of the vital scrap or old iron and steel, 91 percent of the copper, 66 percent of oil and its products, 45 percent of the lead, 67 percent of the metal working machinery, and so on.

Aircraft and parts come in a special category. In 1938, according to Dr. Hu's figures, the United States provided $17,454,000, or 77 percent of the world supply to Japan. This trade has since almost dried up as a result of the voluntary boycott requested by Cordell Hull, Secretary of State, in May of last year. Substantial contracts in force previous to that time were supplied during the remainder of the year, but no new licenses for export have been issued by the State Department since November 1, 1938, and in 1939, the amounts actually shipped under old contracts amounted only to $250,000 during the 5 months up to June 1. Parenthetically, these are the State Department's figures and include only aircraft and parts considered to be for war purpose; today airplane exports to Japan as reported by the Department of Commerce were approximately $1,000,000 in May of this year and may include materials convertible to war purposes.

Another table prepared by Dr. Hu and too lengthy to reproduce here shows what amounts of all war supplies are furnished to Japan by the democratic powers, on the one hand, and by the axis powers on the other. Even a quick glance shows the overwhelming extent of control of the situation by the democratic

powers. Their column shows one high percent after another, looking down the list of commodities in the 1937 and 1938 trade with Japan; while the column of percentages supplied by the axis contains one zero after another.

HOW TRADE ROSE

Only in the case of manufactured materials has the axis any significant share and even this is greatly outweighed by the supplies from the democratic powers which dominate these categories also. Only mercury should be mentioned as an exception, being entirely supplied from the axis side.

Another table shows the extent to which the war-materials trade from the United States to Japan has increased between 1937 and 1938. In terms of quantity shipments gasoline and related fuels in containers more than doubled. Lead more than tripled. Aluminum went up 172 percent. Crude petroleum went up 35 percent. Significantly, also, a great many other items fell off, the most drastic of which was iron and steel scrap, which fell from 1,912,000 tons in 1937 to 1,382,000 tons last year. This was a decline of 29 percent in quantity and 44 percent in value. This was in line with a general curtailment of scrap from all sources which partly reflected the tightening foreign exchange resources of Japan and partly reflected the taking over of the Lungyen iron-ore deposits in Chahar, China, which were opened up at the end of 1937.

Following are the salient figures with respect to the trade of Japan with the world as a whole:

The proportion of war-material imports to all other imports rose from 29 percent in 1937 to 40 percent in 1938. War-material trade fell off only 3.4 percent, whereas total trade of all sorts fell off by 30 percent between these 2 years. "This reflects," says Dr. Hu, "Japan's policy of curtailing ordinary imports in favor of commodities that are necessary to the prosecution of war." In the case of cotton and wool for Japan's greatest nonmilitary export industry, the decline of imports was great, amounting to 49 percent for cotton and 69 percent for wool.

The total of world sales of essential war materials and articles to Japan amounted to $306,000,000 in 1938, while sales of all commodities (including war materials) amounted to $757,700,000.

HOW UNITED STATES AIDS JAPAN SHOWN

United States' share in world exports to Japan essential for war purposes in 1938 as compiled from Government sources by the Chinese Council for Economic Research:

[Value in United States dollars]

Commodity	World exports, value	United States share, value	Percent
Total	$306,393,950	$171,574,167	56.00
Hides and skins	7,916,835	2,652,482	33.50
Leather	523,369	44,676	8.46
Scrap rubber	14,854,039	249,792	1.68
Petroleum and products [1]	81,034,885	53,135,672	65.57
Scrap or old iron and steel	24,407,089	22,061,212	90.39
Ferro-alloys	2,819,420	2,331,979	82.71
Other iron and steel semimanufactures	20,973,343	11,251,804	53.65
Copper	24,385,546	22,163,778	90.89
Aluminum	13,095,231	476,345	3.63
Nickel	6,624,449	157,317	2.38
Lead	4,613,888	2,100,054	45.52
Zinc	2,794,622	26,768	.96
Metals and alloys, not eslewhere specified	321,711	319,566	99.33
Automobiles, parts, etc.[1]	18,635,299	12,050,536	64.67
Metal-working machinery [1]	36,448,527	24,454,707	67.09
Internal combustion engines [1]	1,658,875	542,637	32.71
Aircraft and parts [2]	22,692,655	17,454,477	76.92
Arms and ammunition	696,186	100,365	14.42
All others [3]	21,832,960		

[1] Including shipments to Manchuria.
[2] Including shipments to Manchuria. United States figure for 1938 includes shipments to Shanghai.
[3] Includes ores, tin, antimony, mercury, mica, and asbestos.

Program for Financing Recoverable Expenditures

EXTENSION OF REMARKS
OF
HON. JOSEPH F. GUFFEY
OF PENNSYLVANIA
IN THE SENATE OF THE UNITED STATES
Wednesday, August 2, 1939

EDITORIAL FROM THE PHILADELPHIA RECORD

Mr. GUFFEY. Mr. President, I ask unanimous consent to have printed in the CONGRESSIONAL RECORD an editorial from the Philadelphia Record of this date which appears under the heading Murder, and has reference to the action of the House of Representatives in connection with Senate bill 2864, to provide for the financing of a program of recoverable expenditures, and for other purposes.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

[From the Philadelphia Record of August 2, 1939]

MURDER

No milder term is adequate to describe the wanton destructiveness of the House of Representatives in killing yesterday the $2,000,000,000 Roosevelt bill for loans to stimulate business.

Suppose President Roosevelt were to veto an act of Congress without so much as reading it?

Can you imagine the roar which would go up in the camp of reaction? We would hear about Presidential contempt for the Congress, about the irresponsibility, etc., etc., of the Nation's leadership.

The vote in the House yesterday was not a vote against the lending bill; it was a vote to kill that bill without even considering it on the floor of the House.

It was, first, a heedless blow at recovery, and, second, a monstrous piece of discourtesy to the President.

These loans were not for relief; they were for recovery. They were not to go to the jobless; they were to go directly into the channels of private industry.

Loans for bridges, for highways, for railroad equipment, for rural electrification, and other purposes would have meant a vital stimulus to our basic industries, and especially to the capital-goods industries, which, the conservatives have been telling us, are in the doldrums.

Improvement in those industries, in turn, would mean improvement in business generally and a rise in private employment.

The Record has regarded this bill as one of the most important in the whole New Deal program because it is the one bill which offered the greatest prospect of taking men off W. P. A. and relief and putting them back in private jobs.

Yet so anxious were the Republican and Democratic reactionaries to vent their hatred upon Roosevelt that they never stopped to consider that the chief effects would fall not upon Mr. Roosevelt but on the business of the entire country.

The President made that clear at his press conference last evening.

Feeblest of all excuses being put forward for the slaughter of the lending bill is the "desire for early adjournment."

Who are these Congressmen who put their desire for adjournment before the needs of the people?

Private business isn't going to adjourn. The people who sent those Congressmen to Washington are not going to be able to adjourn their daily tasks and either squat on their hams in Texas or take a trip to Europe.

The rest of the Nation is going to work—right on through the summer, be it hot as blazes. The rest of the Government personnel in Washington is going to work right through, and most of them will not work in the air-conditioned chambers which are afforded the Members of Congress. Not even those "shovel-leaners" on the W. P. A. will adjourn.

Why, then, this emphasis upon the special prerogative of Congressmen to leave important national business unfinished while they adjourn?

Are the Members of Congress weaker—or merely lazier—than the rest of American humankind?

We hope the President, in the name of the people, will take up this challenge reaction has flung.

We hope he will carry this issue to the people.

The folk back home will not be long in catching on.

True, the Congressmen who knifed the President yesterday have been sending bales of unmade speeches to their constituents. But when jobs fail to materialize; when more and more are fired from W. P. A. and private industry; when business, now on the upgrade, starts to skid—

Then the folk back home are going to ask a lot of embarrassing questions.

They are going to demand to know why the Members of this Congress killed a bill to aid private industry.

They are going to demand to know why the Members of this Congress violated their campaign pledges.

They are going to demand to know, above all, why the Members of this Congress plainly lay down on the job.

American Bar Association Meeting

EXTENSION OF REMARKS
OF
HON. EDWARD R. BURKE
OF NEBRASKA
IN THE SENATE OF THE UNITED STATES
Wednesday, August 2, 1939

ADDRESS BY STEPHEN F. CHADWICK

Mr. BURKE. Mr. President, I ask unanimous consent to have inserted in the Appendix of the RECORD a very able

address delivered by Stephen F. Chadwick, of Seattle, Wash., national commander of the American Legion. The address was delivered before the American Bar Association at its recent meeting in San Francisco.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

Mr. President and gentlemen of the American Bar Association, it was with great pleasure that I accepted the invitation of your president to be here today not alone as national commander of the organization which I this year have the honor to represent, the American Legion, but also as an individual member of this body, for, after all, the Legion, for this year, is but my avocation, and the law will ever be my profession.

I have found a real joy in this year of service to the American Legion, and so in what I consider a year of service to my country, nor is the year one in which my basic training in the law has been forgotten, for it has afforded me an opportunity to discuss publicly with lay audiences some of the fundamentals on which this great Government of ours is based. We as members of the profession, know the contribution of the lawyer to the declaration, establishment, and preservation of our liberty.

Too often in recent years has the demagogue assailed the lawyer. Too often has the lawyer been charged with obstructing progress, or what the demagogue calls progress, for not all change is progress. Too often has the bar as a whole been pilloried and assailed as reactionary. Too often has the liberal arrogated to himself all knowledge and branded as conservative and reactionary any and everyone who wishes to predicate his forward movement upon a knowledge of the mistakes of the past. I sometimes think that a liberal is one who wants to leap before he looks, while the conservative is one who at least wants to know where he may light if he leaps.

This year has afforded me the opportunity to tell the American public in every State in this Union that in the opinion of a million men organized in the American Legion there is nothing reactionary in the Bill of Rights, the Declaration of Independence, or the Constitution of the United States of America. These are our charters of freedom, charters which the lawyer has taken an oath to defend and perpetuate. We know that these declarations of the rights of man and institutions erected by the wisdom of man to preserve them were won after centuries of struggle. They constitute for man the basic hope of his security, his fundamental liberties, his inalienable rights, and it is these that the bar should be militant to defend.

The spirit of our mutual covenants was freedom and liberty for the individual. The individual was vested with dignity, his rights made him a man free to enjoy life, liberty, and to pursue his happiness. There is nothing reactionary in that conception, nothing reactionary in the defense of the rights of the individual against the dictatorship from any source, whether one man or a class or even from a government. But eternal vigilance is ever necessary, vigilance of the mind and vigilance of the heart tempered and made strong with reason and knowledge.

Today as in times past the words of the siren with false doctrine attempt to propose philosophies incompatible with the spirit of freedom. It has been said "that everything that grows holds in perfection but a little moment and this huge state presenteth not but shows whereon the stars in silent influence comment." The life of a man, like the life of a nation, may be prolonged into the fullness of years, or it may perish from external violence or from internal decay The excise of a diseased condition in the human body may prolong life, and the same is true of those conditions in the body politic, which, if unattended to, may ripen into cancerous growths. To save the people and their liberties from the dangers of internal decay is our everlasting duty as members of the bar.

An essential element of our conception of ordered progress is the preservation of the spirit of individual initiative and enterprise. To venture to build and to create was an energizing factor released in the mind of man. This spirit of enterprise brought to us as a people material riches greater than the world had ever seen before. The spiritual background was that of a free people, all benefited. But today there are those among us who do not believe sufficiently in man's liberties and rights. There are those who assume the rostrum to tell us that we must blue print our collective economy.

To my mind that proposal has the familiar ring of the Communist 5-year plan or the Nazi 4-year program. It is another form of the age-old and many-times tried compulsion which our forefathers rejected. It is the philosophy of defeat and despair. This country did not grow strong and great from a blue print; it prospered because its people were free. There was no compulsion in our growth, although the siren voice mouths resort to the catch phrases of liberty in urging a regimented society. We have only to turn the pages of history to see the results of surrendering individual freedom to compulsion. It has been written many times on the pages of history but probably nowhere is so startling a parallel as in the history of the third century when Diocletian, after depriving the Roman Senate of its power, loading the state with a back-breaking bureaucracy, and after driving taxation to the point of ruin, enacted his famous laws for the control and regulation of the one-time free citizens of Rome. Dr. J. H. Breasted, in his recent work The Conquest of Civilization, summarizes it well. I quote:

"The financial burden of this vast organization, begun under Diocletian and completed under his successors, was enormous, for this multitude of Government officials and the clamorous army had all to be paid and supported. It was a great expense also to maintain the luxurious oriental court of the emperor, surrounded by his innumerable palace officials and servants. But now there were four such imperial courts instead of one. At the same time it was still necessary to supply 'bread and circuses' for the populace of the towns. In regard to taxation, the situation had grown steadily worse since the reign of Marcus Aurelius. The amount of a citizen's taxes therefore continued to increase, and finally little that he possessed was free from taxation.

"When the scarcity of coin forced the Government to accept grain and produce from the delinquent taxpayer, taxes had become a mere share in the yield of the lands. The Roman Empire thus sank to a primitive system of taxation already thousands of years old in the Orient. It was now customary to oblige a group of wealthy men in each city to become responsible for the payment of the entire taxes of the district each year; and if there was a deficit, these men were forced to make up the lacking balance out of their own wealth. The penalty of wealth seemed ruin, and there was no motive for success in business when such prosperity meant ruinous overtaxation.

"Many a worthy man secretly fled from his lands to become a wandering beggar, or even to take up a life of robbery and violence. The Roman Empire had already lost, and had never been able to restore, its prosperous farming class. It now lost likewise the enterprising and successful businessmen of the middle class. Diocletian therefore endeavored to force these classes to continue their occupations. He enacted laws for societies, guilds, and unions in which the men of various occupations had long been organized. These were now gradually made obligatory, so that no one could follow any calling or occupation without belonging to such a society. Once a member, he must always remain in the occupation it implied.

"Thus under this oriental despotism there disappeared in Europe the liberty for which men had striven so long, and the once free Roman citizen had no independent life of his own. For the will of the Emperor had now become law, and as such his decrees were dispatched throughout the length and breadth of the Roman dominions. Even the citizen's wages and the prices of the goods he bought or sold were as far as possible fixed for him by the state. The Emperor's innumerable officials kept an eye upon even the humblest citizen. They watched the grain dealers, butchers, and bakers and saw to it that they properly supplied the public and never deserted their occupation. In some cases the state even forced the son to follow the profession of his father. In a word, the Roman Government now attempted to regulate almost every interest in life, and wherever the citizen turned he felt the control and oppression of the state.

"Staggering under this crushing burden of taxes, in a state which was practically bankrupt, the citizen of every class had now become a mere cog in the vast machinery of the government. He had no other function than to toil for the state, which exacted so much of the fruit of his labor that he was fortunate if it proved barely possible for him to survive on what was left. As a mere toiler for the state he was finally where the peasant on the Nile had been for thousands of years. The Emperor had become a pharaoh, and the Roman Empire a colossal Egypt of ancient days.

"The century of revolution which ended in the despotic reorganization by Diocletian completely destroyed the creative ability of ancient men in art and literature, as it likewise crushed all progress in business and affairs. Insofar as the ancient world was one of progress in civilization, its history was ended with the accession of Diocletian."

We know that this is not an isolated page in the world's history, but unfortunately a characteristic one in man's successive loss of liberty. Witness the dispatch from Moscow in the New York Times of May 28, where the Russian Soviet issued new decrees to punish the farmers because they had been guilty of working small plots of land in response to the age-old instinct for profit and the expression of individual initiative. Under no construction of language can such treatment be called democracy. It is dictatorship, no matter what the motivating force. Our forefathers opposed compulsion and our record through the years has indicated our attitude. We showed it on the historic occasion we now call the Boston Tea Party and in a recent decade we showed our attitude in the questionable attempt to enforce the Prohibition Act. Opposition to compulsion has characterized the every step of the Anglo-Saxon peoples as they, through the long course of history, have on this continent created the greatest government of free men. The cardinal principle of our course has been our antipathy to personal government. In the words of the great charter, it is written, "No free man shall be taken or imprisoned, or disseized, or outlawed, or assailed, or in any way destroyed, nor will we go upon him, nor will we send upon him, except by the legal judgment of his peer and by the law of the land."

To avoid the dangers inherent in personal government, we divided the functions of government into their well-recognized classifications, and we provided certain checks and balances. As members of the bar these are familiar to us. They are basic for the protection of our rights, but today we witness a tendency to delegate functions of government to boards, bureaus, and commissions. Some are permitted to combine the powers of prosecutor, fact finder, and judge; some given the power of issuing rules that have the force and effect of law.

This tendency is reactionary. It is contrary to our conception of liberty. They have been styled new instruments of power, but in

improper hands, in hands that are not imbued with the spirit of liberty, these powers are the tools of autocracy. The abnegation, the abandonment of duty by one branch of government to another, and the usurpation of power by one branch from another can only lead to one thing—despotism. The promise of efficiency is too great a price to pay if man's freedom hangs in the balance.

There are functions that all men agree are the functions of the Federal Government, but the control of the daily lives of honest citizens in a nation whose borders are as far-flung as those of the United States is not a function of government. The butcher, the baker, the agrarian, the manufacturer, or the laboring man should not be under the necessity of going to the Nation's Capital to secure a determination of his right to earn his daily bread and to eat it in the sweat of his brow.

An agency properly established and accountable for its actions as it concerns itself with the dishonest citizen, the criminal, is the popular Federal Bureau of Investigation. It has won acclaim for its fine performance. It has not asked for lawmaking powers. It has not pretried individuals charged with crime nor has it deprived the citizen of the processes of the law, guaranteed to every individual. But while this agency has been winning popular respect, while confining itself to a proper Federal sphere, we see other agencies operate so capriciously that one of man's hardest-won rights is currently lost in the arbitrary suspension of the fundamental rules of evidence, rules which have been born of the experience of centuries. Regardless of the good intention and represented beneficence involved in the recent action of the National Labor Relations Board in granting employers, or employees for that matter, the right of petition, such grant is inherently repugnant to the spirit of freedom. The law should be so clear that no agency can win commendation by making a gift of what should be a right.

These are problems that we as lawyers must be concerned with. We should not wait to discuss the rights of men in courts after their liberties have been legislated away. We must assert our influence and give to the Congress the benefit of our intelligence that they may preserve our liberties at the place of first danger, the place where the substance of statutory law is being made. A tendency against which we must be on guard is the tendency to the abuse of the liberties of man evidenced in class legislation.

The Declaration of Independence and our Constitution recognize no class except the one and single class of free men, but today we see attempts to remedy alleged problems which some can see only from the standpoint of what we call capital or labor, and so they forget the problems of the Nation as a whole. They forget the individual and they forget the rights of man. Such attempted legislation is an application of the Diocletian conception, another step along the road which led to the loss of the liberties of the Roman people.

In this country no individual is or should be classified. I am a laborer when I toil. When I save from the fruits of my work and invest, say, in an insurance policy, or make a deposit in a savings bank, I have assumed a function of the capitalist. When I work I suppose to some I am of the proletariat, and when I fish I suppose I am to them an economic parasite, but as a citizen of the United States of America I am at all times a free man, possessed of the classless rights of a free man, and recently these have been reexpressed for me in the significant report of the Dies committee as rendered to the Congress in January of this year.

They are my freedom of worship, of speech, of press, and of assemblage; my freedom to work in such occupation as my experience, training, and qualifications may enable me to secure and hold; my freedom to enjoy the fruits of my work, which means the protection of my property rights; my freedom to pursue my happiness, with the necessary implication that I do not harm or injure others in the pursuit of that happiness.

These my rights are not abstractions. They are the fruits of the toil and the blood of our Anglo-Saxon progenitors, of men who were unwilling to be serfs, men who were willing to stand their ground and fight, unwilling to become refugees in flight from the danger about them. Where, then, does our responsibility as lawyers lie? Our first responsibility is to be vigilant where laws are being passed, to know that there is a school of thought which today embraces the art of semantics and through that art seeks to sell new controls toward the goal of regimentation.

The wiley Talleyrand boasted of the use of semantics as he deliberately confused the public mind to accomplish his own ends, but no trick of semantics can take away from the vigilant the substance of freedom, and as members of the bar, as lawyers who should know the use of words, we should read carefully each and every word and each and every implication that is contained in all proposed legislation. For we realize that if we compromise we start backward down the road of human progress and in but a few short steps we may be passing the tombstones of those who died for us that we might live in freedom.

To put it in a military vein, we cannot wait in the trenches to apply the ammunition of Blackstone, of Coke, or of Story. The law is not and never will be static. It is a dynamic moving force, and if we as a profession, protectors and defenders of the liberties of freemen, take a leaf from the book of military experience we will observe that the best defense is a good offense. Vigilance implies not only strategy but tactics. We should not, if we believe the liberties of the people to be in peril, resign ourselves to a rear-guard action. The ex-service man of the World War is organized to safeguard and perpetuate the principles of justice, freedom, and democracy.

It is our plan to safeguard and transmit to posterity these priceless privileges of freemen. To that end we invite the considered support of all lawyers who truly appreciate their oath of office, men who know the background of the laws they administer. There is danger to a self-governing people when clients, because of the decadence of public virtue, employ lawyers not upon the basis of their professional knowledge or ability but because they "know their way around." The almost unchartable ramifications of present-day bureaucracy are creating this situation. It is everybody's business and yet nobody's business, but to the legal profession of America it should be a matter of their deepest concern, for in it is involved the substitution of a government of men for a government of laws and as that substitution is made there is no place for the legal profession.

I am an optimist. The minds of men in increasing number are rejecting the false doctrine and impossible performance of the philosophy of regimentation. Men are becoming restless to build anew, to venture, and to prosper. The lawyer must be prepared to be in the vanguard of this movement, for with the return of this spirit the future of America is bright.

Cosmopolitan Shipping Co., Inc.—Cosmopolitan Line Gives up Operation of France Service

REMARKS

OF

HON. JOSEPH J. O'BRIEN

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, August 2, 1939

Mr. O'BRIEN. Mr. Speaker, as a member of the Merchant Marine and Fisheries Committee of the House, I am vitally concerned about an article I read in the New York Journal of Commerce of July 27, which imparted the information that another valuable and highly efficient shipping organization has been lost to the American merchant marine. I refer to the Cosmopolitan Shipping Co. of New York.

In view of extensive hearings which were held before the Marine and Fisheries Committee of the House earlier this year, I am somewhat familiar with the reasons that brought about this situation. I think that something must be radically wrong, either with the 1936 act, or the administration of that act by the Maritime Commission, if such a highly skilled and valuable American shipping organization, as the Cosmopolitan Shipping Co., which has been operating for a period of 25 years in American shipping, is forced out of American shipping and compelled to take on foreign ships in order to save its organization and to provide a livelihood for its personnel in the business to which they have devoted their entire lives. Within the past year a similar situation arose when C. H. Sprague & Co., of Boston, was driven out of American shipping and compelled to take on foreign bottoms. On the one hand we preach building up an American Merchant Marine and on the other, we tear it down by driving away valuable American shipping organizations. Is it sound governmental policy to put all the emphasis on new ships and so little on the organizations that are to operate them? Is it wisdom to expend such large sums of money to train seagoing personnel and completely ignore the importance of maintaining and building up the organizations that are charged with the job of obtaining and handling the cargo that fills the ships?

On March 20, at the time the House considered H. R. 2382, which bill the House unanimously passed, I extended my remarks in the RECORD concerning the very chaotic situation with which the Cosmopolitan Shipping Co. and other American companies were then faced. It is unfortunate that the relief which this bill provided could not have been granted and that this very valuable American organization was consequently forced out of American shipping. I have today written requesting copies of the letter in which the Cosmopolitan Shipping Co. informed the Maritime Commission of its reasons why it could no longer remain in American shipping.

I now ask unanimous consent to extend my remarks in the RECORD so as to include a copy of this letter as soon as

it has been received. I trust and hope that this very unhealthy situation may be straightened out and that we may sometime again, in the very near future, include the Cosmopolitan Shipping Co., this fine American organization, back in the field of American shipping.

The American Lumber Industry Has Been Sold Down the River by the Reciprocal-Trade Agreements

EXTENSION OF REMARKS

OF

HON. HOMER D. ANGELL

OF OREGON

IN THE HOUSE OF REPRESENTATIVES

Wednesday, August 2, 1939

Mr. ANGELL. Mr. Speaker, lumbering is the major industry of the Pacific Northwest. It is estimated that over 50 percent of our pay rolls are due to this one industry. The reciprocal-trade agreements have disrupted this industry to such an extent that we in the Pacific Northwest are not only suffering the handicaps of the depression which has brought our whole country to its knees, but we are also struggling under the additional weight of our chief industry being strangled by these trade agreements.

The West Coast Lumbermen's Association reports that during the year 1938, in the Northwest, 16 percent of the sawmills were working full time, 32 percent part time, and 52 percent idle, and that of the men employed in mills and logging camps, 15 percent worked full time, 29 percent part time, and 53 percent were unemployed. When we remember that half of the saw timber in the United States is situated in the Northwest, we can appreciate the importance to this great area of preserving this, its major industry.

Evidence submitted to the Department of State in 1938 shows that:

Nearly half the production cost of west coast lumber is wages.

The average wage in the Douglas fir logging camps and sawmills of Oregon and Washington is 76.7 cents per hour, while the average wage in the competitive Douglas fir industry of British Columbia is not over 57 cents per hour.

The lower wages in British Columbia mean an average lower cost of production of more than $3 per thousand board feet.

The universal workweek of 40 hours in the American industry as compared with a minimum of 48 hours per week in British Columbia entails a higher cost on American lumber not less than 40 cents per thousand board feet.

The unemployment and social security under American laws are costing the operator in Oregon and Washington 39 cents per thousand feet of lumber produced today, and will progressively increase to 59 cents in 1949. There is no counterpart to these costs in the lumber industry of British Columbia.

Our lumber duty, reduced by trade agreement to $2 per thousand feet, is scarcely one-half the average difference in costs of production arising from fundamental differences in labor legislation and working conditions in the two countries.

We formerly supplied 75 percent of the North Pacific coast lumber used by the British nation. Our trade was reduced to 6 percent in 1936, and under 10 percent in 1937. The Canadian agreement of 1935 lowered the American tariff wall one-half, but left the British Empire tariffs intact. American duties on Canadian lumber were cut 50 percent—all the law allowed. It is true in the case of Douglas fir and west-coast hemlock importation at the lower duty was restricted to 250,000,000 feet annually. Under the favored-nation clause this reduced lumber duty was automatically extended to every other country in the world shipping lumber to the United States, including Soviet Russia. Lumber imports to the United States increased at once. Douglas fir and west-coast hemlock from British Columbia were practically doubled. In the first 11 months of 1938 Canada shipped 155,000,000 feet of Douglas fir and west-coast lumber into the United States, while west-coast shipments to the entire British Empire, Canada included, totalled only 59,000,000 board feet—a ratio of 3 to 1. In other words, American lumber exporters have been cut off from the British market, but the home market has been opened to Canadian shipments.

Mr. Speaker, I ask leave to extend, as a part of my remarks, a letter received from Mr. C. E. Dant, of Portland, Oreg., who has been a dealer in lumber products for many years, showing the results of this trade-agreement policy:

DANT & RUSSELL, INC.,
Portland, Oreg., May 9, 1939.

HOMER D. ANGELL,
Congressman, Washington, D. C.

MY DEAR CONGRESSMAN: Answering your letter of May 1, I give you the following figures:

Total exports of lumber from Oregon, Washington, and British Columbia for the years 1926 to 1938, inclusive

Year	Canada's percentage of total	British Columbia	Total
		Feet	*Feet*
1926	+17	312,000,000	1,793,000,000
1927	−18	346,000,000	1,942,000,000
1928	−19	381,000,000	2,010,000,000
1929	−20	399,000,000	2,012,000,000
1930	−25	380,000,000	1,491,000,000
1931	−28	358,000,000	1,275,000,000
1932	+40	367,000,000	903,000,000
1933	−50	633,000,000	1,278,000,000
1934	−54	831,000,000	1,550,000,000
1935	+58	792,000,000	1,356,000,000
1936	−68	1,043,000,000	1,541,000,000
1937	+62	999,000,000	1,609,000,000
1938	+78	1,036,378,000	1,320,958,000

The reasons for this are as follows:

1. Empire preferential tariffs.
2. Higher wages in Oregon and Washington.
3. Better transportation facilities from Canada than from Oregon and Washington.

I will give you more information later.

With kindest regards, I am,

Yours very truly,

C. E. DANT.

It will be noted from this communication that whereas in 1932 of the total exports of lumber from Oregon, Washington, and British Columbia, Canada's percentage was only 40 percent, in 1938 it was 78 percent—practically double—the reasons being, as stated by Mr. Dant, the unfavorable preferential tariffs, high wages in Oregon and Washington under American standards of living, and the low wages paid in Canada, and also cheaper transportation enjoyed by Canadian shippers.

Col. W. B. Greeley, an outstanding authority on the lumber industry, in a discussion of this important subject, recently said:

A NATIONAL-FOREST POLICY THAT GOES ALL THE WAY THROUGH

I do not believe that the United States should "buy out" the forest problem through wholesale nationalization of forest lands. As a forester, I hope that the Federal program may leave the maximum opportunity for the free play of private capital and private initiative in timber cropping. But I ask for a national-forest policy that goes all the way through. I ask for a policy which recognizes that forest crops must be harvested and marketed at a living profit for those who grow them.

We realize the limitations upon the power of government to create markets for industry. We do not expect Congress to pass a law establishing a minimum per capita consumption of lumber in the United States. But if the years of laissez faire are behind us and national planning for a forest-growing country is the order of the day, let's deal with realities. Let's see the job through—in lumber use and marketing research; in our tariffs, if you please, and our foreign-trade agreements; in the overseas shipping facilities necessary to meet foreign subsidized competition.

It is all right for forestry to occupy the pulpit on Sunday. But it should also be at work during the week in the daily sweat and grime of American business.

TARIFFS AND FOREIGN TRADE

Take the matter of tariffs and foreign trade. The United States used to be the foremost lumber-exporting country of the world. Now it has dropped to fifth place, behind Finland, Russia, Sweden, and Canada. The Pacific Northwest has suffered far more from loss of exports than any other lumber-producing region in this

country. In former years, foreign markets took from 15 to 18 percent of our lumber cut, with a yearly trade volume of $30,000,000 to $35,000,000. These shipments overseas furnished employment for ten to twelve thousand forest and mill workers. But by 1938, our lumber had lost four-fifths of its former offshore business; and the most severe unemployment in the region was found in our tidewater sawmill communities.

This staggering loss of export markets is due partly to high labor costs; partly to war in the Orient; partly to the diversion of our former trade with British Empire countries to Canada—through the barriers of preferential tariffs. The reciprocal-trade policy of the State Department has been unable to restore export markets for the timber crops of the Pacific Northwest.

It may have been too much to expect that our Government could break down the preferential tariffs of Great Britain which have progressively closed that country to American lumber since the Ottawa Pact of 1932. But it was not too much to expect that a government which takes the forest problem of the United States seriously would at least protect our home market for timber crops until an equal volume could be sold abroad.

Nor was it too much to expect that a government devoted to the labor policy expressed in the National Labor Relations Act and the National Labor Standards Act would protect the wages and working conditions in the major industry of the Pacific Northwest from the competition of low-cost foreign labor, employed under a totally different conception of industrial relations than our own.

Both of these things the State Department has failed to do. Each of the reciprocal-trade agreements with Canada, in 1935 and 1938, progressively let down the bars to the importation of lumber and shingles from British Columbia to the injury of Pacific coast forestry and Pacific coast forest labor.

REVERSED THE BALANCE

What are the practical results?

In 3 years preceding the first Canadian trade agreement, when the protection of domestic industry and labor was the policy of our Government, American exports of Pacific coast woods to British Empire countries were double our imports of similar lumber from Canada.

In the 3 years of the first Canadian agreement, from 1936 to 1938, this trade ratio was reversed. Imports of Douglas fir and west-coast hemlock from Canada were more than double our exports to the entire British Empire. Since the second Canadian agreement took effect last January, lumber imports from western Canada have been over three and a half times the volume of our trade with the British Empire countries.

The last agreement also abolished the import quota on Canadian cedar shingles, which had formerly been fixed at 25 percent of the American consumption. Thirty percent of all the shingles we use may now be imported from Canada duty free; and the very meager tariff on the remaining 70 percent, which the agreement stipulated might be imposed by Congress if it chose, far from offsets the lower wages and longer working hours in the shingle industry of Canada.

The State Department even pursued its theory of encouraging lumber imports to the point of abolishing the requirement that foreign lumber be marked to show its country of origin. And thereby it largely destroyed the effectiveness of the law which stipulates that American-made materials be used in public construction.

It is not my purpose to attack the reciprocal foreign trade policy. It may be the appointed lot of the forest industries and forest lands and forest labor of the Pacific Northwest to be the sacrificial lamb, offered on the altar of appeasement to a foreign neighbor in return for trade benefits to other regions and other industries.

But it is my purpose to point out that these concessions are not the acts of a forest-minded government—of a government that takes its forestry seriously and gives timber culture the essential support of markets. It is beyond imagination that Sweden or Finland would so jeopardize their forest economy.

WOOD PULP AND PAPER

Let me cite another situation—one not to be laid at the door of the State Department. Put it rather on the doorstep of American newspapers, many of whom write stirring editorials on forest conservation and not infrequently condemn the forest owner for failure to reforest his cuttings.

The unwillingness of the United States to provide tariff protection for the use of our forests represented by the pulp and paper industries is a striking illustration of failure to carry a forest policy all the way through. Over two-thirds of the vast markets for wood pulps and paper in the United States are supplied by foreign imports free of duty.

This is the paramount handicap upon the promising wood-pulp industry of the Pacific Northwest—a handicap often accentuated by competitive prices of depreciated foreign currencies. Millions of feet of pulping wood are burned up in the slash fires because they cannot be utilized; and the same lack of markets holds back the pulp industry from taking its logical and needed place as a user of our timber crops.

The United States imported $230,000,000 worth of paper and paper base stocks in 1938. And thereby arises this anomaly. The United States, one-third of whose soil is suited only for forest growth, with an alert public opinion demanding reforestation, with national planning putting more millions of acres into trees, with insistent propaganda for sustained timber culture, and with a critical problem of what to do with its timber crops when they are grown—this country imports two and one-half times the dollar volume of forest products that it sells abroad.

PUBLIC POLICY MUST AID

It is not my purpose to defend indifference by forest owners in the Pacific Northwest toward the public interest in reforestation. Our industry is moving forward in the essentials of fire prevention and timber cropping. It will do its part.

I do want to put the forest problem before you as a whole and to point out its phases wherein public policy must aid the forest owner. The outstanding weakness in our forest program thus far is that it has been focused upon the growing of trees and has too largely ignored the use and marketing of trees. The one must complement the other. We need a national forestry policy that goes all the way through it. It should not be limited to the Department of Agriculture. If it is to be progressively built up to meet the needs of land use, stable industry, and permanent employment, it must be a thoroughgoing policy, accepted and supported by all branches of government. We must learn to view our forest problem as we have long viewed the problem of agriculture. We must recognize that forest crops require the same kind of economic support which we have long accorded to farm crops.

Mr. Speaker, I have received during this session of Congress approximately 765 communications from constituents in Oregon as well as from residents of Washington engaged in the shingle industry. These communications were written on shingles produced in the area in the industry which has been practically put out of business by importations from Canada under the favorable treatment Canada is receiving through the reciprocal-trade agreements. Unless some relief is forthcoming for this great shingle industry, of these two Northwest States, Canada will absorb practically the entire American market for this vital product.

The Northwest is also losing much of its plywood trade. I quote from the Oregon Voter of July 29, 1939:

JAPANESE PLYWOOD

Japan rapidly is shunting the United States out of the plywood-veneer markets in British countries and even in South America, reported George Ulett, of Coquille, to Coos Bay Times, Marshfield. Operation of modern machinery with very cheap labor enables the Nipponese to take about all of the plywood-veneer business away from American manufacturers in most of the important world markets. Skilled workmen running the plywood machines receive 25 to 40 cents a day for 12 hours' work. In this country the daily wage is $8. In some Japanese plants boys do practically all of the work. They are employed on the contract basis, being housed, fed, and clothed, and receiving a few cents a day for spending money. Logs are peeled down to much smaller size than here, the cheap labor making this feasible. Mr. Ulett, in charge of the Coquille plant of Smith Wood Products Co., recently returned from inspection of Japanese wood-processing plants in the course of an oriental tour. He did not mention the extent to which imports of peeler logs from this country is a factor in Japan's intrusion into the plywood-veneer field. The machines he saw commonly were made in Japan, patterned after the best in this country.

For the first 6 months of 1939 the United States shipped abroad 508,850,000 feet of lumber. Monthly shipments were less than one-third of the average monthly rate in 1929, while the total shipments were 6.7 percent above those for the same period in 1938. The 1938 lumber exports were the lowest in 40 years. During this 6-month period, timber imports increased 40 percent, to an aggregate of 318,043,000 feet. British Columbia lumber was allowed to enter American ports in tramp ships at tramp rates that are substantially lower than rates the United States established for West coast intercoastal lumber shipments, which places American lumber shippers in a great disadvantage. In an endeavor to give some relief to this situation I have introduced in the House H. R. 7463, which is the companion measure to that introduced by Senators McNARY and HOLMAN in the Senate. The purport of this measure is to give relief to the exporters of lumber and other commodities by equalizing the handicaps of low rates obtained by their foreign competitors through governmental subsidies. Hearings have not been set for this legislation, but it is hoped that it will receive early consideration at the next session of Congress.

The Secretaries of the Interior, Agriculture, and Commerce have formally approved the setting up of a conference group representing those Departments and forest industry's organizations for periodic discussion of forest industry's problems. The representatives named are F. A. Silcox for Agriculture, Lee Muck for Interior, E. A. Tupper for Commerce. Phillips Hayward is secretary. Industry representatives so far named are Wilson Compton for the National Lumber Manufacturers Association, C. W. Boyce for the American

Paper and Pulp Association, H. E. Brickerhoff for American Pulpwood Association. It is expected that representations of both industry and the administration will be added.

It is patent that the State Department, in maintaining this unfair trade differential with respect to lumber products between our country and Canada, has abandoned completely our well-recognized principle of tariff making in this country. As shown by the statistics I have quoted, costs of production in Canada and our own country are so divergent that the differences must be equalized—otherwise our local lumbermen are placed at such a disadvantage that they cannot compete with foreign importations. Such a policy completely ignores the labor policy established and maintained in this country of maintaining decent wages and proper working conditions according to American standards. We have not only lost our offshore market but we have turned over our American market to foreigners. As a result, American mills lie idle and American workmen go on relief. The American lumber industry has been sold down the river by the reciprocal-trade agreements.

Judicial Appointments

EXTENSION OF REMARKS
OF
HON. CLYDE M. REED
OF KANSAS
IN THE SENATE OF THE UNITED STATES
Wednesday, August 2, 1939

EDITORIAL FROM THE PITTSBURG (KANS.) SUN

Mr. REED. Mr. President, I ask unanimous consent to insert in the RECORD an editorial from the Pittsburg (Kans.) Sun concerning judicial appointments in the United States.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

[From the Pittsburg (Kans.) Sun of July 28, 1939]

FEW AGAINST THE MANY

There was a hot debate in the Senate Monday over the proposal for the creation of additional judges. Senator REED, of Kansas, took a part in the rough-and-tumble fighting. The debate disclosed that an effort was made again to get an additional Federal judge for Kansas when the committee was preparing the bill which creates new judgeships. Senator ASHURST, chairman of the Judiciary Committee, said in a speech that the judicial conference and the Attorney General had recommended the creation of a second district judge in the State. But both of the Kansas Senators—CAPPER and REED—had appeared before the committee to say that there is no need of another judge; and he—ASHURST—had decided quickly that the two Senators knew more about the conditions in the State than the judicial group and the Attorney General and the additional judge for Kansas had been eliminated. The Kansas Senators had shown that the Kansas Federal court with one judge is attending to its business quite satisfactorily.

Senator REED called attention to the recommendation of the conference and Attorney General and the action of the committee in eliminating the Kansas judge and attacked the proposal for the creation of a fifth judgeship in Oklahoma. Kansas has a population of 1,800,000 and Oklahoma 2,600,000. Senator REED pointed out that Oklahoma, with less than half again the population of Kansas, now has four Federal district judges and is demanding a fifth one, as against one in Kansas.

Senator KING, Democrat, of Utah, a Senate veteran, held the floor with a vigorous speech against the creation of new judgeships. As to Senator REED's comment, Senator KING said:

"I know the difficulty that the Judiciary Committee has encountered in meeting the demands of politicians and others from the State of Kansas and elsewhere who insisted upon providing another judge when the best interests of the State and the best citizens of the State opposed it."

Senator REED then said that he feared "there are Members of this body who are urging Federal judges not because they can be justified from the standpoint of the volume of litigation in their States, but because they mean an additional appointment on the Federal bench in their States."

Senator KING added: "As well as additional district attorneys, marshals, and increased personnel, and possibly additional courthouses, involving, not hundreds of thousands of dollars, but ultimately millions of dollars, at the expense of the Federal Government, the cost of which must be passed on to the taxpayers of the country."

A little later in the debate, Senator BARKLEY, the Democratic leader, sought to end the debate and get the bill to a vote. He was told by the Kansas Senator that no more important legislation than the bill to increase the number of judges is pending before the Senate and that the measure goes "beyond the personal desires of men to be appointed to the Federal bench or of Senators who may hope to enjoy additional patronage." Senator BARKLEY retorted that it was just as legitimate to say that Senators were opposing the bill because they did not want someone appointed as to say that others favor the bill because they want to have somebody appointed.

Senator KING made answer to that crack by the Democratic leader. "I do not agree with the Senator in that respect," the Utah Democrat said. "There are more persons who want offices than there are persons who have the courage to oppose the creation of additional offices."

And there the Utah Senator said something that it is well for us here in this great Republic to ponder as the number of persons on the public pay roll continues to grow. Many want good public jobs created and are vigorously active. By comparison, few fight the increase in the number of such jobs. The taxpayers who must pay the bill owe a great deal to the few who have the courage to stand up and fight.

Time and Tide

EXTENSION OF REMARKS
OF
HON. GERALD P. NYE
OF NORTH DAKOTA
IN THE SENATE OF THE UNITED STATES
Wednesday, August 2, 1939

EDITORIAL FROM THE LOUISVILLE COURIER-JOURNAL OF MARCH 29, 1939

Mr. NYE. Mr. President, I ask unanimous consent to have printed in the RECORD an editorial by Herbert Agar appearing in the Louisville Courier-Journal of March 29, 1939, entitled "Time and Tide."

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

[From the Louisville Courier-Journal of March 29, 1939]

TIME AND TIDE

(By Herbert Agar)

The following seem to me to be two important facts which are seldom mentioned: First, there is no possibility of a "democratic front." Before we have a democratic front we have got to find some democracies.

France would like to be a democracy, but she has failed.

England would not even like to be a democracy. She is an aristocracy half transformed into a plutocracy. The fact that she provides her citizens with more freedom (in the sense of civil liberties) than any other great power does not make her democratic.

Russia is a tyranny, and has never even tipped her hat to the democratic ideal. Rumania is a semidictatorship. Poland has about as much democracy as Mayor Hague's Jersey City. So there remains Turkey. Would we like to form a "democratic front" with Turkey?

And for that matter, there are some jobs to do here at home before we are too handsome a democracy ourselves.

The second fact is this: Though the "democratic front" is rubbish, there is nothing rubbishy about the statement that Fascist aggression menaces Europe. It might be possible to make Hitler and Mussolini proposals which offer Europe a chance for peace, disarmament, and true appeasement.

Such proposals would have to be underwritten by all the non-Fascist powers of Europe. They would have to include real concessions in regard to trade agreements, access to raw materials, colonies. They would have to be combined with absolute (not Versailleslike) guaranties of disarmament.

No such proposals are being made. There is merely a vast jockeying for position between that part of Europe representing the old triple alliance and the part representing the old triple entente. If they fight, is there any reason to think they are fighting for democracy? For peace? For civilization?

Might not we in America withhold our aid and encouragement until one side in Europe commits itself thoroughly to a policy that might bring some hope into the world?

Slum-Clearance and Low-Rent Housing Program

EXTENSION OF REMARKS

OF

HON. ARTHUR D. HEALEY

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, August 2, 1939

LIST OF ORGANIZATIONS AND INDIVIDUALS WHO HAVE ENDORSED S. 591, AUTHORIZING THE EXPANSION OF THE SLUM-CLEARANCE AND LOW-RENT HOUSING PROGRAM UNDER THE UNITED STATES HOUSING ACT

Mr. HEALEY. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following list of individuals and organizations endorsing the housing program:

NATIONAL ORGANIZATIONS

Amalgamated Association of Iron, Steel, and Tin Workers' Union; Amalgamated Clothing Workers of America; American Association for Social Security; American Association of Social Workers; American Federation of Hosiery Workers; American Federation of Housing Authorities, Inc.; American Federation of Labor; American Federation of Musicians; American Federation of State, County, and Municipal Employees; American Federation of Teachers; American Home Economics Association; American Institute of Architects; American Planning and Civic Association; American Society of Planning Officials; Bricklayers, Masons, and Plasterers; Cigar Makers' International Union of America; Catholic Rural Life Conference; Congress of Industrial Organizations; Construction League of the United States; Farmers' Educational and Cooperative Union; Federal Council of the Churches of Christ in America; Federation of Architects, Engineers, Chemists, and Technicians; Federation of Flat Glass Workers; Glass Blowers' Association; Hotel and Restaurant Employees' International Alliance; International Alliance of Theatrical Stage Employees and Moving Picture Operators; International Association of Bridge, Structural, and Ornamental Iron Workers; International Association of Machinists; International Association of Marble, Stone, and Slate Polishers and Sawyers, Tile and Marble Setters, Helpers, and Terrazzo Helpers; International Broom and Whisk Makers' Union; International Brotherhood of Blacksmiths, Drop Forgers, and Helpers; International Brotherhood of Boilermakers and Iron Shop Builders and Helpers; International Brotherhood of Electrical Workers; International Federation of Technical Engineers, Architects, and Draftsmen's Unions; International Fur Workers' Union; International Hod Carriers, Building, and Common Laborers' Union; International Ladies Garment Workers; International Union of Elevator Constructors; International Union Federation of Architects, Engineers, Chemists, and Technicians; International Union of Operating Engineers; Joint Board of the Cloak, Suit, Skirt, and Reefer Makers' Union; Knights of Columbus, educational bureau; Labor Housing Conference; Labor's Nonpartisan League; Municipal Law Officers' Institute; National Association of Letter Carriers; National Chapter, Society of Designing Engineers; National Council of Catholic Men; National Council of Catholic Women; National Women's Trade Union League of America; National Federation of Post Office Clerks; National Federation of Settlements; National Lawyers Guild; National Organization Masters, Mates, and Pilots of America; National Public Housing Conference; National Women's Trade Union League of America; Operative Plasterers and Cement Finishers' International Association; Presbyterian Church in the United States, Board of Christian Education; Public Ownership League of America; Social Service Employees' Union; Transport Workers' Union of America; United Association of Journeymen Plumbers and Steam Fitters; United Hatters, Cap, and Millinery Workers; United Rubber Workers of America; United Wall Paper Craftsmen and Workers of North America; United Mine Workers of America; Women's International League for Peace and Freedom; Y. W. C. A. National Board.

LOCAL ORGANIZATIONS, AGENCIES, AND INDIVIDUALS

Alabama: Anniston Housing Authority; Birmingham Pastors' Union; Central Trades Council, Mobile; Housing Authority of the Birmingham District; Mobile Housing Board; Muscle Shoals Building Trades Council; Tri-Cities Central Labor Union.

Arizona: City of Phoenix; Phoenix Housing Authority.

Arkansas: Pine Bluff Central Trades and Labor Council.

California: Alameda County Industrial Union Council; Brotherhood of Railway Carmen of America, Pacific Lodge, No. 1381, Los Angeles; Building and Construction Trades Council of Santa Clara County; Building and Construction Trades Council, San Mateo; Central Labor Union of Monterey County; Chemical Workers, Local No. 266; City council, Santa Barbara, Calif; Central Trades Council; Consolidated Building and Metal Trades Central Labor Council; Contra Costa County, Industrial Union Council; Council of Social Agencies of Los Angeles; Federation of Architects, Engineers, Chemists, and Technicians, Chapter 25; Federation of Architects, Engineers, Chemists, and Technicians, Chapter 28; Fresno Central Labor Council; Housing Authority of the City of Los Angeles; Housing Authority of the City of Oakland; Housing Authority of the City and County of San Francisco; Los Angeles Building Trades Council; Marine Cooks and Stewards' Association, of San Pedro, Calif.; Oil Workers' Union, Local No. 326; Rodeo Ladies' Auxiliary, Local 326A; San Francisco District Industrial Union Council; San Francisco-Oakland Newspaper Guild; San Mateo Central Labor Council; San Mateo Painters' Local Union, No. 913; Steel Workers, No. 1440; Textile Workers' Organizing Committee, No. 146; U. C. A. P. A. W. A., No. 15, C. I. O.; United Auto Workers, Local No. 76; United Electrical, Radio, and Machine Workers, Local No. 1412; United Fishermen's Union of the Pacific; Warehousemen's Union, Local 1-6, I. L. W. U.; United Rubber Workers of America, Local No. 60; Vallejo Carpenters, Local No. 180; Walter A. Gordon, attorney at law, Berkeley.

Colorado: Colorado State Federation of Labor.

Connecticut: Connecticut Federation of Labor; Central Labor Union of New Britain; Danbury Central Labor Union; Hartford Central Labor Union; Meriden Central Labor Union; Slovak Alliance of Bridgeport; Stamford Painters' Union; Sts. Cyril and Methodius Roman Catholic Church, Bridgeport; St. Mary's Roman Catholic Church, Bridgeport.

District of Columbia: United Association of Journeyman Plumbers and Steam Fitters Local Union, No. 255.

Florida: Miami Housing Authority; Housing Authority of the city of Orlando; Housing Authority of the city of St. Petersburg.

Georgia: Atlanta Housing Authority; Augusta Housing Authority; Brunswick Housing Authority; Columbus Housing Authority; Executive Committee of Techwood Homes; Georgia Federation of Labor; Housing Authority of the City of Rome; Housing Authority of Savannah; Macon Federation of Trades; Mr. C. F. Palmer, Atlanta; Savannah Building and Construction Council; Trades and Labor Assembly.

Illinois: Belleville Trades and Labor Assembly; Belleville Building Trades Council; Child and Family Service of Peoria; Central Trades and Labor Council of Joliet; Cervin & Stuhr, architects, Rock Island; Chicago Federation of Settlement; City Council of the City of Chicago; City Council of the City of Peoria; Department of Public Health and Safety; Distillery Workers' Union, No. 19538, Pekin; Illinois State Federation of Labor; International Ladies Garment Workers' Union, Local 39, Chicago; International Metal Engravers' Union, Local No. 1; International Union of Operating Engineers, Locals Nos. 965 and 965A; Peoria Housing Authority; United Cement Workers' Union, No. 20066; Progress Club of Peoria; Social Service Employees' Union, Local 39, Chicago; Springfield Federation of Labor; Mr. R. Clyde White, Chicago.

Indiana: Bloomington Central Labor Union; Conference Continuations Conference; Fort Wayne Federation of Labor; Housing Authority of the City of Vincennes; Indiana State Federation of Labor; Kokomo Trades and Labor Council; Richmond Housing Authority; United Brotherhood of Carpenters and Joiners of America, Local Union No. 90; Vigo County Workers Alliance; Workers Alliance, Local G-279; Workers Alliance of Indiana; Carpenters' Local No. 565; International Ladies Garment Workers' Union, No. 116, Fort Wayne; Cedar Rapids Federation of Labor; Central Labor Union; Tri-City Labor Congress.

Kansas: Coffeyville Central Labor Union; Hutchinson Central Trades and Labor Council; Pittsburg United Trades and Labor Council; Wichita Trade and Labor Assembly.

Kentucky: City of Covington Municipal Housing Commission; City of Frankfort Municipal Housing Commission; city of Lexington; City of Lexington Municipal Housing Commission; Louisville Central Labor Union; Paducah Municipal Housing Commission; State Federation of Labor.

Louisiana: Rev. Roger W. Coleman, First African Baptist Church, New Orleans; Housing Authority of New Orleans; New Orleans Association of Commerce; Eva Smill, Family Service Society, New Orleans.

Maryland: Housing Authority of Baltimore City.

Massachusetts: Boston Housing Authority; Cambridge Central Labor Union; Central Labor Union; Cambridge Housing Authority; Chicopee Housing Authority; Federation of Architects, Engineers, Chemists, and Technicians, Boston chapter; Federal Labor Union, 18518; Rev. Charles G. Girelius, Wayland; Holyoke Housing Authority; Lowell Housing Authority; Massachusetts Department of Public Welfare; Massachusetts State Board of Housing; mayor and council of the city of Lowell, Mass.; Norwood Central Labor Union.

Michigan: Dearborn Housing Commission; Detroit Housing Commission; City Council of the City of Detroit; City Council of the City of Lansing; Council of Social Agencies of Kalamazoo; Mr. Barton P. Jenks, Jr., Walled Lake; M. & M. Trades Council, Menominee; Society of Designing Engineers; United Brotherhood of Carpenters and Joiners of America, Local No. 297.

Minnesota: Minneapolis Building Trades Council; Minnesota State Employees Local Union, No. 10.

Mississippi: Housing Authority of Hattiesburg; Housing Authority of Laurel; McComb Housing Authority.

Missouri: Building and Construction Trades Council, Kansas City; Building Trades Council, Springfield; Central Labor Body, Carthage; city of St. Louis; Moberly Central Labor Union, Moberly.

Montana: Billings Housing Authority; Cascade County Trades and Labor Assembly, Great Falls; Great Falls Housing Authority; Miles City Trades and Labor Council.

Nebraska: Housing Authority of the City of Omaha; Miss Edith Carse, head of housing-equipment division, University of Nebraska; Urban League of Lincoln.

New Hampshire: Manchester Building Trades Council.

New Jersey: Board of Commissioners of the City of Camden; Catholic Daughters of America, South Orange; City Council of East Orange; city of Camden; Housing Authority of Atlantic City; Housing Authority of the City of Elizabeth; Housing Authority of the City of Long Branch; Housing Authority of Perth Amboy; Housing Authority of the City of Trenton; International Brotherhood of Electrical Workers, No. 102; International Ladies' Garment Workers' Union, No. 149; Newark Housing Authority; Newark Newspaper Guild; New Jersey Housing League, Inc.; New Jersey State Housing Authority; Public Service Corporation of New Jersey; Trenton Chamber of Commerce; Union County Central Labor Union, Elizabeth.

New York: Aluminum Workers Union, No. 19256; Amalgamated Ladies' Garment Cutters' Union, Local 10, International Ladies' Garment Workers' Union; American Committee for the Protection of Foreign Born; American Federation of Musicians, Local No. 802; American Society of Sanitary Engineering; Benjamin Andrews, Columbia University, New York; Mrs. James Russell Bourne, Rhinebeck; Bricklayers' Union, No. 1, Brooklyn; Bricklayers' Union, No. 34; Brooklyn Committee for Better Housing; Building Trades Council; Central Labor Council of Buffalo; Central Labor Union; Central Trades and Labor Council; Citizens' Housing Committee; Citizens' Housing Council of New York, Inc.; city of New Rochelle; Community Service Society; Consolidated Tenants' League, Inc., New York City; Consumers' Union of United States, Inc.; Dental Technicians Equity; Dressmakers' Union, Local 22, International Ladies' Garment Workers' Union; Federation of Architects, Engineers, Chemists, and Technicians, Chapter 14; Federation of Architects, Engineers, Chemists, and Technicians, Chapter 23; Federation of Jewish Women's Organizations, Inc.; Federation of Labor; Furriers' Joint Council of New York; First Presbyterian Church, Rev. Howard B. Haines; Greenwich House Settlement, New York City; International Union of Operating Engineers, Locals 138 and 138A, Hempstead, Long Island; International Union of Operating Engineers, Rochester, Local 71; Jewish Social Service Association, Inc.; Lewis Street Center, Rochester; Lower East Side Public Housing Conference, New York City; Manhasset Health Association; Municipal Housing Authority for the City of Yonkers; New York City Division of Housing; New York City Housing Authority; New York State Housing Board; New York State Industrial Union Council, Congress of Industrial Organizations; New York Typographical Union, Local No. 6; Plumbers' Local, No. 36; Heber Smith, New York City; Rev. H. Otheman Smith, Baptist Church of the Redeemer; J. J. Sturgh, Buffalo; Tuckahoe Housing Authority; Union of Marine Draftsmen and Technicians, Chapter 24; United Brotherhood of Carpenters and Joiners of America, Bronx; United Electrical, Radio, and Machine Workers, Local No. 1237; United Scenic Artists of America, Local No. 829; Utica Trades Assembly; Washable Clothing, Sportswear, and Novelty Workers, Local 169, Amalgamated Clothing Workers of America; Welfare Council of the City of New York; Westminster Community House; Women's City Club of New York; Yorkville Tenants' League; Yoruba Literary and Debating Club, New York City.

North Carolina: City of Wilmington, Department of Public Safety; Durham Central Labor Union; Housing Authority of the City of Charlotte; Housing Authority of the City of Wilmington.

Ohio: Amalgamated Clothing Workers of America, Coat, Suit, and Dressmakers Union, No. 63; Barberton Central Labor Union; C. J. Bushnell, University of Toledo, Toledo; Rabbi Barnett R. Brickner; Cincinnati Metropolitan Housing Authority; Citizens' Committee on Slum Clearance and Low Rent Housing, Cincinnati; Cleveland Metropolitan Housing Authority; Council of the City of Cleveland; Council of the City of Toledo; Prof. Abraham Cronbach; First Presbyterian Church on Walnut Hills; Central Labor Council, Cincinnati; Marion Central Labor Union; Bleecker Marquette, Cincinnati; Operative Plasterers and Cement Finishers' International Association, Middletown, Ohio; L. A. Pechstein, president of the University of Cincinnati; Portsmouth Metropolitan Housing Authority; W. W. Ryall, commissioner of health; Toledo Central Labor Union; Toledo, Ohio, Chapter of the National Association of Social Workers; Toledo Metropolitan Housing Authority; Trades and Labor Assembly of Tuscarawas County; United Labor Congress of Mahoning County; Youngstown Metropolitan Housing Authority; Young Women's Christian Association, Cincinnati; Clifford R. Wright, Cincinnati; Zanesville Metropolitan Housing Authority.

Oklahoma: Enid City Planning and Zoning Commission; Oklahoma City Building and Construction Trades Department.

Oregon: Building and Construction Trades Council; Oregon State Federation of Labor; Portland District Council of Lumber and Sawmill Workers, Local Union No. 2532.

Pennsylvania: American Federation of Hosiery Workers, Branch No. 10; American Federation of Teachers, Local 474; Association of Philadelphia Settlements; Carbondale Central Labor Union; Central Labor Union, Philadelphia; city of Bethlehem; City Council of the City of Bethlehem; Civic Club of South Philadelphia; Council of Social Agencies; Erie Central Labor Union; L. G. Heinle, city clerk, New Kensington; Lancaster Central Labor Union; McKeesport Housing Authority; Northern Cambria Central Labor Union; Pennsylvania Federation of Labor; Pennsylvania Industrial Union Council; Pennsylvania State Board of Housing; Philadelphia Housing Association; Philadelphia Housing Authority; Philadelphia Industrial Union Council; Pittsburgh, Housing Authority of the City of; Society for Ethical Culture, housing study and discussion group; Steel City Industrial Union Council.

South Carolina: Spartanburg Central Labor Union.

Tennessee: Chattanooga Housing Authority; Kingsport Housing Authority; Knoxville Central Labor Union; Knoxville Housing Authority; Memphis Housing Authority; Nashville Housing Authority; S. L. Smith, director of public relations, George Peabody College for Teachers, Nashville.

Texas: Bricklayers, Masons, Plasterers International Union of America, Local No. 23, of Texas; Brotherhood of Painters, Decorators, and Paperhangers of America, Union No. 585; Brotherhood Railway Carmen of America, Local 89; Rabbi Ephraim Frisch; Housing Authority of the City of Brownsville; Housing Authority of the City of Dallas; Housing Authority of the City of El Paso; Housing Authority of the City of Houston; Housing Authority of the City of San Antonio; Houston Labor and Trades Council; International Hod Carriers' Building and Common Laborers' Union of America, Local No. 93; Pecan Workers Union of San Antonio, Local No. 172; Texas Federation of Labor.

Utah: Building Trades Council, Utah Federation of Labor.

Vermont: Burlington Housing Authority.

Washington: Bellingham Building and Construction Trades Council; Board of County Commissoners, King County, Seattle; King County Housing Authority; Seattle Housing Authority; Shelton Central Trades and Labor Council; Yakima Central Labor Council.

West Virginia: American Federation of Hosiery Workers, Branch 92; Building and Construction Trades Council; Housing Authority of the City of Charleston; Housing Authority of the City of Williamson; Martinsburg Industrial Union Council; Wheeling Housing Authority.

Wisconsin: Aluminum Workers' Union, 19649; American Federation of State, County, and Municipal Employees, Local 58, A. F. S. C. M. E.; Brass and Copper Workers' Federal Labor Union, Local No. 19322; Central Cooperative Wholesale; Cooperative Consumers of Milwaukee, Inc.; department of outdoor relief; Federal Labor Union, No. 18545; Federated Trades Council of Milwaukee; Green Bay Federated Trades Council; Mayor Daniel W. Hoan, Milwaukee; Office Workers' Union, No. 16453; Waukesha Trades and Labor Council.

Puerto Rico: Ponce Housing Authority; Puerto Rico Housing Authority.

Indiana Threatened With Invasion by Cheap Electric Rates

REMARKS

OF

HON. JOHN E. RANKIN

OF MISSISSIPPI

IN THE HOUSE OF REPRESENTATIVES

Monday, July 17, 1939

Mr. RANKIN. Mr. Speaker, one of the most frantic appeals ever heard in this House came from the gentleman from Indiana [Mr. HARNESS] on last Friday.

Listen to this. Just listen to this.

Crying out for protection for the people of his State, among other things, the gentleman from Indiana [Mr. HARNESS] said:

> I do not want this monster, T. V. A., to enter the fair State of Indiana and wreak the havoc that has followed in its wake in the South.

Ah, Mr. Speaker, that is one of the most fervent appeals for protection against an invading foe that has been heard in this country since Patrick Henry's famous address before the Viriginia Assembly, in which he asked for liberty or death.

Why should we sit idly by and see the people of the great State of Indiana threatened with the great "havoc that has followed in the wake" of the T. V. A. in the South? When we contemplate the horrible destruction which this hideous "monster" has wrought, we can understand the terror with which the gentleman from Indiana [Mr. HARNESS] contemplates its probable invasion of that great Commonwealth.

When we see what the T. V. A. has done by its "ruthless" activities in the South, then we can sympathize with the gentleman from Indiana in expressing a horror that has hardly been witnessed in this country since Mars invaded the State of New Jersey.

Mr. Speaker, let me point out some of the "havoc that has followed in its wake in the South," and which stirs in the mind of the gentleman from Indiana such images of horror.

It has almost wrecked the graft structure of private utilities by reducing light and power rates to the people in those

States directly affected by more than $25,000,000 a year. Its baneful influence has already been felt in Indiana where, with the assistance of the McNutt administration, it has reduced light and power rates more than $10,000,000 a year and caused the electrification of thousands of farm homes throughout the State.

Think of that, Mr. Speaker! The very threat of this hideous "monster," aided and abetted by the administration of Gov. Paul McNutt, along with the other power policies of this administration, has forced reduction of light and power rates sufficient to cut the overcharges to the electric consumers in the State of Indiana more than $10,000,000 a year, as well as the construction of thousands of miles of rural power lines to serve the farmers of that State. Of course, the people of Indiana are still overcharged from $20,000,000 to $25,000,000 a year; and this horrible "monster" known as the T. V. A., with its powerful yardstick, is threatening to further invade the Hoosier State, at least with its influence, and relieve the people of that additional burden.

What "havoc" has it wrought in the South? Why, this "monster" has invaded the homes of the people, and especially of the farmers, in the dark and witching hours of the night, and wrought a destruction of personal property the like of which this country has never seen. It has destroyed hundreds of thousands of kerosene lamps, tallow candles, and pine torches in the homes of the farmers throughout that area and replaced them with electric-light bulbs served with T. V. A. power at T. V. A. rates—which is a little less than half the rates paid to the power company by the people in Kokomo, the home town of the gentleman from Indiana.

It has wrecked thousands of the old scrubboards over which the women of that country broke their backs doing the family washing. It has destroyed them and replaced them with washing machines that absolutely deprive the farm women of that time-honored luxury of bowing down over a washtub in the hot sun and scrubbing the family clothes.

It has ruined thousands of deep wells throughout that country. The old oaken buckets are no more. This hideous "monster" has thrown them in the discard, torn away the windlasses with which men and women cranked water from those 100-foot wells—this "monster" has destroyed all that and put in its place electric pumps that actually take the water into the farmer's house—even into his kitchen.

Not satisfied with that, this ruthless "monster" has driven many ice wagons from the road, actually invaded the farmer's kitchen and placed therein electric refrigerators that manufacture ice for the family and furnish a cold-storage reservoir for the meats, eggs, vegetables, milk, butter, and fruits for the farmer's table.

It has actually gone to the barns, hen houses, and garages of these farmers and lighted them up, as light as day, and now it has thrown out of the window the old-style smoothing irons from which the housewife used to absorb the heat, and replaced them with electric irons that make the family ironing almost a luxury instead of a drudgery.

No wonder the gentleman from Indiana is disturbed.

How are they going to control the women of Indiana if we keep relieving them of these drudgeries and supplying their homes with luxuries such as ice, fans, washing machines, vacuum cleaners, and radios? Yes, radios. Think of it, Mr. Speaker, this hideous "monster" which the gentleman from Indiana [Mr. HARNESS] dreads so much has actually placed radios in the farmers' houses to bring to them musical entertainments, the news of the world, the weather report, the great speeches delivered by the great men of the world—including the gentleman from Indiana.

All of these outrages have been perpetrated by this hideous "monster," the T. V. A., which the gentleman from Indiana now fears may invade the sacred soil of the Hoosier State and commit the same offenses.

Mr. Speaker, I think Congress ought to adjourn. I am afraid the people of Indiana are not fully conscious of the great dangers with which they are threatened. I think we should at least release the distinguished gentleman from Indiana and let him go home and warn the people of that proud Commonwealth of these dangers.

The only fear I have is that they may misunderstand him. I am afraid that when he goes back to Indiana to warn the people of the impending disaster, they are going to be by him like the old colored preacher was who got lost in a thunderstorm one night and was trying to run the path by the flash of the lightning, when he prayed to the Lord to give him "less racket and more light."

How Milton, Oreg., Did It—The Story of Its Municipally Owned Utilities

REMARKS

OF

HON. WALTER M. PIERCE

OF OREGON

IN THE HOUSE OF REPRESENTATIVES

Tuesday, August 1, 1939

Mr. PIERCE of Oregon. Mr. Speaker, a little more than half a century ago I was for 3 years the school teacher in Milton, Oreg. Way back in those days I was teaching the value and benefits of public cooperative enterprises. I hope I helped to implant in that community some of the ideas which later brought forth practical cooperation in municipal ownership of the power and water systems, long before the idea of public ownership of power had been practically applied elsewhere in Oregon. At any rate, I rejoice in their progressive action.

Shortly after I moved from the community, electric power and water systems were organized in that village, and have been in successful operation since. The rates have been low and profits have been applied to other municipal enterprises and needs. For 500-kilowatt hours, which is the amount required by the fully electrified home to give all light and power necessary for domestic appliances, the charge is $7.62. In the town in which I now live the charge is $11.98. At Pendleton, Oreg., about 40 miles distant, the charge is $9.74. In the town that joins Milton—Freewater—the charge is $10.05. These figures are taken from the Federal Power Commission rate sheet for Oregon, January 1, 1939. Even with these low and reasonable rates, the municipally owned plant at Milton has been an outstanding financial success. It has never repudiated its debts or obligations or been obliged to reorganize or go into bankruptcy as have the Wall Street companies in so many cities of the Pacific Northwest. One in Portland having the cream of the market has taken two bankruptcies within 10 years. I am proud of Milton, Oregon.

I now ask unanimous consent to revise and extend my remarks, and to publish a short summary and financial report made by the city manager of Milton, Oreg. He says:

The modern electric power and water systems operated by Milton City are the outcome of many years of pioneering in the field of municipal utility ownership.

Back in 1891 a small privately owned plant was established here and in 1893, more than 46 years ago, before any power company was operating in this district, Milton City established a small municipally owned electric power plant in the Miller Bros. mill, located near the present city park, to furnish electric lights to a few of the business houses.

Since that time the plant has been enlarged a number of times and later, the city built its own plant and established an extensive electric-power system. The last major addition to the system was the hydro-power plant located about a mile and a half above Milton near the intersection of the Walla Walla River and the Couse Creek Roads. This plant, installed in 1928, is one of the most modern units of its kind in the Northwest with a capacity of 1,000 kilowatts. Added to this, the capacity of the lower power plant, located at the southeast corner of the city, gives the city a total of 1,800 kilowatts, or approximately 2,700 horsepower. The lower plant is used largely for emergency and stand-by service.

While the power systems were being developed, the water system was improved and enlarged to keep pace with the growing demand for service. Modern filters and settling basins have been installed, the wood stave pipes replaced until now the city has an all-metal water system.

In 1937 a 652-foot city well was drilled and a 100-horsepower pump installed, giving a maximum capacity of 75,000 gallons of water per hour. This well is used for emergency and stand-by uses to supplement the gravity system whenever necessary.

The same pipe line which supplies water to the hydro power plant furnished the source of supply for the city water system.

A total of approximately $570,558.32 has been invested in the electric and water utilities to December 31, 1938. Of this amount $396,378.38 is invested in the electric system and $174,179.94 in the water system. After taking depreciation, the net fixed assets of the electric system amounted to $242,748.98 and the net fixed assets of the water system amounted to $136,167.60—the total net value of the two utilities being $378,916.58. Other assets of the electric and water systems amounting to $66,286.22 or total assets of $445,202.80 as of December 31, 1938. The total bonded debt of the utilities as of December 31, 1938, amounted to $234,000. Of this amount $18,000 will be retired in 1939.

A recent refunding issue of water bonds sold at a premium of $1.40 per thousand with interest rate of 2½ percent. All outstanding bonds are serial, the last payment being due in 1953.

A condensed profit-and-loss statement for the year 1938 follows. This statement indicates the healthy condition of this system.

Statement for 1938

Earnings	$89,872.76	
Expenditures	37,087.52	
Profit before interest and depreciation		$52,785.24
Interest	$11,715.00	
Depreciation	18,648.13	
Total depreciation and interest		30,363.13
Net operating profit		22,422.11

In addition to the above-indicated earnings, the electric and water systems contribute $2,000 cash as an annual franchise tax, and contribute street lighting, service to public buildings, parks, fire-hydrant rental, etc., to the value of approximately $8,000, or a total annual contribution of $10,000.

There are no outstanding warrants against either the utilities or general fund of the city. During the years the utilities have operated, thousands of dollars have been saved to the rate payer and large contributions of cash have been made to the general fund by the utility fund. The city tax rate has averaged about 12 mills for the past 12 years, and has rarely ever exceeded this amount.

In 1938 the city installed the same system of accounting as that used by private companies.

Milton rates are now and always have been among the lowest in the State.

The electric system serves approximately 1,000 customers and the water system gives service to about 600 customers and includes service to domestic, industrial, and commercial users in both Milton, Freewater, and adjacent rural areas.

Approximately 42 miles of distribution lines both urban and interurban are required to serve patrons of the electric power system. Our population is 1,576.

GEORGE HIBBERT, *City Manager.*

Roosevelt's Foreign-Trade Policy Works Injury for American Producers—Argentine Beef Is Not Superior to American Product

EXTENSION OF REMARKS

OF

HON. AUGUST H. ANDRESEN

OF MINNESOTA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, August 1, 1939

Mr. AUGUST H. ANDRESEN. Mr. Speaker, on Friday afternoon, May 12, 1939, President Roosevelt electrified the entire world in his new role as an international advertiser for Argentine canned beef. His prejudicial and grossly unfair utterance "that the Argentine product is of greatly superior quality as compared with the American product" drew the front-page headlines in the newspapers of the world. In fact, the statement of the President of the United States boosting Argentine beef as being better than the domestic product was translated into 57 or more languages for the peoples of the world within 24 hours after he made it.

I believe in advertising, and that advertising pays, but why, in the name of common sense, should the Chief Executive of our great country go out of his way to "throw stones" at American producers of beef when he well knows that we produce the best beef in the world? Business concerns in this country annually pay out millions of dollars to prominent people in the news for their favorable mention of nationally advertised products. Such statements are generally for consumption within our own borders, and not for international digestion, as was the clear-cut utterance of President Roosevelt in regard to the superior quality and cheapness of Argentine beef.

The cattle producers and business interests of Argentina rejoiced over President Roosevelt's voluntary statement on the superior qualities and lower cost of Argentine canned beef, and his order requiring the purchase of this foreign beef for the United States Navy. Heralded to the world, this action became the biggest advertising scoop in all history.

DIPLOMATIC NEGOTIATIONS PRECEDED THE PRESIDENT'S STATEMENT

According to a conspicuous news story which appeared under large headlines in the Buenos Aires Herald on May 13, 1939, which I now quote as published, it would appear that the President's statement advertising Argentine beef, and his order to purchase it for the United States Navy, was made only after lengthy diplomatic negotiations between the United States Department of State and the Ambassador to this country from Argentina.

[From the Buenos Aires Herald of May 13, 1939]

SUPERIOR TINNED BEEF FROM RIVER PLATE—MR. ROOSEVELT'S TRIBUTE—CONTRACTS FOR UNITED STATES NAVY—FRANK COMPARISON BY THE PRESIDENT

WASHINGTON, May 12.—Mr. Roosevelt opened a press conference with a voluntary statement on the superior qualities and lower cost of both Argentine and Uruguayan tinned beef.

He said that if the provision in the Navy bill forbidding the Navy to buy South American tinned beef remained unchanged, the Government would be required to offer inferior food to the 110,000 men of the Navy at a price of 8 cents a pound higher. The Navy, he said, had informed him that the Argentine product was superior. Domestic tinned beef costs 23 cents a pound—8 cents more than the total cost of the imported product.

Mr. Roosevelt said that earlier he had directed the Navy to accept the low bid of the Argentine Meat Producers' Cooperative. It is learned that the order followed repeated energetic representations to the Department of State by the Argentine Ambassador, Dr. Felipe A. Espil, when it became apparent that the Navy was hesitating whether to accept the bid.

Dr. Espil last saw Mr. Sumner Welles, the Under Secretary of State, about the matter during Mr. Roosevelt's spring vacation in Warm Springs, Ga., and Mr. Welles communicated with Mr. Roosevelt. The international nature of the negotiations was revealed today when the text of a letter from the President on tinned beef was issued, with an introductory line saying that the letter had been written "to the Secretary of State under date April 13." Evidently the President also gave instructions direct to the Secretary of the Navy, Mr. Claude Swanson.

Diplomatic observers generally feel that Mr. Roosevelt's action was courageous, because it will probably be criticized by domestic cattlemen.

Yesterday one of the Navy's representatives asked the Senate subcommittee which is studying the Navy bill to eliminate the restrictive provision against Argentine beef, and there are some indications that the request will be granted.

Following President Roosevelt's statement on May 12, daily stories appeared in the newspapers of Argentina in which it is noted that full advantage was taken of our Chief Executive's generosity. Space will not permit the inclusion of the numerous editorials and headline news stories written in both Spanish and English. I do, however, quote herewith two additional items which appeared in the Buenos Aires Herald on the 14th and 15th of May 1939.

[From the Buenos Aires Herald of May 14, 1939]

[From editorial on Argentine meat]

It is sincerely to be hoped that President Roosevelt will be able to persuade the United States Congress to eliminate the clause in a bill recently presented to that body which provides that only American canned meat shall be eaten by the United States Navy and Army. This means, of course, that the Navy and Army will have to pay a much higher price for their requirements and the quality is not so high.

[From the Buenos Aires Herald of May 15, 1939]

WILL BEEF RUIN ROOSEVELT—ARGENTINE PURCHASE RAISES MIDDLE WEST STORM

WASHINGTON, May 14.—The Argentine beef purchase, besides threatening to become a major political issue, is also expected to clarify the commercial aspects of the "good neighbor policy" and to test the congressional willingness to yield minor trade concessions on behalf of pan-Americanism.

AMERICAN FARMERS ANGRILY PROTEST

The President's unfortunate advocacy of Argentine canned beef became an overnight topic for household discussion in

every American home. Farmers and cattle producers angrily protested the President's action requiring our Navy to purchase Argentine canned beef, because he said that it was superior and cheaper than our domestic product. Scores of letters and telegrams from farmers and farm organizations were received by Representatives and Senators in Congress, demanding the passage of a law to prohibit the President from buying Argentine beef for the Navy, and requiring the purchase of farm products produced by American farmers. This suggestion from American producers was speedily enacted into law as a part of the naval appropriation bill.

COMMENT IN THE HALLS OF CONGRESS

The President's statement on Argentine beef caused a furor in both bodies of Congress. Senators and Representatives from agricultural sections, irrespective of political affiliations, expressed themselves in no uncertain terms in behalf of American producers. I quote briefly from some of the congressional comment:

Senator ADAMS, of Colorado, suggested that "if we are to have the American Navy fighting on foreign beef, we might as well go a step further and have our battleships built in England or get our armor plate from Belgium." "We're trying to maintain a higher standard of living in this country, but we can't do it without paying for it," he said. "If we want to compete on the level of the people on the plains of Argentina, we'll have to cut out our shorter hours and higher wages."

Senator O'MAHONEY, of Wyoming, said his understanding was that the Argentine Meat Producers Cooperative was actually a Government institution and that its products had what amounted to a subsidy. "United States producers," he said, "cannot be expected to compete with products of foreign government corporations."

Congressman CARLSON, of Kansas, made the following significant statement: "The farmers and livestock producers have suffered from large importations of farm products and competitive commodities during recent years, and now the President infers that he does not believe the American farmer is entitled to the American market."

Congressman RICH, of Pennsylvania, who is not a farmer, caustically said: "Where is there any incentive to have the slogan 'Buy American' if our trusted officers betray us? How will we put our men back to work if we give foreign countries our business, our money, and our goodwill?"

Congressman SPRINGER, of Indiana, in a speech on the floor stated: "Our President can materially aid the people of our Nation by observing the existing laws and by permitting our Navy to consume American food—and not the food produced in some foreign land."

Senator CAPPER, of Kansas, was thoroughly aroused over the President's statement and said in the Senate: "Mr. President, the entire middle and far West and Southwest were shocked Friday night to learn that President Roosevelt is insisting that the United States Navy buy Argentine canned beef in preference to beef produced and processed in the United States."

PROTESTS FROM LIVESTOCK ASSOCIATIONS

D. M. Hildebrand, of Seeward, Nebr., president of the United States Livestock Association, issued the following statement:

The fact that the present administration has seen fit to buy beef from Argentina when our own livestock producers have been working under a heavy handicap for the last 4 or 5 years indicates that it is not in sympathy with making a market for our feed grains, as the only market the farmer has for corn and byproducts of the farm is livestock.

With taxes mounting, certainly the livestock producers in the United States should have the first opportunity in the American market.

The best aid that agriculture and livestock producers can have is to provide a market for what we produce in the United States. When the United States Government buys Argentine beef, and when the President of the United States makes a public statement that Argentine beef is superior, other consumers of beef are encouraged to do the same thing.

We question the statement that Argentine beef is better than American corn-fed beef.

I think Congress should pass a law prohibiting our Government from supplying its needs for livestock products from abroad so long as they can be produced in this country.

The following telegram was received from President Ljungdahl and Secretary Miller, of the Kansas State Livestock Association:

Members of the Kansas Livestock Association and beef producers throughout the State are shocked by press reports to the effect that our President has approved the purchase of canned corned beef from Argentina for use in feeding the Navy. Not only are livestock producers shocked, but indignant, at the inference that canned corned beef processed in this country is inferior to the Argentine product. We urge immediate cancelation of the Argentine purchase order.

Producers of meat animals throughout our country need every possible help in obtaining the very best market for their products. Recent years of severe drought and unfavorable markets have brought serious losses to livestock producers, and, if they survive these losses, must have every advantage possible in marketing meat animals.

Our beef producers naturally object to being sacrificed upon the altar of so-called good-neighbor policy and no good neighbor would expect it.

An editorial which appeared in the Washington Post on May 15, 1939, and which I quote in part, gives an insight into the motives of the President with reference to the Argentine beef incident. I quote from the editorial:

In approving the purchase of a relatively small order of corned beef from the Argentine, Mr. Roosevelt apparently had in mind two objectives. One was to throw a sop to Buenos Aires, where the exclusion of Argentine beef from this country is bitterly resented. The other was doubtless to chide the Senate for its failure to ratify the Argentine Sanitary Convention. That agreement would permit our Latin-American neighbor to send us beef from those parts of its area which are entirely free of the hoof-and-mouth disease.

ARGENTINE SANITARY CONVENTION

President Roosevelt is trying desperately to secure a change in the Sanitary Convention with Argentina, which now prohibits the shipment of cattle and fresh beef into this country, so as to allow by treaty the flooding of our markets with beef and cattle produced in Argentina and other South American countries. If Mr. Roosevelt succeeds in this attempt, it plainly means complete destruction for American livestock producers. They cannot compete with the cheaply produced products from South America.

In connection with the Argentine sanitary agreement, I wish to point out that the hoof-and-mouth disease is very prevalent in Argentina and other South American countries. This dreaded disease has been eradicated in the United States at great expense to American producers of livestock. Stringent laws have been enacted by both State and Federal Governments to clean up hoof-and-mouth disease in the United States. If the existing agreement with Argentina is broken down, as demanded by the President, in order to carry out his good-neighbor policy, opportunity will be given for a recurrence of this dreaded disease in this country. The existing treaty should not be changed, and all foreigners who ship beef or other products to the United States should be required to comply with sanitary laws now imposed against American producers.

NEW DEAL FOREIGN-TRADE POLICY WILL RUIN AMERICAN PRODUCERS

The good neighbor reciprocal trade policies of President Roosevelt have brought about large importations into this country of cheaply produced farm and manufactured products. As a result of this strange philosophy the American market has been glutted, prices depressed, and millions of people have been forced to continue on relief. The Federal Government pays out hundreds of millions of dollars to farmers so that they will produce less, and during the same period our Chief Executive, through the power vested in him by a rubber-stamp Congress of the past, reduces tariff duties and literally invites foreign producers to ship more competitive products into the American market. In other words, the American market is being given away to cheap foreign production. This policy should be discontinued and our domestic market preserved for American producers.

Import figures from the Department of Commerce plainly disclose that the reciprocal-trade policy of the New Deal is working to the disadvantage of American farmers. The latest figures from the Department, covering the first 6 months of 1939, disclose the following facts: Imports of cattle, 6 months 1939, 486,497 head, as against 242,584 head for the same period in 1938. Imports of other meat products, which include beef, pork, and poultry, amounted to 79,472,315 pounds for the first 6 months of 1939, as against 75,884,822 pounds for the first 6 months of 1938. The total value of imports of merchandise for consumption for the first 6 months of 1939 amounts to $1,071,731,563, as against $943,315,226 for the same period in 1938.

American farmers engaged in the production of hogs will be interested to learn that despite falling prices for their pork products, the importations of pork still continue on a large scale. For the first 6 months of 1939, the imports of cheaply produced pork, hams, shoulders, bacon, and pickled pork amounted to 25,827,000 pounds, as against 25,661,000 pounds for the same period for 1938. Our domestic market is also being flooded with cheaply-produced foreign fats and oils, which also works to the detriment of all of the farmers in America. It is the opinion of experts in the Department of Agriculture that American farmers will be receiving less than $5 a hundred for their hogs this fall.

A large percentage of American farmers are fully convinced that the reciprocal-trade program, as well as the present A. A. A. farm program, is working to their detriment. When Congress reconvenes in January, the first order of business should be the repeal of undesirable policies and programs, and the enactment of sound farm legislation which will have for its main objective the protection of the American market for domestic producers and a restoration of an American price level.

Business Improvement

EXTENSION OF REMARKS

OF

HON. GEORGE L. RADCLIFFE

OF MARYLAND

IN THE SENATE OF THE UNITED STATES

Wednesday, August 2, 1939

NEWSPAPER COMMENT

Mr. RADCLIFFE. Mr. President, I ask unanimous consent to have printed in the RECORD three articles in reference to the very eloquent and brilliant speech delivered a few days ago by the Senator from Wyoming [Mr. O'MAHONEY]. First I ask to have printed in the RECORD extracts from an article by Arthur Krock entitled "The First Harbinger of Good Business News"; next an editorial from Labor entitled "Nature Mocks Intelligence of Men," and third an article by David Lawrence entitled "Senate Gives 'Go' Signal to Business."

There being no objection, the articles were ordered to be printed in the RECORD, as follows:

[From the New York Times]

THE FIRST HARBINGER OF GOOD BUSINESS NEWS

(By Arthur Krock)

WASHINGTON, July 18.—Hardy and hopeful is the prophet who will predict a real and substantial boom in the United States during the remainder of the incumbency of the New Deal in Washington. Risk investors are too wary of the President, and the President is too suspicious of risk investors to generate a boom era, 1920's style. But this does not preclude the arrival of better business such as now is indicated by rising Wall Street prices and reports from the industrial field.

How long the current hopeful statistics will continue is dependent to a great extent on Washington, which means largely the President. He can, as often in the past, act or speak in such a way as to chill the mounting blood of capital and production and somewhat contract the expanding thread in the business thermometer. If Congress continues to show enough resistance to the Executive to give added assurance that the rubber-stamp period is ended, however—and especially if Congress adjourns without passing any alarming items of legislation—some economic observers believe that rather better times will persist for the reminder of the year.

BITS OF BUSINESS CHEER

Another solvent of business worry has been the management by Senator O'MAHONEY of the antimonopoly inquiry and the calm nature of its preliminary report.

In part to these reasons the improved industrial indexes could be assigned. But as early as last April the head of the economics department of one of the largest manufacturing corporations in the world made a report which anticipated better business. His report was made privately to his associates, but its outlines were sketched by this correspondent in the New York Times on May 6. The economist, who was the first harbinger of this optimism, gave seven reasons for his conclusion that "business * * * is not so bad; in fact, it is pretty good, although this will be news in the gloomy East." These were his reasons:

Labor costs per unit of output are near the lowest record point. Output per man per hour is near the highest record point. The Federal Reserve Board's index of industrial production for the first quarter of 1939 was almost as high as for the last quarter of 1938; and manufacturers, having diminished their inventories, must buy to keep going. Fall consumers' goods hold up well, mail-order houses are making new-high records, and chain stores show very good trade. Farm income is about the same as in 1938; though prices are down, the loss is made up by volume. Residential building has shot up amazingly, largely because of the successful work of Administrator McDonald of the F. H. A. And general prices have not advanced.

NEW DEALERS SURPRISED

In reporting the economist's summary this correspondent wrote that it did not forecast a boom, "merely the picture of a possible status quo under which business and labor can live modestly." Perhaps that status quo now, if only temporarily, has come to exist.

The summary was greeted with surprise, some incredulity and much scoffing. Particularly surprised seemed to be various agencies of the New Deal, including the Democratic National Committee, all of which wanted to be assured that the economist really existed and that his employers were truly large and important. They were so assured, with the additional information that these employers are prominent critics of the New Deal.

If there has been a business turn it was called outside Washington. This note is set down in memory of the many occasions when Leon Henderson and others have asserted an administration monopoly on economic foresight.

[From Labor, Washington, D. C., of July 25, 1939]

"NATURE MOCKS INTELLIGENCE OF MEN"—SENATOR O'MAHONEY PRESENTS A STINGING INDICTMENT OF THE CRUEL ABSURDITIES OF AMERICA'S ECONOMIC "SET-UP"

Before he was a lawyer and a legislator, Senator Joseph C. O'Mahoney was a newspaper man, and a good one. In those far-off days he wrote many editorials, but never did he present a great issue more clearly and impressively than in his statement of America's economic condition in the preliminary report of his Monopoly Committee, made public this week. The Senator wrote:

"People who are able and willing to work cannot find employment.

"People who are hungry cannot provide themselves with food.

"People who produce what the idle and the hungry need, cannot sell it and, indeed, can find a market for only a small portion of what they are capable of producing.

"Owners of money and owners of machines cannot put their property to sure and certain use.

"The abundance of nature mocks the intelligence of men, who seem incapable of distributing it among their own kind, either equitably or profitably."

What answer can our statesmen make to that indictment? "The abundance of nature mocks the intelligence of men!" There's a line which will not be soon forgotten. As a matter of fact, it tells the whole story. Nature and Nature's God have been more than generous to us, but nevertheless, in the midst of this superabundance, we condemn to slow starvation millions of our fellow Americans, able and anxious to work.

[From the Washington Evening Star of August 1, 1939]

SENATE GIVES "GO" SIGNAL TO BUSINESS—PUTS CHECK ON UNITED STATES LOANS FOR COMPETING POWER

(By David Lawrence)

Free private enterprise in the United States has been given a significant assurance by the United States Senate—an assurance against abuse of lending power by the Federal Government. The vote is interesting in that conservative Democrats and Republicans as well as a number of administration Democrats joined in approving a declaration of policy written by Senator O'MAHONEY, of Wyoming.

The particular amendment to the lending bill which was adopted concerned a prohibition of the possible use of Federal funds to encourage municipalities to borrow money to build competing electric light and power plants without taking into account whether adequate service existed, or whether the existing facilities could be purchased on a reasonable basis. It went further than a prohibition against electric light competition and struck out also against the possible invasion of all private enterprises by Government operations.

Perhaps the most challenging speech in many weeks—at least several Senators characterized it as such—came from Senator O'MAHONEY when he commented on an attempt by Senator NORRIS, of Nebraska, public-owned advocate, to defeat his amendment on the ground it might give power companies a loophole for delay and litigation. Said Mr. O'MAHONEY in part:

"So I say to the Senate, stop all this quibbling about what is going to happen with a $350,000,000 loan fund, stop all quibbling about the right of some municipality to obtain a loan to build a utility in competition with an existing utility. The fight against abuses by corporate power has been practically won. I believe it

has been completely won. I believe that one of the great reasons why the fight has been won is because Senators like the distinguished and able Senator from Nebraska [Mr. NORRIS] have been willing to stand upon the floor of this body and out on the stump to wage a fight for free private enterprise.

BUSINESS WANTS SIGNAL

"Free private enterprise is endangered not only by monopoly. It is also endangered by Government. My experience during the past 12 months with the Temporary National Economic Committee has convinced me that 90 percent of all the businessmen in the United States want only the opportunity to go forward. I say give them the signal by adopting this amendment."

The Senate followed Mr. O'MAHONEY's advice, but it was interesting to observe that the conservative or independent Democrats earlier had voted down a more extreme proposal which would have prevented any public funds from being borrowed by municipalities seeking to have their own electric power and light plants.

This is a plain indication that the Democrats who are called "conservatives" are not at all taking an extreme or ultra-conservative position, and that the administration might well have had in other votes a substantial number of supporters from the ranks of these Democrats. The so-called rebellion in Congress, whereby in recent days a coalition of Democrats and Republicans has been whittling away the administration's measures, is by no means a well-oiled affair. It is a spur of the moment division based on distrust to a certain extent of bureaucratic power hitherto voted in blanket form, and largely on the failure of the administration to consult Democratic Members of the Senate irrespective of faction.

KILLED MORE CONSERVATIVE PLAN

Had the conservative Democrats been merely seeking to embarrass the administration they would have voted for the extra amendment proposed by Senator DANAHER, of Connecticut, which endeavored to put the Senate on record against any Government aid for all possible competing enterprises. Mr. O'MAHONEY's proposal with a provision for a public hearing by the Federal Works Administrator and with other restrictions seemed to embody a policy fair, on the one hand, to private enterprise and, on the other, to the municipalities desiring to avail themselves of public borrowings. It was by no means what might be called a retrogressive step, for it puts into law what the President and his associates in the executive branch of the Government have pledged informally, but which could not serve as effectively as a legal guaranty until Congress embodied it in a formal statute.

The vote of 45 to 25 does not by any means reflect the pro and anti sentiment on public ownership. Among the votes cast against the Danaher amendment were some Republicans and Democrats who would have preferred the more extreme proposals and did not wish even by indirection to seem to favor Federal funds for competing plants to be constructed by municipalities. On the whole, the votes in the Senate last Saturday show clearly that the Senate believes the sentiment of the country is drifting rapidly away from allowing public funds to be used to break down the system of free private enterprise.

The Difference Between English Housing Acts and the United States Housing Act

EXTENSION OF REMARKS

OF

HON. FREDERICK C. SMITH

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Wednesday, August 2, 1939

Mr. SMITH of Ohio. Mr. Speaker, Mr. Nathan Straus told the Banking and Currency Committee he is a student of housing. Whether he is or not, his position should require him to know at least something about it. He refers constantly to England's experience in public housing. He says we are following the English plan.

In brief, then—

Said Mr. Straus—

the American plan simply represents an adaptation of the English one to the particular conditions of the country. (Hearings, p. 139.)

To which Mr. Leon Keyserling, head attorney for U. S. H. A., chimed:

I am fairly certain that there is no material difference between them.

That is, between the English and ours.

There is actually very little similarity between the English housing acts and their operation and the United States Housing Act and its operation.

We have a U. S. H. A. England has no B. H. A.—British Housing Authority. The British Exchequer, or Treasury, takes care of all grants and subsidies made by the central government with respect to public housing.

We have local housing authorities, set up as independent bodies, "corporate and politic," with absolutely no resources of their own, set up specifically within the last 2 years to do but one thing, namely, serve as agencies or simple dummies of the United States Housing Authority to carry on its financial transactions. In England there is nothing even remotely like this. There duly constituted local governmental bodies, county borough councils, borough councils, and urban and rural district councils, which have been in existence for many years, and correspond to our counties and municipalities, carry on the local work of constructing and operating the houses.

United States Housing Authority projects are exempt from real-estate taxes. English public-housing projects are not so exempted.

The U. S. H. A. makes an enormous fabricated-housing profit.

The English Government permits no such gross deception of its people.

The United States Government is now obligating itself to pay annual rent subsidies per family of from $100 to $234, or an average of $184, each year over the next 60 years.

The British Exchequer obligates itself to pay annually to each family a subsidy of $26.60, or in exceptional cases $31.44, or an average not exceeding $29, for 40 years.

(In the case of flats of more than three stories, the subsidies in England are higher, but the report for April of this year shows these to be only 5 percent of the total houses built.)

The full amount for which our Federal Government obligates itself to pay rent subsidies to each family is between $6,000 and $14,000, the average being $10,000.

This compares with $1,084 and $1,257 for England, or an average of $1,160.

The local political subdivisions in England contribute $13.28 annually per dwelling unit, and in exceptional cases $18.

Our municipalities, in granting tax exemptions, contribute an average annual rent subsidy to each family of $83.

Our total annual subsidies over the 60 years, per family, Federal and local, run up as high as $20,000 (Syracuse, N. Y.), and average $16,000.

English total subsidies, over the 40-year period, per family, exchequer and local, except multistory flats, run from $1,595 to $1,982, or an average of less than $1,800.

I understand, up to now, England has constructed about 1,280,000 public houses, that the exchequer has paid out $870,000,000 in subsidies thus far; that existing contracts call for payment of some $2,000,000,000 more by the exchequer during the years to come in annual subsidies on houses already erected or under construction.

Thus the total amount of subsidies paid and to be paid by the Exchequer is about two and three-fourths billion dollars. At present building costs and with the present United States Housing Authority financial arrangement, together with the gigantic housing bureaucracy and its criminal waste, the same number of houses would involve our Federal Government in subsidies in the amount of more than $14,000,000,000 and our municipalities $6,500,000,000, or a total of more than $20,000,000,000.

And, bear in mind, the English subsidies cited cover the original English housing plan, which was abandoned because it was seen that it would wreck the British Exchequer.

The English housing acts are forthright laws which can readily be understood by the average person.

The United States Housing Act is certainly not a forthright piece of legislation. It is equivocal and ambiguous in the extreme. I know of no other statute that is so difficult to disentangle and understand as this act. Certainly it cannot be understood by the average person.

Republican Attempts to Mislead American Farmers Fail

EXTENSION OF REMARKS

OF

HON. WILBUR D. MILLS

OF ARKANSAS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, August 2, 1939

Mr. MILLS of Arkansas. Mr. Speaker, there appeared in the CONGRESSIONAL RECORD of July 22 and July 26 tables showing increases of agricultural imports, allegedly resulting from trade agreements. Five months of 1938 were compared with the corresponding period of 1939. Following is the list of products which was given: Cattle; cheese; wheat for milling and export; wheat byproduct feeds; flaxseed; wool and mohair; hides and skins; tobacco, unmanufactured; cotton, unmanufactured; molasses (inedible); eggs in shell; potatoes, white or Irish; cottonseed oil; cottonseed cake and meal; peanut oil; oats; maple sugar and sirup; tapioca; hay; canned beef, hams, bacon, and so forth; silver-fox fur skins; tomatoes, canned; pineapples (preserved or prepared); apples, fresh; cashew nuts; potato starch.

THEY CANNOT GET BY WITH PADDING

One would naturally expect to find, after a condemnation of trade agreements as they relate to imports of agricultural products, that reductions in duty or some other positive concession had been granted on each of the items listed. Such is not the case. The following items in the list appearing in the RECORD have not been subject to lower rates of duty or even included as a qualified concession to foreign countries in trade agreements: (1) wheat for milling and export; (2) flaxseed; (3) wool and mohair; (4) hides and skins; (5) cotton, unmanufactured; (6) cottonseed oil; (7) cottonseed cake and meal; (8) canned beef; (9) canned tomatoes; (10) peanuts; (11) cashew nuts; (12) peanut oil.

In order that a superficial case against trade agreements might be indicated, the list is thus diluted by nearly one-half. Twelve out of twenty-seven items are clear outside of trade agreements. This necessity for padding indicates the difficulty the opposition has in making a case against trade agreements, even assuming that the increased imports are bad in themselves and solely resulted from trade agreements. Not satisfied with this misrepresentation they duplicate a number of items. For example total meat products are given, then the figures for various meat items which represent the same thing are shown.

Additional items in the list have been included in agreements only in a qualified manner; that is, the imports are limited by quota or some other arrangement so that the figures given in the table referred to usually represent much more than the imports of the item involved in the concession granted in trade agreements. The purpose of the trade-agreements program is to expand foreign trade and in order to expand exports we have to expand imports, and when reductions are made in duties it is expected that there will be expanded trade, but this is not always the case. The import figures on the following items listed as agreement items by opponents represent more than the imports of the products on which concessions were granted:

(1) Cattle: Imports under reduced duty are limited by quota and the rates of duty on more than half of the number shown were not reduced by trade agreements. Furthermore, the imports permitted under lower rates of duty constitute a small fraction of the domestic consumption.

(2) Cheese: Not all kinds and types of cheese have been subject to lower rates of duty. Reductions were made on specialty types of cheese, some of which are not produced in the United States; the import figures represent total imports into the United States.

(3) Tobacco: The figures represent total imports while concessions were granted on two particular types and grades not produced in the United States in large quantities. A concession was granted on wrapper tobacco primarily for the benefit of the domestic producers of filler tobacco; a concession was granted on oriental tobacco, a type not produced in the United States, for making cigarettes. The exports of tobacco are several times as great as the imports.

(4) Molasses: Import figures given represent inedible molasses. The reduction in duty on molasses was limited to 1,500,000 gallons; the import figures for the first 5 months of 1939, as given in the RECORD, was 82,407,000 gallons. Obviously, the reduced duty could not apply to any significant quantity of the imports shown.

(5) Hams, shoulders, bacon, etc.: Import figures largely represent canned ham from Poland and Danzig on which no reductions in duty have been made. Exports of pork and pork products greatly exceeded the imports.

(6) Potatoes: Seasonal reductions were made in duty and there are quota limitations on imports. Exports of potatoes are usually greater than imports. The imports for the first 5 months of 1939 were 36,000,000 pounds less than the first 5 months of 1929.

(7) Tapioca, sago, and so forth: There, of course, could be no reduction in the duty on tapioca, sago, and so forth, because these products have long entered free of duty, being left there by both the Tariffs Acts of 1922 and 1930. The free status was bound in the agreement with the Netherlands. This concession has not permitted a single additional pound to enter the United States. Furthermore, only a small part of the imports are actually competitive with domestic products.

Thus it is seen that not only is the list of items "padded" by a large percentage but the figures which should represent the items on which concessions were granted are also exaggerated in order to make an unfavorable case against trade agreements. This sort of misrepresentation is not accidental. Opponents of the program are hard-pressed when they have to go to such extremes. Those preparing these tables have every necessary facility for obtaining the correct information in Washington. They may get by with these statements for a while, but eventually the facts will come out.

UNSOUND CONCLUSIONS FROM INCOMPLETE DATA

Before any hasty conclusions are drawn regarding a few months' imports or exports in any product, it should be understood that such trade reflects short-time demand and supply conditions which depend upon industrial activity, prices, and many other factors in the United States and abroad. The trade in many products is seasonal and even 6 months' figures may not be indicative of the extent of it for a full year. Even a year's figures may not properly reflect the effects of trade agreements.

Frequently, there are other special factors which determine the extent of increased imports outside of concessions granted. An example of other factors influencing imports during the present year was the destruction of maple trees in New England last fall by the hurricane. This destruction resulted in the lowest domestic production for many years and the highest prices for maple sugar and sirup since 1930. Naturally imports of maple sugar and sirup increased. It would be unfortunate if the consumers did not have some protection. It would not help our producers if a large part of the consuming public in this country got out of the habit of using this fine and fast-diminishing product. Furthermore a mere list of increases in imports without relating them to prices, production, exports, and other factors, means very little. For the most part, the imports listed are small in comparison with domestic production and have little effect on prices.

NECESSITY FOR EXPORTS

All informed people recognize that markets must be obtained for several of the items included in the agricultural

import list appearing in the CONGRESSIONAL RECORD if we are to have decent domestic prices for them. Imports of a number of the items are small and insignificant in comparison with the exports. The following figures indicate the relationship of imports and exports of a few of the items listed:

	1938	
	Exports	Imports
Wheat	$78,141,208	$2,534,965
Cotton (raw)	228,669,387	9,614,961
Apples	14,700,890	44,063
Tobacco (unmanufactured)	155,670,521	36,028,056

The more than $9,000,000 of imports of cotton was largely of a special grade or type not produced in the United States. The same is true of relatively large import figures of tobacco. The imports fill a demand which cannot be supplied from domestic tobacco.

REDUCTIONS IN DUTY FOR BENEFIT OF FARMERS

A fact worth mentioning is that a number of the tariff reductions on these products actually included in agreements were made primarily for the benefit of certain groups of farmers themselves. The reductions in duty made primarily for the benefit of farmers in the list in the RECORD are wheat byproducts, hay, inedible molasses, seed potatoes, wrapper tobacco, and feeder cattle. Who else are such products imported for, if not primarily farmers?

AGRICULTURAL EXPORTS WHICH HAVE INCREASED AND IMPORTS WHICH HAVE DECREASED

A few days ago the gentleman from California [Mr. BUCK] had placed in the RECORD a list of of exports of agricultural products which had increased in the first 5 months of 1939 over the corresponding period of 1938. As stated he had these inserted because opponents of trade agreements had doctored the RECORD so that as unfavorable situation as possible was shown. Opponents say, "But there were figures from the Department of Commerce." They do not give all the figures from that Department. I am reproducing Congressman BUCK'S list to complete the record which our Republican friends insist on avoiding. Also I am including a list of agricultural imports which have decreased during the same period so that the record may not stand as the opponents would have it. It will be recalled that their list only showed increases, excepting cotton.

Agricultural import decreases

Product	Unit	5 months—	
		1938	1939
Butter	Pound	923,000	458,000
Swiss cheese	Pound	5,664,000	5,141,000
Eggs and egg products	Pound	903,000	383,000
Pork, fresh	Pound	2,169,000	843,000
Tallow	Pound	632,000	452,000
Corn	Bushel	227,000	164,000
Barley malt	Pound	45,746,000	43,988,000
Sugar	Ton	1,331,000	888,000
Molasses	Gallon	89,624,000	86,231,000
Tung oil	Pound	43,183,000	32,838,000

Agricultural export increases

Product	Unit	1938	1939
Bacon	Pound	3,237,000	3,543,000
Hams and shoulders	Pound	21,322,000	27,951,000
Lard	Pound	88,633,000	117,996,000
Milled rice	Pound	104,721,000	139,399,000
Wheat	Bushel	43,268,000	44,034,000
Flour of United States wheat	Barrel	1,595,000	2,464,000
Apples	Bushel	5,472,000	5,849,000
Oranges	Box	3,786,000	4,131,000
Grapefruit	Box	483,000	689,000
Apples, dried	Pound	5,483,000	12,542,000
Raisins	Pound	38,164,000	39,581,000

MAKING A CASE ON ANCIENT HISTORY

If the opposition desires to go back to 1933 and 1937, as one of their tables indicates and which is largely ancient history, it may be pointed out that agricultural imports in 1929 amounted to $2,218,000,000 in comparison with $995,637,000 in 1938. I submit as a part of my remarks a table showing the imports of the list of agricultural products for the first 6 months of 1929 in comparison with the first 6 months of 1939. For the most part of the imports of the first 6 months of 1939 are considerably below those for a corresponding period of 1929. For example, imports of cheese were down 13,000,000 pounds; hides and skins, 59,000,000 pounds; cotton, unmanufactured, 94,000,000 pounds; and potatoes, 36,000,000 pounds.

Imports of specified agricultural products, first 6 months, 1929 and 1939

Import items	Unit	6 months 1929	6 months 1939	Increase (+) decrease (−)
Cattle	Head	263,000	486,000	+223,000
Cheese	Pound	38,702,000	25,282,000	−13,420,000
Wheat for milling and exports	Bushel	10,416,000	5,430,000	−4,986,000
Wheat byproduct feeds	Ton	187,000	192,000	+5,000
Flaxseed	Bushel	15,472,000	10,763,000	−4,709,000
Wool and mohair	Pound	167,100,000	116,806,000	−50,294,000
Hides and skins	Pound	224,519,000	165,189,000	−59,330,000
Tobacco, unmanufactured	Pound	41,910,000	37,317,000	−4,593,000
Cotton, unmanufactured	Pound	142,454,000	48,297,000	−94,157,000
Molasses (inedible)	Gallon	(1)	95,604,000	(1)
Eggs in shell	Dozen	138,000	169,000	+31,000
Potatoes, white or Irish	Pound	80,727,000	44,482,000	−36,245,000
Cottonseed oil	Pound	(1)	24,670,000	(1)
Cottonseed cake and meal	Pound	19,759,000	6,596,000	−13,163,000
Maple sugar and sirup	Pound	8,122,000	10,563,000	+2,441,000
Tapioca	Pound	(1)	184,227,000	(1)
Hay	Ton	19,000	23,000,000	+4,000
Canned beef	Pound	[2] 48,739,000	40,996,000	−7,734,000
Hams, bacon, etc	Pound	1,114,000	24,273,000	+23,159,000
Silver fox fur skins	Number	[3] 1,000	40,000	+39,000
Tomatoes, canned	Pound	57,548,000	34,311,000	−23,237,000
Pineapples (preserved or prepared)	Pound	2,271,000	[4] 27,595,000	[4] +25,324,000
Apples, fresh	Bushel	25,000	21,000	−4,000
Cashew nuts	Pound	(1)	14,534,000	(1)
Potato starch	Pound	(1)	5,802,000	(1)
Peanut oil	Pound	2,200,000	2,927,000	+727,000
Oats	Bushel	69,000	1,007,000	+938,000

[1] Not available.
[2] Figure is for canned meats, probably 99 percent beef.
[3] Includes silver- and black-fox furs.
[4] Includes 18,210,000 pounds from Philippine Islands, free.

Source: 1929 figures, June 1929 Monthly Summary; 1939 figures, unpublished data of Department of Commerce.

The true picture of the effect of the Reciprocal Trade Agreements Act upon agriculture is shown by the following chart containing information compiled by the Department of Commerce:

United States foreign trade with trade-agreement countries [1] and with other countries

[Millions of dollars]

	Year ended June 30—				
	1935–36	1936–37	1937–38 [2]	Increase (+) or decrease (−) 1937–38 over 1935–36	
UNITED STATES (DOMESTIC) EXPORTS					
Of all commodities:					*Percent*
To the 16 countries	805	1,034	1,236	+431	+54
To all other countries	1,570	1,757	2,123	+553	+35
Of farm products:					
To the 16 countries	186	207	288	+102	+55
To all other countries	580	525	600	+20	+3
UNITED STATES IMPORTS (FOR CONSUMPTION)					
Of all commodities:					
From the 16 countries	934	1,194	970	+36	+4
From all other countries	1,274	1,698	1,361	+87	+7
Of agricultural commodities:					
From the 16 countries	468	600	454	−14	−3
From all other countries	674	937	701	+27	+4

[1] Belgium; Brazil; Canada; Colombia; Costa Rica; Cuba; El Salvador; Finland France, including her colonies, dependencies, and protectorates other than Morocco; Guatemala; Honduras; Haiti;| Kingdom of the Netherlands; Nicaragua; Sweden; and Switzerland.
[2] Preliminary.

Philippine Sugar and the American Beet and Cane Farmer

EXTENSION OF REMARKS

OF

HON. FRED L. CRAWFORD

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Wednesday, August 2, 1939

ARTICLE BY STUART O. LANDRY

Mr. CRAWFORD. Mr. Speaker, despite the eloquent words spoken on this floor in behalf of the American farmer, we will return to our districts and find him still in an extremely sorry plight, and on this particular occasion I want to call attention again to the situation of Philippine sugar and the American beet and cane farmer.

We have just passed a bill beneficial to the Philippine people and during the discussion the term "cushion" was frequently used in alleging that the bill was intended to "cushion" the transition of the Philippine people into an independent nation.

Legislation of this type can also keep the cushion out from under the American beet and sugarcane farmer. There is no reason why Congress should not take steps to let American citizen farmers raise and supply all the sugar needed in this country or all that they care to grow toward supplying the market, and then give the overage to the Philippines and to Cuba, if then necessary.

A very fine analysis of this situation has been made by Mr. Stuart O. Landry and under the consent unanimously granted me by the House, I present his study for your consideration. It appeared in the June issue of the Sugar Journal, and follows:

[From the Sugar Journal for June 1939]

CONDITIONING THE PHILIPPINES AND CUBA FOR SMALLER SUGAR EXPORTS TO THE UNITED STATES

(By Stuart O. Landry)

On May 31 the United States Senate passed S. 2390. This act is an amendment to the original Philippine Independence Act of March 24, 1934. The purpose of the act is to cushion the effect on Philippine economic life by preparing them for total independence in 1946 when their preferential trading status with the United States will end.

The original act of 1934 provided that beginning with 1940 the Philippine Government should levy on shipments to the United States an export tax of 5 percent, with an additional increase of 5 percent every year until it reaches 25 percent of the regular duty collected by the United States on its imports. The Tydings-McDuffy Act—that is, the Independence Act of 1934—included sugar in the items that would have to pay a gradually increasing tax, although it limited the amount of sugar, which would be privileged to enter the United States before the full tariff on sugar would apply, to 800,000 tons of raw sugar and 50,000 long tons of refined sugar.

The amendment just passed by the Senate does not change the arrangement insofar as sugar is concerned, but changes it with regard to cigars, scrap tobacco, coconut oil, and pearl buttons. The amendment does away with the 5 percent annual increase of tax (which export tax was to have been collected by the Philippine Government, placed in a sinking fund and used solely for the payment of principal interest on the bonded indebtedness of the Philippine Islands, its provinces, municipalities, and so forth) and institutes in place of it a quota system. Every year until 1946 there shall be allowed to be imported into the United States without any duty at all 5 percent less than the former year's quota. These quotas are set by the act:

Cigars	200,000,000
Scrap tobacco, pounds	400,500,000
Coconut oil, long tons	200,000
Pearl buttons, gross	850,000

In other words, beginning with 1940, 200,000,000 cigars can be imported that year from the Philippines without paying any duty. In 1941, 5 percent or 10,000,000 less can be taken or 190,000,000. In 1942, 180,000,000 cigars and so on. Instead of making the Filipino producers pay a larger tax every year, the amount they can send into the United States is reduced. That is they are placed on a quota basis. Over the next 5 years, the producers know that their market in the United States is getting smaller and they can plan their production accordingly. They can either seek new markets or reduce production and get into other businesses.

This is not a bad idea. In fact it is a very good one, and undoubtedly is a better economic cushion than the method of charging a higher rate of entry tax every year.

In fact the method is so good that the sugar producer in the United States is wondering why sugar was left out. Look at the value of imports into the United States from the Philippines in 1938.

Imports From the Philippines Into the United States, 1938

Animal products and animals, edible:	
Lard compounds and lard substitutes	$119,000
Tuna fish in oil	122,000
Oleomargarine and other butter substitutes	199,000
Total	440,000
Vegetable food products and beverages:	
Rice, cleaned or milled	20,000
Coconut or copra oil cake and oil-cake meal	997,000
Pineapples, prepared or preserved	948,000
Peanuts	202,000
Coconut meat, shredded, desiccated, etc	3,708,000
Sugar, cane	50,588,000
Other vegetable food products and beverages	421,000
Total	56,463,000
Vegetable products, inedible:	
Rubber, crude	180,000
Copal gums	70,000
Copra	8,848,000
Coconut oil	11,400,000
Mangrove tanning extract	389,000
Scrap tobacco	482,000
Cigars and cheroots	2,698,000
Other vegetable products, inedible	48,000
Total	24,096,000
Textile fibers and manufactures:	
Cotton wearing apparel, embroidered, appliqued, etc	5,651,000
Cotton laces, embroideries, etc	367,000
Manila fiber	3,085,000
Kapok	57,000
Cordage of manila hemp or other hard fibers	371,000
Silk wearing apparel, embroidered, appliqued, etc	49,000
Hats, bonnets, and hoods of straw, manila, and other fibers	285,000
Other textile fibers and manufactures	30,000
Total	9,893,000
Wood and paper:	
Cabinet woods in the log	58,000
Cabinet wood, sawed	826,000
Furniture of rattan, reed, grass, etc	135,000
Other wood and paper products	13,000
Total	1,032,000
Metals and manufactures:	
Chrome ore or chromite	915,000
Copper concentrates, regulus, etc	179,000
Total	1,212,000
Glycerin, crude	105,000
Miscellaneous articles:	
Buttons, pearl or shell	$196,000
Household and personal effects	135,000
Total	1,026,000
Total imports, all commodities	94,162,000

The following tables show the total exports and imports between the United States and the Philippines during the past 8 years. In that time we imported approximately $770,000,000 and exported $470,000,000, a difference of $300,000,000 in favor of the Philippines, or nearly 64 percent.

Exports to the Philippines

Year	Value	Percent of total United States exports
1931	$48,883,000	2.0
1932	44,968,000	2.3
1933	44,782,000	2.7
1934	47,129,000	2.2
1935	52,640,000	2.3
1936	60,350,000	2.5
1937	85,028,000	2.5
1938	86,464,000	2.8

General imports from the Philippines

Year	Value	Percent of total United States imports
1931	$87,153,000	4.2
1932	80,877,000	6.1
1933	93,048,000	6.4
1934	87,811,000	5.3
1935	96,999,000	4.7
1936	101,679,000	4.2
1937	126,061,000	4.1
1938	94,244,000	4.8

It will be seen that while cigars and coconut oil are important, sugar is by far the greater part of the total value of the exports of the Philippines to this country.

I wonder just how pearl buttons got to be on the exclusive list. In 1938 we imported from the Philippines 522,000 gross of pearl or shell buttons valued at $196,000. A limit has been placed of 850,000 gross according to the amending act. I find that in 1936 there were 133 manufacturers of pearl buttons in the United States. Evidently this small group had enough influence to have their interests looked after, but 80,000 beet sugar and sugarcane growers cannot get on the preferred list. Maybe they didn't try.

The cushion has not been made to work for the sugar growers of the Philippines, and incidentally for the benefit of the sugar growers of the United States.

Why shouldn't the Philippines learn to "condition" themselves to a lower sugar production or rather for a lower volume of sales of sugar to the United States? Why not say to both Cuba and the Philippines: "We are going to cut down the amount of sugar that you can sell to the United States gradually. Every year it will be a little bit less." Then, like the man who is being cured of the liquor habit by gradually reducing his allotment, there will come a time when he can do without it altogether.

Now we are not trying to hurt either the Philippines or Cuba. We are not trying to keep them from growing sugar. In fact, we are glad to see them grow sugar and sell it to the rest of the world. We would be glad to have them sell it to us in exchange for the products we export to them as long as it does not dispossess the products we could grow in this country. After we have raised and supplied all the sugar that is needed in this country or that we care to raise or grow, then we are perfectly willing to give the overage to the Philippines and Cuba.

The fault to be found with the so-called cushion bill, or the amendment of the Philippine Independence Act that just passed the Senate and has now been referred to the Committee on Insular Affairs in the House, is that it does not look forward to cushioning the Philippine sugar growers against the inevitable decline of the use of Philippine sugar in the United States—provided our local growers of both cane and beet sugar are allowed to grow all they want to grow or that they can grow. It is beside the point, but the same situation applies to Cuba. The quota should be greatly reduced on both the Philippine sugar importations and the Cuba sugar importations and the restrictions on planting beet sugar and cane sugar in the United States taken off.

When such a procedure is suggested we hear a storm of protest. Some of this is well meant. Some of it is a fanfare raised by a few large business interests who might be affected by such a policy. Other objections are made by those who sell merchandise or products to the Philippines and Cuba who think that their business would be affected. Some of these might lose immediate sales but they will probably find out that they will increase their sales in this country and in the end be better off.

We hear on all sides that any indiscrimination against Cuba and the Philippines would put these poor dependents out of business. We hear that Cuba is in terrible shape and that the Philippines are suffering and that the ignorant natives will be grabbed by Japan and become virtual peons again. We are told that if the United States leaves the Philippines and does not look out for Cuba by giving it preferential tariff agreements and other help, that these countries will be the scene of revolution, starvation, and of chaos. We are told it is our duty to help these peoples; one right under our wing and the other many thousands of miles away.

Now, let us give some of the other side to this argument. In the first place, we are told by these same people, when they are waxing enthusiastic over our island proteges, that they are the richest countries in the world.

In the issue of Collier's for July 1, there is an article entitled "Can we hold the richest land on earth?" Reading this article one would think that all we have to do is hold on to the Philippines and every material want of every person in the United States would be supplied. Just keep the Japanese off and a fleet of steamships and airplanes will bring us food, rare metals, lumber, gold, and everything needed to make us happy and contented. This article is a most naive exposition of the philosophy of the Spanish Conquistadors.

After Columbus discovered America, the nations of Europe believed that all they had to do was send their explorers and soldiers of fortune over to the New World, and these licensed land privateers, taking away from the natives gold, furs, and products that those countries beyond the seas produced, would bring them back to the old countries to make everybody rich and happy. Undoubtedly, many explorers and adventurers did bring home gold, furs, and other products. And Spain and other countries of Europe for 100 years attained great prosperity principally because of the influx of precious metals. It might be interesting to know, moreover, that this influx of gold made prices rise throughout Europe and was the cause of economic disturbances that had far-reaching effects.

In any event, Spain grabbed many of the richest countries of the world and held them for 400 years, and instead of making her rich they made her so poor that she fell from her position of the proudest and greatest Christian nation to that of the weakest and most poverty-stricken nation of the earth. Spain was one of the first to grab this rich country of the Philippines. She owned Cuba, the "pearl of the Antilles." She owned Mexico, which is even now fabulously rich in natural resources. The truth of the matter is that just owning a country does not make it make money for you. No matter how rich a country is, it must be developed by sweat, by intelligence, by persistence, by character.

The Spaniards from their experience coined a proverb, "To bring back the wealth of the Indies you must send out the wealth of the Indies."

Now, the Philippines may have all this great wealth that Collier's tells about and it may be easy to make money there. It may be easy for a few shrewd Americans to impose on the natives and get the jump on an ignorant or unprogressive people. But it will still require hard work, sacrifice, intelligence, and other qualities that make for success. Let us not forget that money can still be made in the United States. We have millions of acres of land that can be cultivated. We have all sorts of minerals that can be mined. We have forests that can be grown and regrown and it is not necessary to go to the Philippines to make money.

Just a word about Cuba. This island is also rich in natural resources. Pineapples, coconuts, vegetables, and agricultural products can be raised easily there. Mineral deposits in Cuba are still undeveloped. There are tropical forests. In fact, it is a rich land and has great potentialities.

But, as I said before, we also have a rich country in the United States. Look at our great South and the Gulf States—fine agricultural lands, many mineral deposits, and millions of workers willing and ready to develop this land and to make it produce wealth. If we are not doing it, it is because of several wrong philosophies now being preached. One of them is that people do not have to work too hard and that they should take it easy. They are demanding that the Government take care of them.

I will not try to go into the causes of the South's being our No. 1 economic problem. One of the reasons, however, is that there are fields that could be worked and crops that could be raised and workers that could be given employment if it were permitted by law and regulations. Louisiana and Florida could both at once put thousands of acres into cultivation, and in 2 or 3 years double or triple their sugarcane production, and thus give employment to hundreds of thousands of people. A few people going to the Philippines to make individual fortunes are not going to help very much hundreds of thousands of southern people. There are hundreds of thousands of acres of land in the many States where beets could be planted. This would produce wealth and give employment to another great body of people. These people are not going to be benefited much by the American businessmen that go over to Manila and, by exploiting the natives, make fortunes. Or even if the natives over there make money, it is not doing much for us.

In a previous article I have shown that the Philippines have been an enormous burden to the United States. In 40 years they have cost us nearly $2,000,000,000. They still are then a source of trouble and may get us into a war. Instead of freeing the Philippines in 1946, I agree with Mr. Nicholas Roosevelt, former United States Ambassador to Hungary, that we ought to free the Philippines right now and get out of there at once. This probably will not be done.

But let us start cutting down on the sugar quota of the Philippines as well as Cuba, and in this way we will give these people a chance to get other customers or develop other natural resources.

It is to be hoped that when S. 2390 goes before the House they will put sugar in the same category as cigars, pearl buttons, coconut oil, etc.

Wanted for American Agriculture—A Fair Chance for a Free People

EXTENSION OF REMARKS

OF

HON. KARL E. MUNDT

OF SOUTH DAKOTA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, August 2, 1939

Mr. MUNDT. Mr. Speaker, the American farmer is entitled to a fair chance. He is the most indispensable unit in our entire economic system and he is the backbone of the best traditions and impulses of both of our major political parties. He is the best purchaser of the products of industry and labor and the primary producer of the new wealth of

America, without which this country would soon sink into obscurity and bankruptcy. Down through the years of history the American farmer has been the stronghold of liberty and freedom on this continent. He is more free from political intrigue, economic chicanery, subversive "isms," unethical practices, destructive alliances, and selfish promotion agencies than any other class of citizenship in America. I insist, Mr. Speaker, it is time that this country provides a fair chance for a free people as they till American soil and make their all-important contributions to the American way of life.

While farming has at times past been a productive and profitable enterprise and offered attractive opportunities for the young people of this Nation, no one can successfully deny that at least for the past 8 or 10 years the American farmer has been fighting against hopeless odds and has been steadily and surely slipping backward. My colleagues, the purpose of this talk is to present some authentic figures and point out a few present-day fallacies in our attitude toward the farmer, with no desire to inject partisanship into the picture except as it is necessary to consider the relationship of certain party policies in connection with certain economic conditions.

TOO MUCH HEAT—TOO LITTLE LIGHT

There has been too much heat and too little real light on our present farm program, its results, and its relationship with the reciprocal-trade pacts engineered by President Roosevelt and the New Deal. We have been a twilight zone of claims and counterclaims, with each side presenting selected sets of statistics and attempting to draw conclusions by considering comparisons made between most artfully and craftily chosen individual years of one administration or another. Such devices are designed to fool the unwary and to deceive the unknowing, but a boy in the eighth grade of school could put his finger on the trickery involved in such comparisons, and fully ninety-five farmers out of a hundred see through such sham once it is gotten out into the open. A fair and impartial comparison of farm conditions both before and after the New Deal is the necessary basis for prying beneath the veneer of propaganda and misinformation and for reaching a basis upon which all of us can start in a renewed effort to provide this long overdue fair chance for a free people.

GOOD GOVERNMENT SOCIETY STUDIES FARM PROBLEM

It is consequently very helpful to note the conclusions drawn in the confidential supplement dated August 1, 1939, to the American Good Government Review, a magazine published by the American Good Government Society, whose headquarters are at Tilden Hall, Washington, D. C., with branches in the National Press Building and elsewhere.

This study has been made available to me through the courtesy of its senior author, Richard A. Staderman, president and editor of this society. As a student years ago with such men as Prof. F. W. Taussig, of Harvard, former chairman, United States Tariff Commission, and the dean of American economists; with E. F. Gay, first dean of the Harvard Business School; with Prof. J. D. Black, of Harvard, author of works on farm economics; and with Prof. Davis R. Dewey, of the Massachusetts Institute of Technology, author of the dozen editions of the standard text Financial History of the United States, Mr. Staderman served an excellent apprenticeship. Subsequently serving as an assistant to Prof. W. Z. Ripley, of Harvard, author of Main Street and Wall Street; later as an assistant to the eminent Prof. Irving Fisher, of Yale, and as a teacher of business and statistics in Ohio, he obtained a broad background both for his present position and for compiling data such as the following, Seven Fat Years Against Seven Lean Years.

The coauthors of this compilation include A. P. Weeks, cousin of the late United States Senator and Secretary of War John W. Weeks; Grant Wells, descendant of both President Grant's family and that of Confederate President Jeff Davis; and Matilda A. Richter, specialist on consumers' problems.

The data herein is based upon authentic ultimate sources such as the reports of United States Government departments; in all cases the specific sources are listed for each compilation of figures.

Where data is incomplete as in the case of the last few months of 1939, careful estimates were made on the basis of existing trends. This study does not purport to show every item down to the last penny or the final ounce but it does demonstrate with startling clarity certain broad trends which, I believe, are indisputable and should be in the possession of every farmer in the country.

A FAIR BASIS FOR VALID COMPARISONS

The time periods taken by the Good Government studies, which under leave granted to me I shall include as a part of this talk in the permanent record, are fair ones and take the years as they come without any effort to distort the evidence or twist the findings by the customary trickery of picking selected years as isolated examples for drawing prejudicial conclusions. The years 1926 through 1932 are the last 7 years of Republican administrations and included both prosperity and depression. The years 1933 through 1939 include the 7 years of the New Deal. Thus over a 14-year period of consecutive time, we find the years divided evenly with 7 under each political administration and common sense requires that we base any valid comparisons upon an examination of the facts as they appear from such a complete record.

SEVEN FAT YEARS VERSUS SEVEN LEAN YEARS

The most significant conclusion to be drawn is that in spite of some of the Republican years being less prosperous than we should have preferred although candor demands the observation that out of 12 consecutive Republican years, 1921–32 over 80 percent of them brought comparative good times to the farmer—the total 7-year Republican period was one of far greater income and prosperity for the farmer by some $12,000,000,000, even after allowing for over $2,000,000,000 of Government payments to farmers during the New Deal. If one were to exclude these Government parity payments, subsidies, and bounties from the calculations, one would be compelled to say that the earned income of all farmers in the United States was almost $15,000,000,000 more during the 7 Republican fat years than during the 7 New Deal lean years. This conclusion is a matter of simple arithmetic based upon the figures supplied by the Department of Agriculture itself.

THE FINDINGS OF AMERICAN GOOD GOVERNMENT SOCIETY

Mr. Speaker, I now quote the findings and statements of the American Good Government Society in its study entitled "Seven Fat Years Versus Seven Lean Years," prepared by President Richard A. Staderman of this nonpartisan society:

[From a special supplement to the American Good Government Review, Washington, D. C., August 1, 1939]

SEVEN FAT YEARS VERSUS SEVEN LEAN YEARS: OR, HOW OUR FARMERS HAVE LOST $12,000,000,000 SINCE 1933

(By Richard A. Staderman, president, the American Good Government Society, Washington, D. C.; and A. Page Weeks, Grant Wells, and M. A. Richter, vice presidents of said society)

Considerable public confusion exists on the question of whether our present Federal policies affecting agriculture are sound or not. Proponents of administration policies of reciprocal-trade agreements, restriction of production, and price fixing take figures for certain items purporting to show justification for their program. Their opponents equally assiduously compile data on other commodities and draw opposite conclusions. A frequent type of invalid and unscientific reasoning engaged in by careless thinkers among both the proponents and opponents of the New Deal farm policies is the fallacy of comparing nontypical Republican years with individual New Deal years rather than utilizing the scientific and accurate process of comparing the entire period of the present administration with a period of similar length immediately preceding 1933. It is no more rational nor reasonable, for example, to compare the Republican 1932 with the New Deal 1937 than it would be to compare the Republican 1929 with the New Deal 1933. When the object of a comparison is to reveal facts rather than to confuse the issue, it is obvious that all comparisons must be made over substantial periods of time.

As a national organization interested only in a nonpartisan and logical course of action in public affairs, the American Good Government Society has made a study of how agriculture has fared over a number of years past.

The farm is the backbone of the United States. Not only does it supply the essential raw materials for our food and shelter, but likewise the crude products without which our industries could not exist. The farm even is the provider of a new, vigorous

increment to the population of the cities with their emaciated millions, without which cities would gradually decay and die out.

It is, therefore, a matter of vital national importance to note what is happening to the farmers' incomes as shown in the following table:

TABLE I

Total gross farm income, 7 fat years, 1926–1932, inclusive	$73,718,000,000
Total gross farm income, 7 lean years, 1933–1939, inclusive, and taking the maximum possible estimate for 1939	[1] 61,000,000,000
Total loss to American farmers during 1933–1939, at least	12,718,000,000
Average loss to farmers per year since 1933, about	2,000,000,000

[1] This total included over $2,000,000,000 of Government payments to farmers during 1933–39.

Source of statistics: The American Good Government Society, compiled from June 5, 1939, release of United States Bureau of Agricultural Economics.

This is a most astonishing result; over $12,000,000,000 loss to farmers during the last 7 years. Had it not been for payments by the Government to farmers this loss would have been almost $15,000,000,000 since 1933. While the conditions necessitated some Government aid for farmers, this was obviously at the expense of the general taxpayer. The interesting point is that, in spite of Government payments larger than ever before, farm income declined. The results do not show up auspiciously for the combination of trade agreements, restriction of production, and commodity loans. It would seem far better to revise our policies so as to restore the higher farm incomes of the years 1926 to 1932, which included both prosperity and depression, and hence a normal average income. If we could restore the 1926 to 1932 farm incomes, the farmer would have more income without asking for Government payments. Farmers are upright, independent citizens, who prefer asking no favors of anyone, but they do insist upon their right to supply the American market with American-raised farm products.

Suppose we break down the above figures into the totals for various classifications of crops in the following table:

TABLE II

Crops (cash)	Income to farmers in United States		Loss to farmers during 1933–39 (at least)[1]
	1926–32 (actual)	1933–39 (maximum)[1]	
Grains	$7,800,000,000	$5,300,000,000	$2,500,000,000
Cotton and cottonseed	7,500,000,000	5,300,000,000	2,200,000,000
Meat animals	17,100,000,000	13,500,000,000	3,600,000,000
Dairy products	10,900,000,000	9,200,000,000	1,700,000,000
Chickens and eggs	6,300,000,000	4,500,000,000	1,800,000,000
Vegetables	4,700,000,000	3,600,000,000	1,100,000,000

[1] This table gives only cash income received from crops sold; it does not include Government payments to farmers nor the crops retained for consumption on the farm. This would make some reduction in above loss figures, but not enough to alter the broad conclusions; for example, the loss to farmers on grains is certainly still "about $2,000,000,000," etc.

Source of statistics: The American Good Government Society. Compiled from same source as table I.

Only the larger categories of crops are listed above; for this reason and those in (1), table II is not directly comparable to table I. The 1939 data are carefully calculated estimates.

Even the above figures do not indicate the rapid deterioration of the results of present governmental farm policies. One might facetiously liken these policies to an egg laid early in 1933 and hatched shortly after into a chicken now coming home to roost. Let us look into further details in table III, as follows:

TABLE III.—*Prices received by farmers of United States*

1 Crops	2 Average from August 1909 to July 1914[1]	3 Top price from 1921 to 1932[1]	4 7 fat years: Total of 1926 through 1932 (prices are average ones received by farmers) (other data are totals of the 7 years)	5 7 lean years: Total of 1933 through 1939 (prices are average ones received by farmers) (other data are totals of the 7 years)	6 Cost of production in 1937[2]	7 Parity, June 15, 1939	8 Price June 15, 1939, received by farmers	9 Price today ? ? ? (for farmer to fill in for his own comparisons)
Wheat:								
Average price	88¢	144¢ (H)	84 cents per bushel	81 cents per bushel	103¢	112¢	63¢	
Production			6,000,000,000 bushels	5,100,000,000 bushels				
Farm value			$5,000,000,000[3]	$4,100,000,000[3]				
Corn:								
Average price	64¢	106¢ (K)	64 cents per bushel	64 cents per bushel	79¢	82¢	50¢	
Production[4]			17,900,000,000 bushels	15,400,000,000 bushels				
Farm value			$11,500,000,000[3]	$9,900,000,000[3]				
Hogs:								
Average price	$7.22	$11.74 (M)	$8.18 per 100 pounds	$6.87 per 100 pounds		$9.17	$5.96	
Production			111,000,000,000 pounds	93,500,000,000 pounds				
Farm value			$9,000,000,000	$6,500,000,000				
Beef cattle:								
Average price	$5.21	$9.52 (N)	$7.04 per 100 pounds	$5.76 per 100 pounds		6.62	$6.81	
Production			79,200,000,000 pounds	92,900,000,000 pounds				
Farm value			$5,580,000,000	$5,345,000,000				
Cotton:								
Average price	12.4¢	28.7¢ (O)	12.15 cents per pound	10.16 cents per pound	12.4	15.7	8.67	
Production			104,300,000 bales	88,700,000 bales				
Farm value			$6,543,000,000	$4,500,000,000				
Milk (whole) wholesale:								
Average price	$1.60	$2.54 (P)	$2.23 per 100 pounds	$1.67 per 100 pounds			$1.42	
Production			684,000,000,000 pounds	726,000,000,000 pounds				
Farm value			$15,000,000,000[3]	$12,000,000,000[3]				
Eggs:								
Average price	21.5¢	30.4¢ (Q)	23.9¢	19.0¢			14.9¢	
Production			22,200,000,000 dozen	20,800,000,000 dozen				
Farm value			$5,280,000,000	$3,900,000,000				

NOTES: Above figures since 1933 do not include allowance for the over $2,000,000,000 Government payments to farmers. These would not alter the general conclusions to be drawn from above results, however.

[1] These and all prices in this table are what farmers received.
[2] Cost of production includes rent and is on average yield of 1927–36.
[3] Only part of production sold.
[4] Corn production in bushels in grain equivalent on entire acreage.

(H) Top price is in 1925; (K) is in 1924; (M) is in 1926; (N) is in 1928; (O) is in 1923 (P) is in 1929; (Q) is in 1925. All figures in table III compiled by the American Good Government Society from June 29, 1939, release, U. S. Bureau of Agricultural Economics (data for columns 2, 7, and 8); Crops and Markets, published by U. S. Department of Agriculture, December 1938, p. 298 (data for column 6); Annual Reports on Farm Production and Income and Statistical Abstract of the U. S. Commerce Department (data for columns, 3, 4, and 5).

In compiling the above tables, the American Good Government Society is interested simply in presenting to the farmers of America the full and complete picture of the farm situation when it is examined in the light of all available facts and divorced from political bias and prejudicial contentions. Our society realizes the importance of restoring the farming industry to a paying basis before this country can enjoy a permanent economic recovery and is interested in presenting the true facts of the problem to the end that present fallacies of trying to mix policies of increased farm imports with curtailed domestic production may be abandoned and replaced with a consistent and considered program of firm protection and fair prices for the American farmer.

LET FARMERS DRAW THEIR OWN CONCLUSIONS

It is suggested that the American farmer, to whom this supplement is dedicated, fill in the blanks found in the right-hand column of table III. In the final analysis, each farmer is the best judge of his own status. He knows whether the present policies are helping or hindering him in the business of developing a permanent program of stabilized and profitable farm operations. It is here our province only to furnish indisputable facts. From a study of these reliable and unprejudiced findings, it is felt that all sincere friends of a sound agricultural program can reach conclusions which will help bring order out of the confusion and conflict of our present economic chaos. It is our hope that the individual farmers of America will supply the figures they know to be right for the last column of table III and then make their own comparisons as to whether they are better off because of the New Deal farm policies. We hope that a careful and considered analysis of the official figures of this study will help form the basis for formulating a permanent and consistent farm program which will protect the independence and safeguard the initiative of the American farmer, guarantee him the full advantage of the American market for his own products, provide him with an

annual income which will furnish him a profit above his cost of operations, and give him the benefit of a fair price for a full crop so that America's underfed millions may not be forced to continue undernourished while those who supply the bread baskets of the Nation remain underpaid for their honest toil and their legitimate investments.

Mr. MUNDT. Mr. Speaker and my colleagues, there is little I need to add to the facts I have just presented from the study made by the American Good Government Society. These figures tell their own sad story and provide tangible and irrefutable evidence that the American farmer today, North, South, East, or West, has paid a fearful price for the experiments of the New Deal. His income, including all cash parity payments and benefits, is shamefully less for the 7 New Deal lean years which will end this coming January than it was during the preceding 7 fat years under the protective-tariff policies of the Republican administration. No wonder New Deal apologists try to deceive and delude the public by squirming to escape the necessity of considering average prices and average periods and seek to bamboozle the farmer still further by selecting isolated price figures for the worst 3 or 4 months of a 12-year Republican era and trying to draw conclusions by comparing them with the best 3 or 4 months of the New Deal. In fact, on page 3643 of the Appendix of the RECORD, under the intriguing title of "Keeping the Record Straight About Farm Imports," one of my New Deal colleagues even went so far in trying to justify today's ruinous farm imports as to base his conclusions upon a comparison of farm prices in 1933 with those of 1937, apparently forgetting the significant fact that Roosevelt was elected in November of 1932 and that both of these years were under the New Deal administration.

FARMERS IN WORST PLIGHT IN HISTORY

As the American Good Government Society wisely and fairly points out, any sensible and logical price comparisons must be based on substantial periods of time, and no conclusions can fool anybody but the most gullible and naive when based upon a comparison of 2 carefully selected years. To try to compare 1937 with the low ebb of Republican prices in 1932 is no more honest or convincing than to compare the Republican prices of 1926 or 1928 or 1929 with the New Deal plight of 1934 or 1936 or 1938. Simple honesty and ordinary fairness require that any valid comparisons must take the entire New Deal period as a basis of comparison with the preceding Republican era of like length. If comparisons were drawn so as to include the entire preceding 12-year Republican era, the evidence would even more strongly support the Republican position. In fact, at no time in recent American history can the New Dealers find a 7-year consecutive period of time in which the farmers of this country have fared as badly as they have during the past 7 expensive and deceptive years.

NEW DEAL COSTS FARMERS TWO BILLION PER YEAR

In addition to having to assume their share of the present $45,000,000,000 national debt and today's excessive Government extravagance, the New Deal, according to the Department of Agriculture's own figures, has cost the American farmers $2,000,000,000 per year in cash income in comparison with what they received under a Republican administration; and it should not be forgotten that these figures include all Government parity and benefit payments. Surely our cotton, wheat, and stock farmers have paid dearly for the honeyed phrases and pious promises of the New Deal. In addition to the lost cash income of $2,000,000,000 per year, the American farmer has seen the reciprocal-trade pacts work to develop cotton and wheat and livestock farming in foreign countries to the point where it may be generations before this country will again be the great source for the world's agricultural markets, as was the case before the import from abroad, curtail at home nightmare deprived this country of our world leadership in agriculture.

FAIR-PRICE FULL-CROP VERSUS POOR-PRICE PARTIAL-CROP PHILOSOPHIES

Instead of the Republican objective of a fair price for a free people, the New Deal has given the American farmer a poor price for a partial crop, and at the same time has tied our farmers up with restrictions, regulations, requirements, mimeographed orders, committee mandates, Executive decrees, rubber-tire overlords, inspectors, field men, supervisors, collaborators, and other per diemsters until a reading lamp and an interpreter are almost more important on many farms than a cultivator or a tractor.

HOW DID IT HAPPEN AND WHERE DO WE GO FROM HERE?

Mr. Speaker, my primary purpose in presenting these findings and calling attention to these official figures is simply to provide the working ingredients with which every farmer in the land can draw his own conclusions and make his own comparisons. I speak today as an informant and not as an interpreter. But in conclusion let me briefly suggest the outline of answers to the two questions, How did it happen? and Where do we go from here?

DR. JEKYL AND MR. HYDE LABORATORY COSTS FARMERS $2,000,000,000 PER YEAR

The deplorable plight of our farmers during these seven lean years was not planned that way by the New Deal; no individual and no political party seeks deliberately to stultify and sabotage a great American industry. This result happened because of a failure, first of all, to coordinate various Government policies affecting the farmer into a consistent pattern with a singleness of purpose. Witness, for example, the crop-control and production-restriction policies of Secretary Wallace, working alongside the Secretary Hull and President Roosevelt policies of reciprocal-trade pacts. If one is right, the other must be wrong. Any schoolboy knows in his heart that policies of reducing production at home and increasing importation from abroad cannot work advantageously for the same products in the same country at the same time. And yet this is what we have seen tried under the New Deal with the inevitable result of stimulating foreign production and reducing domestic farm income, while it has cost the American farmers on the average of $2,000,000,000 a year to serve as guinea pigs in this Dr. Jekyl and Mr. Hyde farm laboratory on a national scale for well over 6 years.

Witness further the crop-control policies of Secretary Wallace and the reclamation program of expanding farm acres of Secretary Ickes. Again, if one is right, the other must be wrong. Again, both policies cannot work in the same country at the same time with anything but the most ruinous results for established farmers on currently producing acres. Any schoolboy knows the truth of that reasoning, too.

So much for the question of, How did it happen?—although equally factual cases could be presented to show the fallacies and inconsistencies of export subsidies for farm products which are permitted to compete with domestic price levels; for commodity loans which simply increase visible surplus figures to depress domestic and world prices with no attempt to get the produce out to the consumer where it can be used up to create new markets for new crops; for giving bounties to one group of farmers to raise produce which other farmers receive bounties for curtailing. Without indicting the sincerity of anybody, it becomes apparent to all who will face the facts that such a carnival of inconsistency cannot help but deprive the farmer of all opportunity for a fair chance for a free people in the long view of things. Let me state further, in all fairness, that certain New Deal farm policies are commendable and workable; the soil-conservation and reforestation activities of the New Deal are splendid and sound. As far back as 6 or 7 years before the New Deal came into power in 1933 I advocated by every means at my command the importance of soil conservation, reforestation, water utilization, and conservation, and soil protection, and I commend the New Deal for its work in this direction. But even for such progress, $2,000,000,000 per year is too big a price for our farmers to pay, especially when there is nothing in a sound agricultural program which need in any way interfere with the commendable portions of the New Deal's farm program.

HOW PROVIDE A FAIR CHANCE FOR A FREE PEOPLE?

Where, then, should we go from here? The first and biggest step in any sound and sensible program of restoring

the American farmer to a decent place in our economic system is to repeal the reciprocal-trade pacts which cause him to compete with every peon and peasant in the world and to give him the full benefit of the American market at an American price level. That is not the whole solution but it is the first step which must be taken before our cotton plantations, our wheat farms, our stock ranches, and our other producers of new wealth can escape the blight of the 7 lean years.

What else must we do? We must, in the next place, develop a consistent farm program. If it is to be an economy of scarcity based on crop restriction (which I oppose), let it be consistent and universal; let us not pay one farmer for plowing under what we pay another farmer to produce; let us not add acres in the State of X while we spend millions of dollars paying farmers to let acres lie idle in the State of Z. Let us stop all competitive farm imports and attack agriculture as an American problem rather than trying to provide subsidies for every farmer in the world. My bill, H. R. 6329, known as the Buy American Farm Products in America Act, provides the basis for beginning the important business of guaranteeing the American farmer his own market at American price levels.

But we must go further in our honest zeal to give the American farmer all he has ever asked and that to which he is entitled as a basic minimum—a fair chance for a free people. We must help him develop less expensive systems of marketing, distribution, and transportation so that the spread between what the consumer pays and what the farmer receives will be reduced. We must develop for the farmer some program of price protection and security such as we have already developed for the coal-mine operator, the manufacturer of advertised brands, and the retailer of these products, the laborer who is entitled to an honest day's pay for an honest day's work, the railroads, the communication companies, and a large number of other enterprises which now enjoy price securities which may be necessary but which pyramid their combined costs inevitably upon the farmer who is the ultimate consumer in America as well as the primary producer. Several bills looking toward this goal are now before Congress. It is my pleasure to be joint author of one of these bills which would provide cost of production for the American farmer and this legislation now awaits consideration of Congress after being unanimously reported out by the Senate Committee on Agriculture. I believe this bill offers the basis for an effective and equitable farm program; I am sure it contains enough merit to warrant its study and deliberative consideration by this House.

IT IS TIME TO ADMIT PAST MISTAKES

It is time we admit past mistakes and discard disproved theories; it is time to replace ill-considered and inconsistent farm policies with legislation aimed at the single goal of providing a fair chance for a free people engaging in the basic industry of farming. There are certain obvious corrections which should be made immediately as initial steps in developing a sound American farm policy; there are other corrections and changes which require continued nonpartisan debate and discussion to the end that a well-balanced and continuing farm program can be scientifically evolved which will place American interests first and assure for our farmers their fair share of the national income. We Americans possess intelligence and initiative enough to build a sound farm program within a protective policy which will enable our American producers to supply the American market to the full extent of their ability and to base such a program on an economy of plenty which will pay our producers a fair price and provide our workers and other consumers with foodstuffs and raw materials on a reasonable basis. It has been done before and it can be done again.

TWO BILLION DOLLARS PER YEAR FOR TUITION

If the $2,000,000,000 per year the farmers of this country have been paying, is for what I term "tuition to learn the fearful fallacies and inconsistencies of our present agricultural policies" it may still be money well spent and other taxpayers may also cease to sorrow over the millions of dollars of subsidy payments they have provided to keep our farmers from going completely under. I have voted for these subsidy or parity payments for our farmers and shall continue to vote for them until and unless we adopt a sound and sensible farm program, because without them the New Deal "economy of contradictions" would have reduced the big bulk of our farmers to the status of serfs and peasants. But we must all realize such an ill-founded farm program cannot long endure. Let us all concentrate during the months of our congressional recess, which will begin this week, on the development of a farm program for this country which will restore prosperity to our farmers and in so doing provide the real spark needed to precipitate a permanent prosperity era for the entire country. America can and must go forward and it can only go forward on a farm program which is economically sound and basically acceptable to the tenets of reason and logic.

Reciprocal-Trade Treaties—Pertinent Facts and Figures, Not Fanciful Figments of Imagination

EXTENSION OF REMARKS

OF

HON. WADE H. KITCHENS

OF ARKANSAS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, August 2, 1939

Mr. KITCHENS. Mr. Speaker, political coloring and smothering of facts must never prevail. Truth crushed to earth will rise again.

Opponents of Secretary Hull's reciprocal trade-agreements program seeking to turn American farmers against it have inserted in the RECORD a series of tables calculated, by studious selection of data to suit their purposes, to deceive the farmers of this country. With palsied fingers they point to the increases in imports of certain carefully chosen farm products for a few months and do not hesitate to claim that all such increases have resulted from trade agreements and have been highly injurious to our farmers and have destroyed their income. They are very careful, however, to refrain from mentioning that imports of agricultural commodities are only slightly more than two-fifths as great as 1929, when they allegedly were protecting the farmers.

These same opponents of the trade-agreements program try to create alarm over the fact that agricultural imports are increasing by showing imports in 1937 compared to 1933. While careful to call particular attention to the increases in imports of agricultural products of the sort grown on American farms, with the same meticulous care they refrain from mentioning the fact that many of the increases in 1937 were due to domestic shortages caused by the severe drought of 1936 and that they came in over the full duties provided for in the Hawley-Smoot Tariff Act.

American farmers who have been exposed to the defenseless propaganda campaign of these opponents should be acquainted with the truth. If it is true that Secretary Hull's program of more liberal reciprocal commercial relations with the countries of the world is injurious to the farmer, then it would follow that under the Hawley-Smoot program of excessively high tariffs—which inspired foreign nations to take retaliatory measures against imports of American products—American farmers should have experienced a high degree of prosperity.

I present herewith the same table used by opponents of the trade-agreements program showing 1933 and 1937 imports, and have added thereto the average annual prices received by farmers for the items listed. If the opponents desire to make their case against trade agreements on more or less ancient history, let them do so, but they ought to

have and give the complete story from official sources, as follows:

[Official data]

Products	Imports			Average annual prices received by farmers		
	Unit	1933	1937	Unit	1933	1937
Cattle	Head	74,658	494,945	Cwt.	$3.75	$7.01
Hogs	Pound	6,470	16,555,218	Cwt.	3.53	9.48
Pork products	do	2,925,517	74,830,480	Pound [1]	.08	.182
Meat products	do	62,474,911	191,906,012	Pound [2]	.095	.211
Butter	do	1,021,806	11,110,762	Pound	.202	.297
Cheese	do	48,396,740	60,650,000	Pound	.131	.183
Corn	Bushel	160,288	86,337,248	Bushel	.522	.551
Wheat	do	10,286,226	17,423,837	Bushel	.744	.994
Barley	do	None	10,384,108	Bushel	.435	.556
Barley malt	Pound	109,485,885	371,243,456	Bushel [3]	.479	.809
Flaxseed	Bushel	13,825,163	28,031,755	Bushel	.881	1.88
Soybeans	Pound	42,630,809	109,418,304	Bushel	.98	.92
Cottonseed	Pound	7,004,025	194,008,241	Ton	12.85	19.50
Wool and mohair	Pound	178,927,605	326,035,700	Pound	.206	.32
Molasses	Gallon	169,936,000	301,449,599	Gallon	.403	.455
Eggs and products	Value	$1,141,739	$5,010,824	Dozen	.138	.213
Vegetables	Value	$15,448,223	$25,175,015		(4)	(4)
Hides and skins	Value	$45,675,000	$71,058,397	Pound	.0628	.1545
Farm income		$5,117,000,000	$8,521,000,000			

[1] Market prices on hams, bellies, picnics, and loins.
[2] Market prices on fresh carcass beef.
[3] Market prices for malting barley.
[4] Not available.

Interest Rates on Farm Mortgages

EXTENSION OF REMARKS

OF

HON. REID F. MURRAY

OF WISCONSIN

IN THE HOUSE OF REPRESENTATIVES

Wednesday, August 2, 1939

Mr. MURRAY. Mr. Speaker, the problems of interest rates of farm mortgages is of deep interest to every farmer and every consumer. Any country in the world's history that has achieved greatness has been one with a large percentage of rich farm lands or they are included in its possessions.

The following letter from the Farm Credit Administration shows the number of borrowers, interest rates on face of mortgage, and the amounts:

In response to your request, I have obtained information relative to the volume of Federal land-bank and commissioner loans outstanding and the interest rates at which the loan contracts are written.

There is shown in the list which follows the volume of Federal land-bank loans outstanding as of December 31, 1938, classified according to the contract rate of interest.

Number of borrowers	Rate	Amount
71,686	4.00	$277,057,544.76
14,504	4.25	57,102,863.64
4,250	4.50	12,870,973.94
487	4.75	1,320,420.91
281,565	5.00	1,007,447,546.01
11,562	5.25	44,275,137.33
210,163	5.50	500,402,175.44
18	5.75	55,569.10
34,398	6.00	74,902,159.56
[1] 148	6.50	789,515.98

[1] Are Puerto Rico loans.

As you know, the rate of interest on all Federal land-bank and commissioner loans has been temporarily reduced by congressional action. For interest due prior to July 1, 1940, on Federal land-bank notes, except on direct loans and loans being made through impaired national farm-loan associations, the rate has been reduced to 3½ percent. The reduced rate for direct loans is 4 percent and for those made through impaired national farm-loan associations is 3¾ percent.

The contract rate of interest on commissioner loans is 5 percent per year; for interest due prior to July 1, 1940, the rate has been reduced to 4 percent. The volume of commissioner loans outstanding on December 31, 1938, was $752,850,796.

There are 628,781 Federal land-bank loans representing loans of $1,982,223,906.67.

In addition to the above loans, the Government has started to make tenant farm loans under the Bankhead-Jones Act. As yet these F. S. A. loans haven't been very extensive, as comparatively speaking, the allocation of funds for tenant loans has been limited. These loans are for 40 years at 3 percent interest.

This question of farm interest rates will be one of the first farm questions to be considered at the second session of the Seventy-sixth Congress after January 1, 1940.

There are two factors that merit every consideration:

First. The farmers are entitled to an interest rate in keeping with the rates charged other interests.

Second. All classes of farmers should pay the same interest rates to the same government, and these rates based on the overhead incurred and other factors incident to the loan.

I am sure, Mr. Speaker, everyone interested in farm-loan interest rates should give serious thought to this important problem.

Stream-Pollution Bill—Every Public-Health Body in America Worthy of the Name Is for the Barkley-Spence Bill

EXTENSION OF REMARKS

OF

HON. FRANCIS D. CULKIN

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, August 2, 1939

Mr. CULKIN. Mr. Speaker, abatement of stream pollution is a matter in which the whole country is interested.

Members of the House who have not closely followed the stream-pollution hearings and debate in Congress for the past 4 years are interested in knowing who is supporting the Barkley bill, S. 685, that is opposed by certain wildlife groups who insist upon having a bill of their own writing or none. Believing that a brief summary of the supporting data for the Barkley bill would be of service to Members of the House, I have compiled some of this material which I submit for the RECORD. The Barkley bill first made its appearance in 1936 and it has gone through a splendid refining process in Congress. Changed many times it is now a strong piece of constructive legislation. During these years it has commanded the thoughtful consideration and support of many differing types of organizations and public officials from all over the country. The following references from the public record indicate who is supporting the bill and why.

Alabama Department of Health (1937 hearings, House of Representatives, p. 170):

The approach contemplated by this bill (H. R. 2711) is entirely correct in that it sets up within an already existing branch of the Government the machinery necessary for its managerial control by a properly trained technical personnel.

American Public Health Association (A. P. H. A. Yearbook, 1937–38, February 1939, p. 35):

Resolved, * * * that the Vinson bill * * * represents the best procedure and organization for lessening the danger of public health from stream pollution.

American Society of Civil Engineers (Civil Engineering, March 1936, p. 211):

It is the judgment of the board of directors that for the present no further extension of Federal control over streams is desirable; that the Federal Government should restrict its activities in this field to the functions of fact finding and coordination and stimulation of State and interstate programs.

American Water Works Association (statement of policy re stream pollution adopted January 18, 1939):

No further extension of basic Federal control over streams is desirable at this time.

The Federal Government should restrict its activities in pollution abatement to fact finding on, coordination and stimulation of, and financial assistance to State and interstate programs.

Arizona State Department of Health (1937 hearings, House of Representatives, p. 171):

This office approves and highly recommends this bill, H. R. 2711.

Arkansas State Board of Health (1937 hearings, House of Representatives, p. 171):

It is our feeling that the bill designated as H. R. 2711 provides the most practical and rational approach.

Brewers' Association of Greater Cincinnati (1936 hearings, House of Representatives, p. 16):

At the regular meeting * * * it was—
Resolved, That this association endorse the movement of the Cincinnati Chamber of Commerce to prevent the pollution of rivers and streams of the Ohio Valley.

Camp Fire Club of America (1937 hearings, House of Representatives, p. 303):

Our committee has voted to favor the Vinson bill.

Chamber of Commerce of the United States (1936 hearings, Senate, p. 430; 1936 hearings, House of Representatives, p. 57):

By cooperating with States and State compact agencies the Federal Government should assist in assembling information on control and use of water resources and in carrying on scientific investigation.

Colorado Division of Public Health (1937 hearings, House of Representatives, pp. 171–172):

The assistance of the Federal Government, as outlined in this bill (H. R. 2711), in eliminating the pollution and contamination of Colorado streams, would be very helpful to this State. * * * This department is anxious to have this bill passed.

Conference of State and Provincial Health Authorities of North America (1937 hearings, House of Representatives, p. 179):

Strongly endorsed previous bill (H. R. 12764), which carried essentially the provisions of H. R. 2711, and "urged the enlistment of every effort of the members of the conference to secure the enactment of this most important measure."

Conference of State and Territorial Health Officers (1937 hearings, House of Representatives, p. 288):

Respectfully petition the Congress of the United States to enact the Vinson (H. R. 2711)-Barkley (S. 702) bill, which provides for joint study and control of stream pollution by the United States Public Health Service and the State and Territorial Health Officers under recognized procedures which involve a joint study of each project.

Construction League of the United States (1937 hearings, House of Representatives, p. 70):

No extension of Federal regulatory power, but extension of Federal interest and stimulation. * * * There is sufficient State regulatory power now available * * * with the additional stimulation which the bill (H. R. 2711) proposes.

Dayton Business and Civic Association, (1937 hearings, House of Representatives, p. 119):

Heartily in favor of Representative bill No. 2711 * * * and recommend to Congress its passage.

Delaware State Board of Health (1937 hearings, House of Representatives, p. 172):

Stream pollution is primarily a public-health program. * * * The principles outlined in Senate bill 702 and House bill 2711 adequately express such a program.

District of Columbia Health Department (1937 hearings, House of Representatives, p. 173):

A very admirable feature of the bill (H. R. 2711) is the wise legislative approach which makes the Federal service advisory to State and municipal health services so that the everlasting fear of Federal invasion of State rights is thereby very happily met.

Evansville (Ind.) Chamber of Commerce (1937 hearings, House of Representatives, p. 120):

In favor of the Vinson bill, known as H. R. 2711. * * * We believe it is imperative that a Division of Water Pollution Control be created in the United States Public Health Service. * * * We earnestly urge 2711 be enacted into Federal legislation.

Florida Section, American Public Health Association (1937 hearings, House of Representatives, p. 173):

Endorses and approves the provision of Senate bill 4627 and House bill 12764 in the last Congress, known as the Barkley-Vinson bill * * * or some similar legislation.

General Health Council of Allegheny County, Pa. (1937 hearings, House of Representatives, p. 114):

Urges favorable action on the Barkley-Vinson bill, S. 702, H. R. 2711, promoting stream-pollution control.

Great Lakes Board of Engineers (1937 hearings, House of Representatives, p. 203):

Go on record as approving in principle the provisions of such bill (S. 702).

Great Lakes Board of Engineers and Upper Mississippi River Board of Engineers resolution regarding the proposed water pollution act (H. R. 2711, amended):

Believed that enactment of aforesaid bill substantially in the form as amended will aid State and interstate pollution abatement activities. * * * Approve the aforesaid bill in its amended form.

Great Miami Valley Taxpayers' Association (1937 hearings, House of Representatives, p. 115):

Organization has, by resolution, favored the passage of H. R. 2711. * * * We are very strong for this bill. We believe it will achieve that which we have been fighting for for these many years.

Greenup (Ky.) Chamber of Commerce (1937 hearings, House of Representatives, p. 302):

In favor of the Vinson bill, H. R. 2711, and in the Senate the Barkley bill, S. 702.

Idaho Department of Public Welfare (1937 hearings, House of Representatives, p. 174):

We are giving endorsement to H. R. 2711.

Indiana State Board of Health (1937 hearings, House of Representatives, p. 175):

We would like to go on record as supporting House bill 2711.

Interstate Commission on Delaware River Basin (their) News Letter, January 1938:

That the Interstate Commission * * * opposes the establishment of a Federal authority for the control of pollution in navigable waters and tributaries thereto. That the Interstate Commission * * * recommends the adoption of the Barkley-Vinson bill, without the Lonergan amendments.

Jefferson County (Ky.) Fiscal Court (1937 hearings, House of Representatives, p. 177):

Approved bill H. R. 2711, pertaining to the creation of the Division of Water Pollution Control in the United States Public Health Service.

Kansas State Board of Health (1937 hearings, House of Representatives, p. 176):

Believe this bill (H. R. 2711) to be very constructive legislation and wish to endorse it heartily. * * * Any legislation which does not take cognizance of the fact that careful research work in waste-disposal methods must precede compulsory abatement of stream pollution is bound to fail.

Louisiana State Department of Health (1937 hearings, House of Representatives, p. 177):

In favor of this bill (H. R. 2711). It offers a workable and practicable program of the control of stream pollution. * * * Particularly interested in the provision that the United States Public Health Service direct the activities provided for in the bill.

Louisville (Ky.) Board of Trade (1936 hearings, Senate, p. 473):

Municipal government of Louisville approves the purposes of the Barkley-Hollister stream-pollution bill, and will cordially cooperate with city, State, and Federal agencies in the accomplishment of the purposes. * * * The Barkley-Hollister bill has the wholehearted approval of the Louisville Board of Trade.

Ludlow (Ky.) Businessmen's Association (1937 hearings, House of Representatives, p. 115):

Heartily in favor of the Vinson bill.

Maryland State Department of Health (1937 hearings, House of Representatives, p. 178):

Convinced that the Public Health Service, by reason of its familiarity with sanitation and stream-pollution problems in the country, is the logical Federal agency for fact finding, coordinating, and stimulating State and interstate programs, promoting interstate compacts, and recommending necessary financial assistance.

Mason County (Ky.) Health Department (1937 hearings, House of Representatives, p. 177):

H. R. 2711 * * * is the legislation that we of the Ohio Valley are in dire need of.

Massachusetts Department of Public Health (1937 hearings, House of Representatives, p. 178):

A comprehensive plan to prevent and remove pollution of our waters can be best accomplished by the adoption of uniform legislation in the various States, by compact agreements, and by the appropriation of sufficient sums of money to permit adequate investigation, and loans and credits, if practicable, for the construction of remedial works. H. R. 2711 appears to make such provisions.

Minnesota Department of Health (1937 hearings, House of Representatives, p. 178):

Unanimously endorsed the Vinson-Barkley bills, H. R. 2711, S. 702.

Missouri State Board of Health (1937 hearings, House of Representatives, p. 181):

Bill H. R. 2711 gives full recognition to the interests and rights of the various States concerning stream pollution and * * * sets up a practical and effective means of solving the problem * * * in accord with accepted views of State autonomy. * * * The bill seems, after due consideration of other measures, the most logical and intelligent approach that has, to date, been presented for the control of stream pollution on a Nation-wide basis.

New England State health officers (1936 hearings, Senate, p. 273):

It is the opinion of these State health officers that no extension of Federal control over streams is desirable, that the activities of the Federal Government should be restricted in the field of stream pollution to fact finding and coordination and stimulation of State and interstate programs.

New England Water Works Association (1936 hearings, Senate, p. 273):

The association goes on record as being opposed to any legislation placing the regulation of stream pollution under Federal control and * * * advises * * * that Federal activities in matters of stream pollution be limited entirely to fact finding and cooperation with the State authorities.

New York State Board of Health (1937 hearings, House of Representatives, p. 182):

We have considered the provisions of this bill, H. R. 2711, very carefully and believe that its passage would be the most important and constructive action ever taken in the interests of water-pollution abatement.

Norfolk, Va., Association of Commerce (1937 hearings, House of Representatives, p. 302):

We are most anxious to see the enactment of comprehensive legislation to relieve * * * this growing menace. It appears that the Vinson legislation is designed to take care of the matter generally * * *.

Ohio Chamber of Commerce (1937 hearings, House of Representatives, p. 113; 1936 hearings, Senate, p. 431):

We heartily approve S. 4350 and S. 4351, * * * which are designed to give authority and force to an Ohio River compact between States.

Ohio Conference on Sewage Treatment (eleventh annual report, p. 9):

Resolved that the Ohio Conference on Sewage Treatment * * * reaffirms its approval of the principles of the original Barkley-Vinson bill, H. R. 2711.

Ohio State Medical Association (1937 hearings, House of Representatives, p. 119 (6,000 members)):

Our association by unanimous action * * * went on record as being heartily in favor of Representative bill No. 2711.

Ohio Valley Improvement Association (1937 hearings, House of Representatives, p. 116):

We have given study to the provisions of H. R. 2711 and believe that this bill is a step in the right direction.

Ohio Valley Water Sanitation Conference, second conference of delegates appointed to draft an Ohio River Valley Water Sanitation Compact (January 17, 1930):

We regard H. R. 2711 * * * to abate stream pollution, as well considered legislation and urge its adoption * * *. We do not favor amendment now proposed * * * for Federal control. * * *

Oklahoma Department of Public Health (1937 hearings, House of Representatives, p. 183):

Fully in accord with * * * recommendation to place the responsibility for operation of this act under * * * the Public Health Service, with authority to cooperate with the respective State health agencies.

Public Health Federation (1937 hearings, House of Representatives, p. 117):

Federation * * * urge(s) that H. R. 2711 be reported * * * for passage.

Sanitary Engineering Division, American Society of Civil Engineers (minutes of meetings, January 20, 1938):

Be it resolved, That the 1938 annual meeting * * * go on record as in favor of the policy expressed in H. R. 12764 of the Seventy-fourth Congress. * * *

South Dakota State Board of Health (1937 hearings, House of Representatives, p. 184):

Would like very much to see this bill (H. R. 2711) passed in preference to any others which are now pending. * * *

Southwestern Ohio Sportsmen's Club (1937 hearings, p. 208):

Vigorously supports Vinson stream-purification bill as most practical approach to this problem. * * *

Tennessee Department of Public Health, 1937 hearings, page 185:

After a rather careful study of this bill (H. R. 2711) we are fully convinced that its enactment would be of inestimable value to the State of Tennessee * * *.

Texas State Board of Health, 1937 hearings, page 185:

We are heartily in favor of setting up a Division of Water Pollution Control in the United States Public Health Service * * *. The need for some central authority to supervise * * * to coordinate * * * and to carry on research * * * is very essential * * *. The feature which provides that supervision of stream-pollution control shall remain with the respective States is in line with good Government policy.

Texas State Legislature, House Journal, May 21, 1937:

Whereas the House of Representatives at Washington has already acted favorably on the Vinson bill (H. R. 2711) * * * be it

Resolved, That the Legislature of Texas go on record as approving the action of the National House of Representatives and earnestly solicit immediate action on the part of the Senate of the United States in approval of Senate bill No. 702, a companion bill * * *.

Texas Water and Sewage Conference, Water Works Engineering, March 17, 1937, page 355:

Resolved, That we go on record as favoring the passage of this bill (S. 702), and that our Representatives in Congress be urged to support the measure in securing its passage.

Upper Mississippi River Board of Engineers (1937 hearings, p. 302):

Whereas * * * the enactment of * * * Senate bill 702 will aid State and interstate * * * activities, be it resolved that the members * * * (Iowa, Minnesota, Missouri, Wisconsin, Illinois) hereby go on record as approving in principle the provisions of such bill.

West Virginia State Board of Health (1937 hearings, p. 187):

The State department of health feels that this is an admirable bill. (H. R. 2711).

Wisconsin State committee on water pollution (hearings, Committee on Rivers and Harbors, House of Representatives, March 17, 18, 19, 24, 1937, pp. 187–188):

Our committee * * * has gone on record as being in accord with the type of Federal legislation proposed * * * calling for the establishment of a Division of Water Pollution Control in the United States Public Health Service to cooperate with the States and to provide grants and loans for financing improvements in abatement of pollution.

Thirty-fourth Annual Conference, State and Territorial Health Officers (April 13–14, 1936, excerpts from transactions, pp. 178–179):

Any bill to effectively remedy stream pollution should coordinate existing Federal and State health agencies, should provide for compacts between States and, above all, provide for Federal financial assistance in the construction of remedial works.

State Water Commission of Connecticut (hearings, Committee on Rivers and Harbors, House of Representatives, March 17, 18, 19, 24, 1937, pp. 301–302):

* * * we consider the bill (H. R. 2711) to be constructive legislation, and therefore desirable. * * *

American Institute of Park Executives and American Park Society (resolution relating to abatement of stream pollution, adopted April 22, 1939):

The American Institute of Park Executives feels that the principles contained in the bills now before Congress (known as the Barkley bill in the Senate and the Mansfield-Spence bill in the House) afford the best methods for correcting the evils caused by the pollution of our streams, * * * endorses the proposed legislation. * * *

Youngstown Chamber of Commerce (opinions and recommendations with respect to stream pollution):

It is most essential for any legislative body, National or State, to keep in mind the practical aspects of regulatory pollution, and not be misled into the enactment of drastic and impossible laws with which industry cannot possibly comply. The United States Public Health Service should act as a consulting and research agency. * * * Definite and specific regulatory measures should be instituted by the various State and local health bureaus.

Statement of J. Spencer Smith, president of State Board of Commerce and Navigation of New Jersey (hearing, Committee on Commerce, U. S. Senate, on S. 1691, March 22, 23, 27, 1939, pp. 90–93):

The only objection we are raising to this bill is the mandatory feature and the fact that the Federal Government * * * can step in and compel us to do something that we may not have the financial power to do. There are other ways of accomplishing it, I think.

Boards of health commissioners, Great Lakes and upper Mississippi River drainage basin sanitation agreements, March 1, 1939:

At a meeting * * * of representatives of the State health departments signatory to the * * * agreements, namely, the States of New York, Pennsylvania, Ohio, Michigan, Indiana, Illinois, Wisconsin, Minnesota, Iowa, and Missouri, all of the bills relating to control of water pollution, introduced in the first session of the Seventy-sixth Congress, have been carefully reviewed. Of these bills, H. R. 4314 was unanimously approved as most nearly coinciding with principles considered most satisfactory for accomplishing desired results in water-pollution control.

American Forestry Association, resolution adopted by directors, May 17, 1939:

That the American Forestry Association favors * * * State control of the pollution of waters with the aid of Federal studies and Federal contributions rendered through the agency of the United States Public Health Service * * * control of pollution is constitutionally a State function * * *. The United States Public Health Service is the logical agency of the Federal Government to cooperate with the States * * * control of pollution should be by civil agencies and not by the military branch of the Government.

Engineering News Record (editorial, March 30, 1939, p. 45):

The soundness of the Barkley bill justifies its support by all who favor pollution abatement.

Indiana Department of Commerce and Industries (Statement of W. H. Frazer, hearings, Committee on Rivers and Harbors, May 20, 1936):

The United States Public Health Service is in the best position to carry on the necessary work. * * * It should assist existing agencies * * * by direct financial aid, and with its own technical organization. * * *

Statement of Harrison P. Eddy, consulting engineer, (hearings, Committee on Rivers and Harbors, March 17, 18, 19, and 24, 1937, pp. 95–101):

A cooperative arrangement such as that embodied in H. R. 2711 * * * will, in my judgment, secure more rapid progress in interstate water-pollution control than is practicable under State compacts or other agreements. This is because the bill provides for organizing existing agencies which now and for many years past have been working in this field.

American Paper and Pulp Association, Association of Newsprint Manufacturers, National Paperboard Association (hearings, Committee on Rivers and Harbors, March 17, 18, 19, and 24, 1937, pp. 101–102):

In the present state of limited knowledge of remedies for the existing problem, it (the industry) is opposed to the passage of any drastic control bill * * * it favors the enactment of a study plan of bill, such as House bill 2711.

Kentucky State Medical Association (1937 hearings, House of Representatives, p. 115):

After a study of the House bill 2711 * * * I would like to give you my hearty endorsement of this bill, and urge its passage as soon as possible.

Virginia State Board of Health (1937 hearings, House of Representatives, p. 148):

We believe that the bill (H. R. 2711) will be helpful in improving stream conditions in Virginia. * * * Under this bill, the rights of States for exercising control of streams within their own boundaries is amply safeguarded. * * *

Illinois State Sanitary Water Board, Frank J. Jenkins, chairman (1937 hearings, House of Representatives, p. 174):

I am in sympathy with the bill, H. R. 2711, and it has my support for the main reason that it is not creating a Federal agency which has authority over the powers of the various State agencies now controlling pollution but has for its purpose the power of assisting the various States in promoting * * * prevention and abatement of pollution.

Iowa State Department of Health, Walter L. Bierring, M. D., commissioner (1937 hearings, House of Representatives, p. 175):

I should like to take this opportunity to heartily endorse this measure (H. R. 2711) * * *.

El Paso-Hudspeth County Health Unit, El Paso, Tex. (1937 hearings, House of Representatives, page 186):

We wish to express our hearty endorsement of the proposed Water Pollution Act (H. R. 2711).

San Antonio, Tex., C. K. Quin, mayor (1937 hearings, House of Representatives, p. 187):

I have studied your House bill 2711, creating a Division of Water Pollution Control within the United States Public Health Service and fully endorse this measure.

Illinois State Sanitary Water Board (C. W. Klassen, technical secretary (1937 hearings, House of Representatives, p. 202)):

The provisions of this bill (H. R. 2711) meets with our approval in principle, mainly for the fact that it will undoubtedly accomplish considerable toward the purification of our streams but leaving the so-called police powers in the hands of the States.

Alfred LeFeber, consulting sanitary engineer, representing Hamilton County, Ohio, Portsmouth, Ohio, and Ashland, Ky. (1937 hearings, House of Representatives, p. 208):

Speaking entirely from a standpoint of design, construction, and operation of water-supply works, I cannot urge too strongly the adoption of this legislation (H. R. 2711).

Ohio State Department of Health (Walter H. Hartung, M. D., director (1937 hearings, House of Representatives, p. 226):

In my opinion H. R. 2711, a bill to create a division of water pollution control in the United States Public Health Service is the type of legislation that will further the cooperation between all the governmental agencies that are interested in the correction of stream pollution condition.

Dr. Fred O'Flaherty, professor of leather research, University of Cincinnati (representing tanning industry) (1937 hearings, House of Representatives, 241):

I respectfully urge to this committee the approval and recommendation of the Vinson stream-pollution bill (H. R. 2711). It is the opinion of the tanning industry that this legislation is sound, logical, and practical.

Independent Petroleum Association of America (1937 hearings, House of Representatives, p. 261):

The Independent Petroleum Association of America is therefore in favor of the passage of a bill of the type of the Vinson bill, H. R. 2711.

Mississippi Valley Association (Cleveland A. Newton, general counsel (1937 hearings, House of Representatives, p. 284)):

The Vinson-Barkley bill seems well designed to deal with the problem of pollution of our navigable waters, without unnecessary injury to commerce and industry and without undue hardship upon our cities * * * we feel that we should cooperate in the enactment of the necessary legislation.

American Mining Congress (1937 hearings, House of Representatives, 296):

We believe that a bill along the lines of the Vinson bill, H. R. 2711, represents a far more practical and workable approach to the problems of water pollution.

National Association of Manufacturers (1937 hearings, House of Representatives, p. 296):

The pending bill (H. R. 2711) promises a sane and practical approach to a vitally important subject.

Manufacturing Chemists' Association of the United States (representing 87 corporations) (1937 hearings, House of Representatives, p. 300):

Our support of the Vinson bill (H. R. 2711) is based upon the belief that this approach is the most practicable and workable for the solution of stream-pollution problems in the United States.

Anthracite Institute (1937 hearings, House of Representatives, p. 301):

Of all the proposed legislation, the provisions as set forth in the Vinson bill (H. R. 2711) are the most constructive and give real hope of reaching the objectives.

CONCLUSION

The support of the Barkley-Spence bill by the organizations hereinbefore quoted indicates that there is a strong national demand for the enactment of this legislation in its present form. The greater number of these organizations have made the subject of pollution a continuing study for many years. They are not polluters but approach the whole subject in realistic fashion, and effectually give the retort courteous to the small group of sincere but misguided zealots who would defeat this excellent measure if they are not permitted to dictate its form. I commend the reading of these extracts to every Member of the House who is concerned with this important question.

False Economy

EXTENSION OF REMARKS

OF

HON. USHER L. BURDICK

OF NORTH DAKOTA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, August 2, 1939

Mr. BURDICK. Mr. Speaker, in and out of Congress there is a belief that further appropriations for relief and Government work must be stopped promptly. We saw that spirit prevail in Congress yesterday when, by a vote of 193 to 166, the House refused to consider H. R. 7120.

The full amount of the appropriation approved by the Banking and Currency Committee of the House was $1,950,000,000.

This appropriation was allocated to the following Government agencies for the purpose of supplying self-liquidating loans and $400,000,000 of it was especially designed to prevent further unnecessary farm foreclosures: Public Roads Administration, Public Works Administration, Rural Electrification Administration, and Department of Agriculture.

Congress, in its eagerness to put a stop to a spending plan, voted to refuse to consider the matter at all. This was a most unusual vote. To refuse to consider a bill that has been reported out is a very rare thing. Nothing can be lost in having a bill debated, but to refuse even to debate a measure that has been reported to the House is a novel procedure. It is a complete confession of weakness. Those who voted to refuse consideration must have been afraid that debate would have convinced them that the bill was good.

In my judgment, the defeat of this measure was a blunder, and the lapse of time will only prove this statement.

What is the situation today? Unemployment ranging around 13,000,000, every third farm in the United States either foreclosed on or in the process of it, merchants broke and borrowing money at 30 percent. I could list and list the various phases of a depleted business structure, but this was all known to the Members of Congress.

The bill proposed the following places to start business activity:

The Public Roads Administration was allotted $500,000,000 to loan to States, municipalities, and other public bodies to build roads, bridges, and other necessary elements of good roads. This was voted down in the interest of economy. We shall see what economy there is in not assisting local communities to help themselves and lighten the load of Federal relief appropriations.

To the Public Works Administration—$350,000,000 to carry on its present work program. We shall see what economy there is in stopping this Works program in the interest of national economy when the millions cannot find work in any other way. We refuse to let unemployed people take care of themselves. This means more appropriations for relief grants because people seem to want to eat.

Rural Electrification was allotted $350,000,000 to provide funds for the building of power lines through the rural areas and permit farmers to obtain the use of electricity at cost. This was defeated under the guise of national economy, but actually because the Power Trust let its lobby loose here in Washington to defeat the bill.

The Department of Agriculture was allotted $400,000,000 for the purpose of making available to farmers, renters, farm laborers, and sharecroppers loans with which they might save what property they have, or start over if they had lost their property.

No better proposal has been before Congress since I have been a Member, and I could hardly believe that the committee had recommended such a plan. They actually did, but when the House looked the plan over it was defeated with a whoop, and those who are responsible for its defeat have their pictures in the newspapers this morning. I wonder how the farmers like this and how they will respond to it in the next election. If you will examine these pictures in the papers you will observe that all of these gentlemen who lead the fight to defeat this farmers' measure wear a broad, insinuating smile. I am pretty tough myself, having lived in the cow country all my life, but I am sure I could not wear a smile after having crushed the life out of thousands of farmers.

This bill was defeated in the interest of the saving of Federal funds, so the executioners say. Now, let us see what a false position they have taken. In the first place, refusing to aid unemployed and destitute people to help themselves, only lets the burden of their whole existance fall upon the Government. In the second place, if we want to save, let's start in at a place where it can be done. The men who defeated the lending bill yesterday are the very same men who insist that our present banker-controlled money system be perpetuated.

In financing Government operations it is not necessary at all to issue bonds. The right thing to do in the interest of all the people is to issue currency instead of bonds. This currency does not draw interest, and if in circulation 75 years it can be retired without a single charge for interest during that period. The Lincoln greenbacks to the extent of $343,000,000 are still circulating and no one questions their validity or sound monetary value. If we were to pay interest on this Lincoln currency ever since it was issued at the customary rate the farmers pay, the Lincoln debt would now amount to $30,000,000,000. Do you want any more proof of what it means to issue bonds, sell them, and permit the same buyer to return them to us as security for the same amount of currency? There is nothing behind a bond which is not behind a piece of currency. The only difference is that we allow a few private people to reap an interest reward through this system of issuing, selling, and receiving back the bonds.

There are two kinds of people who are in favor of bonds—those who reap the interest reward and those who want us to issue so many bonds that there will soon be a general repudiation. The conservatives lead the first class and those who have communistic leanings constitute the second class. The

philosophy of both is detrimental and dangerous, and it is altogether unnecessary for us to follow either course.

No Member of this Congress can defend the proposition of issuing bonds and in turn issue currency to those to whom we have sold the bonds. It is just one more unnecessary and costly step for this Government to take. If the rock-ribbed conservatives or reactionaries really want to save money as they say they do, here is the place to start. The issuance of currency in the first instance, instead of issuing bonds to be sold and returned again as security for the same currency, will save the people of the United States $1,300,000,000 annually, a wholly unnecessary gift to those who are powerful enough in Congress to keep up this interest system. How many times have we heard the conservative preachers in Congress say: "We must stop spending; we must save money; where are we going—the people are struggling under a load of debt?" How many times have we heard the conservatives says: "Where are we going to get the money?"

Well, gentlemen, here is a chance to show your good faith. If you are honest in your preachments, you will not object to putting a stop to the further issuance of bonds which will relieve us from this unbearable interest load. No one of you can defend this interest system. You have not defended it—you cannot defend it, yet you maintain the system. I agree with you that if we keep up this bond-issuing, interest-taking racket, there will eventually be a collapse of the entire Government. By your action you are making that calamity as certain as the coming of night and day.

I think I know the conservative mind in this Congress. It assumes that its philosophy is right, all other ideas are wrong, and those who have them are undesirable members of society. Their philosophy is bolstered up by a sort of false patriotism. Not one of them can be made to believe that he is not the most outstanding and most fearless patriot in the House. They assert they are and they deem the mere assertion of it enough proof. Yet, no class of people, good or bad, is doing more to ruin this Government and supplant it by utter chaos than they are. The greatest and most severe indictment that can be brought against them is that they do not know what they are doing.

The liberal-minded Members of Congress have the interest of the mass of the people in this country at heart. They do not parade their patriotism and assert that they are the only he-patriots in America. They try to act in the defense of this country; they try to save where saving means something; they vote for an extra $75,000,000 for relief purposes, but want to save one billion three hundred million on this national-interest racket.

There are no Members of this Congress who wish this Government to fail—not one—but there are too many in this Congress, who, by their support of the interest racket, are fast bringing about a total collapse of the Government. There are too many men in this Congress who love their country some, but love the interest racket more.

The issue is at hand now. We are soon to go into another campaign and the conservative-interest racket supporter believes that there will be a landslide behind his philosphy. He believes the people are sick of the New Deal, and because of it "in goes the conservative"—no chance for anyone else.

The New Deal has not struck at the interest racket—they have supported it the same as the simon-pure Republicans. I think the people are getting sick of the New Deal "money policy," but every intelligent voter knows that there is absolutely no difference in principle between the two parties on this subject. But the issue is here, and I assert that among 100 voters in the United States, picked from any State, that the percentage of those who look upon our distress as a blunder in our money policy, is greater than the percentage among the same number of Congressmen. Whether you know it or not, the people out in the sticks are fast coming to on this "money question." They look upon this question of money control and money circulation as the one vital thing that must be corrected if this country is to endure.

What will a Democrat say, in most States, Virginia and Georgia excepted, when a candidate for Congress in 1940 comes asking for his vote? The first question will be: "How do you stand on the 'money question' "? If he stands where he is now—in most cases—the voters will let him stand there regardless of whether he is a Democrat or not.

What will the Republican voters say to a Republican candidate in most States outside of New York and Massachusetts? They will say: "How do you stand on the 'money question' "? "Are you in favor of continuing the interest racket that today takes one-third of the Nation's income?" If he says he is willing to leave matters right where they are—let well enough alone—the chances are the voters will decide to make the change themselves, by first changing their Congressman. Make no mistake, that will be the issue.

I would like to see the Republican Party come right out in the open and advocate the wiping out of this bond-interest racket. So far as the Republican Party in North Dakota is concerned, they have already taken that position. I am not acting alone in my advocacy of this change of monetary policy. I am not acting alone on any other issue. I am carrying out the pledges of the Republican Party in North Dakota. When I advocated the passage of the Townsend recovery program, I was not acting alone, but was backed by the Republican Party in North Dakota.

The people of the United States are going to make a fight on this issue, and I propose to give them what help I can. I am convinced, and have been for several years, that the private control of the Nation's credit and the purposeful withdrawal of circulation is the proximate cause of all our financial troubles.

Under the bill before us yesterday we could well have appropriated money enough to loan our businessmen and eliminate unconscionable interest rates, and if financed by greenbacks, it would cost the people of the United States not one cent. We could well afford to loan our businessmen, farmers, and home owners money at 1 percent. It would cost the Government nothing—the middleman, the interest shark—would be out of the picture. One percent would pay any losses that might occur and one percent would permit a farmer, a laborer, a merchant, a manufacturer, a distributor, or a retailer to live. Let us get down to business one time. Let us think for ourselves and not permit the press, maintained by ads of the money sharks, to do our thinking for us. It seems to me we are about ready—let us go. I suggest this slogan to the voters when this issue comes up for a real fight. I take it from Shakespeare's Macbeth:

Lay on, Macduff;
And damn'd be him that first cries, "Hold, enough!"

The Fair Labor Standards Act

EXTENSION OF REMARKS

OF

HON. GERALD W. LANDIS

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, August 2, 1939

Mr. LANDIS. Mr. Speaker, the Fair Labor Standards Act has been in effect less than a year. It became effective October 24, 1938. Attempts are being made to exempt more than a million of the lowest paid workers from the minimum-wage standards and more than a million and a half from the maximum-hour provisions. These figures represent human beings who stoop and sweat to earn a living for themselves, their wives, and their families.

The American worker should receive his share of the profits of production and distribution. He wants an honest job in private industry which will give him and his family the American standard of living. In the United States we have the highest standard of living in the world and yet

on some items we are forced to compete with cheap foreign labor. Some of our factories have closed down due to the importation of cheap foreign-made goods. That is one reason we have 12,000,000 Americans unemployed. If I had my way, I would raise the tariff high enough to protect the wage rate of the American worker.

The Fair Labor Standards Act does not propose to fix all wages but only a minimum-wage floor, slightly above a starvation level. There is no use in having a minimum-wage law unless it is made to apply to low-paid industrial workers; that is, the workers who need protection. This act would become a mere sham or a fraud if it covered only those employees who already received more than the wage rates prescribed by the act, such as is true in many industries.

The minimum-wage rates prescribed by the Fair Labor Standards Act are extremely low—25 cents an hour for the first year and 30 cents thereafter unless an industry committee finds that it can pay a higher rate, but in no case can the higher rate be more than 40 cents an hour. The 25- and 30-cent wage rate is a very meager wage for a country such as the United States, which boasts the highest level of living in the world. To admit that there are numerous industries in this country that cannot pay this meager wage is a sad commentary upon our standard of living.

All employees involved in the proposed exemptions to the Wage-Hour Act are engaged in industrial labor. In no sense can they be called agricultural workers. The act already contains the broadest definition which can be drawn exempting agricultural workers. Every employee on a farm or working off the farm, if employed by a farmer, is exempt.

The theory of these exemptions is that the cost involved in the processing and distribution of commodities coming from the farm should not be increased because it is alleged that it will decrease the price of the farmer's products. If this theory is sound; however, then the processing of textiles and the manufacture of wearing apparel should be exempt, such as clothing and shoes, which are made from cotton, wool, and hides. Furthermore, a minimum-wage rate should not be set in industries manufacturing anything which the farmer buys, such as automobiles, lumber, motor fuel, and farm machinery. The logical result of this contention would be that no minimum-wage standards should be established, but rather that all wage rates should be decreased as an aid to the farmer who buys and sells.

The farmer is primarily a producer. He cannot sell his produce unless there is a market, and his market is dependent upon purchasing power, and purchasing power is largely dependent upon the wages which the employee receives. To reduce wages is to reduce purchasing power and destroy the market for the farmers' produce.

It would be impossible to solve the farm problem even if we repealed the Wage-Hour Act. If we really want to do something for the farmer, we should repeal the Hull trade treaties. Preserve the American market for the American farmer and let him run his own business. He has seen his foreign market disappear and his home market gradually surrendered to the foreign producer. Our farmers do not believe in trading the best market in the world to increase the standard of living abroad. We have been exporting jobs and creating prosperity in other countries. What we need is the development of some buying power and prosperity in the United States. We must insist on a consistent agricultural policy that will enable us to grow in America the things we need and to guarantee for the American farmers the right price for his products and the fullest advantage of the American markets.

The wage standards of the Federal wage and hour law are comparatively low when compared with the rates fixed for women by State minimum-wage laws. Many of the wage rates fixed by State acts are in excess of 30 cents an hour and the employers who are required to pay such rates in those States, in canneries for example, should be protected from their low-wage paying competitors, because all such employers are competing for a national market. Competition in industry tends to drive wage rates down to the level of the lowest-paid workers.

Minimum-wage and maximum-hour legislation is not new in industry. It has existed in Great Britain since 1916 and in many other countries and has operated successfully to the satisfaction of both employer and employee. Such legislation has become absolutely essential in modern industrial society. As two eminent judges have stated that what the employer fails to pay in wages necessary to the cost of living, must be made up by the community in terms of relief or in paying for the cost of the social evils which flow from substandard living.

What the Fair Labor Standards Act needs is a chance to prove itself. It has been hamstrung from the beginning because of inadequate funds for enforcement in administration. It should be given a chance so that the hundreds of thousands of underpaid workers in this country will have their chance to secure a decent living.

At this point, I would like to quote from an editorial of the Richmond News-Leader, dated July 20, 1939. I quote:

> In spite of the personnel troubles of the tobacco firms, particularly the small independents, the Federal wage standards have had a gratifying effect in Richmond. The incomes of more than 2,000 families here have been substantially increased. Scores of slum tenements have been abandoned for better living quarters. If reports are to be credited, the quality of work of the average stemmer has improved to a point that largely has compensated for the boost in wages. Further trial of the act among Southern low-wage industries may mean the same happy experience for other communities that Richmond has enjoyed for the past year.

It is not my desire to stir up class hatred nor foment unrest between the worker and his employer. We have all witnessed too much of this in the past. The average employer is not a Tory, and his employee is not a radical. Both are entitled to prosper. The wage-hour law will work no hardships, with but few exceptions, to the employer. In this connection, may I say that I am ready to make some concessions as to hours and wages to those industries that have thoroughly demonstrated that they cannot immediately comply with the provisions of the law. The small telephone exchange is the most outstanding example, and it may be necessary to give them some immediate relief in order for them to carry on.

All labor organizations are united in preserving the Wage-Hour Act. Most of the employers have complied willingly and in good faith with its provisions. They believe that it would be a step backward to destroy it. Very few desire to return to sweatshops and low wages. How can a man with a family live on less than 25 cents an hour and maintain the American standard of living? I certainly do not want the laborers in my State of Indiana to receive less than 25 cents an hour, nor do I want them to compete with such low-paid workers.

As a Republican Member of Congress and a member of the House Labor Committee, I do not believe that 25 and 30 cents an hour is too much for an American worker. This law should be preserved and strengthened, but I wish to say to the workers of America that this is your act, and if you would save it from destruction, you should notify your Congressman to defeat any attempt on the part of any individual or groups of individuals who desire to emasculate the act.

There is no time to be lost. This bill will come before the House for final action within the next few days. You should express yourselves immediately and tell your Congressman that you do not approve of any bill which would permit selfish employers to pay wage rates less than 25 cents an hour.

The idea, the principle that labor should be assured at least a minimum wage and that national prosperity depends upon labor receiving a fair share of the value of everything we produce, should no longer be a matter for debate. I thought it was settled way back in 1936, when both major political parties and candidates accepted and endorsed that idea, that principle which must be applied and enforced if our great complex industrial democracy is to be a blessing, not a curse, to mankind.

Back in 1936, before Gov. Alfred M. Landon, of Kansas, would accept the Republican nomination for the Presidency

of the United States, he sent a message to the Cleveland convention spelling out what he understood the Republican platform to mean. Here is what he said—I quote:

Under the title of labor, the platform commits the Republican Party as follows:

He quoted—

"Support the adoption of State laws and interstate compacts to abolish sweatshops and child labor, and to protect women and children with respect to maximum hours, minimum wages, and working conditions. We believe that this can be done within the Constitution as it now stands. This obligation we cannot escape."

Nor can we escape it now. The Congress is committed to it. The people, the wage-earning people of this country, and, I believe, the majority of established stable employers, are committed to the principle of minimum-wage and maximum-hour legislation. The wage-hour law carries out the principle of the 1936 Republican platform and the statement of the 1936 Republican candidate for President. The method is Federal rather than State legislation, but that is no novelty to the party of Hamilton, Lincoln, and Theodore Roosevelt. It includes men as well as women and children, on the sound argument that a starving man with a wife and babies facing hunger, nakedness, and eviction will sell his labor as cheaply as women or children would sell theirs. As a member of the Republican Party, I do not propose to renege on promises made in 1936 in my party platform, promises for which we will be held to account in the great reckoning of 1940. I believe that many other Representatives of my party will think and vote likewise if and when we are confronted with amendments, which propose to kick out from the protection of the act, one and one-half millions of the lowest paid, the most sweated, the most exploited, the most insecure, the least organized, the economically weakest of our entire wage-earning population.

Never let it be said that the Party which rose to power on the slogan of the "full dinner pail" advocated or voted for amendments that would permit American wage earners to be paid less than a living wage.

The leaders of the Republican Party have been building up labor legislation for many years and have spoken fearlessly, frankly, on the subject of decent wages for the workers of this country.

The Florida Canal and the National Defense

EXTENSION OF REMARKS

OF

HON. LEX GREEN

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Saturday, July 29, 1939

Mr. GREEN. Mr. Speaker, the relation of the proposed ship canal across Florida to our national defense is one of the most important aspects of this great enterprise. I think it will be helpful if I set forth for the RECORD the views of the numerous distinguished military and naval authorities and the national associations who have made a study of this project. In chronological order, these are:

February 23, 1938: Gen. Charles P. Summerall, United States Army, retired, former Chief of Staff of the American Army, and commander of the First Division during the World War, stated in an address:

In case of war in the Pacific the great bulk of supplies and munitions as well as troops would of necessity move by the Panama Canal. The transcontinental railroads were never planned to meet such a demand and no consideration can be given to their doing so.

The country now knows from the hearings on the naval appropriations bill before Congress that our war plans must provide for the defense of both the Atlantic and Pacific coasts at the same time and that the United States must fight alone. All shipping moving from eastern or western ports to and from the Panama Canal either by the Windward Passage or by the Straits of Florida, would be subject to destruction from foreign territory.

Again it is evident that the Florida canal would offer a protected route, easily defended from American bases for destroyers and airplanes in Florida, Cuba, and to the south. These conclusions are borne out by the fact that the Straits of Dover could not be protected from enemy submarines during the World War while the Kiel Canal was never menaced.

The Florida canal possesses advantages comparable to those of the Kiel Canal which demonstrated its value to Germany as being many times its cost. It is not too much to say that the military value of the Florida canal alone would justify its construction, and any other first-class power facing a similar situation would long ago have built it for that reason alone.

November 1938: The Mississippi Valley Association, in convention at St. Louis, adopted the following resolution:

We commend to the attention of the President and the Congress the value to national defense of our system of inland waterways and coastal canals. The security in time of war of the water-borne commerce of the Mississippi Valley via the Gulf of Mexico with the Atlantic seaboard is of deepest concern to the Nation. We therefore urge the completion of all canals for this commerce, which are recommended by the Chief of Engineers and defined by the Secretary of War as being important for their strategic value.

January 1939: The Committee on Defense Preparation of Pan America, in a published statement with reference to the Florida and Panama Canals, termed them "life lines," and said:

The Gulf of Mexico and the Caribbean Sea are the keys to the Americas. The protection of the lines of communication and supply afforded by these waters is of pivotal importance. The chief agencies in this protection would be the Florida and Panama Canals.

January 16, 1939: The President of the United States wrote to the chairman of the House Committee on Rivers and Harbors:

It has long been my belief that a Florida ship canal will be built one of these days, and that the building of it is justified today by commercial and military needs.

March 9, 1939: The Secretary of the Navy, in a letter to the chairman of the Senate Committee on Commerce, wrote:

It is the opinion of the Navy Department that by shortening the distance and by providing an additional route for sea-going vessels between the Atlantic Ocean and the Gulf of Mexico, the Atlantic-Gulf Ship Canal would be of definite value during war in the shipment of necessary matériel for both military and commercial use, as well as for the passage of naval vessels if sufficient draft is provided.

March 31, 1939: General Summerall made the following statement before the Senate Committee on Commerce:

Shipments by water could pass through the Florida canal, protected, as I have described, by the barrier islands, with the principal passages closed by mines, to the Panama Canal, and they could then proceed to their destinations on the west coast or to our island possessions. The hazards would be reduced to a minimum and this route from the Florida canal to the Panama Canal would become a veritable life-line.

Recent events serve as a lesson and a warning. Rational plans for our defense must contemplate a situation where a coalition of enemies would require us to defend alone both the Atlantic and Pacific areas simultaneously. Such a potential coalition is now a fact. It would compel us to divide our fleet and be weaker in each area, or to contain one force until the other was defeated. If we assume a weak defense by sea in the Atlantic area, the hazards of shipping to the Pacific area would be immeasurably increased. Indeed the exposed routes by the Straits of Florida and the Windward Passage might become disastrous. With a weak force, the passages through the Antilles could be controlled, and the life-line route by the Florida canal would save the situation.

* * * only ships could handle the traffic. Our shortage in vessels requires that not only the cargoes but the ships should be given the maximum safety in route. However great may be the commercial advantages of the Florida canal, it is my belief that the military value alone would justify its cost.

March 31, 1931: Rear Admiral Frederic B. Bassett, United States Navy, retired, former head of the Hydrographic Office of the Navy, testified before the Senate Committee on Commerce:

I want to emphasize how much easier it is to protect vessels coming into the Florida canal than it is to protect them going through the Straits of Florida. These straits are not as clear of navigational dangers as they look.

If we had the Florida canal, in my opinion, most of the ships coming into or going out of the Gulf of Mexico will use it either to our own Atlantic seaboard or to Europe. My belief is that the Florida canal is necessary for the national defense and for commercial use to and from the Panama Canal from either the Gulf ports or the eastern Atlantic ports.

My idea is to close the Gulf of Mexico at the Florida Straits and the Yucatan Channel by submarines, or by mines, or by both. Mining did not seem to be impossible in the World War, when

the North Sea was mined. By closing the Straits of Florida and the Yucatan Channel, you make the Gulf of Mexico a closed sea. Few, if any, enemy vessels could possibly get into the Gulf of Mexico if we had it blockaded at these two entrances.

Now, you will have the Gulf of Mexico a closed sea, approximately 900 miles east and west, and an average mean north and south extent of about 600 miles. In other words, you have made about 500,000 or 600,000 square miles of practically safe water for your shipping to use during a war. That is a decided advantage, because, as I say, if you have 91,000,000 tons of freight coming out of the Gulf of Mexico during peacetime, how many more thousand tons will you have during war?

I am firmly convinced that the construction of the Florida canal will fill a long-felt want. I agree with General Summerall when he said some time ago in an article of his that I read, that any other nation would have built this canal long ago for national defense only.

I cannot see how anybody can fail to see the advantages of closing this great Gulf of Mexico and keeping it safe for our shipping, our men, our officers, and our cargoes. You cannot pass the shipping through the Straits of Florida safely. You can take a chance if you like, but when we are spending so much money to prepare for war, this canal is one of the most important projects you can undertake.

Mr. Speaker, these are the patriotic, disinterested utterances of the greatest military and naval authorities in the land. I think that they are worthy of the most careful consideration in determining our policy with regard to this project.

The Making of American Citizens

EXTENSION OF REMARKS

OF

HON. GEORGE H. BENDER

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Wednesday, August 2, 1939

Mr. BENDER. Mr. Speaker, almost a million aliens are seeking American citizenship today. As old-age-pension plans and relief-assistance legislation tend more and more to emphasize the requirement of American citizenship, we may expect ever-increasing numbers of strangers resident within our borders to apply for the privilege of American allegiance. In every large city within the Nation, classes designed to educate foreigners in the fundamentals of our governmental and political outlook are attracting huge numbers of would-be citizens. For the most part, conscientious and thoroughly qualified instructors convey the meaning of the American experiment to diligent and zealous students. Men and women, many of them rapidly approaching middle and old age, work desperately hard to master what they are taught. Boards of inquiry representing every racial group within the community have been constrained to dig into records of ship arrivals going back to the early years of the century. Citizens' bureaus have been set up to facilitate the efforts of our hosts of aliens. Altogether, the Nation has done a splendid job of encouraging the foreign born to make the United States their home in the best sense of the word.

But in two most important tasks the efforts of our people to stimulate enthusiasm and warmth into the acquisition of citizenship has been a signal failure. Our preparation may be most adequate; our instruction may be commendable, but our ceremonies of admission are almost without exception miserable, and our efforts to teach democracy are laughable. They become perfunctory, routine, machinelike performances, utterly devoid of color or warmth. They are often utterly absurd performances. Here we have gathered a group of adults from every corner of the globe, trained them carefully, forced them to wait from 2 to 7 years before admitting them to the fellowship of American citizens—and then, as the culmination of this intensive training, we thrust them into an ice-cold shower, calculated to damper whatever ardor they may have felt.

Today we in America feel that our Nation stands for something unique in the community of nations. Our democracy is something of which we are far more proud in the twentieth century than we were in the nineteenth. We have learned through the spectacle of European adversity that our democratic process is no longer to be taken for granted. It has become suddenly valuable, a system to be cherished and fought for with every weapon in the American arsenal. Thousands of the men and women who come to our Government asking admission to our citizenship have entered our land by way of nations which despise democracy. They have been impregnated for years with the writings of foreign newspapers, whose every message is a challenge to American idealism. These people need a process of retraining before they can understand and accept the program of our United States. They require a new understanding of American tolerance, American freedom, American sympathy for the unfortunate before they can grasp the underlying ideals of the American spirit.

On this score we have not been thorough. We have taught the superficial externals of our Government structure. Our citizens may recite with glib fluency the "names and numbers" of all the players in our national drama; but the more subtle overtones of "democracy" versus "dictatorship" remain deeply obscure. Perhaps the teaching of these distinctions poses difficult problems of personnel and preparation. It must be undertaken, nevertheless, if the goal of our citizenship is to be meaningful, productive living in the American way.

We cannot produce Americans by machine-like production. There are no mills capable of grinding out citizens like so many streamlined sausages. Individual training for citizenship is more than a luxury for the nation of tomorrow; it is a necessity. And while we go about the task of reconstructing the naturalization process, by which our future democracy is assured, it would do us good to stop for a moment to analyze the processes by which our native-born arrive at the miraculous age of 21, ready and eager to assume the burdens of citizenship. The requirements of our public schools, with their well-meaning courses on civics, are ripe for reexamination. There is far too little of inspirational value in the curriculum of our classes on American history; and the plague of "debunking" which struck American literature in the late twenties has seeped down into the high schools all too forcefully. Today an attitude of cynicism has replaced one of patriotic loyalty to our American heroes and our American institutions.

These are perils to our democracy which cannot be ignored. Every citizen admitted to the fraternity of Americans without a true sympathy with the ideals of our Nation is a liability rather than an asset. Every new citizen who feels an inward tie with Fascist, Nazi, or Communist theories constitutes an "enemy within our gates," no matter how fervently he may proclaim his citizenship. Every young American educated in our schools who comes to manhood without an attachment for the principles of democracy which he is willing to defend, if need be, to the last full measure of his devotion has not been given his birthright. His automatic citizenship is not a safeguard of this Republic.

Thinking Americans, mindful of the events which have taken place in Europe in recent years, are beginning to question the process by which our people become citizens.

Mere wishful thinking is not enough to achieve our objective. A specific program is demanded, and to this end we propose the following technique as a partial solution to our problem of building a well-trained American citizenship:

FOR NATURALIZATION OF ALIENS

First. Seek to retrain aliens by a carefully planned program of instruction which will develop a sound conception of the true meaning of the American tradition and which will create attitudes favorable to democracy and hostile to dictatorships of every color.

Second. Adopt a uniform civic ceremony which will be a fitting culmination for the training of our citizens, and which will be marked by warmth and friendliness. Civic groups headed by our district judges, mayors, councils, American Legion councils, and foreign group organizations should unite to give meaning and pageantry to the induction of our citizens.

FOR THE NATIVE-BORN AMERICAN

Third. Introduce each native-born American citizen to the responsibilities of government by publicly conducted ceremonies once each year for those reaching their twenty-first birthday during the year.

Fourth. Redraft our school curricula during high-school years to train truly American attitudes through the teaching of civics and history with enthusiasm and fervor. In this way we may rekindle the glowing Americanism of a generation ago.

Will Rogers

EXTENSION OF REMARKS
OF
HON. WESLEY E. DISNEY
OF OKLAHOMA
IN THE HOUSE OF REPRESENTATIVES
Wednesday, August 2, 1939

Mr. DISNEY. Mr. Speaker, I speak of Will Rogers, whose life and experience contributed so appealingly to the fixed spiritual values with which this generation in America has been endowed. I speak of him as a man of the common people who, by virtue of his powers of entertainment and his keen sense of human nature, rose to a position of contact with the great of the earth and at the same time kept his confidence and interest in the masses and retained their virtues. Will Rogers is the finest example that I know of the recognition of homely basic virtues in all of the people. His life and activity demonstrated that these virtues are still popular in America and are deeply embedded in the nature of our people. His own confidence in an ultimate goodness in human nature and his ability to make that basic everyday goodness attractive and interesting had something of the effect of a breath of fresh air in a crowded room. America was cleaner, more honest, more dependable because of the manner in which Will Rogers entertained America. He is the finest example of the educational capacity of the theater, for he showed how it is possible to make the common virtues interesting without preaching. His ability to withstand the seductive influence of greatness, of social prominence and wealth was phenomenal and inspiring. The great native common sense which actuated him was revealed in his ability to see through the surface and the sham which accompanied high positions. He apparently never was deceived by it for a moment.

It is a regrettable fact that it is impossible to make such a life permanent. By virtue of its character it is discernible only in the effect upon the character of the individuals with whom he came in contact. He built no buildings and painted no great pictures; he composed no poems and wrote no books. He did nothing to stay the hand of relentless time, which ultimately dissolves us all into the dust of complete forgetfulness. His life was merged into the changing flow of the day as he lived it; no one is able to pick it out and hold it for posterity, any more than we can stabilize the perfume of a rose. But he was a great figure in his generation and his life is the finest example in recent years of that type of life which merges itself completely into the daily experience of its own time, where it was a continuous influence for the very soundest elements in our American social order.

The Hatch Bill

EXTENSION OF REMARKS
OF
HON. JERRY VOORHIS
OF CALIFORNIA
IN THE HOUSE OF REPRESENTATIVES
Wednesday, August 2, 1939

ARTICLE BY RAYMOND CLAPPER

Mr. VOORHIS of California. Mr. Speaker, under leave granted to extend my remarks in the RECORD, I include the following column by Raymond Clapper appearing in the San Francisco News:

[From the San Francisco News]
HATCH BILL BOON TO CIVIL SERVICE
(By Raymond Clapper)

WASHINGTON, July 22.—The Hatch bill to abolish political activity by rank and file Federal employees opens the way now to bring thousands of these jobs into permanent civil-service status, where they should be.

Why should internal-revenue collectors and others handling taxes, or deputy marshals and other routine employees around the Federal courts, be in politics? There is every reason why they should not be. An internal-revenue collector who rakes over your tax returns has no business raising party funds, or even attending a national political convention as a delegate. The Hatch bill undertakes to remove this type of employee from political machine activity.

If this measure is supported by public opinion, as it evidently is and should be, and if political managers are not permitted to bring about a violation of its spirit, one of the most significant strides toward divorcing politics and routine governmental administration will have occurred.

CLEARS WAY TO NEXT STEP

The Hatch bill clears the way toward the next step, which is the extension of civil-service standards to these jobs. It tends to make that step easier because it takes away much of the political usefulness of this class of job holders.

Remember this—patronage cuts both ways. When a Senator or a Representative places one of his heelers in a job he leaves a dozen other aspirants disappointed and disgruntled.

Not long ago a Senator obtained a Federal judgeship for one of his political supporters. Unfortunately, the appointee died almost immediately. It was doubly unfortunate for the Senator because he had told a dozen others that they were second on his list, and they were all on his neck the following day, each expecting to inherit the vacancy.

If political appointees are to be barred from political activity as soon as they take Federal jobs, then their usefulness to the Senator or Representative or the party management ends. Under such circumstances, this kind of patronage becomes largely a liability instead of a machine-building asset. The headache might as well be eliminated completely by putting the appointments under civil service.

JOB HOLDERS WANT SECURITY

Something is to be said also for the job holders themselves. They want security the same as employees in private life. The only way a political job holder can get security now is to get out at every election and hustle for his party, or for the man who obtained his appointment. The Hatch bill is intended to stop that. It therefore deprives the purely political appointee of the only means he has of trying to keep his job. Merit doesn't count. His faction or his party must be reelected or out he goes.

So, in all fairness, and for the improvement of the public service, it seems highly desirable to follow through with the second step of extending the civil service to give these posts security of tenure based on merit. Then we would begin to approach the nonpolitical administrative standard which has been so highly developed in England.

WANTS 'EM UNDER CIVIL SERVICE

In advocating the Hatch bill during House debate, Representative RAMSPECK, of Georgia, one of the most active and intelligent champions of civil service, said that the reason he was supporting the bill was that he would like to put all of these people under civil service.

"When you fellows who have been exempting them for the last 6 years get the handcuffs on them so that you cannot use them in politics, then I think you will be willing to vote to have them all put in civil service," Representative RAMSPECK said.

The two Democrats who have pushed this legislation, Senator HATCH, of New Mexico, who is a strong defender of President Roosevelt and who began the fight with his effort a year ago to take W. P. A. out of politics, and Representative DEMPSEY, of New Mexico, who has for many years been a personal friend of the President and who led the successful fight for an effective bill in the House, may have in this campaign laid the foundation for establishment of a real civil service in the Federal Government.

H. R. 5749—The Superhighway Bill

EXTENSION OF REMARKS

OF

HON. WALTER S. JEFFRIES

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Wednesday, August 2, 1939

LETTER FROM THE PRESIDENT OF THE NATIONAL SUPER-HIGHWAY ASSOCIATION

Mr. JEFFRIES. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following letter received by me from Mr. U. G. Robinson, president of the National Super-Highway Association.

NATIONAL SUPER-HIGHWAY ASSOCIATION,
Atlantic City, N. J., July 24, 1939.

Hon. WALTER S. JEFFRIES,
Representative, Second Congressional District of New Jersey, House Office Building, Washington, D. C.

MY DEAR CONGRESSMAN: It is with sincere gratitude that I thank you for introducing in Congress your superhighway bill H. R. 5749, which is wholly omnipartisan.

The superhighway proposal is a purely humanitarian and patriotic measure, therefore good representatives of this democratic Government should not let partisan politics interfere with their duty to the public.

Your bill, H. R. 5749, is the acme of perfection in legislation for the Nation. The construction of this superhighway system is a military necessity as well as a peacetime blessing. It should be under the control of the Federal Government, without State or private interference, just as is the post-office system.

Allow me to give you a brief outline of the history and development of the proposal to build a national superhighway system. Back in 1922, while driving on the mud roads of Georgia, the 9-foot-wide brick roads through the swamps of Florida, and especially on the ever-winding Boston Post Road, I saw the need of a better and safer system than the public roads could possibly provide for long-distance transportation. In fact, I saw that the development and improvement of the public highways had not kept pace with the development and improvement of the automobile I was driving. For over a quarter of a century I had observed that when the railroads built more powerful engines to haul heavier loads, they strengthened and enlarged the rails commensurate with the loads they were required to carry. The intelligent and business-like administration of railroad development always maintained a true equilibrium between the safety of the rails on the roadbed and the train on the tracks. The reverse is true in the development of the automobile by private industry and the development of adequate roads by the Government.

The facts are undeniable. The swift speed of the automobile took the place of the slow horse-and-buggy gait, but it used the same road which the horse had inherited from the ox. As a general rule there has been only one improvement on the crooked trails blazed in pioneer days leading from village to village. The one improvement on the twisting, winding, angling ox-cart road is hard surfacing. The public roads today, for the automobile traffic, are mostly located where they were 100 years ago. The speedy through traffic is yet required to travel on the principal streets of villages, towns, and cities, which pedestrians use as sidewalks and children utilize as playgrounds. A forceful illustration is the automobile highway from Philadelphia to Washington, leading the traffic for several miles through the crowded streets of the city of Baltimore. Trees, telephone poles, bridge abutments, drainage ditches are exposed on every highway. Dangerous grade crossings are in great number. Two-way traffic lanes have become a menace to human life and valuable property. The "horse sense" of the motor power drawing the buggy, turned aside when meeting coming traffic. The modern mechanical motor power in the automobile has no "horse sense" to guide it, and too often the human driver exercises less judgment than the horse. The appalling result is death at grade crossings, death in head-on collisions, death to busy pedestrians, death to children playing in the street, and death to occupants of cars.

In 1922, I had before me the startling record of 13,956 murders by automobile. The Travelers Insurance Co. estimates the economic loss to be $60,000 for each automobile death. To my mind, the answer to these perilous conditions and fatal results was not more warning to drive very carefully on these inefficient and antiquated roads. It was not more caution to avoid the innumerable death traps. Warnings and cautions are necessary and valuable and should be heeded and appreciated by all motorists, but my thoughts turned toward the building of safe roads for automobiles just as the railroad engineers constructed better and safer tracks for larger trains. Therefore, I organized the National Super-Highway Association, a nonprofit corporation with the single object of advocating that the Federal Government build the greatest superhighway system on earth.

In my mental vision, I constructed the first superhighway. I coined the term and copyrighted the same. The definition of superhighway, as I then defined it, has not been changed except in the popularity of its use. Then, I was laughed at and scorned as "visionary." I persisted because I knew I was right. Since writing the superhighway proposal in 1922, I have personally spent over $15,000 for literature, postage, and public addresses. For 17 years I have sent letters to Members of Congress, State legislatures, State highway officials, and newspapers throughout the Nation until now the word "superhighway" is almost a household expression and the intelligent desire of every thinking motorist.

"Imitation is the sincerest flattery," said Charles Caleb Colton. I do not know how sincere it is, but now the superhighway plans originated by me are frequently being imitated, though, oftimes, in an inferior manner and offered to the public as genuine. Many such imitations have been advocated in radio addresses, newspaper and magazine articles, where the authors have had free access, and scores of bills have been introduced in Congress and State legislatures, proposing to build superhighways. However, as much as I deplore the inefficient imitations, I do appreciate the "flattery," as Colton defined it.

Naturally I am proud of the fact that you have introduced this bill in Congress (H. R. 5749), based authoritatively on my original definition of a superhighway, and that you are earnestly working for its enactment. The bill itself is a complete and accurate exemplification of the definition I wrote many years ago and which so many have tried to imitate.

Mr. JEFFRIES, I am yet seeking that "serious hearing" suggested in an editorial published in the Atlantic City Press, June 13, 1932. To comprehend the full force of the editorial, one must read it all; therefore it is quoted in full under its caption:

"ADMIRABLE ENTHUSIASM

"The 'man with a plan' is so very numerous in times of stress that bewildered citizens and bored officials cannot be expected to enthuse over him, even if they do not regard his proposals with downright skepticism on general principles. We share their cynicism.

"Nevertheless we take out hat off to Mr. U. G. Robinson, fellow Atlantic Cityite, who has suggested to everybody from President Hoover down a plan for unemployment relief and economic revival so stupendous in magnitude that it stands out in bold relief among all others—those of Owen Young, the Goldsboroughs, La Follettes, Hoovers, Mills, Garners, and all the rest. He would build 25,000 miles of unobstructed, uncrossed motor highway from coast to coast, border to border, giving work to the 10,000,000 unemployed, amortizing a bond issue of $10,000,000,000 with the receipts from tolls; in a word, public works unemployment relief and economic recovery with no increase in bonded debt or taxes.

"While not pretending to pass upon whether the plan is practicable, we do say that the initiative and enthusiasm of Mr. Robinson justify high tribute. Unable to obtain a hearing at the White House or in Congress, Mr. Robinson has published the plan in book form with the purpose of circularizing it all over the country. If all citizens were of the caliber to take the same enthusiastic interest in public affairs we might get somewhere with this depression quickly.

"Moreover, if hard times continue, who knows but what we may reach the stage where such walloping blows at the depression shall receive a respectful, serious hearing? Everybody remembers the time when such emergency measures as a general sales tax, 55-percent surtaxes in big incomes, Reconstruction Finance Corporations, and liberalization of the Federal Reserve to safeguard the gold supply would have been laughed out of Washington, and we were calmly assured that the business slump was only psychological and could not last but a few months after the stock market break of 1929."

The fact that the depression is yet here, 7 years after the publication of that prophetic editorial, seems to be positive proof that we have "reached the stage where such walloping blows at the depression" should "receive a respectful, serious hearing" before the President, the Congress, and the unselfish business and economic interests of America.

Billion after billion of public debt has been bonded on innocent generations yet unborn, as a result of the failure of those in high authority to strike real "walloping blows at the depression," one that is "so stupendous in magnitude that it stands out in bold relief among all others." I challenge an honest debate and demand a "serious hearing" before those in authority and on whose conscience should rest the awful responsibility of ending the deplorable economic conditions which enthrall the masses of American citizens today after so many expensive experimentations have been "weighed in the balance and found wanting." The steady increase of human suffering for the necessities of life in this land of abundance is appalling. The needless sacrifice of sacred human life on the inefficient public highways, the Government-

constructed bloody shambles—is astounding. The death roll, now exceeding 35,000 annually on the present-day public roads, is horrifying.

If one-half of $20,000,000,000 spent on various forms of temporary relief in recent years, with no possibility of reimbursement, had been spent in building this permanent Nation-defending and life-saving superhighway system, the Nation would have a tangible worth-while asset to leave to future generations rather than the overwhelming public debt which this generation is binding on its children and their children, leaving them no valuable legacy in return therefor. Occasionally some opponent asserts that the superhighway will not be used enough to make it self-sustaining. The Gallup survey proves this assumption is wrong. Of course, there is prejudice against toll roads but that is, like all prejudices, because of lack of understanding of what is proposed in your bill.

Good people sometimes express an erroneous opinion before they have studied all the facts and thoroughly understand just what your bill proposes to do. They do not have a clear picture before them. Their vision being blurred, their conclusions are equally indistinct and unreliable. The patrons of this superhighway will make a profit on every dollar invested in tolls to pay for the superservice rendered. They can drive twice the distance, in greater safety, in the same length of time and consume half the energy required on the present-day roads. They will save more in other cash outlays than the amount paid for this superservice in fuel costs, in wasted depreciation, in valuable time consumed and in unnecessary travel expenses. In addition to the cash profit made by paying the toll-service charge on the superhighway, is the invaluable assurance of lifesaving protection from fatal head-on collisions, disastrous grade crossings, horrors of pedestrian murders, and the dangerous death traps in the guise of bridge abutments, trees, poles, ditches, and other innumerable sudden-death obstacles on our public roads.

What if it requires 50 years to self-liquidate the cost of construction of this incalculable benefit to the Nation and every patron of the superhighway? What if it should require 100 years to liquidate this cost? What of it? No one is burdened by any taxation. Every citizen in this and the following generations will be blessed, made happier and more prosperous by the construction, use, and maintenance of this permanent life-saving and self-liquidating superhighway system.

There are two proposals, which, when enacted into law and put in operation, would administer a complete knockout walloping blow at the depression and remedy the existing ills. The one would humanely and permanently relieve the sufferings of the indigent needy, and the other would supply profitable jobs for the twelve to thirteen million unemployed for several years to come, and thereby build this safe superhighway system for the protection of human life while engaged in the commerce of the Nation.

Without fear of logical contradiction, I make the two following declarations:

First, an adequate Federal pension to all needy citizens 60 years old, to all needy blind, to all needy deaf and mute, to all needy permanently and totally disabled, to all needy widows with dependent minor children along with all widows and minor children of deceased soldiers, is vitally essential to the welfare of the Nation. This pension would eliminate all other taxes and charity for the relief of their suffering and insecurity. Such a pension system, regardless of whose "plan" is adopted, properly financed and administered on a pay-as-you-go basis by a just taxation system devised by the wisdom of Congress, will restore happiness and contentment to all our handicapped citizens. While such a pension system will bring reasonable prosperity to the recipients, to the small merchant, benefit the farmer, stimulate limited manufacturing, and supply possibly a million jobs for the now unemployed, it will not bring complete recovery to the business of the Nation.

Second, the building of the great lifesaving, self-liquidating, and Nation-defending superhighway system which your bill, H. R. 5749, defines, will, without doubt, give profitable and self-supporting jobs to each and every one of the twelve to thirteen million now unemployed for from 6 to 8 years to come.

Private industry cannot absorb all this surplus labor which has been ousted from its professional job by modern automatic machinery. Every sane thinking citizen knows positively that the thousands of men who learned glass blowing cannot possibly go back to their hand furnaces, which do not now exist. The automatic glass-blowing machine has permanently taken their jobs. The tens of thousands of professional and experienced Morse-code operators cannot go back to their one-time lucrative positions. The automatic teletype machine has abolished their jobs. The cigar and cigarette maker, the cement mixer, the professional corn husker, the humble cotton picker, and literally thousands of other skilled-labor jobs have been ruthlessly obliterated by the invention of precise automatic machines, which have taken the place of less accurate skilled hand labor, and they are now producing a larger volume of manufactured goods at less cost.

It is irony and the most subtle sarcasm to argue that the steadily increasing number of millions of able-bodied patriotic, unemployed citizens should go back to their former jobs in industry. Such advice is like offering vinegar and gall to thirsty and famishing men and women who are in desperate need of pure water and wholesome food. Such brutal satire will sooner or later be effectively resented by the manhood and womanhood of the unemployed citizenry of this great democratic Nation. We are riding on the rim of a crater of a mighty volcano of dissatisfaction. Red-blooded Americans cannot always be deprived of their birthright in this God-given land of abundance.

New jobs must be created by the Government for all unemployed citizens that the automatic machines have permanently eliminated from industry. No lover of justice can consider W. P. A. work as a satisfactory living job. Some complain that the workers lean on their shovels too much. Shame on such arguments. If they were paid wages to supply them a decent living for their families, it would inspire them to do more work. As a rule they probably earn more than the $57 a month they are paid, especially when we consider their mental anguish and humiliating political servitude. Then why expect them to do more work than they get paid for? As law-abiding citizens they are entitled to a better standard of living. The founders of our great democracy declared: "All men are created equal," and I am wondering if any Member of Congress, elected by the votes of these "equal" citizens would do more work for the money paid if they were on the other end of the equation.

Your bill wisely and honestly calls for the payment of "the prevailing wage" everywhere and to all workers. H. R. 5749, proposing to build this national lifesaving superhighway system, is the most gigantic, the most beneficial, self-liquidating, Nation-defending, and employment-creating public-works project ever offered to the Congress in behalf of the millions of unemployed throughout the country.

To be self-liquidating, this superhighway system must charge a toll for the special service rendered, just the same as the Postal System charges a toll for the service it renders in delivering the mails. Why should the Government build post offices, buy and operate equipment, and deliver free the great volume of profitable business mail of the Nation, and by hidden taxes collect from the public the expense therefor? Is there any sane reason why each individual beneficiary of the Government mail service should not be required to pay a just toll for the transportation of his mail?

It is not logical, or true to fact, to assert we must have free, and not toll, public roads. The truth is, the public roads today are not free but are paid for by hidden tolls extracted from the taxpayers and supplied to the users without direct charge. Someone always pays the toll. Shakespeare said: "Consistency, thou art a jewel." Why not be consistent? The people who use the superhighway system will protect their lives, save money on operating expense, and make a profit by paying toll therefore they should pay for the service rendered. Why lay the burden of construction and upkeep on the general taxpayer by innumerable unseen levies for so-called free roads?

Your bill proposes to construct entirely new roadbeds and not interfere in the least with the present public-road system which should be maintained for the use of local traffic. Anyone who prefers to risk the danger of death and destruction on the inefficient and unprotected public roads and also pay more expense in time and upkeep can yet have the privilege of going the most expensive and dangerous way where only 205 were killed over Memorial Day week-end. Of course, any person can walk to Philadelphia and deliver his letter, if he prefers to do so, rather than pay a direct cash toll of 3 cents to the Government post-office system for that service. To be a self-liquidating and lifesaving superhighway system, as your bill proposes, it must ever maintain a just, direct toll charge.

In closing let me repeat: My bold assertion, without fear of successful contradiction, is that there are two vitally important nonpartisan measures that must be enacted into law by the Congress before complete recovery, permanent prosperity, and happy tranquillity will return to the American people.

First. The granting of adequate pensions for all needy old people, who have helped to make this country the richest on earth, and for all unfortunate, worthy, needy, handicapped citizens, which is humanitarian and national righteousness.

Second. The building of the national superhighway system, as defined in your bill, H. R. 5749.

Thus, by bestowing honest, just, and humanitarian pensions on all the deserving needy and by creating fair, remunerative American standard-of-living jobs for all unemployed by this self-liquidating public-works project, Congress will bring about abundant prosperity and complete and happy recovery as an accomplished fact.

Respectfully submitted.

U. G. ROBINSON,
President, National Super-Highway Association.

Be it enacted, etc., That a system of durable, concrete-surfaced, safety automobile highways and airplane emergency landing fields, and their appurtenances, be constructed within and by the United States following as near as practicable the routes hereinafter described, said highways to be known as the national superhighway system.

(a) Beginning at or near Portland, Maine, thence running in a westerly direction to near Boston, Mass., New York City, N. Y.; Trenton, N. J.; Philadelphia, Pa.; Pittsburgh, Pa.; through West Virginia, Ohio, Indiana, Illinois, Missouri, Colorado, Utah, and Nevada to San Francisco, herein designated as the central route.

(b) Beginning at a point on the central route near Philadelphia, Pa., thence running in a southwesterly direction to near Baltimore, Md.; Washington, D. C.; Richmond, Va.; and through North Carolina, South Carolina, Georgia, Alabama, Mississippi, Louisiana, Texas, New Mexico, and Arizona to near San Diego, Calif.; thence in a northerly direction to near Los Angeles and San Francisco, Calif., herein designated as the southern route.

(c) Beginning at the intersection of the central and southern routes in California, thence running to near Portland, Oreg., and Seattle, Wash.; east through Idaho, Montana, North Dakota, to near Minneapolis and St. Paul, Minn.; thence in a southeasterly direction to near Milwaukee, Wis.; south of Chicago, Ill.; Detroit, Mich.; Cleveland, Ohio; Erie, Pa.; and near Buffalo, Rochester, Syracuse, Utica, and Albany, N. Y.; thence easterly to the central route near Boston, Mass., herein designated as the northern route.

(d) Beginning at a point on the southern route near Washington, D. C.; thence running southwesterly through Tennessee and Arkansas; and joining the southern route in Texas, herein designated as the Washington-Southwest route.

(e) Beginning at a point on the northern route near Buffalo, N. Y.; thence running southeasterly to near Harrisburg and Philadelphia, Pa.; thence to Atlantic City, N. J.

(f) Beginning at a point on the northern route near Cleveland, Ohio; thence running in a southerly direction to the southern route.

(g) Beginning at a point on the northern route near Chicago, Ill.; thence running in a southeasterly direction to near Indianapolis, Ind; Louisville, Ky.; Knoxville, Tenn.; Atlanta, Ga.; and Miami, Fla.; herein designated as the Chicago-Miami route.

(h) Beginning at a point on the northern route near Detroit, Mich., thence running southerly to the intersection of the Chicago-Miami route with the Washington-Southwest route.

(i) Beginning at a point on the northern route near Chicago, Ill., where the Chicago-Miami route begins, thence running southwest intersecting the central route near St. Louis, Mo.; to near Springfield, Mo.; Oklahoma City, Okla.; and intersecting the southern route near El Paso, Tex.

(j) Beginning at the intersection point near Chicago, Ill., on the northern route, thence running southwesterly to near Des Moines, Iowa; Omaha, Nebr.; and intersecting the central route near Denver, Colo.

(k) Beginning at a point on the northern route near Minneapolis, Minn., thence running in a southeasterly direction to near St. Louis, Mo.; Memphis, Tenn.; and New Orleans, La.

(l) Beginning at a point on the northern route in North Dakota, thence running in a southerly direction through South Dakota, Nebraska, Kansas, Oklahoma, to near Galveston, Tex.

(m) Beginning at a point on the northern route in Montana, thence running in a southerly direction through Wyoming, east of Denver, Colo., New Mexico, and to the southern route near El Paso, Tex.

(n) Branch superhighways shall be extended from main-line superhighways to near every State capital not otherwise connected with the main lines.

(o) Branches shall be extended to all centers of traffic deemed necessary for the completion of a comprehensive system of highways for commercial use and national defense.

SEC. 2. That the building or construction of said national superhighway system, and all work incidental thereto, shall be under the general supervision, direction, and control of a Director of Superhighways (hereinafter called the Director) subject to the approval of a commission composed of seven members. Said Director and Commissioners shall be appointed by the President, by and with the advice and consent of the Senate.

(a) The Director, with the Commission's approval, is hereby authorized, empowered, and directed to take immediately whatever steps may be necessary to construct said national superhighway system, as rapidly as possible, in accordance with the provisions of this act.

(b) The Director shall, with the approval of the Commission, appoint, as First Assistant Director, a qualified engineer, thoroughly experienced in road building, who shall immediately organize all necessary engineers and surveyors available among United States citizens, whose duty shall be to locate said national superhighway along general lines described in this act.

(c) The Director shall appoint, with the approval of the Commission, such other assistants as are required to properly and speedily start construction work, so that employment may be given all unemployed citizens of the United States at the earliest possible day.

(d) That the Director shall organize his office with necessary assistants immediately and without delay shall give orders for the approximate amount of approved fabricated steel that will be required to construct the national superhighway system. These orders shall be given at the standard price paid for such materials in 1938, to be determined by the Director, to all steel mills in the United States that agree to pay to their employees the scale of wages paid in the year 1938, to be determined by the Director.

(e) The Director shall also give immediately to any or all American cement factories orders for all necessary cement in cotton bags, at a price generally paid in 1938, to be determined by the Director, but requiring that all factories accepting these orders shall pay 1938 scale of wages or more to all employees.

(f) The Director, at the earliest possible time, shall let contracts to any or all American factories for approximately enough tractors, dump trucks, automobiles, stone crushers, concrete mixers, steam shovels, and all road-building machinery required in the construction of the said superhighway system.

(g) The Director shall place orders for the wire and all other materials required to build, fence, and light the national superhighway system so as to give employment to the largest number of citizens immediately.

(h) All material contracts shall be given at approximately standard prices paid in 1938, but given only to such manufacturers who actually agree to pay 1938 scale of wages or more to all employees.

(i) That the spirit and purpose of these provisions of price and wage scale in this act is to set all these factories at full-speed production immediately, at a reasonable profit, and pay a comfortable living wage for all citizens employed in the construction of said superhighway system, and for all labor that produces the materials which are used in said construction. In case there is any dispute or difference of opinion as to the rate or scale of wages prevailing in 1938, then the decision of the Director after advice from the United States Department of Labor shall be final.

(j) That no person, partnership, association, corporation, trustee, or receiver shall be awarded any contract for materials who was not producing, manufacturing, or making such materials prior to January 1, 1938, nor shall any person, partnership, association, corporation, trustee, or receiver be awarded a contract for materials in excess of their productive capacity for the year 1938, and in no event shall any subsequent contract or contracts be awarded to any person, partnership, association, corporation, trustee, or receiver until the completion of 80 percent of any previously awarded contract.

(k) That all contracts for materials, and so forth, entered into by the Director with the approval of the Commission shall contain a clause giving priority of delivery to orders received by firms furnishing materials from sources other than the national superhighway system, it being the intent of this act to furnish a sufficient market to take slack between business originating from ordinary sources and 100 percent capacity as of 1938.

SEC. 3. That the President shall appoint a Commission composed of seven Commissioners, but that not more than four of said Commissioners shall be of the same political party.

(a) That the Director is hereby given full authority to make, and said Director shall make, with the approval of the Commission, all decisions affecting the location and construction of the highways authorized in this act.

(b) That the Director, with the approval of the Commission, is authorized to acquire, by purchase, condemnation, or otherwise, such tracts of land necessary to carry out the purpose and intent of this act.

(c) That the Director shall, with the approval of the Commission, formulate all regulations concerning toll charges and the collection thereof: *Provided, however,* That in no case can the charge exceed 1 cent per mile for private passenger vehicles.

(d) That the Director, with the approval of the Commission, shall make all regulations concerning the leasing of automobile-freight or passenger-bus franchises, gasoline-service stations, restaurants, or other commercial structures servicing patrons of the national superhighway system.

(e) That the Director, with the approval of the Commission, is hereby authorized to take such action as may be necessary and proper to regulate and control all said traffic on said national superhighway system, so as to prevent unfair competition among common carriers engaged in any traffic: *Provided, however,* That such control and regulations shall not in any way conflict with the authority and regulations of any other agency of the Government now functioning. Existing railroads paralleling sections of the national superhighway system, and which regularly maintain adequate passenger and freight service, shall be given franchises for both local passenger-bus and freight-truck service along such adjacent and superhighways on a parity with all other franchises for commercial and passenger use of the superhighway system, provided such franchises shall not extend beyond the territory served by the said railroad, and it shall not interfere with the same privilege granted to other railroads along their lines, and these railroad franchises shall not interfere with independent passenger- and freight-service franchises. The purpose of this provision is that no monopoly of the business on any part of the superhighway system can exist. No commercial traffic shall be permitted to interfere with the safety and reasonable speed of private automobiles.

(f) That the national superhighway system provided for in this act shall be open to the public that pay the tolls and observe the rules and regulations under ordinary conditions, but subject to such reasonable priorities as may be given by the Director, with the approval of the Commission, to official business of the United States, and in time of actual or threatened public danger the President may direct the War Department to assume temporary control over said national superhighway system, or any part thereof, and issue such regulations for the use of the highway as may seem necessary under such circumstances, and also in case of actual or threatened serious riot, insurrection, or other public danger within a State, the President may, at the request of the Governor of such a State, direct the War Department to issue orders giving said State such temporary priorities in use of said highway as the Secretary of War may deem necessary.

(g) That convict labor shall not be employed in the construction work provided for in this act. Only free citizens of the United States shall be employed by the Director.

(h) That the Director shall have the free use of the United States mail in conducting the business of the national superhighway system in like manner as any other executive department of the Government. The Director shall have the cooperation of all other departments of the Government, including information, service, officers, engineers, or agents thereof, in aiding the construction of this superhighway.

(i) That the Director shall appoint, assign, and compensate superintendents and police officers to guard and protect the national superhighway system, and agents to collect the tolls, and all needed officials and assistants properly to conduct the business of the

highway in the same efficient manner that other departments of the Government are conducted. The Director shall take appropriate action in court of jurisdiction to properly punish any person who shall violate any of the provisions of said rules of the road, made for the operation of the superhighway system in a safe, fair, and equitable manner, and may bar any violator of the regulations from driving motor vehicles on said superhighway.

(j) That this national superhighway system shall always remain a safely protected toll road, and operated by the United States at rates of toll that will make it self-liquidating and self-sustaining.

SEC. 4. That said national superhighway system shall be constructed in strict accordance with the plans and specifications prepared by the best engineering ability available, under the supervision of the Director.

(a) The materials used in the construction shall be of the best products of American manufacture and workmanship, and of the most durable construction known to modern engineering.

(b) All safety regulations and appliances possible shall be utilized.

(c) There shall be no railroad grade crossings. The superhighway shall be built over or under all other highways.

(d) There shall be an insurmountable safety barrier between traffic lanes for both private and commercial vehicles which are running in different directions.

(e) There shall be no poles, trees, abutments, or obstacles exposed to traffic.

(f) The 13 main lines of the national superhighway system described in this act shall have at least two hard-surfaced protected traffic lanes and one heavy concrete or solid gravel lane, for parking when cars stop, for commercial vehicles, and also two lanes with parking shoulders for private automobiles running in opposite directions, making a total of at least four traffic and two shoulder lanes running in each direction. In thickly populated sections of the country, where traffic will be very heavy, three or more traffic lanes for both private and commercial service shall be built, the number to be determined by the Director, with the approval of the Commission, after the engineers have reported on probable traffic requirements; however, in thinly populated rough mountain country, where in the judgment of the engineers and the Director, with the approval of the Commission, one less lane in each direction for each class of traffic, private and commercial, may be built.

(g) All engineering shall be planned with a view of adding traffic lanes in the future as increased traffic may require.

(h) All branch lines shall be built in accordance with the present needs of traffic and planned for expansion as the future needs may develop.

(i) The national superhighway system shall be located outside of cities, towns, and villages and shall not be used as pedestrian streets, or to interfere with local traffic, or the present free public roads.

(j) The main-line highways shall be located for the purpose of through traffic, then branches constructed, at nearly right angles, to or near the larger cities or centers of traffic, as the Director may determine, with the advice of the engineering department and the approval of the Commission.

(k) Entrances shall be established at convenient locations to traffic requirements.

(l) Proper buildings for tollhouses and also supply stations where supplies needed by patrons of the superhighway can be purchased shall be built. No privately built supply stations or advertising signs shall be allowed on the right-of-way.

(m) All grades and curves shall be reduced to the lowest degree possible in feasible engineering.

(n) The entire road system shall be properly lighted.

(o) Two to five hundred feet of land shall be purchased where available on either side of the right-of-way for future use in superhighway expansion and on which to build, when needed, conduits to contain telephone, telegraph, or high-tension electric wires, or for other purposes.

(p) The entire right-of-way shall be enclosed with substantial fences.

SEC. 5. That sufficient airplane-landing fields shall be constructed along the national superhighway system in order to afford a safe haven close to a means of transportation for passenger-carrying airplanes in case of emergency or bad weather.

(a) That the location, size, and specifications for construction of the landing fields shall be decided by the Department of Commerce and constructed by the Director with the supervision of the Department of Commerce.

(b) That the regulations in the act specifying types and manufacture of materials and labor to be used on the road construction shall apply to the materials and labor used in the construction of the airplane-landing fields.

(c) That the intent of this section of this act is to provide for the construction of a series of modern, lighted, safe landing fields throughout the United States.

(d) That the maintenance and operation of these airplane emergency landing fields shall be under the supervision of the Department of Commerce.

(e) That the airplane emergency landing fields provided for in this act shall be open to the public at all times without service charge, other than for materials and labor furnished, for use as an emergency landing field, except in times of national crisis when upon Executive order of the President of the United States these airplane landing fields shall come under the direction of the Secretary of War.

SEC. 6. That for the purpose of providing means for the payment of the costs of the national superhighway system the Secretary of the Treasury is hereby authorized and instructed to issue and sell bonds of the United States in an amount not to exceed $10,000,000,000.

(a) Such bonds shall be in such form and denominations and shall be subject to such terms and conditions and shall include such provisions for redemption or retirement as may be prescribed by the Secretary of the Treasury.

(b) Such bonds shall bear interest, if any, at the rate to be prescribed by the Secretary of the Treasury, but not to exceed 3 percent per annum, payable semiannually.

(c) These bonds shall be fully and unconditionally guaranteed as to the principal and interest, if any, by the United States.

(d) All moneys received for tolls, rent, franchises, or otherwise from the national superhighway system shall be deposited in the Treasury of the United States in a fund known as the national superhighway fund.

(e) Moneys in the national superhighway fund shall be available for use in the retirement or redemption of bonds issued for construction of the national and airplane emergency landing fields at the discretion of the Secretary of the Treasury.

(f) Payment for materials, labor, salaries, maintenance, and all costs incident to the construction and operation of the public works herein provided for shall be paid by the Treasurer of the United States from moneys received through the sale of the bonds provided for herein or from moneys on deposit in the national superhighway fund.

(g) That the Director and Commission each year shall make a full report to the Congress of all business transacted by said Director in carrying out the provisions of this act.

SEC. 7. That the Director with the approval of the Commission is hereby given plenary powers and authority to take or cause to be taken any action not otherwise provided for herein which may be necessary to carry out the spirit and purpose of this act which is hereby declared to be as follows, to wit:

(a) To create immediately profitable employment for all unemployed citizens of the United States.

(b) To eliminate the need of all dole or charity to able-bodied citizens throughout the Nation by giving them remunerative jobs.

(c) To greatly increase the circulation of money and create greater buying power in every State in the Union.

(d) To build a gigantic system of self-supporting and self-liquidating national superhighways and safe airplane emergency landing fields for the ever-increasing automobile and airplane traffic that will give greater protection to human life and personal property than is now possible on free public roads.

(e) To change this recognized crisis, this appalling period of depression, and stagnation of business into an era of unbounded prosperity and happiness for all labor, business, and professional citizens of the Union and thus reestablish a generally improved financial condition among all the people of the Nation.

SEC. 8. That this act is not intended to repeal any provision of the Federal Highway Act unless such provision is in direct conflict herewith.

(a) That if any provision of this act should be held to be invalid, such invalid provision shall not affect the validity of any other provision of this act which can be given effect.

(c) This act shall take effect immediately on its passage.

Commemorating the Birth of John Ericsson—Statue Erected in His Honor in Potomac Park

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EXTENSION OF REMARKS

OF

HON. JOHN G. ALEXANDER

OF MINNESOTA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, August 1, 1939

Mr. ALEXANDER. Mr. Speaker, John Ericsson, the gifted Swede whose granite statue overlooks the Potomac back of the Lincoln Memorial, yesterday was linked with Lincoln as one of the savers of the Nation.

Many interested persons attended the ceremonies commemorating the one hundred and thirty-sixth anniversary of Ericsson's birth and to recognize the Navy's action in naming the destroyer *dd 439*, now under contract for construction, in honor of the Swedish inventor.

Ericsson's principal contribution to naval progress was his development in 1836 of the screw propeller and his design for the *Monitor*, an ironclad vessel commonly referred to as a cheese box on a raft. The *Monitor* met the Confederate's dreaded *Merrimac* for the first engagement of ironclads during the Civil War.

Ericsson's life was traced by Representative MELVIN J. MAAS, of Minnesota, and Representative MARTIN F. SMITH, of Washington, the latter speaker recalling the traditional friendship between Sweden and the United States and the part the inventor played in the Civil War with the introduction of his ironclad vessel. He placed Ericsson with Lincoln and the others who strove to save the Union.

The ceremonies were held under sponsorship of the John Ericsson Society, with William Nelson Morell, of Washington, presiding. The wreath was laid by Charles Edison, Acting Secretary of the Navy. The Navy Band, Lt. Charles Benter, leader, played patriotic airs and the Swedish national anthem. Sweden was represented by Folke Wennerberg, counselor of the legation.

Ericsson early displayed his inventive genius. He became a draftsman for a Swedish canal company at the age of 12. Leaving the Swedish Army in 1827 he went to London and competed in the design for a locomotive. Later he designed engines used by Sir John Ross for his Arctic expeditions. Although in 1836 he developed the screw propeller he could not establish priority but, nevertheless, received a share of the admiralty prize.

Ericsson came to New York City in 1839, residing there until his death in 1889. In 1854 he offered designs for what was to be the *Monitor* to Louis Napoleon, who declined them. The United States utilized the plans in the *Monitor*, which, in Hampton Roads, Va., upset the Confederates' ironclad hopes.

Congressman MAAS' speech is as follows:

THE NAVY'S DEBT TO JOHN ERICSSON

Those of us who are close to the Navy and American naval history realize just how profound an impression John Ericsson made upon our Navy and American history itself.

At the turn of the last century, a boy was born in Sweden who was destined to play a most important part in American history, as well as to become a great leader in engineering.

John Ericsson was born in 1803 in the Province of Varmland, Sweden. From an early age he was outstanding in engineering. He came to the United States in 1939. Ericsson was one of the leaders in steam locomotion, both for land and sea.

Among his most noted inventions was the screw propeller for ships, which revolutionized steamboats.

In 1844 he built the first screw-driven ship of war, the *Princeton*, a 600-ton frigate. Also, for the first time, the machinery of propulsion was placed below the water line, thereby protecting them from enemy shells. This radical development, along with the screw propeller itself, made practicable the application of steam to vessels of war.

From John Ericsson's frigate *Princeton* has descended the whole line of modern warships. All naval warfare was revolutionized. From this invention of Ericsson grew all modern navies. Probably John Ericsson is most remembered for his invention and construction of the *Monitor*, referred to often as "a cheese box on a raft." In one of the most dramatic moments of all naval history, the *Monitor* was completed and rushed to Hampton Roads just in time to save the Union fleet from total destruction from the guns of the ironclad, the *Merrimac*. The *Monitor* suffering no damage herself, drove off and permanently disabled the *Merrimac*.

This signal naval victory played a heroic part in winning the war and preserving the Union. Many historians believe that it was the decisive battle that made possible the ultimate victory for the North, for had the *Merrimac* successfully completed its attack upon and the annihilation of the Union fleet, the blockade would have been raised, Washington and other important port cities would have been captured, Europe would have recognized the Confederacy.

The Union would have been doomed. All this was prevented by the success of Ericsson's invention, the *Monitor*.

The present superbattleships of 45,000 tons now under construction are a tribute to the man who made their development possible.

Also, the whole organization of the Navy Department was fundamentally changed. As a result of Ericsson's work, the Navy Department was compelled to recognize mechanization in the Navy, and to establish a bureau of engineering.

John Ericsson was not a naval officer—in fact, never in, nor an official part of, our Navy—yet he has contributed tremendously to our Navy and its glorious part in defending the United States ever since.

John Ericsson is typical of the true pioneer Americans, those who came from the Old World to become a part of the New World, bringing their genius, energy, and devotion to help solve the problems of a rising democracy.

Both Sweden and America can well be proud of Ericsson, a true son of his native land, and a loyal patriot of his adopted land.

Ericsson was a true inventor and scientist. He worked for progress for progress' sake, and not for the monetary rewards.

This is demonstrated by his refusal to accept remuneration for his development of the *Monitor*, which he considered his contribution to the great cause of humanitarianism, and to the preservation of the Union to which he was so devoted.

Ericsson brought to America the best traditions of Sweden and translated them into Americanism.

The Navy is showing its gratitude to him by honoring his memory, and thereby also honoring itself in naming one of the new destroyers, now under construction, the *Ericsson*.

We stand here today, to pay honor to John Ericsson, not only as a great inventor, a great factor in our modern Navy, but we are here to honor him as a true pioneer and as a great American.

The address by Hon. MARTIN F. SMITH, was as follows:

Mr. Chairman, Secretary Edison, Admiral Bowen, distinguished guests, ladies, and gentlemen: We are assembled this evening in beautiful Potomac Park, on the banks of the historic Potomac River, south of the Lincoln Memorial, in our Nation's Capital. We are met before the impressive statue of that great and gifted son of Sweden and noble benefactor of America, John Ericsson, to whose memory we esteem it a privilege and an honor to again pay tribute. In the words of the poet:

> His was one of the few, the immortal names,
> That were not born to die.

John Ericsson was one of the greatest inventors of all time. He was born in Varmland, Sweden, on July 31, 1803, and died in New York City at No. 36 Beach Street on March 8, 1889. His career as an engineer commenced in connection with the construction of the Gota Canal from Stockholm to Göteborg in Sweden. He early became interested in steam locomotion by land and sea. He later went to England; as a young man of 26 designed and built a locomotive, the Novelty, which attained a speed of 28 miles per hour in successful competition with Stevenson's Rocket.

While in England he also designed the screw propeller, which was destined to ultimately change all travel and commerce, and proved its efficacy on two vessels named for Americans, the *Francis B. Ogden* and the *Robert F. Stockton*.

Ericsson came to America in 1839 and introduced his new propeller on the canals and inland waters of the United States, and within 4 years after his arrival 24 merchant vessels were thus equipped. In collaboration with Captain Stockton, of the United States Navy, he commenced construction of the first screw-driven ship of war, the *Princeton*, a frigate of 600 tons, in which for the first time the method and means of propulsion, the screw for the propeller and the engines, were concealed below the water line, safe from shot and shell.

He also designed and perfected other important mechanical devices. Among these should be mentioned air compressors, a boiler with artificial draft; a steam fire engine; the caloric engine, which at that time some expected to displace the steam engine; and numerous other valuable devices for use in the pursuits of war and peace. With these alone to his credit he would justly be renowned as one of the outstanding engineers of that period.

However, it is as the designer and inventor of the *Monitor*, and its quick construction in one of the most crucial hours in American history, and hastening its completion just in time to protect and save the Union fleet from destruction by the ironclad *Merrimac* at Hampton Roads, Va., on March 9, 1862, that John Ericsson won undying fame and a high place among the immortals in the age-long struggle of mankind for liberty and freedom. Second only to the savior of the Union, Abraham Lincoln, whose majestic memorial and shrine is nearby, will live forever the name of John Ericsson.

Those of us who are able to trace our ancestry to the sturdy people of the powerful little Kingdom of Sweden are naturally proud of the important and valuable contribution which our forbears have made to the discovery, the growth, the development, and the progress of the United States of America. We take justifiable pride in the fact that it was that heroic champion of religious freedom and also one of the greatest military leaders of the ages, Gustavus Adolphus II, who was responsible for planting on American soil a Swedish colony. It was his great chancellor, Axel Oxenstjerna, who carried to fruition the King's idea when he died on the field of Lutzen in 1632, and thereby gave New Sweden to the New World, which later became known as Delaware. Through the period of the Revolutionary War and in every subsequent crisis and emergency in our country's history down to the present hour, men and women of Swedish birth and ancestry have played a leading role in our national history. Altogether 2,000,000 people of Swedish birth and ancestry now live in the United States and are noted for their industry, their integrity, their culture, their patriotism, and their manifold qualities of good citizenship.

It is fitting and appropriate that this magnificent statue of John Ericsson is located not far from the wonderful memorial which expresses the everlasting gratitude and affection of the American people for Abraham Lincoln and that this modern destroyer of our Navy should be named after Ericsson who nearly 80 years ago said to Lincoln: "Attachment to the Union alone impels me to offer my services." Tradition records the fact that Lincoln gladly and gratefully accepted the proffer and after going over the plans of the *Monitor* with Ericsson, added a little gayety to an otherwise solemn occasion by remarking in his characteristically humorous vein, "Well, like the girl that put her foot in the stocking, it strikes me there's something in it." Events later proved that there was indeed something in the idea of the stolid scientist from the North

and together Lincoln and Ericsson wrote one of the most interesting and glorious chapters in American history.

In a world of storm and strife, it is significant that after 150 years of unbroken friendship the bonds of attachment and mutual regard, which have always existed between the United States and Sweden, are today stronger than ever and it is our fervent hope and prayer that they may always remain so.

Alcatraz Penitentiary

EXTENSION OF REMARKS

OF

HON. WRIGHT PATMAN

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, August 2, 1939

ARTICLE BY HON. HOMER CUMMINGS

Mr. PATMAN. Mr. Speaker, under leave granted to extend my remarks in the RECORD, I include the following article by the Honorable Homer Cummings, former United States Attorney General, entitled "Why Alcatraz Is a Success," which appeared in the July 29, 1939, issue of Collier's:

[From Collier's of July 29, 1939]

WHY ALCATRAZ IS A SUCCESS

(By Homer Cummings, former United States Attorney General)

Much has been written and spoken about Alcatraz Penitentiary. Most of it is nonsense. I know, because I know Alcatraz. I have been over every foot of ground on the 12-acre rock.

Shortly after I became Attorney General I conceived the idea of an institution for the most unmanageable of our Federal prisoners. I lived with that idea. I first discussed the matter with President Roosevelt and after obtaining his approval I made an extensive search for a site. I studied the possibilities of the Aleutian Islands, the islands off the Florida coast, and other places. San Francisco Bay was finally decided upon.

I selected the warden and the guards and followed closely each step in the making of the new prison. For 5 years after that, as Attorney General, I supervised its operation. Under these circumstances I suppose it's only natural that I should have a personal interest in the place and a desire to see that it is not misrepresented to the public.

Virtually every one of the "inside" stories written by former inmates of Alcatraz—and there have been almost a score—has been "juiced up" by fictitious items and loaded with major and minor misstatements of fact. Result: Many people believe Alcatraz to be a place of brutality.

Some people resent it as a throw-back to the Middle Ages. Others think that murderers and kidnapers confined there deserve such "brutal" treatment. To both groups Alcatraz would be a surprise.

It has been said, for example, in these stories that on the Rock prisoners can't talk, that the monotony of the routine drives the men "stir crazy," that there is no opportunity for work or exercise or self-improvement; in short, that we are maintaining an American Devils Island. I think it is high time that the true story be told about this small, rocky island in the choppy waters of San Francisco Bay.

In the Federal prison system Alcatraz represents the ultimate in isolation. And yet, oddly enough, it lies in the very midst of the busy, hurried life of the bay region. San Francisco is but a mile and a half away. Scores of tiny boats bob about on rough water near the island. Each day great ocean liners glide beneath the span of the Golden Gate Bridge and set their courses for oriental ports. The thundering motors of the *China Clipper* draw skyward the gaze of 300 men on the Rock.

These men are hourly conscious of the hum of life about them. Life is so near, but liberty so far. In this setting Uncle Sam has isolated his most dangerous public enemies.

How can we, in this enlightened age, justify an American Devils Island? The answer is: We can't. But Alcatraz has none of the horror of Devils Island and is nothing like the mythical hellhole it is sometimes conceived to be.

On June 19, 1934, the Department of Justice took this island over from the War Department. The Department of Justice has not gone out of its way to give publicity to the individual inmates who are confined there—and for good reasons. As gangsters and racketeers, many of these men feed on publicity. In Alcatraz they are completely separated from the public that too often thrilled at their exploits and fed their ego.

The Department has been anxious also to keep a morbid and sometimes sadistic interest in the individuals confined there from throwing out of focus the constructive and rehabilitative work it is trying to perform in the other Federal institutions.

On the other hand, the Department has always been glad to supply information about the prison and its routine. This is available to the public in considerable detail and in many forms, including an excellent speech by Congressman WRIGHT PATMAN, of Texas, which was printed in the CONGRESSIONAL RECORD on April 1, 1936.

In addition, the warden has always given to the press items of major news interest, such as attempted escapes, sit-down strikes, and injuries to the inmates or guards. In other words, the facts are available. Oddly enough, and despite all this, the stream of misinformation continues unabated.

How did the Department of Justice come to establish the Alcatraz prison? I had long had the idea that we needed in the Federal prison system a particular type of institution that would be devoted to those incorrigible and long-term offenders who impair discipline at the other institutions, and who need what the Bureau of Prisons now calls "supermaximum security."

A REAL NEED FOR ALCATRAZ

We needed some place where the "end products" of our law-enforcement system could be incarcerated. We needed a place for ingenious "escape artists," and for those who are intractable or break down discipline, or seek to maintain contact with the underworld. Half a dozen troublemakers in a large institution can completely disrupt morale. There is always some smart fellow who thinks the way to get chocolate sundaes placed on the prison menu is to start a riot in the mess hall. We needed a place for this type.

By the summer of 1933, the kidnaping law enacted the year before was bringing into the Federal courts a particularly dangerous type of criminal. If convicted, he was destined to serve a life term, or at least a long "stretch." On August 1, 1933, I wrote one of my assistants as follows:

"In the agenda of things to be considered, when we get around to it, would it not be well to think of having a special prison for racketeers, kidnapers, and others guilty of predatory crimes; said prison to be in all respects a proper place of confinement. * * * It would be in a remote place—on an island, or in Alaska, so that the persons incarcerated would not be in constant communication with friends outside. * * * Please think these things over."

The matter was given considerable attention and in the meantime I commenced the search for a site. In the summer of 1933 I learned that the War Department had comparatively little use for the famous little island in San Francisco Bay. It seemed to me exactly the spot for our purposes. Several informal conferences were held with the Secretary of War, the Honorable George H. Dern, and shortly thereafter I requested Sanford Bates, Director of the Federal Bureau of Prisons, to commence serious negotiations for the acquisition of the island.

A GOOD BEGINNING

We were unable to effect a permanent acquisition, the War Department agreeing only to a 5-year revocable permit. This, however, was sufficient for our purposes. It was my feeling that if I could get the prison established its advantages would be so clearly apparent that the final formalities would follow in due course.

In fact, it was not until April 26, 1938, that the permanent transfer of Alcatraz to the Department of Justice was authorized by the Congress and later effected. But in 1933, as suggested, we weren't so much interested in securing title to the property as we were in securing the right to use it, and by the summer of 1934 all arrangements had been made for our actual occupancy, and the Army evacuated.

The original Army prison was erected in 1909 and is situated on the highest part of the island. There were quarters for the officers, barracks for enlisted men, and a number of shops built around one side of the island.

The cell house contained 4 cell blocks of 600 individual cells, measuring 9 by 5 feet, and almost 8 feet high. Each cell was equipped with toilet and lavatory, electric lights, bed, and shelf for personal effects. In 1933 the entire front of the cells was grated.

Most of the 600 old soft steel cell fronts were removed and tool-proof steel replaced them. Of those that weren't replaced—more later. Here at least was a good beginning. But there remained much to be done if it was to be made escape-proof.

Nature helped out. Swift, cold tides race along the island shores, and only an expert swimmer in good training can negotiate the 1½ miles to San Francisco, the nearest shore point.

Not by any stretch of the imagination can Alcatraz be considered a threat to the safety of the citizens of San Francisco. There is no more formidable barrier to an escaping prisoner than the mile and a half of water that separates the island from the shore. That's a barrier we don't have at any other institution, State or Federal. So far as we know, no escaped inmate has ever reached the mainland. We can be glad the water is there.

The Department set about to provide adequate facilities for hospital enlargement and to install proper telephone equipment for communication on the island and for contact with the shore.

Provision was made for tear-gas outlets. There are jetlike arrangements installed in the ceiling of the dining hall from which tear gas can be sprayed in the event of riot.

A zone in the water 300 yards from shore was marked out with buoys. Beyond this line boats were not to approach the island. Automatic gun detectors were placed at the dock, and at the entrance to the cell blocks. Guard towers were erected that enabled the guards to view virtually every spot on the island. Floodlights were installed. The workshops were improved.

Gun galleries were installed controlling every inch of the interior of the cell block; and when the first contingent of prisoners

was shipped to the island it was truly a place of maximum security.

On August 18, 1934, I left my hotel in San Francisco and boarded the launch *McDowell,* which was to take me across the bay for the first official inspection.

As I made the crossing, I was aware that in the dead of the previous night the "elect" had been taken from their cells at Atlanta Penitentiary and hurried to a special chartered train. The curtains were drawn tightly and when the travelers awoke they were, although they didn't know it, on the first leg of their journey to the "Rock." When I arrived at the island the cell block was empty—almost. There were still about 25 military prisoners left. In fact, some are still there.

READY FOR BUSINESS

As I made my way about the island, the conviction grew with me that here surely was a prison from which no man could escape, but as I reached the far end of the island, where are located the industrial shops and the laundry, I was not quite so sure.

If I were to make a break, I decided it would be from the shop area, which is on the crest of a tall cliff. Out the window—into the sea. That would be the plan, I felt sure. At my direction an extra tower was placed on the shop roof. It was also arranged that guards should constantly patrol the shop rooms. I went away satisfied. We were ready. Four days later at Portland, Oreg., a telegram was handed to me. It read:

"Fifty-three crates furniture from Atlanta received in good condition. No breakage. All installed."

I must confess I breathed a sigh of relief. My apprehension at the time was reflected in a memorandum I sent to Sanford Bates after the transfer had been made:

"As you know, I was very deeply concerned as to the manner in which the transfers were to be made to Alcatraz. The arrangements, under your direction, were admirably made and carried out perfectly. I am greatly pleased and congratulate you and those who aided you in this admirable performance. A slip-up or mistake, or even an unfortunate happening of some kind, would have entailed very unpleasant reactions and consequences. It was a difficult job. I do not believe that very many people realized how ticklish a job it was. You are entitled to the thanks and applause of all who know anything about the subject."

I might add that this was only one of many occasions when I was glad that a man of the caliber of Sanford Bates was in direct charge of our Federal prisons. I first came to know him when in 1930 he was called in as an adviser to the Connecticut Prison Commission, of which I was a member. A career penologist of long experience, he is both a scholar and a realist, and in the Department of Justice he proved to be a loyal and able associate.

When Bates left the department to head the Boys' Clubs of America I appointed as his successor a highly qualified man in the person of James V. Bennett, then assistant director of the Bureau of Prisons. Mr. Bennett, likewise, is a career man, well-trained, indefatigable, and a great humanitarian.

There is a popular misconception that a judge can sentence any defendant to Alcatraz. It can't be done. There are no direct commitments from the courts. Inmates are sent only by transfer from other Federal prisons and upon the orders of the Attorney General.

It has been said that Alcatraz is not conducive to the good health of the inmates. The answer is that the prison pallor that is so common in most prisons is nonexistent there. The health record will stand up well in comparison with any other prison.

You may have heard that at Alcatraz the prisoners can have no visitors, no reading matter, and no mail. This again is untrue. Under the policy established at the beginning and maintained ever since, privileges are limited to the minimum. But they aren't abolished entirely.

The privilege of having visitors, for example, is earned; and during the first 3 months no prisoner is allowed visitors. But subsequently he may have one visitor per month. Ex-convicts are not permitted as visitors on the island. Group sightseeing is taboo, but the warden, at his convenience, permits persons in official capacity to inspect the institution.

Lawyers employed by inmates must obtain written permission for visits from the Director of the Bureau of Prisons. Mail privileges are limited, no original letters being delivered. The letters are typed in the warden's office and a copy given to the prisoner. No newspapers are permitted, although the inmates have access to certain magazines, from which are deleted such matters as current stories on crime. There are no radios. A library is provided, as well as facilities for religious worship.

The statement is frequently made that a rule of silence is enforced. The fact is that in the shop prisoners may and do talk freely. Twice a day, once in the morning and once in the afternoon, a rest period is afforded in which the men can gather together, talk, and smoke. Except for the few men who forfeit their privileges, all of the inmates are permitted in the yard Saturday afternoons and on Sunday mornings, and at that time they are free to talk.

There is plenty of opportunity to talk in the right places, but there is no opportunity to talk where it would be confusing and disturbing or threaten discipline. Prisoners are not allowed to ramble or loiter or go from cell tier to cell tier, or from one cell block to another, or from one shop to another, except under orders and with an escort. They are not permitted to talk in line or on the cell tiers, or from cell to cell, or in the mess hall, except for such conversation as may be necessary in connection with the passing of food and the eating of the meal.

For the breakfast meal the prisoners are marched from the cell block to the mess hall. For the noonday and evening meals they are marched from the shops to the yard and from the yard to the cell-block corridor and thence to the mess hall.

All prisoners, except those in the hospital, eat at the same time. Prisoners march into the mess hall in columns of twos, take their trays at the center of the steam table, one column going right, one column left. The yarn that all prisoners are forced to eat whether they like it or not started with a scenario writer who didn't have sufficient ingenuity to check the facts. The truth is simply this: Prisoners stand back of the containers and serve the food in the proportions requested by the prisoner who is being served—that is to say, they "go light" or "heavy." He must eat only what he takes, and he need not eat that if he is actually sick.

The line moves quickly from the steam table, each man carrying his tray to his table. The food is good and wholesome. The prisoners get plenty to eat, but if they attempt to waste food in any manner they are reported. If the offense is a flagrant one or if they persist in minor infractions following advice and warning, they are deprived of the next meal. It is not surprising, therefore, that the platters are so clean at Alcatraz Penitentiary.

All of the prisoners move on schedule, according to routine, from cell house to mess hall, mess hall to cell house, cell house to work area, work area to cell house, cell house to bathhouse, bathhouse back to cell house, cell house to chapel, chapel back to cell house, or whatever movement may be required; always under the supervision of officers.

NO TIME FOR LOAFING

In the fiction inspired by Alcatraz there frequently appears the suggestion that the inmates spend the greater part of their time sitting idly in their cells. As a matter of fact, prisoners on the island are kept busy on maintenance work and in the industries, which include the mat shop, woodworking shop, tailor shop, the laundry, the carpenter shop, and electric shop. Prisoners prepare meals, and work in the bake shop, butcher shop, and vegetable room.

None of the office work is done by prisoners and no prisoners are employed at any place where they have access to records or confidential matters.

On the island there are three sets of metal detectors. These are ingenious devices that detect, and register by a green light, the presence of metal on those who pass by. One is located at the dock, one at the entrance to the administration building and one at the rear gate through which prisoners pass to and from shops to yard and cells.

Armed guards are stationed in towers at the wharf, as well as in towers overlooking the shop area, on the roadway overlooking the recreation yard and the stairways and roadways used by the prisoners going to and from shops, at the power-house, and at the rear of the laundry.

There are built-in tear-gas ducts in the mess hall and at the main entrance from the administration building to the cell block, but not in the individual cells.

All these mechanical devices are necessary, but the greatest protection is in the force of well-organized and disciplined officers and guards who are trained to be vigilant and to adhere strictly to the routine established and to enforce the disciplinary policies.

Every violation of rules, every omission or disturbance or breakdown of routine is noted, and guards are required to report. In some instances there is no punishment, the offender being given advice, caution, or reprimand, according to his needs.

For minor offenses yard privileges are forfeited for 1 week, 2 weeks, or a month as the case may warrant. In other instances more grave, all privileges including yard, correspondence, and visits are forfeited. In cases of insubordination the offender is locked up and placed on a restricted diet. For repetition of offenses the prisoner may be locked up, he may be demoted in grade, and all his privileges may be forfeited.

For still more serious offenses there is the final resort to forfeiture of "good time." "Good time" is a definite "credit" given by law of so many days each month. It can, however, be forfeited for misconduct. "Good time" means more to a prisoner than anything else. It is a "piece of liberty" and is not to be lightly forfeited.

Exciting incidents have occasionally broken the monotony of prison routine during the past 5 years. On June 23, 1936, one of the inmates seized a pair of shears in the tailor shop and stabbed Al Capone. The wounds were superficial.

On February 16, 1938, it became necessary for the Department of Justice to release a newspaper item to the effect that Capone was suffering from intermittent mental disturbances and that it had been necessary to place him under medical care. That's all that was stated. The Department of Justice did not propose to elaborate by sending out up-to-the-minute flashes from the bedside, covering the details of the disorder or the state of the patient's health. The lid of silence was clamped down.

Many persons jumped to the conclusion that conditions at Alcatraz had driven Capone crazy. The truth is that his condition was not in any way due to his confinement there or at Atlanta Penitentiary. It grew out of circumstances arising many years prior to his incarceration.

Then there was the incident of February 15, 1936, when a group of inmates decided that they wouldn't take any food. Two days later the doctor thought they really ought to have some, and resorted to feeding them through a tube. Three days later the prisoners decided they were through hunger striking.

AN ESCAPE FROM ALCATRAZ

The biggest story to come out of Alcatraz concerned the disappearance of Ralph Roe and Theodore Cole. Roe was serving a term of 99 years for robbery of a national bank and had a long criminal record. Cole was serving a sentence of 50 years for kidnaping. He likewise was a habitual criminal.

These two men, who were "working" in the mat shop, managed to slide down the cliff to the water's edge. I use the term "working" advisedly, for with the patience that only Job and prisoners can muster they had, over a period of time, cut through the metal sash of the shop window. No trace has been found of them.

The fog was probably thicker on that particular day than it had ever been since the Department of Justice took over the island. It was so thick that it was impossible for a guard at the top of the tower to see the water's edge, and when the Coast Guard responded to a radio signal from the warden's office, the guards in the tower could not see the Coast Guard boat when it poked its nose up to the island shore.

Did they get away? Frankly, I don't know. At any rate, the bodies haven't been found. Perhaps it was a grandiose way of committing suicide. Perhaps a boat or a raft, hidden by the fog, was waiting for them.

But there were other desperate men in that mat shop at the time of the break, including John Paul Chase, serving a life sentence for killing an agent of the F. B. I. Why didn't he go, too? He probably would have gone if there had been a boat waiting. Perhaps he knew that these two men didn't have a chance to escape and he decided that he would rather stay alive and serve his sentence than scurry down the cliff to certain death.

On May 1, 1936, Joe Bowers "made a try" of it, scaled the wire fence near the workshop, and started his descent to the rocks below. He was repeatedly warned by the guards in the towers, but he wouldn't turn back and two shots ended his life.

The news that gave the Department of Justice the most concern was conveyed in a telephone conversation between the Deputy Warden and James V. Bennett, director of the Bureau of Prisons, on September 24, 1937. One of the prisoners stepped out of line in the mess hall and struck a vicious blow at Warden Johnston. The injuries, fortunately, were not serious and both inmates and guards quickly came to his rescue.

MURDER ON THE ISLAND

On May 23, 1938, Officer R. C. Cline was killed by an inmate who, with 2 other prisoners attempted to make a break. Thomas R. Limerick, one of the prisoners, was killed. The second prisoner was injured, and the third quickly surrendered. This was the first and only death among the custodial force at the island.

There have been other times when the calm of the island routine has been disturbed, as when boats have ventured into the prohibited zone and it has become necessary for the guards in the towers to spray the waters with warning bullets.

There was a day in November 1936 when the river steamer *Delta King*, which plies between San Francisco and Sacramento, went aground on the northeastern end of the island. A cutter immediately came to its assistance and the steamer was towed away after a 20-minute stay. The warden wasn't uneasy. He just made sure that there were no landing parties and that none of his charges embarked.

One morning in January of this year four dangerous men, who had been segregated for some time in the old part of the cell block where the soft steel bars had not been replaced with the tool-proof variety, somehow got through the bars and out of the cell house. They were caught at the water's edge.

One of them—Doc Barker, the kidnaper—resisted and was killed. Another was wounded. The venture cannot be chalked up as an "escape," because you're not "outside the wall' at Alcatraz until you've negotiated a mile and a half of water.

But getting out of the cell house was a feat that called for almost unbelievable ingenuity and patience on the part of that desperate quartet. How did they do it? I don't know. I had left the office of Attorney General only a few days before.

But, remember, you don't need a "saw" to saw through a soft steel bar. Put a little cement dust or other abrasive on a piece of string and work that string patiently across the bar for days and weeks. Eventually you "saw" through. Incredible? Well, it has been done. At any rate, tool-proof steel will soon replace the old soft steel throughout the entire cell block.

Perhaps no prison should ever be dubbed "escape proof." But let's put it this way—Alcatraz is about as near to it as we can get.

It is amazing that there have not been more attempts at escape. The answer lies in the strict discipline on the island, the constant watchfulness of the guards, and the shrewd manner in which the warden administers every phase of the institution. Every guard is qualified as a sharpshooter or as an expert pistolman.

Alcatraz is a success. It is a secure place for desperate men. Discipline has been improved at the other institutions from which we have culled the troublemakers. Alcatraz has likewise served as a distinct deterrent to those who would be troublemakers if confinement on "the rock" were not an ever-present threat.

And Alcatraz is in good hands. Warden James A. Johnston has devoted 25 years to the public service. He served the State of California as head of San Quentin Prison, Folsom Prison, as director of the State department of penology, as a member of the California Crime Commission, and in many other capacities. He has the intelligence, the experience, the ingenuity, and the humanity to see that nothing but the sentences of the court are executed at Alcatraz.

Generally speaking, the men at Alcatraz are not susceptible to ordinary rehabilitation procedure. They must be given specialized treatment because they are, in a sense, extraordinary criminals. Alcatraz was not created on impulse, but after long study. The site was chosen, not by whim, but after long consideration and careful planning. Alcatraz is designed to handle a particular group of prisoners in a particular fashion, and, while it is regrettable that we need an Alcatraz, experience shows its existence to be essential for the protection of the public.

EVENTUAL PAROLE POSSIBLE

It has been found necessary to confine only 300 of the 18,000 Federal prisoners in this institution. The rest are taken care of through the diversified prison system with its 22 institutions, ranging from reformatories, jails, and mountain camps to the larger penitentiaries of Atlanta and Leavenworth. It is in these 22 other institutions that more hopeful material is found for the important task of rehabilitation.

But even some of those in Alcatraz may sometime reform. If men can demonstrate that they don't need the discipline and the close custody that characterizes that prison, they may be retransferred to one of the other institutions—and occasionally this is done. They may even some day be considered for parole.

Discipline is rigorous and routine strict at Alcatraz, but both are tempered as much as circumstances allow by the humaneness that must characterize a civilized penal system.

The Spending-Lending Bill

EXTENSION OF REMARKS

OF

HON. GEORGE W. GILLIE

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, August 2, 1939

Mr. GILLIE. Mr. Speaker, with reference to the action of the House on yesterday, I wish to state that I have received a great many letters from businessmen of repute in my district urging against the passage of the administration spending-lending bill. This morning I have received a number of letters still urging opposition to the measure. I ask leave of the House to insert in the RECORD two of these letters because they were written by serious-minded men who look to the welfare of the whole country. The letters follow:

FORT WAYNE, IND., *July 31, 1939.*

HON. GEORGE GILLIE,
Washington, D. C.

DEAR MR. GILLIE: The disposition on the part of Congress to reduce spending is one of the most wholesome signs on the horizon and can be the beginning of a new era of prosperity in which our people will be reemployed.

The theory of spending Government funds to promote business has definitely been proven false, dangerous, and unquestionably retards business and employment. Congress should make an end of it. It should give business and normal economics a chance to restore the natural processes of development as they have always been prior to the recent experimental period. We have had our taste of theories. Now let us go back to what we know to be sound, controlled, common-sense practices. Let the country be sure that this is the attitude of the majority in Congress and you will see a restoration of good business, which is already long overdue.

Very truly yours,

WAYNE CANDIES, INC.,
W. C. DICKMEYER.

FORT WAYNE, IND., *July 29 1939.*

Congressman GEORGE W. GILLIE,
Washington, D. C.

Honorable Congressman GILLIE: I ask you to oppose the House spending-lending program. We never can spend ourselves into prosperity. This is one of the impossible things for the Government to continue to tax business beyond its ability to pay.

Handing out money to the farmers is one among the many spendings that is getting nowhere. Many a farmer has told me who has received money that he did not need it, but he was willing to take it while taking was good, and they knew that it would not be kept up, but just laughed about it and thought it was a joke. This will never bring prosperity to our country.

Very truly yours,

SCHLATTER HARDWARE CO.,
B. H. HOLLOPETER,
President, Treasurer, and General Manager.

Son Elliott's Broadcasts

EXTENSION OF REMARKS
OF
HON. PAUL W. SHAFER
OF MICHIGAN
IN THE HOUSE OF REPRESENTATIVES
Monday, July 31, 1939

EDITORIAL FROM DETROIT (MICH.) FREE PRESS

Mr. SHAFER of Michigan. Mr. Speaker, were it not for the prestige of his father, few people would be aware of the existence of Elliott Roosevelt, and his radio mouthings would attract no more attention than a ham sandwich at a family picnic.

But because his father is President of the United States, son Elliott has suddenly discovered his place in the sun and has blossomed out as No. 2 critic of the Seventy-sixth Congress. His blatherings, which ordinarily would be consigned to the wastebaskets of most radio stations, are broadcast over a self-controlled network of the Southwest, and New Deal press agents, whose salaries are paid by the taxpayers of the United States, are now making his broadcasts big news.

Son Elliott's recent tirade, in which he declared Congress may have "outlived its usefulness," definitely marked him a New Deal propagandist of the first order. The Detroit Free Press, in an editorial headed "Question of Usefulness," expresses the reaction of many to son Elliott's sad attempt to criticize the Seventy-sixth Congress.

The editorial follows:

QUESTION OF USEFULNESS

Son Elliott finding the National Legislature in a rather thoroughgoing state of revolt against the White House and its destructive New Deal delusions, drops an appearance of oratorical impartiality about public affairs to assert heatedly that "Congress may have outlived its usefulness."

A good many people in the country will be inclined to say that on the contrary the body has just begun to show a real capacity for usefulness, and should keep on with a good work.

They will be less impressed with the young man's sudden discovery of "cloak-room deals" and "dubious coalitions" than they will be with the interesting fact that he seems never to have suspected the existence of such things until he found Congress slipping out from under his parent's thumb.

In short, "deals" were not iniquitous or pernicious as long as they were New Deal deals. There was no question of the "usefulness" of Congress as long as it stuck to that sort of deals. Which, of course, is the true New Deal-Roosevelt view.

Son Elliott's remarks might well make Benito and Adolf long to pat him on the back and receive him into the orthodox fold.

Champoeg, Oreg., a National Shrine

EXTENSION OF REMARKS
OF
HON. HOMER D. ANGELL
OF OREGON
IN THE HOUSE OF REPRESENTATIVES
Wednesday, August 2, 1939

Mr. ANGELL. Mr. Speaker, Champoeg, on the Willamette River in Oregon, has been approved by the Advisory Board of National Parks, as a historic site. I want briefly to call to the attention of my colleagues this important place, not only as one of local historic interest but one of great significance nationally. We Americans take a special pride in the fact that our continental United States is bounded by two great oceans. This, together with the further fact that our neighbors on the north, throughout our history, have been real neighbors, has made no occasion for any lines of defense separating these two countries. This is significant when we consider the situation existing between the major countries of Europe today, with the billions of money that has been expended in preparation and maintenance of lines of defense separating these warring nations.

Had it not been for that company of brave pioneers who made history at Champoeg in Oregon, it is doubtful whether the boundaries of the United States today would extend to the Pacific Ocean. It was at Champoeg that Joe Meek and 51 settlers held a meeting on May 2, 1843, to consider ways and means of establishing civil government in that far-removed Territory, with the thought in view of preserving it to the United States. On July 5, 1843, another meeting was held at historic Champoeg, and a provisional government was established and assumed jurisdiction over the Territory, and a code of laws was adopted, in the preamble of which it was declared "until such time as the United States of America extends their jurisdiction over us." The Oregon country comprised what is now Oregon, Washington, Idaho, and part of Montana. It was an immense empire, and there was a sharp conflict between settlers from the United States and those from English possessions as well as other foreign countries. It was through the vigor, foresight, and patriotic loyalty of the American settlers that this country was preserved, eventually to become a part of our domain.

As a part of my remarks I desire to set forth a letter recently received from Mr. Leslie Scott, of Portland, Oreg., a native son of the State and a historian of note:

PORTLAND, OREG., *March 27, 1939.*

Mr. HOMER D. ANGELL,
House Office Building, Washington, D. C.

DEAR MR. ANGELL: Responding to your letter of March 21, I am enclosing a pamphlet on Champoeg, which, I am told, was used for reference in the recent recognition of Champoeg by Secretary Ickes.

Champoeg was the place where the provisional government was established at two conventions of settlers in 1843, on May 3 and July 5. Laws were then and there adopted and officers elected and installed. These meetings were the largest and most important that the settlers had held up to that time.

American citizens and British subjects then in Oregon probably were about equal in number. A few French-Canadians were attracted to the American viewpoints by personal friendship and regard for American institutions. In the ensuing 3 years, additional settlers, coming by the Oregon Trail, made the American preponderance 10 to 1.

This American majority, coupled with the "fifty-four-forty-or-fight" national election of 1844, and the Texas-Mexico crisis, hastened the Oregon boundary treaty of 1846.

Some Champoeg enthusiasts have aroused a controversy which has been used against Champoeg; they have said that the May 3, 1843, meeting at Champoeg "saved" Oregon to the United States.

This controversy has had unfortunate consequences in delaying recognition of Champoeg.

The Champoeg meetings had no direct bearing on the boundary question, although they were symptomatic of the international rivalry of the time. Nearest to the settlers' interest was the legalization of land titles to be effected by the provisional government. Such interests supplied the effective motive.

The provisional government was highly important in pioneer Oregon affairs, with declared jurisdiction in 1843 south of Columbia River and with extended jurisdiction in 1845 north of Columbia River.

The provisional government represented:

"An autonomous community in the full sense of the term, engaged in agriculture, trade, commerce, * * * made war and concluded peace by their own authority" (Deady, United States district judge, in 1 Oreg. Repts. 391).

This was the first American government on the Pacific coast; succeeded by the Oregon Territorial government in 1849.

Charles Wilkes and Sir George Simpson, who were in Oregon in 1841, say that there was no government in Oregon at that time. Numerous pioneer settlers have transmitted the same record.

Administration of the perishable estate of Ewing Young, who died in Oregon in 1841, was conducted under laws of New York by common consent, as a matter of necessity, and not as a function of recognized government. Early settlers held several trials and punished culprits, prior to the provisional government, under a sort of common law of personal conduct, just as, when traveling the Oregon Trail, they stopped and held trials for the purpose of meting out justice to offenders.

But there was no code of laws in Oregon, no government, until the Champoeg meeting of July 5, 1843.

The settlers' provisional government was one of the most typical creations in our Nation of representative democratic government. It sprang spontaneously and voluntarily out of the political instincts of westward American pioneers, jumping a gap of 2,000 miles from the Mississippi River in the expansion of the Nation. Oregon in 1843 was the Nation's only land on the Pacific. The provisional government assumed jurisdiction on July 5, 1843, at Champoeg, as the preamble of its laws (then adopted) declared:

"Until such time as the United States of America extend their jurisdiction over us."

The importance of Champoeg seems clear and unmistakable. I hope that you can obtain further support for an American memorial there.

Yours truly,

LESLIE SCOTT.

Those of use who are familiar with the facts with reference to Champoeg, for years have been endeavoring to secure a Federal appropriation for the improvement of the site and the construction of a suitable building as a memorial to those pioneers who made it possible that America is today bounded on one of its frontiers by the Pacific Ocean.

Unfortunately the Director of the Budget has not provided funds for the development of the site, and I trust that when the Congress meets again funds will be made available, so that Champoeg, the birthplace of civil government on our Pacific shores, may be preserved for future generations, to the end that the American people may have an opportunity to visit this historic spot in Oregon pioneer history.

Major Croghan and the Defense of Fort Stephenson

EXTENSION OF REMARKS

OF

HON. DUDLEY A. WHITE

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Wednesday, August 2, 1939

ADDRESS BY JUDGE ARTHUR W. OVERMYER, FORMER MEMBER OF CONGRESS, ON AUGUST 2, 1939

Mr. WHITE of Ohio. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following address delivered by Judge Arthur W. Overmyer, of Fremont, Ohio, judge of the Ohio Court of Appeals, former Representative in Congress, Thirteenth Ohio District, Sixty-fourth and Sixty-fifth Congresses, on the occasion of the one hundred and twenty-fifth anniversary of the defense of Fort Stephenson, August 2, 1813, by Maj. George Croghan, with 160 Kentucky troops and a single cannon, against about 700 British regulars under General Proctor and a thousand Indians, under Tecumseh:

Mr. Mayor, distinguished guests, and my fellow citizens, it is indeed gratifying to know that in spite of the highly commercialized and selfish age in which we live, there are those who are willing to give of their time, money and energies to commemorate important events in the earlier life of the Republic. I congratulate the mayor and the committees who had the patriotism and the inspiration to conceive and carry forward the plans for the proper observance of the one hundred and twenty-fifth anniversary of a heroic and important event in the history of our country which occurred on this spot. The splendid success attending this celebration should bring to all who have helped a feeling of deep satisfaction.

We are assembled at this moment, my fellow citizens, on hallowed ground. On this spot, 125 years ago a small body of brave and determined young men with a lone cannon and protected only by a rather frail stockade, also said, as did the Spartans at Thermopylae, "They shall not pass," and added a glorious page to the history of our beloved country. In the school histories it is not ranked with Yorktown or Gettysburg, nor in the number of men engaged or machinery of war employed is it ranked with many other battles on American soil. But as an example of sheer patriotic heroism and in the mighty and far-reaching results flowing from it, it ranks with some of the greatest and most important episodes in American history, for we have the word of no less an authority than Gen. William T. Sherman that this battle and Perry's victory at Put in Bay a month later, "saved the whole Northwest to the United States."

On the day that Major Croghan won his victory here, Simon Bolivar, known as the liberator and the George Washington of South America, was marching as a conquerer into the capital of Venezuela, which country was thus freed of Spanish rule and became one of the first republics of South America. In the months of July and August 1813, when the British and Indian attack on this fort was being planned and the battle fought, Napoleon was again thundering across Europe with several hundred thousand men. Six months before had occurred the famous retreat from Moscow wherein a hundred thousand men had died. In the months of July and August 1813, the mighty Napoleon was confronted with rebellion among the European nations he had previously conquered, and though a less courageous man would have accepted the offers of peace tendered by his antagonists, Napoleon, on August 8, 1813, 6 days after the battle of Fort Stephenson was here fought, made the fateful decision which marked the beginning of his downfall. He rejected the offers of peace. The year 1813 was the twentieth year that Europe was tearing itself to pieces by the wars under Napoleon, wars in which millions died and civilization was all but destroyed. Yet out here in the American wilderness, in a little stockade on the banks of the Sandusky River, on the 2d day of August 1813, was fought a battle by 160 American patriots, the results of which added more to the welfare of civilized humanity and did more to advance the cause of human liberty and freedom than all the battles of 20 years under Napoleon. These contests in Europe were between monarchies for supremacy. The war for humanity was not being fought on the banks of the Elbe in Europe but here in the wild woods of the Ohio Valley on the banks of the Sandusky and Maumee Rivers.

The story of the Battle of Fort Stephenson and the Harrison campaign, of which it was a part, has oft been told, yet it is ever new. As each new generation of our citizens comes upon the scene the story should again be recounted in all its details, so that they, too, may be inspired as we have so often been inspired by it. What is it that fires the human heart and thrills it with an aspiration to do noble things? Is it when a hundred thousand men meet another hundred thousand in battle, each armed with all the machinery of war? No; there is nothing noble or inspiring to the human soul in that. That is wholesale murder, and we all so regard it. It is individual and unexpected heroism, inspired by love of country and love of liberty, that thrills the human heart, the exploits of a Paul Revere, a Nathan Hale, a Major Croghan, a Commodore Perry, a Richmond Hobson; yes, and in peacetimes a Lindbergh, a Howard Hughes, a Douglas Corrigan, and, if you please, a Johnny Vander Meer. The exploits of such men are the things that stir men's blood and inspire other men to heroic and noble things.

For more than 30 years I have taken part in every Croghan Day celebration, and I have read everything I could find on the subject of this battle and the campaign in this section of which it was a part; and from all I have been able to learn I have come to one definite conclusion, and that is that the Battle of Fort Stephenson was won because youth was in command. Major Croghan was only 21 when the battle was fought. An older man of equal courage but greater wisdom and experience, in the face of overwhelming odds and vastly superior numbers, would have obeyed his commanding officer's orders, destroyed the fort, and retreated up the river to headquarters. But daring youth said, "We have decided to defend this place, and by Heaven we can!" A month later another youth, Oliver Hazard Perry, with a hand-built fleet of a few ships built on the shores of Lake Erie, completed the victory and ended the campaign in these parts by defeating the British Fleet at Put in Bay and being able to send to General Harrison the famous message, "We have met the enemy, and they are ours." Over at Clyde in this county repose the remains of another youth, Gen. James B. McPherson, who at 36 commanded an army in the Civil War and by reason of youthful personal daring and bravery gave his life in the heat of battle.

The daring individual exploits of youth in battle on land and sea adorn the pages of American history from earliest days, and have furnished to each generation of our citizens the inspiration to patriotic duty in establishing and maintaining our Nation. And we are grateful today that our daring youth were not all of the past but still abide with us in every generation to thrill and inspire with deeds of valor, not only in battle, thank God, but in the fields of peaceful human endeavor, such as we have witnessed within the past month.

The War of 1812 was what might be termed a "mopping up" following the American Revolution. Hostilities between the Colonies and England had ceased with the surrender of Cornwallis at Yorktown. But there were many issues unsettled, and England, though whipped, was not then farsighted enough to sit down across the table with our colonial leaders and adjust these issues. Not only that, but, as I have said, Europe was then involved, as was England, in a death struggle under the heel of Napoleon, and all was being done that was possible to involve other nations in the struggle. One of the issues left unsettled by the Revolution was the question of just how much territory was being given up by the conquered nation to the Colonies and where the territorial lines were to be established. Other issues were involved, including the impressment of American seamen into British service to help fight Napoleon. The military posts of Niagara, Detroit, and Mackinaw were detained by the British under various pretexts for many years in violation of the treaty of peace following the Revolution. The Indian tribes on the frontier were supplied by the British with arms and supplies to irritate and murder the settlers. Many in the British ministry still had hopes that a new war could be fostered and the American Colonies regained. Washington, Adams, Jefferson, and Madison made efforts to secure the full results of the peace treaty without much success. Campaigns were conducted against the Indians northwest of the Ohio River—General Harmar's campaign in 1790; General St. Clair's unfortunate campaign in 1791; Gen. Anthony Wayne's brilliant campaign in 1794, which ended in a victory at Fallen Timbers on the Maumee. Following this, treaties were made with the Indians which had resulted in general peace on the frontiers for a period of 15 years, from 1795 to 1810, and this period was one of rapid growth and development in this northwest section. But England's policies in America continued and war was inevitable.

The question of the boundaries of territory won by the Revolution, and especially the boundaries of the Northwest, was settled

here at Fort Stephenson, the only land victory won on American soil in the War of 1812—the Battle of New Orleans having been fought after peace had been declared but having then no submarine cables or radio the news of peace did not reach Andrew Jackson in time—and by Perry's victory on Lake Erie and by the Battle of the Thames. Had Croghan failed; had Perry failed, this area might today be British with Canada, or a longer war or a later war been necessary to hold it.

Fifty-three years ago, on August 1, 1885, the second of August falling on Sunday, the beautiful granite monument yonder was unveiled in the presence of a vast throng. The cost of the monument was $7,000 and the money was raised by a bond issue approved by the voters of Sandusky County. The chairman of the day was our beloved fellow citizen, ex-President Rutherford B. Hayes; the orator of the occasion was Gen. Ralph P. Buckland, and the historian Capt. John M. Lemmon. Seated on the platform were several score of Civil War generals and other distinguished guests, including the two Ohio Senators, John Sherman and Henry B. Payne. The monument was dedicated to Major Croghan and his little band, and to the 3,000 and more soldiers of the Mexican War and Civil War furnished by Sandusky County.

In 1906 Col. Webb C. Hayes secured permission from members of the Croghan family to remove the remains of Major Croghan from the family burial ground in Kentucky to the sacred soil here which in his youth he had so gallantly defended. As a part of an impressive celebration and ceremony, of which I had the honor to serve as secretary, we committed our hero's mortal remains to their merited eternal resting place at the base of yonder monument. Here may our citizens, young and old, pause through the ages, generations yet unborn, and reflect upon the debt of gratitude we owe this gallant soul, and draw inspiration to lives of patriotic usefulness. Here, guarded by Old Betsy, the lone six-pounder which on that fateful August day a century and a quarter ago served him so well, may he rest in peace and glory until the resurrection morn.

On August 2, 1913, when we celebrated the one hundredth anniversary of Croghan's victory, we had the unusual honor of having on the platform as honorary chairman of the day, for whom I had the honor of serving as active chairman, the last survivor in these parts, and I think in Ohio, of the Mexican War, Capt. Andrew Kline, a citizen of this country then crowding the century mark. And the gratifying incident of Captain Kline's presence on that day was that he had seen Major Croghan in his lifetime. After Croghan's rise to fame on this spot in the War of 1912 he later was an officer in the Mexican War of 1848 and it was there Captain Kline saw him several times. Croghan died of cholera in New Orleans in 1849.

The last survivor, so far as known, of the Battle of Fort Stephenson was a Sgt. William Gaines, who was found by President Hayes to be living at the National Soldiers' Home at Washington, D. C., while Hayes was President. A beautiful story is connected with the discovery of this old veteran by President Hayes. The story is that Sergeant Gaines was at once brought to the White House to pose for his photograph, and when the picture was about to be taken it was discovered that no sergeant's stripes adorned his uniform, whereupon the President's wife, Lucy Webb Hayes, she of sacred memory, hurriedly secured needle and thread and kneeling on the floor sewed the stripes on the length of the veteran's trouser legs, and in the resulting photograph they may be plainly seen. The photograph appears in many historical publications relating to our local history. Sergeant Gaines was living in 1885 when the Soldiers' Monument was erected and unveiled here but was unable to be present.

There is not time today, of course, to recount the full story and details of this battle or the campaign of which it was a part. One thing is certain—no orator or writer need weave into that story the product of fancy or imagination, for the facts are so fanciful and picturesque that they require no embellishment. It is a satisfaction to know that Croghan's great feat and his gallant and patriotic service was duly recognized by a grateful Government. For this exploit he was breveted lieutenant colonel by the President of the United States; Congress awarded him a Medal of Honor, one of nine; and to his officers, six swords of the fifteen ever so given. In 1839, when the first duly organized celebration of his victory here was held, he was on duty at St. Louis and was duly invited by the committee to be present. His duties made it impossible for him to come, but he wrote a letter of acknowledgment which is among the treasured possessions we have locally.

We have not time today to tell of the scores of interesting incidents of great historical significance connected with this battle, and the military events of this section which contributed mightily to the life of our Nation. The story of this battle and the siege of Fort Meigs at Maumee; the story of General Harrison's military road through the forest from Fort Stephenson to Fort Meigs, now practically the route of McPherson Highway, or Route 20, between Fremont and Maumee; the story of Old Betsy, its recovery by Mayor Brice Bartlett in 1852, and its permanent home on the grounds it helped to defend; the story of the acquisition of the site of the fort and battle by the city from private owners in the 1870's, and the part played by General Hayes in finally securing it; the story of General Harrison's orders the night before the battle to abandon this place and retreat up the river to headquarters, and Croghan's reply which nearly cost him his command; the story of the numbers of British troops with many cannon and their host of Indian allies which made up the formidable force against which Croghan and his 160 brave Kentuckians chose to defend—all these incidents have been told and retold and are familiar to those of our citizens who have the slightest interest in things historical. But our youth and those of succeeding generations may do well to familiarize themselves with the whole story in all its interesting details. They will find them in the publications of the Ohio Historical Society; in Howe's Historical Collections of Ohio; in the writings of the late lamented Lucy Elliott Keeler; and especially in a reprint of a book entitled "The Late War in the Western Country," first published in 1816 by Captain McAfee, of the Kentucky troops, who took part in the entire operations in these parts in 1812 and 1813. This book was reprinted some years ago by Mr. C. S. Van Tassel, of Bowling Green.

I close by expressing the hope that the patriotic sentiments of our people may never sink so low, that our love of country may never become so weak, and our selfishness so strong, that we shall forget the heroic sacrifices made by men of earlier days to secure for us and our posterity the blessings of liberty, freedom, and representative government. May we draw inspiration from these ceremonies today and pledge anew our fealty to a country and a form of government which, with all its faults and weaknesses, is still the best government and the best country in all the world. May we remember that happiness, which we all seek, must still be found in individual effort and individual right living and right thinking, and that happiness and prosperity cannot be brought to your door by the Government nor from any source outside of yourself. The function of government is to protect you while you work out your own destiny. Our Government, when properly administered, is still the best form of government in the world to insure to its citizens the happiness, freedom, and prosperity we all seek, and may we ever love and defend it, inspired anew by reflection upon the life and service of gallant Maj. George Croghan, our hero!

Block Booking and Blind Selling

EXTENSION OF REMARKS

OF

HON. MATTHEW M. NEELY

OF WEST VIRGINIA

IN THE SENATE OF THE UNITED STATES

Thursday, August 3 (legislative day of Wednesday, August 2), 1939

EDITORIAL FROM FILM BULLETIN OF APRIL 8, 1939

Mr. NEELY. Mr. President, I ask unanimous consent to have printed in the Appendix of the RECORD an editorial from Film Bulletin of April 8, 1939, by David James Hanna, entitled "Should Actors Favor Block Booking?"

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

[From Film Bulletin of April 8, 1939]

HOLLYWOOD EDITORIAL—SHOULD ACTORS FAVOR BLOCK BOOKING?

(By David James Hanna)

According to the daily papers, steps are being taken by the Screen Actors' Guild in opposition to the passage of the Neely block-booking bill. A few days ago, acting in his capacity as a director for the organization, Robert Montgomery appeared before a Senate committee and publicly aired the views of the guild on the proposed legislation.

Montgomery frankly stated the association was opposed to the bill, believing its enactment would cut motion-picture production in half and directly threaten the employment of a large number of people, among them the industry's actors.

Such a statement forces us to the conclusion that the guild is either very poorly informed or that it is deliberately betraying the confidence of its members, who depend on the organization to aline itself with those causes which best serve the interests of the motion-picture actor.

Passage of the Neely bill could not possibly create any new hardships for Hollywood's Thespians. Quite the contrary: The abolition of block booking and blind selling would not only make more employment but it would serve to spread work among a larger number of players.

Film Bulletin has commented before on the naïveté of the incredible theory that production would be cut in half if compulsory block booking were outlawed. We quote from the editorial: "If by any chance the present studios could not or would not produce sufficient pictures to keep the theaters of America operating every day in the week, the initiative and capital of other enterprising people would immediately be plunged into this lucrative field. Surely we all comprehend the ancient economic principle of supply and demand!"

Certainly the directors of the Screen Actors' Guild cannot be so stupid that they are ignorant of this fact. The creation of a few more healthy production companies would automatically take place and in their wake would come employment for players, as well as other artists and technicians necessary to picture making.

A point which the guild appears to have overlooked is the fact that such new organizations would be inclined to employ people who may now find it difficult to crash the proverbial "ranks." We are speaking of the rank and file supporting players, those who get $25 to $75 a day (when they work), whose economic problems have been given all too little attention since the guild came into power 2 years ago.

In this division there exists a favored few players well known to casting directors, producers, and directors. They are constantly in demand. And why not? A film production is a huge investment and a production executive would not be worth his salt did he not insist upon utilizing players whose work is familiar to him and whose talents are such that the director is confident of their ability to handle the assignment.

This system gives a great deal of work to a few, but creates hardships for hundreds of other competent players whose careers are constant struggle for the one opportunity to gain recognition.

New, young, alert organizations could and would use such players. The guild would very shortly find a better standard of earnings among all its players, rather than among a small percentage.

If it were true that the number of pictures produced by Hollywood would become fewer than now with the passage of the Neely bill, only the class C to Z pictures would be eliminated. Surely no actor in his right artistic or financial mind can possibly express anxiety over their disappearance from the production scene. Cut salaries are the rule rather than the exception in these pictures. The length of employment for stars, features, and bit players is brief. Extra lists are pared to the core. The careless, sloppy manner in which many of these quickies are produced injures, rather than promotes, careers.

On the other hand, the average A picture employs a large number of players in every division. The actor works a considerable length of time and is better compensated. Extras, naturally, play a large part in bolstering the production values of such a feature. The writing and direction are painstaking and performances are naturally superior.

Everything considered, members of the Screen Actors' Guild stand to gain a great deal from the contemplated reforms.

Opposition to the elimination of a restrictive practice like compulsory block booking surely seems to run directly counter to the actors' best interests. While the top-notch stars may be content with the luxurious salaries they enjoy, the average movie player would advance his art and be better remunerated in a free and competitive production field, which would strive to produce only good pictures—because only good pictures would sell.

With that patent fact, it is most difficult to reconcile Guild Leader Robert Montgomery's speech in Washington.

Confederate Soldiers Buried on Historic Johnsons Island

EXTENSION OF REMARKS
OF
HON. DUDLEY A. WHITE
OF OHIO
IN THE HOUSE OF REPRESENTATIVES

Monday, July 24, 1939

Mr. WHITE of Ohio. Mr. Speaker, under leave to extend my remarks in the RECORD, I insert a letter written by me to Hon. Louis Johnson, The Assistant Secretary of War, Washington, D. C., on July 13, 1939:

JULY 13, 1939.

Hon. LOUIS JOHNSON,
The Assistant Secretary of War, Washington, D. C.

MY DEAR MR. SECRETARY: Johnson Island is situated in Sandusky Bay, 3 miles from the city of Sandusky, Ohio. During the Civil War it was used by the Federal Government as a Confederate officers' prison. During the 4 years, from 1861 to 1865, 15,000 officers were confined there, 206 of whom died and are buried in the cemetery, which is now owned and cared for by the United States Government, as you know, under the War Department.

You can see the character and location of this cemetery, with its rare background of military history, makes it a most unusual national shrine. Fortunately, private citizens and patriotic organizations recognized this fact and they assumed the responsibility for its preservation up until the time it became the property of the Government. The officers buried in the historic cemetery were from Virginia, Georgia, North Carolina, Louisiana, Alabama, Mississippi, Arkansas, Tennessee, Missouri, Kentucky, Texas, Florida, and South Carolina, and therefore these States have a vital interest represented here.

After the war ended, Mr. Johnson, owner of the island, built a wire fence around the cemetery. Then the G. A. R. took over the care of the graves and until 1907 memorial services were held on each Decoration Day similar to those for their own dead. Thus its patriotic significance enlarged and it became a symbol of reunion of North and South. When the G. A. R. ranks thinned and their strength diminished, the United Daughters of the Confederacy purchased the hallowed spot. In the meantime, officials of the State of Georgia became interested and replaced the wooden markers on the graves with marble headstones.

The purchase of the cemetery and a strip of land in the front of the cemetery was made by the Robert Patton Chapter, U. D. C., of Cincinnati. On June 7, 1910, a handsome marble monument was unveiled and the dedication address was delivered by Gen. George W. Gordon, of Georgia. The base of the monument was contributed by the Masons of Mississippi; the foundation is of South Carolina marble. The statue represents a southern soldier, his left hand clutching a musket, his right hand raised to his forehead, his gaze directed toward southern skies. The statue of the Confederate soldier was designed and executed in bronze by the noted sculptor, Moses Ezekiel, who was a soldier under General Lee.

Under present conditions, this historical shrine is virtually inaccessible to visitors. Docking facilities are badly needed. The patriotic pilgrimages are continued each year by the Daughters of the Confederacy and other patriotic organizations and individuals, despite the lack of a dock and existing obstacles. They are compelled to make a sometimes hazardous landing at an old quarry dock at the lower end of the island and to walk a great distance across fields and through mud to reach the cemetery. As a result, this great shrine is made inaccessible to thousands who would otherwise be attracted to it.

Inasmuch as the Government has thought enough of Johnson Island Cemetery to take title to the property, does it not seem entirely reasonable that docking facilities should be provided suitable for its purposes? It is my understanding that an appropriation of $15,000 was put through a few years ago but that it expired during the time required for surveys and before the job was undertaken. Under these circumstances, I imagine that the surveys are now available.

I recognize that it is probably too late to accomplish anything during the short time remaining for the present session of Congress, but I wonder if preparation cannot be made to obtain the authority for construction of the dock in the early part of the ensuing session. I hope that you and other officials of the War Department will share my belief that this move is more than justified. With your most valuable cooperation, I feel sure that it can be brought to a successful conclusion. I am deeply indebted to you for your willingness to look into these possibilities.

With many thanks and best regards,

Sincerely yours,

DUDLEY A. WHITE.

The following is a list of Confederate officers buried on Johnsons Island:

Date of death	Name	Rank and company	Regiment	Number of grave
Nov. 8, 1863	J. E. Cruggs (or Scruggs)	Colonel	85th Virginia	1
Nov. 6, 1863	E. M. Tuggle	Captain, Company H	35th Georgia Infantry	2
	Confederate soldier		Unknown	3
	Do		do	4
	Do		do	5
	Do		do	6
	Do		do	7
Nov. 9, 1863	A. E. Upchurch	Captain	55th North Carolina Infantry	8
	Confederate soldier		Unknown	9
Nov. 19, 1863	J. P. Peden	Second lieutenant	Hamilton's Battery	10
	Confederate soldier		Unknown	11
	Do		do	12
Nov. 7, 1863	Joel Barnett	Lieutenant colonel	9th Battalion Louisiana Cavalry	13
	Confederate soldier		Unknown	14
Aug. 5, 1863	Wm. J. Hudson	Lieutenant	2d North Carolina Infantry	16
July 26, 1863	D. E. Webb	Captain	1st Alabama Cavalry	15

Date of death	Name	Rank and company	Regiment	Number of grave
	Confederate soldier		Unknown	17
Sept. 7, 1863	J. W. Nullins	Lieutenant	1st Mississippi Infantry	18
Aug. 20, 1863	W. E. Hansin	do	1st Georgia Infantry	19
Aug. 21, 1863	A. D. Stephenson	Captain	15th Arkansas Infantry	20
Aug. 29, 1863	R. D. Copass	Lieutenant	6th Tennessee Infantry	21
	J. D. Cassaway			22
	Confederate soldier		Unknown	23
Sept. 8, 1863	C. B. Jackson		Guerilla Virginia	24
Sept. 14, 1863	J. Huptetter (or Hoffstetter)	Lieutenant	1st Battalion Arkansas	25
Sept. 29, 1863	L. B. Williams	do	63d North Carolina Infantry	26
	Confederate soldier		Unknown	27
Sept. 30, 1863	W. P. Harden (or Harder)	Lieutenant	5th North Carolina Infantry	28
Sept. 30, 1863	J. M. Dotson (or Dodson)	do	10th Tennessee Cavalry	29
Sept. 12, 1863	O. D. Keller	Private	2d Tennessee Cavalry	30
Sept. 10, 1863	S. G. Jetter (or Jeters)	Company H	31st Alabama Infantry	31
Sept. 9, 1863	C. W. Gillespie	Captain, Company D	66th North Carolina Cavalry	32
Feb. 14, 1863	B. Anderson	Private	Missouri State Cavalry	33
Feb. 11, 1863	W. W. Veasy (or M. W.)	Lieutenant	10th Kentucky Cavalry	34
	Confederate soldier		Unknown	35
	Do		do	36
	Do		do	37
Nov. 21, 1863	J. W. Gregory	Captain	9th Virginia Infantry	38
	Confederate soldier		Unknown	39
	Do		do	40
	Do		do	41
	Do		do	42
	Do		do	43
	Do		do	44
	Do		do	45
	Do		do	46
Nov. 23, 1862	Peter Cole	Private	60th Virginia Infantry	47
	Confederate soldier		Unknown	48
	Do		do	49
	Do		do	50
Dec. 13, 1863	Wm. Johnson (or W. J.)	Private	Poindexter's Missouri Cavalry	51
	Confederate soldier		Unknown	52
	Do		do	53
	Do		do	54
	Do		do	55
	Do		do	56
	Do		do	57
	Do		do	58
	E. L Moore		do	59
Jan. 16, 1863	Daniel Herrin (or John)		Poindexter's Missouri Cavalry	60
Dec. 3, 1863	J. W. Collier	Lieutenant	18th Kentucky Infantry	61
	Confederate soldier		Unknown	62
Nov. 21, 1864	John M. Kean	Captain	12th Louisiana Battalion Artillery	63
	Confederate soldier		Unknown	64
	Do		do	65
	Do		do	66
Aug. 29, 1862	L (ord) W. McWhister	Captain, Company H	3d Mississippi Infantry	67
	John Bow		Pulaski, Ohio	68
July 24, 1862	R. Hodges (or J. R.)		Memphis, Tenn	69
Aug. 12, 1863	E. Gibson	Lieutenant	11th Arkansas Infantry	70
	Confederate soldier		Unknown	71
Oct. 12, 1862	D. Christian	Company E	128th Virginia Infantry	72
Oct. 14, 1862	L. Rasins (or Rains)	Company C	16th Virginia Infantry	73
	S. W. C		Unknown	74
Oct. 22, 1862	Samuel Fox	Colonel	do	75
	Confederate soldier		do	76
	Do		do	77
Oct. 27, 1862	J. Ashbury (or Ashby)		Kentucky	78
Oct. 30, 1862	J. Reeves (or M)	Company J	1st Georgia Cavalry	79
	Confederate soldier		Unknown	80
	Do		do	81
Sept. 22, 1862	J. A. McBride	Lieutenant, Company H	60th Tennessee Infantry	82
Sept. 28, 1863	S. R. Graham	First lieutenant, Company J	3rd Texas Cavalry	83
Oct. 9, 1863	S. W. Henry	Captain	19th Tennessee Cavalry	84
	Confederate soldier		Unknown	85
Oct. 21, 1863	E. M. Orr	Lieutenant	62nd North Carolina Infantry	86
	Confederate soldier		Unknown	87
	Do		do	88
	J. R. B		do	89
Dec. 8, 1863	Mark Backon	Captain, Company D	60th Tennessee Infantry	90
	Confederate soldier		Unknown	91
Nov. 12, 1863	J. B. Hardy	Captain	15th Arkansas Infantry	92
Nov. 2, 1863	Hugh Cobble (or Gobble)	Private, Company E	5th Kentucky	93
Oct. 30, 1863	J. B. Cash (or Gash)	Lieutenant	62nd North Carolina Infantry	94
Oct. 31, 1863	J. W. Johnson	Captain	Green's Regiment, Missouri State Guards	95
Nov. 5, 1863	J. U. D. King	Captain, Company K	9th Georgia Infantry	96
	Confederate soldier		Unknown	97
Feb. 28, 1863	M. R. Handy	Citizen	Hopkins County, Ky	98
Feb. 11, 1863	E. Morrison	Private	8th Alabama Infantry	99
Dec. 9, 1864	Charles H. Metlock	Colonel	4th Mississippi	100
	R. E. M		Unknown	101
Jan. 14, 1865	W. W. Davis	Private	35th Mississippi Infantry	102
Jan. 1, 1864	W. N. Swift	Lieutenant	34th Georgia Infantry	103
Jan. 4, 1864	A. Kelley	do	10th Arkansas Infantry	104
Jan. 14, 1864	J. D. Conoway (or L. D. Conway)	Private	19th Virginia Cavalry	105
Jan. 2, 1864	J. Middlebrooks	Captain	40th Georgia Infantry	106
Dec. 31, 1863	J. B. Hazzard (or Haggard)	do	24th Alabama Infantry	107
Dec. 25, 1863	J. P. Van	Captain, Company E	Bell's regiment, Arkansas Infantry	108
Jan. 1, 1865	D. H. McKay	Lieutenant, Company D	46th Alabama Infantry	109
Dec. 20, 1863	John R. Jackson	Captain, Company H	38th Alabama Infantry	110
Dec. 22, 1863	H. B. Dawson	Lieutenant, Company A	17th Georgia Infantry or Company I	111
Dec. 3, 1863	D. I. Johnson (or D. S. Johnson)	do	48th Tennessee Infantry	112
Nov. 12, 1863	J. B. Hardy	Captain, Company I	5th Arkansas Infantry	113
Nov. 27, 1863	W. T. Skidmore	Lieutenant, Company D	4th Alabama Cavalry	114
Dec. 3, 1863	M. D. Armfield	Captain, Company B	11th North Carolina Infantry	115
Do	E. W. Lewis (or G. W. Lewis)	Captain	9th Battalion Louisiana Cavalry	116
Dec. 8, 1863	J. N. Williams	Lieutenant or captain	6th Mississippi Infantry	117
Dec. 9, 1863	J. T. Sigon	Lieutenant	53d Virginia Infantry or 22d Arkansas	118
Dec. 8, 1863	F. G. W. Coleman	do	7th Mississippi Artillery	119
Do	J. E. Threadgil	Lieutenant, Company H	12th Arkansas Infantry	120
Dec. 11, 1863	J. G. Schuler	Captain, Company H	5th Florida Infantry	121
Dec. 20, 1863	B. J. Blount	Lieutenant, Company H	55th North Carolina Infantry	122

Date of death	Name	Rank and company	Regiment	Number of grave
Dec. 26, 1863	J. L. Arlington	Lieutenant, Company H	32d North Carolina Infantry	123
Dec. 25, 1864	Joseph Lawshe (or James)	Lieutenant, Company C	18th Mississippi Cavalry	124
Jan. 6, 1865	John C. Holt (or James C.)	Lieutenant, Company G	61st Tennessee Infantry	125
Jan. 9, 1865	Samuel Chormley (or Ghormley)	Lieutenant	Blount County, Tenn	126
Jan. 21, 1865	J. W. Moore	Lieutenant, Company B	25th Alabama Infantry	127
Feb. 11, 1865	D. L. Scott	Second lieutenant, Company I	3d Missouri Cavalry	128
Feb. 17, 1865	Wm. Peel	Lieutenant, Company C	11th Mississippi	129
Jan. 11, 1864	J. L. Lend	Lieutenant, Company A	24th Georgia Infantry	130
Jan. 9, 1864	N. T. Barnes	Captain, Company E	10th Confederate Cavalry	131
Oct. 26, 1863	John F. McElroy	Lieutenant, Company F	24th Georgia Infantry	132
Jan. 12, 1864	John Q. High	Lieutenant	1st Arkansas Battalion, Infantry	133
Do	J. C. Long (J. P.)	Lieutenant, Company I	62d North Carolina Infantry	134
Do	B. C. Harp (or B. J.)	do	25th Tennessee Infantry	135
Jan. 17, 1864	W. S. Norwood (or Warewood)	Lieutenant, Company E	6th South Carolina Infantry	136
Do	R. K. C. Weeks (or Wicks)	Second lieutenant, Company F	4th Florida Infantry	137
Jan. 21, 1864	S. P. Sullins	Captain	1st Alabama Infantry	138
Jan. 31, 1864	P. J. Pabenan	do	5th Alabama or Louisiana Infantry	139
Feb. 1, 1864	R. H. Lisk	do	Citizen	140
Feb. 2, 1864	F. F. Cooper	Captain, Company H	52d Georgia Infantry	141
Feb. 7, 1864	W. E. Watson	Adjutant	1st Tennessee Infantry	142
Dec. 12, 1864	Albert F. Frazier (or A. J. Frazier)	Company H	15th Mississippi or 21 G. Y. C	143
Dec. 13, 1864	W. E. Killem (or Killen)	Lieutenant, Company H	45th Virginia Infantry	144
Dec. 20, 1864	F. T. Coppeye (or F. Coppuye)	Lieutenant	Tennessee Infantry	145
Dec. 31, 1864	J. L. Dungan (or Duncan)	Private	22d Virginia	146
Jan. 6, 1865	S. T. Moore	Second lieutenant, Company F	King's regiment, Alabama Infantry or Artillery.	147
Feb. 26, 1865	John J. Gobeau (or Gobo)	Lieutenant, Company B	10th Mississippi Infantry	148
Mar. 15, 1865	W. A. Stephens	Lieutenant, Company K	46th Alabama Infantry	149
Apr. 25, 1865	T. J. Lowis (or Lewis)	Captain, Company C	3d Virginia Infantry	150
Mar. 3, 1864	John W. Hill	Lieutenant, Company I	9th or 19th Virginia Infantry	151
Feb. 4, 1864	Jas. B. Campbell (J. P.)	Colonel	27th Mississippi Infantry	152
Do	John Welch	Lieutenant, Company B	40th Virginia Infantry	153
Do	S. V. Hamilton (or J. E.)	Captain, Company B	2d Choctaw Cavalry or Infantry	154
Feb. 13, 1864	G. W. Swink (or E. W. Swink)	Lieutenant, Company K	8th Virginia Infantry	155
Feb. 6, 1864	A. B. Archibald	Captain, Company D	8th Confederate Cavalry	156
Feb. 14, 1864	J. Dean	Lieutenant, Company H	28th Tennessee Infantry or Citizen, Tennessee	157
Feb. 15, 1864	C. B. Nash (or C. C.)	do	30th Mississippi Infantry or 6th Louisiana	158
Feb. 23, 1864	Francis Baya	do	2d Florida Infantry	159
Feb. 15, 1864	F. J. Alexander (or T. J.)	Lieutenant, Company C	4th Alabama Battery	160
Feb. 26, 1864	M. C. Peel	Captain	8th Arkansas Infantry	161
Mar. 3, 1864	R. C. Love	First lieutenant, Company K	1st Mississippi Artillery or Georgia	162
Feb. 28, 1864	P. Nichols (or Nicholas)	Captain, Company B	11th Battalion North Carolina Infantry	163
Mar. 3, 1864	R. P. Bolling (or Bowling)	Lieutenant, Company H	6th Georgia Cavalry or Mississippi Artillery	164
Mar. 16, 1864	J. B. Wood	Lieutenant, Company G	10th C. S. or 10th Confederate Cavalry	165
Mar. 18, 1864	B. F. Lock	Lieutenant, Company E	4th Arkansas Cavalry	166
Mar. 30, 1864	P. W. Lane	Lieutenant	23d Arkansas Infantry	167
Apr. 10, 186–	Joshua Bisell (or Misell)	Captain, Company G	8th Florida Infantry	168
Apr. 12, 186–	S. H. Bankey	Lieutenant	49th Alabama	169
Sept. 2, 186–	John J. Nichell	Surgeon	2d Kentucky Mounted Rifles	170
Dec. 24, 186–	James E. Webb	Captain	8th Arkansas	171
Dec. 31, 1864	Willis Randall	Lieutenant, Company G	52d North Carolina Infantry	172
Feb. 18, 186–	W. E. Phillips	Second lieutenant	4th Alabama or Forrest Cavalry	173
Apr. 22, 186–	E. B. Holt (or E. R.)	Lieutenant	Lexington, N. C	174
Apr. 23, 1865	W. J. Porter	Captain, Company D	51st Alabama Infantry	175
May 17, 1865	Peter Mackin (or Mankin)	Lieutenant, Company L	16th Mississippi Infantry	176
Apr. 25, 1865	John W. Hanagan (or Hennegen)	Colonel	8th South Carolina Infantry	177
Apr. 12, 1865	J. M. Henken (or Henekins)	First lieutenant, Company K	12th South Carolina Infantry	178
Feb. 21, 1865	J. A. Lash (or Lush)	Major	4th Florida Infantry	179
June 1, 1865	John F. Brigham	Lieutenant, Company E	14th Tennessee Infantry	180
Apr. 20, 1864	W. W. Wynn (or W. H. Winn)	Captain, Company G	64th Virginia Infantry	181
Apr. 21, 1864	H. Wilkinson	Lieutenant, Company B	9th Virginia Infantry	182
May 7, 1864	W. S. Helton (or M. S. or Hilton)	Captain, Company F	23d North Carolina Infantry	183
Do	J. W. Day	Captain, Company D	55th Georgia Infantry	184
May 2, 1864	B. B. Starns	Lieutenant or captain, Company B	9th Alabama or 9th Cavalry	185
June 1, 1864	E. N. Purckett	Lieutenant, Company K	12th Arkansss Infantry or 21st	186
July 25, 1864	J. W. Jacques	Lieutenant, Company F	24th Tennessee Infantry	187
Aug. 6, 1864	J. W. McRae	Second lieutenant, Company E	67th Georgia Infantry	188
Sept. 14, 1864	Wm. P. Norton	Lieutenant, Company D	22d North Carolina Infantry	189
Sept. 12, 1864	Henderson H. Creswell	Lieutenant	Freeman's Regiment	190
Sept. 23, 1864	J. Coulter	Citizen	Marysville, Tenn	191
Do	Thos. Ruffin	Lieutenant, Company D	4th North Carolina Cavalry or 59th Cavalry	192
Sept. —, 1864	C. B. Morris	Lieutenant, Company I	9th Alabama or 9th Louisiana Infantry	193
Do	J. Miller	Third lieutenant	Williams' Arkansas Cavalry	194
Do	Robert Gamble	Second lieutenant, Company G	9th Alabama Infantry	195
Nov. 6, 1864	J. P. Noland (or Nolan)	Lieutenant	English's Mississippi Battery	196
Jan. 18, 1865	J. M. Hill	Captain, Company G	Dobbins' Arkansas Cavalry	197
Feb. 27, 1865	W. C. Raidy (or Reading)	Company G	11th Kentucky Cavalry or 11th Engineers	198
June 18, 1865	M. H. Michael	Lieutenant	59th Virginia Infantry	199
Apr. 4, 1865	A. G. Pitt	Second lieutenant, Company K	20th Tennessee Infantry	200
May 1, 1865	J. L. Hood	Adjutant	59th Virginia Infantry	201
	Confederate soldier		Unknown	202
	do		do	203
	do		do	204
	do		do	205
	do		do	206

Booneville Power Contracts With Private Utilities

REMARKS
OF
HON. WALTER M. PIERCE
OF OREGON
IN THE HOUSE OF REPRESENTATIVES
Thursday, August 3, 1939

Mr. PIERCE of Oregon. Mr. Speaker, a full page advertisement, signed by the Portland General Electric Co., has recently appeared in one of the daily papers published in Portland, Oreg. This company is the operating electric company wholely owned by the Portland Electric Power Co., a holding company. In this advertisement there are quotations from the speech made by Franklin D. Roosevelt in Portland in September 1932, and from the few disconnected sentences selected for quotation, the inference is drawn that the President is opposed to the people's utility districts in Oregon, and that he wishes to have the electricity from Bonneville distributed to the users in Portland, Oreg., through the meters and over the wires of the present operating companies in Portland.

I personally heard the President deliver the speech of September 21, 1932, to which the reference was made. The theme

of that speech was that there should be four yardsticks established by the Nation to measure the cost of furnishing electricity—T. V. A. in the Southeast, the St. Lawrence in the Northeast, Boulder Dam in the Southwest; he added that the next development should be made on the Columbia River, affording a yardstick so that people might know the real cost of electricity and the distribution thereof in the Pacific Northwest.

Since the delivery of that speech, the President on several occasions has distinctly endorsed cooperative distribution of the electricity developed at these particular points for which the Government has appropriated money in loans. The T. V. A. in the Southeast tried in every way possible to cooperate with the private utilities. They found it simply impossible. A contract was written with a private utility known as the Arkansas contract—very favorable to the utilities, very unfavorable to the users of electricity and the T. V. A. It has been said that this contract will operate to keep the benefits of T. V. A. from reaching the people of Arkansas. The situation within the last few months has grown so tense in Tennessee that the Government recently authorized a bond issue of $61,500,000 to buy out the private utilities in Tennessee and in certain counties in Mississippi, because it was impossible for the people to get the benefits of T. V. A. through the wires owned by the Wall Street-controlled companies. The President, in signing this bill, affirmed his faith in public-power development. Boulder Dam, in delivering its power to Los Angeles, has been an astonishing success because the citizens of Los Angeles were alive to the situation, and under the leadership of Engineer Scattergood they have acquired the utility lines and given a monopoly to the people's district, so Los Angeles is enjoying the cheap electric rates from Boulder.

PROPAGANDA JUST A SCAREHEAD

I beseech my friends in Portland, Oreg., not to be deceived by this utility Wall Street propaganda. Again I assert, as I have hundreds of times asserted that the citizens of Portland can never enjoy cheap electric rates from the Government-developed plant on the Columbia at Bonneville if they are forced to take that electricity through the meters and over the wires of the private utilities. I am not guessing, I know. I am not prophesying, I am stating facts. The meters and wires of the Wall Street-owned utilities of Portland, Oreg., are mortgaged and bonded for such large amounts that the rates fixed by the utilities must be hign enough to pay interest on this inflated value. The only possible way for Portland to enjoy the full benefits of Bonneville development is to buy out the private utilities as Los Angeles has done, as Tacoma has done, as they are doing now in the State of Tennessee. Pay the private companies what their poles and wires, that can be used, are actually worth. Nothing more. They are not entitled to it. Pay them nothing for the franchise. That belongs to the people and was given to the company by them. Portland should have competent engineers fix values of the utility properties. They should organize the P. U. D. district.

In the advertisement referred to the utilities try to scare the people by talking about increased bonded debt. That debt is there just the same whether it is a public debt or a private debt, and the people who use electricity must pay rates sufficient to pay the interest thereon; with this difference—if the debt is a public debt—it will be amortized and paid off in a few years, the same as Tacoma, Eugene, and Los Angeles have paid off their debts. If it is a private bonded debt put on the utilities in Portland by the Wall Street companies, then the debt is never reduced in total amount but is added to on every occasion.

WHAT KIND OF A RECORD HAS PEPCO MADE?

If this activity is carried on by the people, there will be no necessity for highly paid full-page advertisements appearing in the Portland paper to which I referred. There will be no need of expensive lobbies in Salem and Washington. There will be no need of extremely high salaries such as are today paid to the managers of the utility. Is the Portland Electric Power Co. to be trusted by the people of Portland again? Will they ever have confidence in a company that has gone through two reorganizations or bankruptcies in the last few years, repudiated its debts, defrauded thousands of citizens of Oregon by inducing them to buy stock in a company which soon resorted to bankruptcy or reorganization, rendering that stock valueless? The records show that in one brief period of less than 2 years, the Portland Electric Power Co. increased its capitalization $26,000,000 with no substantial addition to the physical value of the property. Time and again the Portland Journal has published the gas scandal by which the Portland Electric Power Co. was obliged to purchase stock in Seattle gas that was worth $15 per share on the market. The Portland company was obliged to pay $225 per share. The stock manipulators sat on both sides of the table and the electric-light users of Portland were the "goats." They had to pay. Is such a company now to be trusted? Have these bankruptcies and reorganizations been necessary? Compare the company with Tacoma on the north, a field only half as valuable as the Portland field for sale of electricity. The Tacoma plant never went through bankruptcy. The people own the generating and distributing systems, and it is 80 percent paid for. In 5 or 6 years, Tacoma electric distribution system will be owned by the city, free of debt. Compare Portland with Eugene, in our own State, a city less than one-tenth as big as Portland. It never went through bankruptcy. Rates have been lower in both Tacoma and Eugene than in Portland. Eugene is almost out of debt, could be in another year or two, and think of the valuable generating and distributing system owned by the enterprising city, probably worth more than $5,000,000; Tacoma worth $30,000,000. They accumulated capital while Portland accumulated debt.

WHAT PEPCO SAYS ABOUT ITSELF AND WHAT ITS INVESTORS THINK

The Electrical World, an organ of the private-utility interests, had in its issue of July 22, 1939, an article entitled "Offers Utility's Facilities for Bonneville Power." The subtitle is "Griffith tenders lines of Portland General Electric to help make the Government's project a success. Says working combination would preserve private investment and give people abundance of power." The last two paragraphs of this article are so striking that I quote them in entirety:

> A program of cooperation between the private utilities and the Federal Government under State regulation of rates and practices will bring all the sound benefits of Bonneville to the people, Mr. Griffith said. "Such a program will continue the employment of our highly efficient and well-trained employees and will respect the rights and equities of the thousands of investors without whose money in the past 50 years we should never have been able to lead the country in developing the uses of electricity and to perform a widespread public service at one of the lowest costs on record."
>
> Mr. Griffith is opposed to the formation of public-utility districts, for he sees no need for them, inasmuch as the use of present facilities of private utilities will be more economical, preserve present investments, and customers get the benefit of the Government's power.

How does this sound from a man whose company is in bankruptcy with investors organizing to try to salvage at least a small sum from an apparently hopeless situation? Has that company respected the rights and equities of investors?

The State utility regulation to which reference is made should not appeal very strongly to the Oregon investors and rate payers who have, during the past few years, failed to receive any protection through State regulation. With reference to this I desire to quote from a statement recently made in an appeal to Congress by Mr. E. A. Miller, of Salem, Oreg., chairman of the protective stock and bondholders' committee of Portland Electric Power Co. Incidentally, I might suggest that no publicly owned utility has ever yet given reason for setting up a protective organization. I quote from Mr. Miller:

> However since this concern (the Portland Electric Power Co. of Portland, Oreg.) has been a controlling factor in the political destiny of Oregon for so many years last past, it no doubt will be very hard for the poor investing citizen to protest to the extent of protecting their interests.

The people of Oregon have patiently waited for the completion of the Bonneville project, thinking that they were to receive the direct benefits of this great improvement, and we are all entitled to its full benefits. The stockholders and bondholders of the Portland Electric Power Co. are thoroughly convinced of the fraudulent manipulations of Mr. Griffith and his cohorts and see no relief in sight other than the sale of the holdings of the company through a group of public-utility districts, or as a whole in one district, and thus forever eliminating this great octopus that has preyed upon the pocketbooks of the users of its service on one hand, and robbed its security holders on the other for nearly a half century.

We stockholders and bondholders ask that you use every means available to prevent the Secretary of the Interior from entering into any arrangement with the officials of the Portland General Electric Co. or any of its agencies in connection with the output of Bonneville power until a settlement can be reached with the creditors of this company (Portland Electric Power Co.). That such a contract in the hands of the officials of this company would be detrimental to the thousands of citizens of this State as it, no doubt, would be used to justify some little reduction in the electric-current rate, and this amplified beyond reason to show why the value of the assets should not be charged down, justifying the charge down of these securities way beyond any proportionate reason.

THE TAX ARGUMENT

Mr. Griffith is further quoted in the Electrical World article on the matter of taxes. It would interest me to see the result of a computation of taxes paid by Mr. Griffith's company compared with the total of losses sustained by his so-called investors:

The public also understands that the low rate at Bonneville is possible because Bonneville will pay no taxes whatever. A private development of such magnitude would have to earn not less than $2,000,000 annually for taxes alone. Thus the rate at which power will be wholesaled from Bonneville will include nothing for taxes.

The people of Oregon should not be deceived by the old arguments so often made that the utilities pay taxes. The utilities are not taxpayers, they are tax collectors. Wall Street contributes nothing to the upkeep of Portland or to any other section of the country where it owns the utilities. Rates are kept high enough so that a small percentage is taken out of the contribution of the users of electricity and turned over to the public. Publicly owned plants do the same thing except that they turn over a larger percentage while giving lower rates.

UTILITY TRANSMISSION LINES TOO LIGHT

The companies have made public pleas that their transmission lines be used for Bonneville current. The truth is, and they do know, that their lines do not have sufficient capacity to handle Bonneville power. Of course, they have distribution systems which cannot, under the circumstances and conditions created by the companies themselves, be advantageously utilized.

BONNEVILLE CONTRACTS

There is much talk in the Pacific Northwest and in the National Capital about the pending contracts between the Bonneville administration and the private utilities of the Pacific Northwest, especially the Portland Electric Power Co. and the various subsidiaries of the Electric Bond & Share. Those who believe that Bonneville should be used for the public benefit are much disturbed by constant rumors that the officials making the decisions in regard to contracts may not all hold the public interest uppermost. Thousands of eyes are watching every move. Assertions of those in charge that they favor public power and public benefits from publicly developed Bonneville power can be proven only by their actions. Before contracts are signed to deliver to a private utility agency such valuable public assets, there should be public hearings. Continued bankruptcies, increasing debt burdens, and the practice of absorbing investors' funds without return would seem to indicate that most careful consideration should be given to any proposal to make such a company the distributing agency for government power. The public interest should be protected, especially in dealing with a company which is just undergoing a second bankruptcy and repudiating obligations to over 20,000 Oregon citizens. The loss in one rural Oregon county alone through this repudiation is reported to be $1,500,000. Would any county ever have suffered such a loss through a public-utility district?

No one doubts the good intentions of the Secretary of the Interior, who is directly responsible for the administration at Bonneville. The situation is, however, extremely disturbing over this great project which has been for many months without an administrator. Its organization is being perfected and contracts prepared for signatures without the guidance of a permanent administrator who will have the responsibility for carrying out the contracts. All public power proponents throughout the country have awaited for months the assignment to Bonneville of a permanent administrator who can command the respect and confidence of public-power-minded people. The losses incidental to the delays in action have been tremendous, not only financially but in public confidence.

PORTLAND WILL PROTECT ITS INTERESTS

It is said that Portland is conservative—too mild a term for the citizens of Portland if they listen to this propaganda that is now in the air. They are just plumb foolish if they refuse to take advantage of the opportunity that is thrown at their feet by having the tumbling waters of the Columbia River to light and heat their homes, and turn the wheels of industry. If the citizens of Portland will act now like free-born Americans and shake off the clutches of the Wall Street octopus, "the world is theirs and all things in it."

Portland will realize that, from all points of view, "a private monopoly is indefensible and intolerable."

Dispelling the Fog About Trade Agreements

EXTENSION OF REMARKS

OF

HON. JOHN M. COFFEE

OF WASHINGTON

IN THE HOUSE OF REPRESENTATIVES

Thursday, August 3, 1939

Mr. COFFEE of Washington. Mr. Speaker, in the past few weeks a series of articles have appeared in the CONGRESSIONAL RECORD designed to stir hostility among American farmers against the trade-agreements program. Emotions have been played upon to create opposition to the Hull policy of entering into agreements with foreign countries to modify reciprocally the multiplicity of barriers which restricted our foreign trade and destroyed our world markets for the products of both agriculture and industry.

Opponents having no real basis on which to establish their indictment of the program have followed the time-worn but not time-honored practice of presenting half truths, ascribing to trade-agreements results arising primarily from other causes. Studiously selected figures showing increases in imports of agricultural commodities have been and still are used by frenzied opponents of the trade-agreements program as a favorite device to confuse American farmers. With no regard to other factors these same opponents endeavor to discredit Secretary Hull's efforts to liberalize trade practices by focusing the farmers' attention on conclusions, hastily drawn, that the increase in imports of a given farm commodity measures the displacement of American farm acreage. It does not require much reflection to realize that such a conclusion is absurd.

With the same labored care used to emphasize the increases in 1937 of carefully selected farm products, these opponents fail to mention that while these imports are considerably larger than they were during the depression years, they are smaller than they were during any year between 1922 and 1930. Moreover, they refrain from mentioning the obvious fact that many of the increases in imports in 1937 of the sort grown on American farms resulted from the necessity of supplementing domestic shortages caused by the severe droughts of 1934 and 1936, and that these imports paid the full duty provided for in the Hawley-Smoot Tariff Act.

Furthermore, if it is sound reasoning to assume that an increase in imports of a given farm-commodity measures the number of American farm acres displaced—in a year when domestic supplies were reduced to a point below adequate to meet home requirements—how many more millions of American farm acres were displaced in 1929 when imports of agricultural products were 30 percent greater than they were in 1937 and allegedly the farmers' welfare was so carefully safeguarded.

On page 3543 of the Appendix of the CONGRESSIONAL RECORD there appeared a table showing imports in 1933 and 1937 of a few carefully selected agricultural products followed by the sentence:

> One has only to read it (referring to the table) to see the reason why the American farmers have had such low income during the New Deal administration.

Since these opponents of the trade-agreements program seek to base their indictment of it by comparing 1933 figures against 1937, the farmers of this country are entitled to have a fuller disclosure of the facts. I have here the same table used by these opponents, having added thereto cash farm income for as many listed items as there are data available. In the light of these facts I do not believe the farmers of this country—whose memories are not so short lived that they have forgotten the hardships and sufferings they experienced prior to 1933—are willing to return to those conditions.

Product	Imports, 1933	Imports, 1937	Cash farm income	
			1933	1937
Cattle.....head	74,658	494,945	$599,485,000	$1,214,699,000
Hogs.....pounds	6,470	16,555,218	523,866,000	923,252,000
Pork products [1].....do	2,925,517	74,830,480		
Meat products [2].....do	62,474,911	191,906,012	1,490,085,000	2,787,358,000
Butter.....do	1,021,806	11,110,762	[3]	[3]
Cheese.....do	48,396,740	60,650,000	[3]	[3]
Corn.....bushels	160,288	86,337,248	174,794,000	221,757,000
Wheat.....do	10,286,236	17,423,837	304,030,000	602,971,000
Barley.....do	None	10,384,108	[3]	[3]
Barley malt.....pounds	109,485,885	371,243,456	[3]	[3]
Flaxseed.....bushels	13,825,163	28,031,755	10,677,000	12,876,000
Soybeans.....pounds	42,630,809	109,418,304	[3]	[3]
Cottonseed.....do	7,004,025	194,008,241	48,713,000	113,399,000
Wool and mohair.....do	178,927,605	326,034,700	81,899,000	126,123,000
Molasses.....gallons	169,936,000	301,449,599	[3]	[3]
Eggs and products.....value	$1,141,739	$5,010,824	[3]	[3]
Vegetables.....do	$15,448,223	$25,175,015	[3]	[3]
Hides and skins.....do	$45,675,000	$71,058,397	[3]	[3]

[1] Included in "Meat products."
[2] Value of production wholesale meat packing.
[3] Not available.

W. P. A.

EXTENSION OF REMARKS
OF
HON. JAMES H. FAY
OF NEW YORK
IN THE HOUSE OF REPRESENTATIVES

Thursday, August 3, 1939

Mr. FAY. Mr. Speaker, I beg leave to revise and extend my recent remarks on the subject of the W. P. A. in order to answer certain reports that are being maliciously circulated to give the impression that I favored cutting the prevailing rate of wage in W. P. A. projects.

I want this House and the people of my district to know that these reports are deliberate distortions of the truth.

I want it known that I not only voted against but fought against cuts in the prevailing rate of wage, and that I voted for the present Woodrum Act under protest, only because without that bill, there would have been no W. P. A. at all.

I am sure that the people of my district know that I would never willingly give my support to any wage cuts in these difficult times; but to keep the record straight, I will state the facts:

Two W. P. A. bills came before the House, one known as the Casey bill and the other the Woodrum bill. The Casey bill provided for the prevailing rate of wage. The Woodrum bill eliminated it. I voted for the Casey bill on the floor of the House, but it was beaten. When the Woodrum bill came up before the Committee of the Whole, I, together with all right-thinking Democrats, fought hard to defeat the Woodrum bill in its present form and to retain the prevailing wage rate. The committee, however, voted to present it to the House with that provision eliminated on June 30, the last day on which it could be acted upon under the law as it existed at that time. To have voted against the Woodrum bill and to have caused its defeat would not only have abolished the prevailing rate of wage but would have thrown every W. P. A. worker in the United States out on the streets and subjected him and his family to hardship, hunger, and misery. Heaven alone knows what the consequences might have been. We right-thinking Democrats were faced with the alternative of accepting the Woodrum bill as it then stood or of defeating it and abolishing completely the entire W. P. A. set-up. Obviously there was only one course to pursue and I followed it. So did 373 other Congressmen, and it will be recalled that the President finally signed the bill under protest. As a matter of fact, I have been working night and day since this defeat to bring about before this session adjourns, a rider to another bill which would reestablish the prevailing rate of wage.

Those who seek to criticize my vote must necessarily, therefore, find fault with every Congressman from New York County, all of whom voted exactly the same as I. It is clear, therefore, that anyone trying to make the people of my district believe that I deliberately voted against the prevailing rate of wage is engaged in an outright attempt to deceive the people and I am sure this will prove in the very near future to be a boomerang to those who are attempting this flagrant deception on the voters of the Sixteenth Congressional District.

For the life of me I cannot conceive how anyone can say that I would vote against a decent rate of wages which the laboring people of our city have worked to establish for 25 years, especially when I am one of them, being myself a member of an American Federation of Labor unit.

Let these destroyers of my principles and character through their back-alley whisperings be men and come out on any public platform where I will meet them for debate at any time and place to discuss all phases of my life and its association with this district.

I am willing to match my contribution to the general welfare of our district and to its people with any person in the district who so wishes to engage in debate with me.

My paramount thoughts will always be directed for the best interests of the people of my district.

I include herewith a letter from Congressman JOSEPH CASEY, of Massachusetts, the sponsor of the amendment which would have put the prevailing rate of wage into the so-called Woodrum bill.

HOUSE OF REPRESENTATIVES,
Washington, D. C., August 3, 1939.

Hon. JAMES H. FAY,
House of Representatives, Washington, D. C.

DEAR JIM: It has come to my attention that propaganda has been spread in your district to the effect that you voted against the prevailing rate of wages on W. P. A.

It was I who made the fight for the prevailing rate of wages on W. P. A. and other liberal features included in the Casey bill. Therefore, I am in a position to state that this propaganda is unqualifiedly false and has no basis in fact. You worked with me and supported me at every turn in my attempt to pass the Casey bill which would have given the workingmen in your district who are on W. P. A. a square deal.

Let me add that in your first year of office you have proved to me that you are a supporter of liberal and humane legislation in behalf of the people of the United States. You have my permission to use this letter in any way you see fit.

Sincerely yours,

JOSEPH E. CASEY.

Advantages of Denver, Colo., as the Site for an Additional Technical Aeronautical Research Laboratory

EXTENSION OF REMARKS

OF

HON. LAWRENCE LEWIS

OF COLORADO

IN THE HOUSE OF REPRESENTATIVES

Thursday, August 3, 1939

STATEMENT MADE ON JULY 14, 1939, BEFORE THE SUBCOMMITTEE ON DEFICIENCIES OF THE APPROPRIATIONS COMMITTEE OF THE HOUSE OF REPRESENTATIVES

Mr. LEWIS of Colorado. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following statement made by me on Friday morning, July 14, 1939, concerning the advantages of Denver, Colo., as the site for an additional technical aeronautical research laboratory:

TECHNICAL AERONAUTICAL LABORATORY AT DENVER, COLO.

Mr. WOODRUM. Mr. LEWIS, the committee will be very glad to hear such statement as you desire to make in reference to a proposed item in the bill we have under consideration.

Mr. LEWIS. Mr. Chairman and gentlemen of the committee, I appreciate your courtesy in allowing me to appear this morning.

I wish to speak about the matter of technical aeronautical laboratories for the investigation of problems in aeronautics, and particularly as to the desirability of having a high-altitude location for such a laboratory.

Mr. JOHNSON of West Virginia. You come, I believe, from a city in a high altitude?

Mr. LEWIS. Yes; I come from the city of Denver, which is a mile above the sea.

The two locations which, as I understand, are now being considered are one at Langley Field and one proposed to be located at Sunnyvale, Calif. They are both, of course, at sea level. I wish to suggest the desirability of having a high-altitude station, and in that connection to refer to the advantages of Denver.

The need for these technical aeronautical laboratories, I believe, has already been drawn to your attention. I understand there are in Germany, a nation comparatively small, geographically speaking, as many as five such laboratories.

Mr. TABER. We have about 15 that are comparable to most of the ones that Germany has.

Mr. LEWIS. That is not my understanding. My understanding is that the United States Government maintains only one at this time.

Mr. TABER. There is Wright Field at Dayton, Ohio, and there is also such a station at Langley Field. There is such technical work going on, comparable with a great deal of the work done in German laboratories, in about 15 different colleges.

Mr. LEWIS. In colleges; yes.

Mr. TABER. They do work in connection with the manufacturers and the Government.

Mr. LEWIS. That really enforces the point I had in mind. All of those, I submit, are at or very near to sea level, and in order at sea level to simulate conditions at high altitudes it is necessary to have apparatus, very expensive to install and to operate, which even then does not perfectly simulate high-altitude conditions and conditions in drier regions. At Denver, a mile above the sea, we have the thin dry air of high altitudes and therefore it is not necessary to install at Denver expensive apparatus to simulate such conditions.

Mr. JOHNSON of West Virginia. How large an amount would you suggest be appropriated for such a station to be established at Denver?

Mr. LEWIS. I am unable to say at this time, but I shall have all the technical information in a very few days. There is an exhaustive study being made by the aeronautics department of the University of Colorado on that very subject, and that data will be here within a week or so. This proposed station, of course, is located well inland and not vulnerable to any air raids. Then, too, we have a climate which is particularly favorable for flying. There were last year 360 days of actual flying weather in Denver, as appears from the records at Lowry Field.

At Lowry Field we have an Air Corps technical school which Congress very generously provided. The citizens of Denver, cooperating with the Federal Government, bought and donated 960 acres of land as a site for the school proper, together with 100 square miles, out on the plains, for a bombing range. There are at the school proper and at the bombing range also, very extensive runways, which are necessary, of course, in that high altitude. Not one of the runways at Lowry Field, with the extensions now being provided by the city, is less than a mile and a half in length, and opportunities are available for still further extensions if desirable.

Denver is already a center of considerable aviation activity. There are many advantages in locating such a technical aeronautical laboratory in a city as large as Denver, which, with its contiguous suburbs, has a population of about 350,000. I may add that Denver is a very friendly and cooperative city. I am happy to be able to say that the War Department and the Army officers have repeatedly stated that they never have had greater cooperation than from our city and our people.

I should like to ask permission, if I may, Mr. Chairman, to insert in the record, at the end of my oral statement, a summary of some of these matters.

Mr. WOODRUM. We will be very glad to have you do so.

Mr. LEWIS. If there are any questions, I shall be very glad to answer them.

Let me add that the school site proper at Lowry Field—with its buildings, hangars, and extensive runways—occupies an area of 1½ square miles. On the plains, a few miles to the east, is a bombing range of 64,000 acres, or 100 square miles. At one corner of this bombing range are magazines for ammunition storage and a large auxiliary landing field. I surmise that there will be no necessity for the acquisition of any additional land for the location of such a technical aeronautical laboratory as I am suggesting, because probably sufficient space may readily be found on this land already acquired. But that, of course, is a technical matter of which I am not able to speak with any authority.

Mr. LUDLOW. How far is this site from Denver?

Mr. LEWIS. Do you mean Lowry Field?

Mr. LUDLOW. Yes.

Mr. LEWIS. One square mile of the school site proper is 6½ miles southeast of the main post office in Denver and is within the corporate limits of the city. The other one-half square mile immediately contiguous to the east is just outside the corporate limits. This school site proper of 1½ square miles and the bombing range of 100 square miles have been donated to the United States by the city of Denver at a cost to our citizens of over a million dollars.

Mr. JOHNSON of West Virginia. How much money are you asking for?

Mr. LEWIS. I am not asking for any specific amount at this time. I think, however, that the project should be started, if such is the pleasure of the committee. I shall have estimates within a day or two.

This bombing range starts several miles to the east of the eastern border of Lowry Field proper. The Denver Municipal Airport, one of the finest and most extensive in the United States, lies due north of Lowry Field proper. I should add that the north-south runway at Lowry Field, perhaps by a coincidence originally, is on a line with the north-south runway at the municipal airport, and there is only about a mile in between these runways as now being extended or as it is now proposed to extend them. So, if at any time it should be desirable to connect them, it could be very readily done, which would then make a runway about 4 miles long.

Mr. WOODRUM. We thank you very much for your statement.

Mr. LEWIS. I greatly appreciate your courtesy in hearing me at this time.

(The following is the summary permission to insert which was given by the chairman:)

"Summarized briefly, Denver's advantages for a technical aeronautics laboratory are as follows:

"1. Denver's cool, dry, mild climate offers many advantages to aviation. This applies to the actual treatment and fabrication of materials used in manufacturing airplanes, to actual flight training and experimentation, and to the general health and welfare of workmen.

"2. Flying conditions are exceptional. There were 360 days open for flying during 1938.

"3. Atmospheric conditions are ideal for observation purposes.

"4. Denver affords the Army an ideal inland location making it relatively safe from invasion by any hostile force.

"5. Denver is the only city of any size in the country having ideal facilities for experimental work on airplanes at an elevation of over 5,000 feet above sea level.

"6. Technical advantages favor location of a laboratory in Denver, as a means of testing and analyzing altitude characteristics of aircraft performance.

"7. Ample space would appear to be available at no further cost to the Government at Lowry Field for the construction of a laboratory. Additional land adjacent to this site is available for future expansion. Other areas in or near Denver can be obtained if location at Lowry Field does not appear desirable.

"8. Ample runways are available or are now under construction at Lowry Field for the taking off and landing of planes under test.

"9. The only large suitable bombing area is already available within 7 miles of Lowry Field for all kinds of theoretical and actual bombing research.

"10. With construction work that is now under way extending the north and south runway at Lowry Field an additional half mile to the north, and the north and south runway at the Municipal Airport which is being extended an additional half mile to the south, the two runways being practically in line, there will be a gap of only 1 mile between the two airports. This area has been surveyed and it is entirely practicable to connect the two runways to provide a 4-mile straightaway runway. Such a runway will cross East Colfax Avenue which is on United States Highway Nos. 38

and 40 entering Denver. But, if and when constructed, it will not be a difficult matter to construct an underpass for this highway.

"11. Denver's public-school system is a model both in the character of instruction and in physical facilities. A variety of recreational facilities in Denver offers opportunity to residents. This tends to maintain a high degree of morale among personnel.

"12. Substantial and dependable utility services of electric light and power, gas, telephone and telegraph, tramway and bus are available at reasonable service rates.

"13. Denver's municipal water supply, noted for its purity, is available at reasonable rates.

"14. Seven railroads serve Denver affording excellent and adequate rail transportation in all directions to all parts of the United States.

"15. Paved highways extend from Denver in all directions and are an integral part in the major highway system of the United States.

"16. Costs of living per family in Denver are lower than the United States average.

"17. In 1935 the Board of Army Officers, named to choose the most satisfactory location for the New United States Army Air Corps Technical School, selected Denver after weighing carefully the advantages of some 87 cities. Many factors were considered, among them the proponderance of excellent flying conditions throughout the year, mild climate, and the city's excellent educational, recreational, and cultural facilities as an influence upon the morale of personnel.

"18. Denver is already the center of considerable aviation activity. It is on the direct east and west transcontinental route and on the through route from Mexico to Canada. The United States Army Air Corps early in 1938 established its Technical School in Denver for training in photography and armament. The school is continuously expanding. The city is headquarters for the One Hundred and Twentieth Observation Squadron of the Colorado National Guard and administration headquarters for Continental Air Lines operating between Denver and El Paso. United Air Lines operates direct transcontinental planes through the city and service between Denver and Cheyenne, Wyo. Denver is located in a naturally protected area and is less vulnerable in case of war than cities in areas not so protected."

CONGRESS OF THE UNITED STATES,
HOUSE OF REPRESENTATIVES,
Washington, D. C., July 17, 1939.

The Honorable CLIFTON A. WOODRUM,
Acting Chairman, Deficiency Subcommittee, Appropriations Committee House of Representatives, Washington, D. C.

DEAR MR. WOODRUM: At the hearing last Friday, July 14, when I emphasized to your subcommittee the advantages of establishing a technical aeronautical research laboratory at Denver, Colo., I was asked to suggest how much money should be appropriated for such a station. I was not then sufficiently informed to be able to answer.

After investigation I now suggest an initial appropriation of $2,000,000 for inaugurating this project.

I shall appreciate your communicating this to the other members of the subcommittee.

Sincerely yours,

LAWRENCE LEWIS.

A Practical Peace Proposal—Foreign Policy and War Finance

EXTENSION OF REMARKS
OF
HON. JERRY VOORHIS
OF CALIFORNIA
IN THE HOUSE OF REPRESENTATIVES
Thursday, August 3, 1939

Mr. VOORHIS of California. Mr. Speaker, the American people want peace. They want to stay out of foreign wars. They are not "isolationists" in the sense that they are uninterested in what happens in other parts of the world nor in the sense that, pushed far enough, they would refuse to act in defense of their ideals. Certainly they are determined that no nation shall interfere with the peace and security of the Western Hemisphere. But they are equally determined to prevent, if possible, their Nation being dragged unnecessarily into wars abroad. They still believe that peace is possible and they want to see their Government strive to maintain it. Many polls of public opinion have attested to this general point of view.

Therefore it is no more than natural that the people—who, after all, have always paid the price of war—should seek out every influence, open or concealed, which may drive toward war. And it is equally natural that they should be demanding in ever-increasing numbers that should war ever come to this Nation again, its sacrifice should fall equally upon all groups and classes. This is the drive behind the effort to "take the profit out of war."

In recent years the peoples of the world have begun to believe that the international banker exerts an undue amount of influence upon the foreign policy of every nation. This suspicion may be just or unjust, but that it exists on a wide scale no one can doubt. Rightly or wrongly, many Americans feel uneasy, for example, when Mr. Bernard Baruch or Mr. J. P. Morgan approach Washington. They believe that the influence of the international banker was a great factor in causing us to enter the last Great War.

Probably one of the most important reasons for this is that in time of war more than at any other time money lending becomes a most profitable business. Writing in 1919, the historian Brooks Adams, grandson of President John Quincy Adams, great-grandson of President John Adams, said:

> The bankers, as a class, stayed at home, and the management of all business and, above all, the fixing of prices, fell automatically into the hands of those who were the strongest.

And of the peace conference at Versailles, he said:

> The bankers have apparently found it necessary to take the settlement of a peace out of the hands of the nominal political authorities and come to some agreement among themselves. What that agreement is we do not know, and perhaps may never know, save as events discover it in the future, but of this we may be certain: It will be an agreement which will conduce to the further dominance of the great moneyed interests.

Whether or not Mr. Adams has overstated the case there can be no doubt that the point of view he expresses is one in which the common man has begun to believe.

There is a profound popular fear lest great financial interests attempt to shape the policies of nations in ways which are inimical to the will to peace of every population on this planet.

HOW CAN THE INFLUENCE OF INTERNATIONAL FINANCE BE REMOVED?

Without giving any views now on what our foreign policy should be and without taking any position for or against the popular opinion that "big bankers are war makers," let us ask how any possibility of such influence on our own Government could be removed forever, particularly as far as foreign policy is concerned.

When war comes and national safety is threatened, then the Nation demands the full allegiance of its manpower to fight and to work; it relies upon its factories to accelerate their production. It goes back to these real things—its physical wealth, the skill, courage, and morale of its men and women, its factory equipment and transportation facilities. With these it fights the enemy. It conscripts and mobilizes all these things in a supreme effort. But we also need money to fight wars, and money we have not conscripted. Instead of conscripting the bankers or even their usurped right to create the money of the Nation, the Government goes to them with tragic humility and says: "We need money. We will pledge all the credit which belongs to the Nation and its people to your private banking system if you will monetize that credit and our ability to make war goods for us." And the banks take the credit of the whole people, and they monetize it on their books, and they lend back to the Government huge sums at interest, and we fight the war by borrowing our own credit from the banks who create no arms, breed no men, grow no food supplies, give no blood, do nothing useful in waging war except to manufacture book credits. All this is very profitable to the bankers but it fastens a strangehold of debt upon the community.

But if ever a government should be the source of its own money and not the borrower of it, it is when that government is fighting for its life and conscripting all its wealth, except those factories for making money, commonly called banks.

Some people say not to worry about wartime finance for the astronomical debts then contracted will never be repaid. But if they will never be repaid what is the sense of contracting them? Why not, in the first place, issue national credit, debt free, and cancel it through taxation as we fight the war and destroy the munitions we make? Why not conscript the money-creating power along with everything else and pay for the war as we go?

The principle of setting up a national credit account, which is a correct estimate of a nation's ability to produce and deliver goods, has been known for 20 years and has been discussed in an abundant literature. Is there any reason in financial technique why this principle is not feasible? Cannot the creation of new credits by the Government itself—not by the private banking system—be joined with a second principle—namely, that the tax rate in wartime be adjusted to the consumption rate? If the Government creates new credits at the rate of wartime production and retires the new money through a tax rate adjusted to the destruction of war goods, there will be no danger of inflation. Issue new debt-free money at the rate of production; tax the new money at the rate of consumption. Now add to these two principles the principle of price fixing, always adopted in time of war, and you will have an impregnable monetary economy to match the excellent defenses of the Nation.

It is well to remember that Abraham Lincoln financed a part of the cost of the Civil War with money issued directly by the United States. Why, then, could it not be done again, and made an integral part of what we call national defense? If debt-free credit, based upon the Nation's vital assets and its economic assets, can be provided, as clearly is the case, then let it be understood that should this Nation ever enter a war again the money power of our land will be commandeered and mobilized by the Government to fight that war.

This certainly would be an effective way to quiet the fears of the people about the influence of the international banking class upon foreign policy. For if bankers pushed us into war, they would have to pay a price for it. And the price would be this: That as a measure of national defense the sovereign Government of the Nation would begin to create its own credit instead of suffering the banks to continue their monopoly of the money-creating power. Under these circumstances the nearer the country came to war, the nearer would approach the day when national sovereignty in creating money would be reasserted. It would clearly be to the banker's own interest to persuade the Nation to peace. And everyone would understand that that was so.

The mere announcement that such a policy would be pursued would make it plain that the political power is supreme in America. Every citizen would know that the destiny of this great Nation could never again be influenced by the financier mind bent on preserving at all costs the old international financial game. Perhaps a measure of this sort would be one of the most practical steps toward peace that could be taken, for certainly the peoples of other nations would attempt to bring their governments to a similar policy, once it was understood.

To permit the money-creating power to be exercised by any person or agency except Government is wrong and always will be wrong. But if that be wrong in time of peace, certainly it is the greatest injustice of the ages for it to continue in time of war. For then the Nation takes from its citizens some of their private rights—even their lives. Surely no one can defend the failure of that same Nation to reclaim, then, the public right to create its own money and utilize its own credit.

Proposed Changes in Federal Trade-Mark Law

EXTENSION OF REMARKS

OF

HON. LUTHER A. JOHNSON

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Thursday, August 3, 1939

DIGEST OF PROPOSED CHANGES IN FEDERAL TRADE-MARK LAW IN H. R. 6618 BY CHAUNCEY P. CARTER

Mr. LUTHER A. JOHNSON. Mr. Speaker, on July 17, 1939, the House passed, without a dissenting vote, H. R. 6618, to amend the Federal trade-mark law, with reference to the registration of trade-marks used in commerce to carry out the provisions of certain international conventions, and for other purposes.

This bill is now pending in the Senate, before the Senate Committee on Patents, that committee not yet having had hearings thereon. Since Congress will likely adjourn within the next few days, no action will be taken by the Senate on the bill at this session, but it will hold its status for consideration at the next session of Congress which will convene on January 3, 1940.

Since the bill is highly technical and many of its terms are difficult to understand by the laymen, under leave granted to extend my remarks, I submit herewith a statement in the nature of a digest prepared by Mr. Chauncey P. Carter, of 3111 Foxhall Road, Washington, D. C., an attorney who is recognized as an authority upon all laws pertaining to trade-marks, and who has made a careful study and analysis of this bill:

DIGEST OF SOME OF THE MORE IMPORTANT CHANGES IN FEDERAL TRADE-MARK LAW THAT WILL BE EFFECTED BY THE ENACTMENT OF H. R. 6618

(By Chauncey P. Carter)

1. Not only trade-marks used in interstate and foreign commerce, but trade-marks used in any "commerce which may be lawfully regulated by Congress" may be registered. In addition to covering commerce within the District of Columbia and within other territory over which the Federal Government exercises sole jurisdiction, this phrase presumably extends Federal trade-mark jurisdiction into intrastate commerce in basic commodities to the extent that the Supreme Court holds such commerce subject to regulation by the Federal Government. Likewise, the language seems to cover intrastate commerce through the mails. Indeed, the intention of the act is stated therein "to regulate commerce within the control of Congress * * * to protect registered marks used in such commerce from interference by State legislation."

2. Foreign trade-marks used in commerce which may be lawfully regulated by Congress may be registered even if such marks are not registered in the country of origin.

3. Marks which consist of or comprise deceptive matter or matter which tends to disparage persons living or dead, institutions, beliefs, or national symbols or to bring them into contempt are denied registration.

4. A mark will not be denied registration (a) on the ground of descriptiveness unless when applied to the goods of the applicant it is merely descriptive of them; (b) on the ground of being geographical unless when applied to the goods of the applicant it is primarily geographical; (c) as a personal name unless it is primarily a surname.

5. The special provision for registration of ordinarily unregistrable marks that were in exclusive use for 10 years next preceding February 20, 1905, is dropped but in its place there is a provision for registration of descriptive or geographical marks or surnames that have "become distinctive of the applicant's goods in (Federal) commerce." Substantially exclusive use of such a mark in Federal commerce for 2 years may be accepted by the Commissioner as prima facie evidence of such distinctiveness, and presumably the Commissioner will accept an affidavit to that effect.

6. Marks used in Federal commerce to distinguish services are now registrable with the same effect as marks used to distinguish articles of merchandise. Likewise, marks used to show that the applicant certifies the goods as to origin, material, mode of manufacture, quality, or other characteristic.

7. Collective marks are now defined to mean "marks lawfully used by two or more persons" and to include "indications of regional origin."

8. The use of marks by related companies is validated, and the relationship may be "by stock ownership, contractual relationship, or otherwise."

9. The practice of disclaiming unregistrable matter is specifically approved and it is provided that such disclaimer shall not prejudice or affect the applicant's or owner's rights then existing or thereafter arising in the disclaimed matter.

10. Certificate of registration is prima facie evidence of the validity of the mark and of registrant's exclusive right to use the same in Federal commerce. It is also notice of the registrant's claim of ownership.

11. When a registration is transferred, the new owner may secure a new certificate in his own name.

12. Registrations may be amended or disclaimed provided this does not "require republication." It is not clear what amendments or disclaimers would not require republication.

13. Certified copies of Patent Office records and certificates of registration have the same evidentiary value as the original records.

14. Mistakes occurring in registrations through the fault of the applicant may be corrected if the mistake occurred in good faith.

15. Registrations are to be canceled at the end of 5 years unless within the last 3 months the registrant files an affidavit of use or sufficient excuse for nonuse.

16. Renewals may be effected within 3 months after expiration on payment of penalty.

17. Trade-marks may be transferred without the goodwill of the business. "Acknowledgment shall be prima facie evidence of the execution of the assignment, and when recorded in the Patent Office, the record shall be prima facie evidence of execution." An assignment is no longer void as against a subsequent purchaser for a valuable consideration without notice, provided it is recorded prior to such subsequent purchase.

18. For good cause shown, the 30 days provided for filing opposition may be extended by the Commissioner.

19. After 10 years from date of registration (or in the case of marks now registered after 10 years from the effective date of the act) registrations may only be canceled for fraud in obtaining the same or on the ground that the registered mark is deceptive, scandalous, public property, etc., or because it is the name, portrait, or signature of a living individual.

20. After the period for cancelation has expired, the right of the registrant to use his mark in Federal commerce shall be incontestable, and the registration is no longer subject to interference proceedings.

21. The doctrine of laches and acquiescence is made applicable to trade-mark registration proceedings.

22. When there has been honest concurrent use of any given mark in Federal commerce for not less than 5 years without protest the Patent Office or the courts may grant more than one registration subject to such limitations and conditions as to mode or place of use of such marks as may be required to minimize the probability of confusion.

23. The act of 1920 is replaced by a "supplemental register" on which may be placed such marks as a "package, configuration of goods, * * * slogan, or phrase" or other descriptive mark, as well as geographical marks and surnames "capable of distinguishing the applicant's goods" and which have been in bona fide use in Federal commerce for not less than 1 year. Applications for such registration will not be advertised for opposition purposes but the registrations may be canceled. To facilitate foreign protection, the 1 year's use may be waived. The term and renewal privileges for marks on the supplemental register is the same as for marks on the principal register but marks on this register may not be assigned without the goodwill of the business. Registration on the supplemental register is notice of the registrant's claim of ownership. Such registrations are not effective against importation of goods bearing an infringing mark. The certificates of supplemental registration are to be conspicuously different from those for the principal register.

24. The legal notices of registration are expanded to include the letter R within a circle or the letters T. M. R. in an ellipse, and if no prescribed notice is used, no profits or damages may be recovered from an infringer unless he was given actual notice. For foreign marks the notices legally used in the home country are sufficient.

25. The Commissioner is authorized to issue a single certificate of registration to cover goods in several classes.

26. The fee for an appeal is increased to $20; transmitting international applications to $10; and for issuance of new certificate of assignee or for certificate of correction of registrant's mistake the fee is fixed at $10.

27. To falsely indicate that goods or services are the goods or services of a person who shall have registered a mark is now punishable as infringement. In court actions the certificate of registration is admissible in evidence and shall be prima facie evidence of plaintiff's exclusive right to the use of the mark therein described on the goods therein specified and after the period for cancelation has expired such certificate is evidence that can only be rebutted by proof that the registration was obtained fraudulently; that the mark has been abandoned; that it was used prior to plaintiff's use; or that it is a fair use of the defendant's own name or of the rightful name of the goods.

28. A successful plaintiff may have in addition to injunction, defendant's profits, his own damages, and in the discretion of the court the costs of the action. Triple damages may still be awarded. The court is given full power to rectify the register.

29. It is made a criminal offense subject to imprisonment and/or fine to knowingly introduce or deliver for introduction or to receive or to knowingly transport in Federal commerce a mark which is identical with or substantially indistinguishable from a mark on the principal register or to introduce in Federal commerce goods bearing a false notice of registration.

30. The provisions aimed at importation of goods bearing infringing or misleading marks are improved and full effect is given to the international conventions to which the United States is a party, reserving like benefits to our own citizens.

31. It is no longer necessary to affix a mark to the goods; it is sufficient if it is used in the advertisement or sale thereof in Federal commerce.

32. Discontinuance of use for 2 years shall be prima facie abandonment. It is also an abandonment when any conduct of the registrant causes the mark to lose its significance as an indication of origin.

33. The act will not come into force for 60 days after enactment. Registrations under the 1905 law will continue in force and may be renewed under the new act and in the meantime will have the benefits of the new act. Marks registered under the 10-year proviso of the 1905 law will be deemed to have become distinctive of the registrant's goods in Federal commerce and will be renewable accordingly. Registrations granted under the 1920 law will expire in 20 years from date of registration and may not be renewed unless renewal is required to support corresponding foreign registration. In the meantime, they shall have the benefits of marks on the supplementary register.

United States Foreign Trade During the First Six Months of 1939

EXTENSION OF REMARKS

OF

HON. FRANK H. BUCK

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, August 3, 1939

Mr. BUCK. Mr. Speaker, inasmuch as I like to keep my colleagues in the House and my constituents at home up to date on foreign-trade figures, I desire to call attention to the following table, which presents certain facts with regard to that foreign trade of the United States. The table concerns the trade for the first 6 months of each year from 1929 through 1939. I am sure that all who read this will find it of great interest and value. It shows that exports during the first half of 1939 were greater than during the same period of 1936, and that 1939 imports for the 6-month period were less than they were during 1936. As compared with the same period of 1933, the low of the depression, exports during the first half of 1939 were larger by 112 percent while imports were 85 percent greater.

Foreign trade of the United States, first half 1929–38

	Exports including reexports	General imports	Export balance
1929	$2,623,000,000	$2,286,000,000	$337,000,000
1930	2,076,000,000	1,736,000,000	340,000,000
1931	1,316,000,000	1,107,000,000	209,000,000
1932	840,000,000	747,000,000	93,000,000
1933	669,000,000	592,000,000	77,000,000
1934	1,036,000,000	864,000,000	172,000,000
1935	1,024,000,000	944,000,000	80,000,000
1936	1,155,000,000	1,165,000,000	[1] —10,000,000
1937	1,537,000,000	1,683,000,000	[1] —146,000,000
1938	1,591,000,000	960,000,000	631,000,000
1939 [2]	1,415,000,000	1,095,000,000	320,000,000

[1] Import balance; for the entire 12 months these years had an export balance.
[2] Preliminary.

One Hundred and Fiftieth Anniversary of the United States Customs Service

EXTENSION OF REMARKS

OF

HON. JOHN J. COCHRAN

OF MISSOURI

IN THE HOUSE OF REPRESENTATIVES

Tuesday, August 1, 1939

Mr. COCHRAN. Mr. Speaker, I should like to call the attention of this House and the country to the one hundred and fiftieth anniversary of the United States Customs Service, celebrated August 1, this year. The Customs Service, as the Speaker well knows, is the organization which is charged with the administration of the tariff law and the collection of customs duties. It is one of the oldest organizations of our Government, which in romance and progress has few parallels in the Federal structure. Customs employees, nearly 10,000 in number, are scattered in 48 customs collection districts throughout the United States, Alaska, Hawaii, Puerto Rico, the Virgin Islands, and in certain foreign countries, where they protect the Government's interests, and handle expeditiously the infinite volume of import business which yearly account for millions of dollars in revenue.

Among the most important governmental investigative units, and probably the least known to the general public, is the investigative arm of the Customs Service, known as the Customs Agency Service, which really had its inception at the time of the passage of the first tariff act in 1789. The Customs Agency Service, a mobile force of agents who have been called the "eyes and ears" of the Secretary, is charged with detecting and investigating frauds on the customs revenue, and violations of customs statutes. The duties of the personnel of the Customs Agency Service embrace the entire field of customs procedure, both routine and technical. These customs investigative officers, in addition to original investigations developed by them, investigate and report upon all matters brought to their attention by the Secretary of the Treasury, departmental officials, collectors of customs, and other customs administrative officers, with respect to smuggling, undervaluation, and classification of imported merchandise, customs procedure, and other related and miscellaneous subjects. Moreover, all investigations involving frauds or violations of the customs statutes are required by regulations to be referred to the Customs Agency Service.

All criminal cases incident to seizures effected by the Customs Service are investigated, reported, and followed through the courts by customs agents, who collaborate with the United States attorneys in the actual presentation of testimony during trials, thereby materially assisting in securing a high percentage of convictions.

Civil liabilities in connection with seizures under the tariff act are also investigated by customs agents, such as petitions for remission of fines, penalties and forfeitures, and offers in compromise.

In addition to customs agents, who are highly specialized officers, there is a uniformed force in the Customs Agency Service known as customs patrol inspectors, who police the vast sea and land borders of our country on foot, on horseback, in automobiles, and in boats to detect and prevent the illegal introduction of merchandise and contraband into our country.

Principally for the purpose of ascertaining and verifying foreign market values abroad, to the end that the proper dutiable rates may be assessed on importations, the Customs Agency Service maintains offices in Europe, Canada, the Orient, and Cuba. Each foreign office is in charge of an officer known as a Treasury attaché, who directs the activity of a staff of trained investigators speaking the language of the country where stationed. These customs Foreign Service officers also keep informed of movements of narcotics and report to the Department any contraband destined for shipment to the United States. Many seizures have been due in large measure to advance information furnished of shipments of contraband destined for our shores from foreign countries.

The annals of the Customs Agency Service are replete with countless cases of detection and frustration of well-laid schemes to smuggle both contraband and noncontraband and defraud the customs revenue by various and sundry ingenious methods, the counterpart of which has never been plotted even in fiction. Naturally, the more colorful cases are those pertaining to the ancient crime of smuggling, practiced since the dawn of civilization, and before. The governments of the world may hope only to restrict the scope of this offense against their revenues. Therefore, their principal endeavor is to restrain violators and circumscribe within narrow bounds their nefarious trafficking. This, in brief, is the mission of the Customs Agency Service.

Time will permit me to speak of but a few of the more important and publicized smuggling cases of recent years, which owe their successful detection and prosecution largely to the tireless efforts and relentless investigation of that small group of revenue officers who compose the Customs Agency Service.

The largest seizure of smoking opium ever effected within the territorial limits of the United States was made by customs officers at Honolulu on August 30, 1928. The opium was found concealed in a shipment of 65 cases of assorted merchandise shipped from Hong Kong and consisted of 3,338 5-tael tins, each tin holding 6⅔ ounces of smoking opium, the total net weight of the opium being 22,253⅓ ounces.

At the present time it would appear that narcotic smugglers are afraid to gamble everything on large shipments of illicit drugs, and indications are that they are employing false compartments in trunks and hand-baggage for concealment purposes, and often employ seamen to smuggle smaller quantities of dope concealed on their persons.

Before the effects of the Treasury Department's intensified campaign against narcotic smuggling began to be really felt well-organized international drug rings commonly despatched truly commercial ships of narcotics, which, if seized, would involve the loss of small fortunes and which, if successfully smuggled through, would supply the needs of addicts for many months.

Examples of such large-scale smuggling efforts were the following seizures made by customs officers in 1930:

The seizure of 17,500 ounces of morphine at New York on the steamship *Alesia*, the contraband having been shipped by a fictitious consignor at Istanbul, Turkey, consigned "to order"; the seizures on March 4 and 12, 1930, of two trunks belonging to a well-known drug smuggler, the first trunk containing 51 pounds of heroin and 104½ pounds of morphine, and the second trunk containing 56 pounds of heroin and 66 pounds of morphine. The carrier of this shipment fled to England before he could be apprehended, but was arrested in that country and returned to the United States.

Two very important drug seizures were made at New York in 1931. On April 24 of that year customs officers at New York seized 3,568 ounces of heroin, 7,050 ounces of morphine, and 1,100 bricks of raw opium, each brick weighing 14.25 ounces. These drugs were concealed in 17 cases manifested as cottons shipped from Hamburg on the steamship *Milwaukee*. On January 29, 1931, customs officers at New York seized 529 tins of smoking opium, of a total net weight of 3,306 ounces on the British steamship *Raby Castle*. An interesting feature of this seizure was the fact that the discovery of fresh paint on one of the masts below deck aroused suspicion and revealed that the mast was hollow and the opium concealed therein.

On April 7, 1932, 105 ounces of morphine and 1,760 ounces of heroin fell into the hands of customs at New York when examination of five packing cases manifested as toys and carried from France on the steamship *Ile de France* disclosed the drugs concealed under waterproof paper. Two hundred and seventy-three 18-ounce bricks of raw opium bearing the label of a well-known Greek smuggler from Istanbul were found on the steamship *Sinaia* during 1932.

During 1933, a concerted drive was made by customs agents against smugglers of watch movements, with the result that movements seized represented a value of $130,000. Convictions of the more notorious offenders were obtained.

Earlier in the year, customs officers at San Francisco were successful in discovering and seizing 920 tins of smoking opium of 6⅔ ounces each, 20 tins of smoking opium of 1⅓ ounces each, 84 ounces of morphine, and 6 ounces of heroin. These drugs were concealed in 50 drums of wood oil coming from Shanghai. The seizure resulted from investigations conducted by narcotic agents into the activities of the Ezra brothers, Judah and Isaac. The Ezra brothers received sentences of 12 years each.

When the steamship *President Hoover* docked at Honolulu on November 15, 1935, enroute to San Francisco from Manila, via Hong Kong, Shanghai, and Yokohama, the customs searching squad found 220 6⅔-ounce tins of smoking opium concealed in three leather suitcases in a steerage stateroom occupied by six Chinese. The Chinese were questioned, but succeeded in proving their innocence, and were released. A fingerprint found on one of the tins, corresponded with one of the fingerprint impressions of the Chinese cabin boy who had access to the steerage compartment where the opium was found. In the meantime, the *President Hoover* had departed for San Francisco with the cabin boy on board. However, he was apprehended at San

Francisco and returned to Honolulu, where he was sentenced to 4 years' imprisonment.

In 1936 customs officers at New York broke up one of the most important narcotic smuggling organizations which had operated in recent years. This ring was headed by Morris Schatz, notorious New York gangster, who employed seamen on French and American vessels as drug carriers. In connection with this case, large narcotic seizures were made on the steamships *New York, Ile de France,* and *Manhattan,* and nine persons were arrested. Schatz was sentenced to 25 years' imprisonment and $45,000 fine, while his chief lieutenant, a Corsican, named Serafino Mancuso, received a sentence of 40 years and $40,000 fine. Other sentences ranged from 1 year to 10 years.

Of particular interest and importance in 1936 was the so-called Molly Wendt case, which involved the attempt of a Eurasian girl to smuggle 54 pounds of pure heroin into the port of Los Angeles concealed in a false-bottomed trunk. The customs guard, who examined the trunk, noted that it had unusual rounded edges. When he inserted the blade of a knife in a corner of the trunk the heroin trickled out. Molly Wendt, whose true name was Wen, was immediately arrested. Investigation disclosed that the girl was merely a carrier for international narcotic smuggling operations out of Shanghai. Its leader, a notorious Polish smuggler, was traced to Habana, where he had gone to conclude arrangements for the smuggling of drugs into Mexico and the United States. He was expelled from Cuba and, enroute to New York by sea, committed suicide by hanging himself with the cord of his bathrobe. His principal associate in Shanghai, a French national, disappeared when he learned of the seizure. Shortly thereafter he was found in a dying condition in a vacant lot in an outlying quarter of Shanghai. The cause of his death was poison, but whether this was self-administered is not known. However, since he had apparently been carried to the lot by others and thrown there to die, it would appear that he did not commit suicide but was "taken for a ride" in typical gangster fashion by persons who feared that their own names might be divulged.

The outstanding narcotic case developed in 1937 was the so-called Katzenberg-Lvovsky investigation conducted jointly by narcotic and customs agents. This investigation dated back to the year 1935, when, according to information received, a group of narcotic traffickers in New York conceived a plan of smuggling narcotics into the United States in the baggage of ostensible round-the-world tourists. Indictments were returned on November 30, 1937, at New York, charging some 32 persons with conspiracy to smuggle narcotics and with related offenses. Emissaries of this organization went to Shanghai where they procured heroin and morphine which had been obtained in Tientsin, brought to Shanghai, there packed in steamer trunks, and then transported in bond through France, and from thence to the port of New York, where it was smuggled through the customs by the connivance of several minor customs employees. These employees were also indicted.

From October 1935 to February 22, 1937, members of this group made six trips to Shanghai and succeeded in smuggling into the United States an estimated total of 649 kilograms of pure heroin at a total net profit of $519,220. The man with whom they associated in Shanghai was a well-known Greek trafficker. It is estimated that the quantity of drugs mentioned would supply 10,000 addicts for a year.

Besides uncovering the important drug smuggling ring in the United States, evidence was obtained during the course of the investigation implicating notorious narcotic suppliers in China. This information was called to the attention of the Chinese authorities in Shanghai.

Another highly important investigation in 1937 resulted in seizures of narcotics on the steamships *Manhattan* and *President Harding* and the arrests of 10 persons, all of whom received substantial prison sentences. The leader of this ring, an ex-seaman named Joseph John Aveta, alias "Jo-Jo," who had waxed prosperous through dope smuggling, received a sentence of 17 years.

The second largest seizure of smoking opium effected since the seizure at Honolulu in 1928, referred to above, occurred in New York on August 20, 1938, and consisted of 1,300 tins of smoking opium, weighing 8,293 ounces, net. This opium was recovered from the river bottom attached to a rope and grappling hook tied to the stern of a deserted junk boat, the location being in the vicinity where the British steamship *Glaucus* had been previously docked. The owner of the junk boat was arrested and convicted.

A total of 5,524 ounces of smoking opium was found concealed in the fuel tanks of the steamship *Silveryew* by customs officers at New York on November 16, 1938.

Just when it would appear that raw opium seizures during 1938 would be smaller than in recent years, an Italian and Yugoslav smuggling ring operating out of the ports of Susak, Yugoslavia, and Marseille made two large shipments of this drug on sister ships of an Italian steamship line, the *Arsa* and the *Ida.* The *Ida* shipment was dispatched to the port of New York, as seems to be traditional with European smugglers, but the *Arsa* consignment was sent to a smaller port, Savannah, Ga., in the hope that it would pass through the limited customs personnel. However, through the vigilance of all branches of the Customs Service, 123 pounds of raw opium were seized at the former port and over 63 pounds of opium and 3 pounds of heroin at the latter. Seven persons have been sentenced in connection with the *Ida* seizure, while six Italian crew members of the *Arsa* are now serving prison terms.

Another attempt to smuggle narcotics through the lesser-known ports was frustrated by the ingenuity of customs agents at Norfolk, Va., in May of this year. In this case, an attempt had been made by a local Chinese to bribe a customs officer to permit a shipment of Chinese merchandise to enter the port of Norfolk without examination. On May 29, a shipment of 20 cases of peanut oil and 20 cases of bamboo shoots arrived from Hong Kong, the consignee being the Chinese in question. Fearing that this might be a trial shipment containing no contraband, customs agents did not desire to open the cases, but, instead, borrowed from the United States Marine Hospital a fluoroscope, arrangements having been previously made for the use of this machine should the occasion ever arise. The fluoroscope revealed the presence of a number of opium tins, and an X-ray photograph showed clearly the ends of opium tins in the cases. Accordingly, the cases were opened and examination disclosed 205 tins of smoking opium.

A case in 1938 of peculiar interest was the attempt of a Jewish rabbi to smuggle large quantities of heroin to New York from France, via Palestine, concealed in the bindings of Hebrew prayer books. The rabbi, one Isaac Leifer, was arrested in France, and sentenced to 2 years' imprisonment. Seizures of heroin so packed were made in France, Palestine, and New York. Leifer will be extradited to the United States to stand trial in New York.

Investigation by customs agents at San Francisco led to the seizure on June 24, 1939, of 250 tins containing 2,333 ounces of smoking opium. The officers working on this case kept under surveillance a suspected Chinese baggagemaster and discovered him in the act of pasting on a trunk just arrived on the steamship *President Coolidge* a customs baggage inspection label which he had pilfered from a package which had previously been brought ashore.

Customs officers at New York on June 9 and 12, 1939, seized 19 pounds of raw opium, and 1½ pounds of morphine base. The first seizure, consisting of 12 half-pound slabs of opium, was made from a woman visitor to the Italian steamer *Vulcania,* as she returned ashore. The opium was concealed under her girdle. Search of her apartment and a dress shop operated by her resulted in the discovery of the morphine base and six additional half-pound slabs of raw opium. Investigation by customs agents disclosed the identity of a crew member of the *Vulcania,* who, on different occasions, furnished opium to the woman and certain of her female associates. Further investigation in the United States and Europe revealed the name of the crew member,

and that he was a carpenter on the *Vulcania;* that he was obtaining his supply of opium by pilfering certain cases in legal shipments of opium consigned to certain United States manufacturing chemists, and that he had substituted for the weight of the opium, rocks and clay. He has been arrested in Italy, together with 13 other persons. He has confessed that he stole 75 kilograms of opium last February from two cases of cargo on the *Vulcania.* In the United States his female accomplice has made a full confession. Eight others are under arrest. The splendid results obtained in this case are due to the viligant work on the part of customs agents at the ports of Baltimcre and New York.

On of the most important happenings in the year 1938 was the conviction of Solly Gordon, considered narcotic public enemy No. 1. This conviction was brought about as a result of a joint investigation by customs and narcotic agents. During this investigation, evidence was obtained by customs agents indicating that Gordon, whose true name was Solomon Gelb, had committed perjury concerning his true place of birth when testifying before an immigration board of inquiry. He was indicted and brought to trial, found guilty, and sentenced to 3 years' imprisonment. Gordon has been an important figure in the international narcotic traffic for many years, and has been able to operate with a limited degree of freedom because of the use of fraudulently obtained American and Canadian passports. His conviction is considered a major achievement.

Whenever a seizure of contraband is made, customs agents are invariably summoned to conduct the investigation of the case. In certain instances, when these officers are working on advance information, they participate in searches and seizures. Although through their efforts the supply of smuggled narcotics has been diminished to such an extent that drug prices have risen to fantastic figures, and drug addicts are seeking cures because of the acute shortage of dope, the vigilance of the customs agents is never relaxed. Realizing that the incentive for narcotic smuggling is now greater than ever, due to the enormous profits involved, customs agents are constantly on the alert.

During the prohibition era one of the major liquor seizures was effected at Norfolk, Va., when the steamship *Shooters Island* was seized in 1932 and 28 members of her crew arrested. The appraised value of the ship was approximately $100,000. The vessel left Boston to proceed to St. Pierre, loaded a cargo of 16,000 cases of liquors, and returned to New York Harbor, where the liquor was discharged. The name of the ship was painted out on her voyage from Boston to St. Pierre. The name *Sea Thrush* was painted in its place, and the name "Shepard Line" was painted on the side of the vessel. After discharging her cargo near Newark, the name was changed again to the original one—*Shooters Island*—and she proceeded from New York to Norfolk, where a customs agent, after making a thorough and discreet investigation, was able to ascertain the facts related herein. The steamship *Shooters Island* was forfeited to the United States and sold for $14,000; the purchaser was the United States Shipping Board, which held a mortgage against the vessel.

Other outstanding seizures were made in New Jersey and Delaware by the combined efforts of Coast Guard and customs agents, resulting in the seizures of the vessels *Helena, Allegero, Winnie, Ray Fish No. 2, Baboon, Wm. H. Rawley, Emma, Helene, Imp, Tuna,* and *Celerity,* with large quantities of imported liquors.

The seizure of the British rum-runner steamship *Holmwood,* which entered New York Harbor on October 2, 1933, masquerading under the name of the American steamship *Texas Ranger,* with a cargo of 20,000 cases of assorted liquors, was effected.

Immediately after the repeal of the eighteenth amendment, there was undertaken an investigation by the supervising customs agent of the Seattle district of the extent of the smuggling activities of the Pacific Forwarding Co. and other allied companies, either owned or controlled by Henry Reifel and his sons, George and Harry, all of Vancouver, B. C. Customs agents undertook to establish quantities and brands of the products of the B. C. Distillery, Ltd., which were landed at points along the Pacific coast. They established that from July 1929 until repeal of the eighteenth amendment, there were landed by these various companies on the Pacific coast more than 200,000 cases of liquors. Henry and George Reifel were arrested in Seattle by customs agents and were released by posting surety bonds in the amount of $100,000 each. The bonds were subsequently declared forfeited, and the surety paid the sum of $201,217.75 to the United States in full settlement of its liability. As the result of a civil suit for the recovery of forfeiture value of liquors alleged to have been smuggled into the United States during the 5-year period, approximately a half million dollars was recovered.

The institution of this case against the Reifels led to a general investigation of various eastern Canadian distilleries that were alleged to have flooded this country with illegal shipments of Canadian liquor during the prohibition era. This special investigation conducted by customs agents continued for a period of nearly 2 years, and resulted in a total recovery of approximately $3,500,000, the second largest single recovery in the history of the Customs Service.

In 1936 there were seized from Max Erblick over 2,000 Swiss watch movements. This smuggler, who was dietician on the steamship *Aquitania,* was working in cooperation with Moses Landau and son.

The Goldsmith and Loffler watch movements and diamond smuggling case was an important case in 1936. Five thousand five hundred watch movements, a large quantity of watch parts, and 254 loose cut diamonds, appraised at $52,000, were seized. This contraband was carried in the false compartment trunk and suitcase of Mrs. Loffler, a passenger on the steamship *Lafayette,* arriving at New York from France.

The same year the tanker *Chas. O. Leffler,* together with her cargo of 50,000 gallons of smuggled Belgian alcohol, valued at $81,000, was seized in New York and forfeited to the United States. It was definitely established that the alcohol seized was taken on board offshore from the British steamship *Hillfern.*

A major seizure consisting of 16,683 gallons of alcohol and 260 quarts of foreign liquors was effected in the Philadelphia district on September 7, 1935, by the Coast Guard, and investigated and prosecuted by customs agents. The following-named vessels were apprehended: The British motorship *Popcatapelt,* the American gas screws *Nampanc, Dreadnought,* and *Theresa.*

The cases related above, on the more colorful and human-interest side, while abundantly attesting the usefulness of the Customs Agency Service, reflect to a limited extent only the scope and value of this arm of customs. Time will not permit me to speak of the technical side of the work of the Service, as distinguished from the enforcement side. Suffice it to say, under the circumstances, that the former compose the major portion of the work of the Service. So-called white-collar agents are constantly working with the collectors' and appraisers' forces throughout the United States ferreting out frauds, contemplated and consummated, upon the customs revenue. A favorite method of defrauding is via the undervaluation of imported merchandise route—that is to say, concealing the true value of imports subject to ad valorem duty as given on consular invoices, thus deceiving the appraiser to the end that reduced amounts of duties are assessed. Thousands of dollars in duties are collected yearly through the efforts of customs agents, that would otherwise be lost to the Treasury.

Under the current Tariff Act, the labors of customs agents relating to refund of duties on foreign materials used in the manufacture of articles exported have been increasing yearly. The investigation of the claims of American manufacturers desiring to establish a rate of drawback devolves upon officers of the Customs Agency Service, and is a work requiring a high order of intelligence and accuracy. The agent to whom an application for drawback is referred must personally visit the factory where the article is produced and investigate, scrutinize, and verify the details covered by the application.

He must exercise the utmost care in the examination of the facts as to the proportion of foreign material appearing and the percentage of wastage incurred. What is or is not a manufacture within the meaning of the law is a question which constantly confronts the officer, and which he must investigate closely under the regulations prescribed by the Treasury Department. He must be a specialist in this highly technical procedure, for upon his report depends the rate of drawback, if any, to be allowed. The importance of this work will appear when it is stated that the amount paid as drawbacks during the fiscal year 1938 totaled $11,841,390. Many major fraud cases in drawback have been unearthed in recent years by the vigilance of customs agents.

The present director of the Customs Agency Service, Deputy Commissioner of Customs Thomas J. Gorman, is a veteran customs investigator of 30 years' service. It has been his constant purpose to render his Service an acceptable and useful auxiliary to the local officers of the customs, and the public, in enforcing the revenue and navigation laws. Much credit for the organization's accomplishments and high morale is due to his able leadership and administrative ability.

In conclusion, it affords me pleasure and some pride to be able to inform the Members of the House and the country that this corps of customs investigative officers, small in number but firm in resolve, has always functioned with an unusual degree of intelligence, loyalty, and zeal (in many instances under trying circumstances and conditions), and in keeping with the best traditions of the United States Customs Service—150 years old this year.

Planned Subversion of Youth

REMARKS

OF

HON. J. THORKELSON

OF MONTANA

IN THE HOUSE OF REPRESENTATIVES

Thursday, August 3, 1939

ADDRESS BY DR. R. J. C. DORSEY

Mr. THORKELSON. Mr. Speaker, I shall ask my colleagues to allow me to extend in the RECORD an address delivered on April 26, 1939, before the National Convention of Daughters of 1812. The distinguished speaker was Dr. R. J. C. Dorsey, LL. B., LL. M., Georgetown University. This gentleman is a doctor of civil law, master diplomacy, M. P. L., George Washington University, and is professor of jurisprudence and other subjects, at the Washington College of Law. He was past magister, and is present member Concilium Riccobono Seminar Roman Law in America, Catholic University of America, a member of the executive committee, American Coalition, and an associate editor of the National Republic.

Dr. Dorsey's address was on "Planned Subversion of Youth," a subject in which all of us are interested, particularly today, in the confusion and subversion of facts.

I do not believe this address will exceed much over the allotted space in the RECORD, yet if it does, I consider it a good investment, for it will bring facts home to the people throughout the United States. I am sure the parents will be interested in reading this article, for it concerns them and it concerns even more the direction of the youth of America. The remarks I have inserted in the RECORD, in which I have listed many subversive activities—or perhaps I should use the correct designation, communistic activities—will aid those now investigating such subversive activities in locating the sources to be investigated. It is also my desire to call my colleagues' attention to the August 1939 issue of the National Republic, for that magazine contains information that should set every real, honest-to-God American thinking and acting before it is too late. I quote one brief paragraph from this issue:

AT VASSAR—WHY COMMUNISM TAUGHT BY A COMMUNIST?

Last week the Daily Worker—the Comintern's official organ—announced exclusively that its editor, Clarence Hathaway, was speaking that afternoon before the "social-reorganization class" at Vassar College, Poughkeepsie, N. Y.

His subject was announced as the Constructive Program of the Communist Party and the Differences Between It and the Other American Groups.

It seems rather remarkable that college girls should need instruction on that topic.

Virtually everybody knows that the only real "constructive program" of the Communist Party is to "construct" a Soviet America, and that it differs from "other American groups" because and to the extent that the others are loyally opposed to communism.

Vassar College, at which this edifying discourse was heard, is the institution which recently opened its gates to the Second World Youth Congress, one of the "fronts" in which communism works.

It is the institution which gave Hallie Flanagan to the Works Progress Administration as director of the Federal theater project.

Miss Flanagan studied drama in Moscow, and was later a member of the American advisory committee to the Moscow State University, a propaganda training school in communism.

The Federal theater project, under her direction, has more or less specialized in left wing or "proletarian" drama, and lately set a record in theatrical efficiency by rehearsing one play for a year and a half—at Federal expense—before the production was ready for a public performance.

Vassar College is the institution from which in 1935 several hundred girl students invaded Albany to protest against an oath of loyalty bill then pending in the legislature.

Vassar in other years won a wide reputation as a high-grade training school for well-bred girls.

In an institution so flecked with red incidents as Vassar has in recent years been, it is proper to ask—for what are Vassar girls being trained nowadays?

I appreciate the forbearance of the Members toward the position I have taken here in Congress in exposing subversive activities. At times my remarks may have seemed fantastic, but I want to assure you that I have not revealed half of what the American public ought to know. We are in the midst of the most diabolical attempt to destroy the Government of the United States and to enslave our people under a regime which is demoralizing and destructive to our people, and which will wreck the security of this Republic. It is something for us to consider, because the folks back home are going to ask us about it; and do not forget that we have families of our own that may suffer because we have failed to inform ourselves of conditions as they actually exist today. Those who have criticized me have not attacked what I have said. Why? Because I have dealt entirely with fundamental principles based upon constitutional government and the duty of the Government in its relation to the people and for the safety of the Republic. I welcome anyone who questions the soundness or the unsoundness of my remarks, but it is unjust to resort to vilification and ridicule, for that proves nothing except the character of those who use such expressions. They are no different from those who stab you in the back for, like evil shadows, they steal up on you in the night with utter disregard for fairness and justice.

I have criticized the President, the Supreme Court, and Congress, and I shall criticize them again and again until they honor their oath of obligation to preserve, protect, and defend the Constitution of the United States, to safeguard the rights and the liberties of our people, and to protect us from immigration and dissemination among decent American citizens of the rot and filth from the alleys and byways of European countries, that have always been submerged in a mass of damnable intrigue.

On behalf of our own people, and in respect to our own children whose lives are shaped by environment, it is our duty to give them at least healthy surroundings and allow them to breathe God's free air of liberty.

I love this Nation that I serve, and I feel honored at still being connected with the service of the United States Navy, whose duty it is still and will always be to protect the fundamental principles of this Nation, to safeguard the life of the Republic, and to protect our people now and forever.

In these closing hours of the session it is my desire to express my appreciation and gratitude to the Members for the courtesies that you have extended to me.

PLANNED SUBVERSION OF YOUTH

(Dr. R. J. C. Dorsey)

From time to time during the course of human events, dating as early as 1000 B. C. to our present era, abnormal mentalities have injected into the body politic their miasmatic theories applicable to youth. Inspired by the institutions of Minos of Crete, the Spartan Lycurgean doctrine of the ninth century B. C., taught that the child belonged more to the state than to its parents. It was the Spartans who exposed their puny and weak offspring. Plato, the Athenian, suggested that children be held in common. Aristotle, his pupil, ridiculed the obsession. Athens, in the fourth century B. C., directed Socrates to commit suicide because he reputedly corrupted the minds of the youth by his teachings. Karl Marx, in his Communist manifesto of 1848, advised that "we replace home education by social," and ridiculed the "hallowed co-relation of parent and child," and demanded that we "abolish the family." Phases of these depraved and vicious suggestions are now voiced in some of our educational institutions and legislative assemblies in cleverly concealed forms. Lenin wrote: "Give me 4 years to teach the children and the seed I have sown will never be uprooted." Socialists and Communists maintain that youth is for the state, not the state for the youth. We find a practical illustration of this in Soviet Russia. There, the hordes of parentless children speak more eloquently than any words one may utter in condemnation of state control of youth as opposed to parental guidance.

The latest gesture of a long series of attempts on the part of allied groups to control and direct the education of the youth of our country finds expression in Senate bill 1305 and House bill 3517, now before our Federal Congress, both being almost identical. Concealed under the plausible purpose of providing for the public welfare is their true intent, which is to nationalize our educational system and place it under the centralized control of an educational dictator. Through the means of its vast and costly organization, all types of subversive material could be disseminated and placed in every school in our land. American education would become socialized and soon our form of government would be that of a socialist state. Under the provisions of either bill one person is to hold the dominating and strategical dictatorial position.

In accordance with the present socialistic trend of events in our country, that person necessarily would have to be sympathetic with communism-socialism, which now parades as liberalism. In order to gain control of the funds under these Federal-aid-to-education acts, the schools and institutions of learning would have to comply with the dictates of the central power that distributed them. Under the provisions for nursery schools a soviet system of nurseries could be established with all that the term implies. Either bill represents a huge spending vehicle and, once either would be enacted, American youth shall have over a billion dollars added to the already crushing burden that they must repay, which is now over $40,000,000,000 National and $20,000,000,000 State debts. This State-controlled system of education is sponsored by the extreme radical groups in our country. In either of these bills they visualize an opportunity to accomplish the ends they have been long striving for. Their other methods have done considerable damage and have gone far in undermining the loyalty and faith of our youth in our Federal Constitution and American institutions. About 3 years ago, while delivering one of my routine law college lectures, I praised the Supreme Court of the United States and the Federal Constitution. My remarks were met by scornful mirth and a few hisses. Most of the 150 men and women were college trained and with whom my personal relations were cordial. We must not permit these allied groups to destroy completely the remaining spirit of patriotism, morality, and religion of those upon whom our country must rely for its future welfare. All true Americans must concern themselves in reference to the future welfare of our youth and endeavor to protect them from the inimical efforts of subversive groups that subtly seek to effect what ultimately shall prove to be their political, financial, and moral destruction. The youths of today become the adults of tomorrow. Extend to them the equal opportunity of protection from mental defilement you have enjoyed.

After the unpatriotic demonstration in response to my efforts to uphold American institutions the question naturally arose, Why are these students acting this way? Who is behind all of this? I started to investigate and discovered much.

What is craftily designated as a world-youth movement emanates from Communist sources and influence. Its ultimate object is to pervert the minds of its adherents and cause them to become sympathetic to the tenets of communism, socialism, internationalism, liberalism, and pacificism. Its teachings are in direct opposition to that which would tend to generate a love of country, an intensity of patriotism, or any reverence for religion and church. Within the comprehension of the world-youth movement, academic freedom and liberalism in education mean that all types of un-Americanism and atheism are to be taught the youth. Lenin said: "That is moral which helps communism." Deliberate falsehoods and half truths are being presented to American youth in the most alluring terms in order to cause the youthful mind to become unmoral and lose all patriotic standards. All teachers or professors who engage in such teaching should be punished by imprisonment at hard labor and forever debarred from practicing their profession.

The number of colleges and universities in our country continues to decrease where parents may send their sons and daughters without the danger of their being contaminated with phases of the vilest of communistic and allied teachings. The Communists aim to have at least one teacher of their faith in each college or university. The departments of sociology, psychology, and economics in some educational institutions reek with the effluvium of liberal effort. Certain text books are not fit for even hardened adults to read. Nietzsche, Freud, Bertrand Russell, together with their dupes and followers, contribute their aid and inspiration to produce the demoralization of mentality approved by communistic thought. Why send a son or a daughter to any institution of learning to be taught to scoff at the honest modes of existence of their parents, who in many instances have denied themselves to educate their child? Why have any university make Loebs and Leopolds out of youth? At their trial it was alleged that they attended the University of Chicago and had been taught a philosophy which sanctioned crime and murder. Why have your son or daughter encouraged to burn the Stars and Stripes on a college campus and then raise the red flag of anarchy and communism above the American flag? These situations should not be possible. It is far better that youth remain at home. Not all youth attending our educational institutions show such extremes; however, many are being taught a contempt for our American institutions.

In 1905 the Intercollegiate Socialist Society was founded by Jack London. In 1921 its name was changed to the League for Industrial Democracy, whose primary purpose is the distribution of Socialist and Communist propaganda through the means of literature in our schools, colleges, and universities. It guides and controls the Intercollegiate Student Council, which embraces at least 150 institutions of learning and which is composed of representatives from the various subversive college groups possessing sundry designations. Student conferences are conducted on many "red" revolutionary subjects and are led by the most notorious Socialists and Communists. "Guiding the Revolution" was the theme of one conference held in 1931 at the Union Theological Seminary. One meeting held at Barnard College, led by Norman Thomas and others of similar thought, discussed the "Forum of the Revolution." The students at Smith College were insulted by a most questionable list of questions which they were asked to answer. Allegedly, one professor from Smith College addressed the students at Mount Holyoke on the subject "Oust Theology—Help World." "The Student in World Revolution" was the subject at one of the student conferences in the West. Nothing has been left undone in order to turn the student against our form of government and religion.

A student congress against war and fascism was held at Brussels, Belgium, in December 1934. The international student movement had its inception here. It set up a students' world committee. All student organizations were called upon to join in an international student congress.

It was at the sixth world congress of the Young Communist International, which was convened at Moscow, Russia, in September 1935, that it was decided to have a united front composed of Communist youth and those sympathetic. The opinion of the congress was: "The most essential form of organization of the youth leagues are all kinds of clubs and circles satisfying the cultural, economic, professional, and political interests of youth, and also local societies, residential units, as well as groups of rural youth, boy and girl students, and young employed." In accordance with this, hundreds of youth organizations have been formed in this country, particularly in our schools, colleges, and universities. Today in our institutions of learning we have liberal clubs, student forums, round tables, student progressives, free lance, student league, social service, contemporary, polity, social science, international clubs, and political associations—all promoting communism, socialism, and liberalism, and dominated by central groups of master minds perverted by radicalism. It is these student groups that are largely responsible for the dissemination of Communist and allied literature. They are aided in some instances by their professors. On the theory that the hand that rocks the cradle rules the world, special effort has been made to have radical units in Barnard, Bryn Mawr, Mount Holyoke, Smith, Wellesley, Vassar, and other colleges for women. Complete success has attended their efforts and no doubt but the sons and daughters of these proselytes shall sooner or later seriously vex our body politic by gaining high office.

Coeducational institutions—colleges [1] and universities [2]—have responded to liberal attack and most of them contain units of radicalism.

The direct agent of the Communist Party in American educational institutions was known as the National Student League and was the youth section of the American League Against War and Fascism (not communism) that became known in 1932. It called the student congress against war, which was held at the University of Chicago, December 27–29, 1932. The 600 delegates

[1] Allegheny, Amherst, Antioch, Bennett, Brooklyn City, Carnegie Tech, City College of New York, Dartmouth, Grinnell, Hollins, Hood, Hunter, Oberlin, Penn, Ratcliffe, Rockford, St. Stephen, Simmons, Southern Methodist, Swathmore, Temple, Union Theological Seminary, Western, William and Mary.

[2] Harvard, Yale, Columbia, Cornell, Princeton, Chicago, Stanford, Johns Hopkins, New York (law), DePauw, Wayne, Drake, Fisk, St. Lawrence, Miami, Howard, George Washington, Purdue, California, Kansas, Illinois, Minnesota, Washington, Oregon, Virginia, South Carolina, Wisconsin, Ohio State, Colorado, Pennsylvania, Northwestern, Louisville.

listened to addresses by Earl Browder and others of kindred thought. This organization gave the League of Industrial Democracy such drastic competition that it was deemed advisable to merge them, which was done, and thereafter they became known as the American Student Union.

Some professors go "balmy" and lose their positions. There are instances where members of the faculty have been dismissed because they were brave enough to voice their opposition and indignation in reference to unmoral teachings of liberal professors. In political science and constitutional law courses some professors take advantage of their position and openly oppose our general form of government and praise communism and socialism. One may remember a list of about 800 names on a petition to the President of the United States requesting the recognition of the Government of Soviet Russia after it had been established through the means of murder and theft. On this list were the names of about 300 American college professors and presidents representing 268 different colleges and universities situated in 45 States. One may also recall the two score American college professors who went to Soviet Russia to gain ideas from its educational scheme. These gullibles were entertained by Lunacharski, Commissar of Education. The item that impressed them the most was that feature of the red system that permitted the students of the four higher schools to decide each day as to what they should be taught.

The Communists tried to have schools of their own. In 1904 the Work People's College was organized by Duluth radicals and courses were given in class struggle and revolution. In 1906 the Rand School of Social Sciences was organized in New York City and those who desired to receive instructions in socialism were taught. In 1921 Brookwood College was established at Katona, N. Y., by A. J. Muste, and prominent radicals taught what they thought that young Communists should know. At the seventh congress of the Communist International it was decided to make the schools the effective instruments in forming the united-front movement. The Communist schools train the young "reds" to become skilled revolutionists. In 1923 the Workers School was organized in New York City and is the directive force of a Nation-wide system of schools. The International Workers Order has many schools in New York City and at least one in our leading cities. Just why Communist schools should be subsidized by either our National or State Governments is not clear. Why should our people pay for the wrecking of their institutions? Why should they pay to have the house wrecked in which they live?

The Summer Educational Camp has become a source of Communist propaganda, as students are encouraged to take their vacations in them. Each summer students are trained in the principles of radicalism at Camp Tamiment, Pa. Here, government ownership as against individual ownership is advised and other Marxian Communistic principles are inculcated. The American Friends Service Committee conducted a series of camps from June 24 to August 19, 1938—Coal Areas Work Camp (Penn-Craft Community), Delta Work Camp (Delta Cooperative Farm), Tennessee Valley Authority Work Camp, Michigan Work Camp, Highlander Work Camp (Highlander Folk School), Los Angeles-San Pedro Work Camp. The American Friends Service Committee is a Quaker relief organization, reputedly a part of the War Resisters International Council of International Anti-Militarist Organizations. At their first meeting in Holland they announced that they were working for the supersession of capitalism and imperialism through the establishment of a new social and international order.

The fourth annual leadership institute on international problems was held at the camp on the Schiff Reservation, Mendham, N. J., August 26 to September 2, 1938. Young people (16 to 20) from high schools and colleges attended. It allegedly is a training camp on international relations and world peace.

From time to time the World Youth Movement convenes in congress assembled. The First World Youth Congress was held in Geneva, Switzerland, August 31 to September 7, 1936. Delegates from 750 youth organizations in 34 countries were present. The nine from our country apparently were mainly Communists and Socialists. The Soviet Union was represented. The Young Communist League, in its report of this congress, registered its approval of the program, indorsed the formation of international youth committees, and praised the Soviet Union. The Daily Worker, the official publication of the Communist Party in the United States, September 8, 1936, announced that the World Youth Congress had established a permanent organization, that the Soviet Young Communists had joined the movement, and that the female delegate had been widely cheered as she addressed those present.

The second World Youth Congress was held at Vassar College, New York, August 15–24, 1938. It was within the confines of that respected and dignified institution of learning that modern civilization was turned backward for generations in that memorable month of August 1938. In that Gargantuan social jamboree there existed an equality of mind and person that was coeval with the existence of the Neanderthal or Cro-Magnon. It was in that atmosphere, scented with the odor of peace, that the descendants of the pristine inhabitants of the banks of the Congo, Yangtze, and Euphrates mingled with ecstatic exuberance with the progeny whose ancestors knew the shores of the Caspian. Allegedly, over 50 different organizations sent 600 delegates from 47 countries. They and the 400 observers listened to the greetings sent in behalf of the Government of the United States. The delegates reputedly boasted that they represented 40,000,000 youth. At least 35 attending organizations were Communist or sympathetic. In order to gain any idea of the status of the World Youth Congress one must investigate the objectives of some of the groups in attendance. Each national committee was limited to 50 delegates. Sixty-four different groups were allegedly represented.

Among the delegates at the World Youth Congress at Vassar were those from the American Youth Congress. Apparently, the American Youth Congress is now a Communist-social-sympathetic united front movement to aid the foreign policy of the Soviet Union and has permitted itself to pass under Communist Party control. It was host to the World Youth Congress and itself holds regional congresses in various places in the United States since its organization in New York City in August 1934. Several weeks prior to its first convention at the New York University, delegates from five radical groups gained admission, with the result that the young Communists ultimately controlled the congress.

A complimentary article in the New Masses observed: "The Communists and Socialists are together again." The Young Communist Pilot of October 15, 1935, stated: "The American Youth Congress is the greatest accomplishment of our American Young Communist League. It can be the means of unifying and drawing into action the majority of the youth of the United States." The plenum of the executive committee of the Young Communist International approved the initiative and activity shown by the local organizations of the Young Communist League in participating in the American Youth Congress, and they were assured that the Communist Party stands squarely behind the American Youth Congress with its 1,500,000 members.

At the time of the second convention of the American Youth Congress in the Y. M. C. A. in Detroit in July 1935, the police were summoned to preserve order among the 1,200 delegates. Black and white youth intermingled and black males were the escorts of white females. Christians and atheists were requested to unite. Present economic systems were attacked because allegedly they offered no solution to our problems and that some form of cooperative commonwealth with production for use instead of profit is necessary.

Perhaps Congressman CLARE E. HOFFMAN summed the situation in a few words in his speech in the House of Representatives on April 27, 1938, after a mass demonstration and invasion of congressional offices had been made on behalf of the American Youth Act. Congressman HOFFMAN observed: "The so-called American Youth Movement is the Communist united front in action through its quasiauxiliary, the American Youth Congress, which drafted the American Youth Act. In recent years some have been amazed at the seeming ability of our youth to undertake and carry through large programs affecting legislative education and local problems. Behind the scenes we find an explanation of this seeming ability. We find that our youth are simply pawns on the board moving at the dictates of a clique made up of some of the most astute propagandists that history has known. The tragedy of it is too few of these zealous young Americans realize that they are being used as front and shock troops for a vicious world revolutionary movement. The three words 'American Youth Congress' are used as a disguise for the most dastardly attack ever perpetrated on the American form of constitutional form of government." Lenin said: "Communism will never be put across by Communists alone, but by Communist-aid societies." William Z. Foster said: "We Communists know how to get things bought and paid for by others." For any group to corrupt the mind of our youth and to teach them to despise our constitutional form of government, displays a form of fiendishness incompatible with common decency and self-preservation. From our youth must come future Presidents, Supreme Court Justices, State and Federal judges, those who guide our Department of Justice, teachers and professors in our schools, colleges, and universities, and others in various lines of human endeavor. Today we feel the effects of Liberal instruction—the older generation is belittled and there is evidenced a movement to liquidate it from any sphere of activity so that it may be replaced by younger men and women whose minds have been inoculated with the evil virus of communism, socialism, and liberalism.

Among the delegates at the World Youth Congress at Vassar were those from the Young Communist League. The All-Russian Young Communist League was organized in October 1918, after the workers' revolution in Russia of November 1917. Soon thereafter other Communist youth groups developed in various parts of Europe and out of this movement grew the International Youth Conference in Vienna of August 6, 1919, and from which came the International Communist Youth Organization for young Communists between 16–22 years. This conference led to the meeting of the International Youth Congress in Berlin, November 2–26, 1919, attended by 19 delegates from 14 countries, allegedly representing a membership of 229,000. It accepted the program of the third Communist International, its affiliate, which had been set up in 1919. It advocated the overthrow of capitalism, government control by the workers, dictatorship by the proletariat, establishment of preparatory schools to teach communism, creation of drill and defense squads and otherwise training students and youth for the class struggle. Factories are to become Communist fortresses. In all unions youth sections are to be formed. Obedience to and defense of the Soviet Union was pledged. Slogans were: Black and white unite and fight. Do not abandon your friends, even though they still go to church on Sunday. Zinovieff observed: "The youth movement is the best section of

the Communist International." One may secure an idea from this of the nature of the Young Communist League and the political ideas of its delegates at Vassar.

Among the delegates at the World Youth Congress at Vassar were those of the Young People's Socialist League, which is the youth section of the Socialist Party. It is an affiliate of the Socialist Youth International. Allegedly, they have about 100 branches in our country. A long list of activities may be noted: Participation by some of its members in "red" strikes and in Communist antiwar, Mooney, May Day, and other united-front demonstrations. One of its speakers allegedly announced in a meeting in the Chicago Stadium that the League was with the Communist Party, not only in the Mooney and Scottsboro matters, but until the very end, to help to put over the revolution. The Young People's Socialist League participated in the third American Youth Congress, held in Cleveland in 1936. Its youth took an active part in the Communist and Socialist Parties' joint May Day meeting in Chicago of the same year. One group of youth wore blue shirts and red ties and carried great red flags.

Delegates from the Southern Negro Youth Congress attended the World Youth Congress held at Vassar. It cooperates with the Young Communist League and by its means the Communists hope to gain control of such States as Alabama, Mississippi, and South Carolina through the Negro vote. By many southern Negroes the cunningly devised picture of social and political equality is eagerly accepted. The Negroes are told that they shall have social equality with the whites and that the plantations shall be divided among the blacks. Social equality exists at Communist dances and Negro youth have white partners and apparently neither color objects. There are cases where intermarriage occurs, growing out of this comradeship between black and white youth. In one instance the couple went to live in Russia after the birth of their first black child. It is said that this type of social equality is not actually practiced in Soviet Russia. In June 1938 the Communists held an all-southern conference, attended by 133 delegates, most of whom were youth and about one-third Negroes. It was decided to carry the "red" penetration of the South forward. Small groups are formed for what the Communists call "Negro Liberation," e. g. Liberator's Clubs.

Delegates from the American Student Union attended the World Youth Congress at Vassar. The Communists allege that the American Student Union, with membership of over 30,000, is one of their greatest triumphs in America. It is a section of the World Student Union, now known as the World Student Association for Peace, Freedom, and Culture. The American Student Union represents a merger which occurred at a joint meeting of the (Communist) National Student League and the Student League for Industrial Democracy (Socialist), which was held in the Y. W. C. A. at Columbus, Ohio, December 28, 29, 1935. Allegedly 500 delegates from 113 schools and colleges in the United States attended.

In the new group the Trotskyites, who favor war between capital and labor, have a place. The American Student Union advocates the continued struggle against high finance, industry, and politics. They recommend protection of minority races, defense of academic freedom and peace, and maintain the right to education and security. They refuse to defend the United States Government in any war, defensive or aggressive. Their sending some of their members to the red army in Spain somewhat questions the sincerity of their peace proclivities. However, they carry on a systematic fight against national defense. One of the irritating activities of the American Student Union is their annual strike on each April 22. They claim that at least 500,000 students deliberately depart from their classrooms on these strike occasions. The American Student Union allegedly set up the United Student Peace Committee in 1938 and that 17 national youth movements have become affiliated with it.

The Green International, with its green-shirt symbol, also centers its activity among the schools, colleges, and universities of the world. This international is sponsored by the Fellowship of Reconciliation, Women's Peace Society, War Resisters International, Peace Patriots, War Resisters League, and other Marxian and communistic groups. Abolition of the Army and Navy, distribution of wealth, and other radical measures are advocated. Each member takes a personal pledge to refuse to take part in or support any type of war, directly or indirectly. Mount Holyoke College was the scene of 24 green-shirt charter members appearing in that verdant adornment.

Other strictly youth groups sending delegates to the World Youth Congress at Vassar were: Student Peace Service, Student Peace Committee, Christian Youth Conference of North America, Youth section American Jewish Congress, the National Council of Methodist Youth, National Council of Jewish Juniors, Rumanian Junior League Clubs, Junior Hadassah, National Student Federation of America. In order to preserve an appearance of respectability the Communists often include groups in their congresses that, strictly speaking, are not entirely of their faith. However, the Communist groups control every situation.

While the youth in our schools, colleges, and universities receive the special attention of the Communists, they have also organized other youth activities.

In 1907 there was formed the International Federation of Socialist Youth Organizations, composed of youth leagues which came from the working classes of 11 nations. They affiliated with the Second International (Socialist), which comprehended the Socialist parties of different countries. By 1914 the 15 national groups composing this international reported a membership of 170,000. There arose a difference of opinion in reference to the World War, and, as a move to end it, the youth groups called an International Youth Conference at Berne, Switzerland, in April 1915, which was attended by 16 delegates from 10 countries, allegedly representing 33,000 members.

In our country the Communist Party and the Communist Labor Party developed out of the cleavage in the Socialist Party which existed between its revolutionary and reactionary wings and this reflected into the ranks of the Young People's Socialist League. One group formed the Independent Young People's Socialist League, which in 1920 became affiliated with the Young Communist International. The other group of the Young People's Socialist League took the name of the Young Workers League of America, whose first convention was held in May 1922. In 1924 the Young Workers League of America was discontinued and the Young Communist League of the United States of America appeared as the youthful revolutionary party. It is a section of the Young Communist International of Moscow and follows the orders of the international executive committee and international congresses. Its members are pledged to defend the U. S. S. R. Its official publications are The Young Worker and the Young Communist Review. Illustrative of its trend, at its seventh national convention, held June 22–27, 1934, considerable capital was made out of the so-called depression. Delegates alleged that the young generation has no job or future under capitalism (7,000,000 were jobless and 2,000,000 had to leave school annually); that those having jobs are speeded up beyond endurance; that when students graduate they enter into a hell of unemployment; that every worker must be given a job (5-day week, 6-hour day for those over 18, 4-hour day for those under, no reduction in pay, no speed-up); that Negro youth should not be subject to segregation or Jim Crowism; that American children are undernourished and orphan asylums overcrowded; that the R. O. T. C. and National Guard should be abolished; that a Soviet government in America would abolish any slavery of the youth.

The radicals use the word "peace" to attract the youth. The first Youth Peace Conference was held in Holland in 1928. In January 1936, the Reparation Committee of the International Youth Conference for Peace called a second meeting which was held in Brussels, Belgium, in February of the same year. There was formed the World Youth Congress, which held its first meeting in August 1936, and of which the American Youth Congress is a section. In 1930 there had been a conference of the international youth leaders.

The American League for Peace and Democracy has a Youth Section National Committee. This parent organization was once known as the United States Congress Against War and Fascism and for a time as the American League Against War and Fascism, being a section of the World Committee Against War and Fascism, now the World Committee for Peace and Democracy. The United States branch is one of 33 nationals that the radicals have organized in 35 different countries. Communists here occupy the strategic positions, and here controlled the policies in reference to the league among its 4,000,000 members.

Lenin wrote: Frequent change of name bewilders the public. E g., in 1921 the Friends Disarmament Council was formed, subsequently merged into the National Council for Limitation of Armaments, which, in turn, became the National Student Forum, which is conducted by the National Council for Prevention of War. This is a characteristic of radical groups.

In 1921 the International Workers Aid, a Communist organization, was formed. About 1929 it changed its name to the Workers International Relief. It was founded on a suggestion of Lenin and is considered an indispensible portion of the Communist revolutionary labor front. Its American section assisted in financing the Communist hunger march on Washington, D. C., in 1931. Its youth movement is called the Workers International Relief Scouts, who are directed to penetrate the schools of the neighborhood and to enlist the aid of others in demonstrations and strikes. Complex organisms tend to confuse, but this one bewilders: The World Congress of Youth Against War and Fascism was organized by the International and American Committees for the Struggle Against War, being controlled by Moscow's International League Against Imperialism, which organized the World Congress Against War (opposed to imperialist war but not Communist civil war). This interlocking status is not unusual, and constant change of name (but not of purpose) is done to make it difficult to trace their activities.

The designations of radical youth groups are legion. The Southern Tenant Farmers Youth Committee is a branch of the Southern Tenant Farmers Union, which is a branch of the Workers Defense League, which was organized by the Socialist Party. The National Student Federation and the Open Road are both ultraradical student organizations. There exists the Farm-Labor Juniors of Minnesota, the National Student Federation of America, the International Student Service, the International Socialist Student Federation, Christian Youth Building a New World, Youth for a New World Order, Youth Committee Against War, Youth Antiwar Congress, Revolutionary Youth, Lithuanian National Youth Committee, Labor Sports of America, Student Society, Young America, Young Caravan, Young Defenders, Young Labor Poets, Young Sparticus League, Young Workers Dance League, and youth clubs such as the Brighton, Cafeteria, Central, Garibaldi, Lakewood, Partisan, United, etc. What good might be accomplished if all this energy could be directed to the upholding of the Federal Constitution and American institutions.

Not only does the radical seek to ensnare the adolescent, but also the very young. The Young Pioneers of America is one of the most dangerous and aggressive Communist groups. It is for boys and girls between 8 and 15 years. Members graduate into the Young Communist League and at 23 pass into the Communist Party as fully qualified Communists. Though fashioned after the Boy Scout movement, the Pioneers are antagonistic to it. The Pioneer children are taught the tenets of communism, atheism, hatred of God, contempt for our form of government, disrespect for the American flag and all American institutions. In addition to the inculcation of disloyalty and practical treason, these children are imbued with class hate and taught to approve of the world revolution. In lieu of saluting and pledging allegiance to our national emblem, these youth are directed to revere the red flag of communism. Their publication is the New Pioneer. In the summer many of these pioneers are gathered into camps and there instructed in communism. The First International Congress of Proletarian Children was held in Moscow, Russia, August 23–24, 1929. Many of the delegates gathered from a distance, riding for days to reach their destination. They came from America, England, Switzerland, Germany, Norway, Sweden, "red" Russia, China, Siberia, Mongolia, Central Asia, Samarkand, Daghistan, Turcoman Republic, and elsewhere. White, black, yellow, and brown children intermingled, all pledging allegiance to defend the U. S. S. R. An appeal was made to the children of the entire world. Lenin's widow contributed her inspiration. "Lenin shows the way" was the slogan. The attending Young Pioneers, each distinctive with red tie and white blouse, passed in review, saluted the "red" flag, and in the tongues of many nationalities gave their call, "Stand ready." This modern Babel were made to understand that over 700 Negro children had deserted the Boy Scouts for the Young Pioneers. Various allegations were designed to arouse their resentment. They were to be used as cannon material; their labor was to be utilized in the fields, factories, and workshops.

They were told that the Boy Scouts prepared the youth to become factory slaves and soldiers to be used in wars for the defense of capitalism; that Soviet Russia was the real fatherland of all workers and it alone had made its children free. In their struggle they urged that youth must be led by Communists and the Young Communist International. Apparently the aim was to create strife between the children of different classes and advocate one class only. Lenin, the internationalist, had known no difference of nationality in the class struggle—they alleged they must know none. Many radical characters punctuated the vast assembly in Dinamo Stadium: Bela Kun, once head of the Hungarian Soviet Republic; Max Holz, the German revolutionist; Maxim Gorky (Alexei Maximovitch Pyeshkov), the Russian author and active revolutionist; and others were there to inspire the children. The committees submitted their reports. It was deplored that the American Negro worker had to submit to so many hardships, as they recognized in the Negro their class comrade with whom they carry on a common struggle against the exploiters; they regretted that all children of the workers and poor peasants were being exploited and oppressed, and pointed out the horrible example of America, where over 4,000,000 youth had to be errand boys, bootblacks, newsboys, farm and factory workers, etc. Special commendation was given to the Young Pioneers of America for having carried on militant activity among the children of American strikers during the many strikes. They explained how these children organized themselves into clubs and groups, marched on the picket lines, and shamed the strikebreakers.

The Young Pioneers carry on agitation for "collectivization." Their greatest activity is directed against the Christian religion and the church. They allege "religion is the worst heritage of the past." Great international children camps are advocated. They fear that the imperialists are preparing for war against the Soviet Union; hence, they train for "red" defense—girls behind earthworks learn to use guns and boys receive machine-gun instruction—all for the purpose of peace.

The Communists, Socialists, and pacifists now sponsor the Federation of Children's Organizations, which came into existence in 1936.

The Fellowship of Youth for Peace, organized about 1928 by the Fellowship of Reconciliation, an international radical organization designed to spread Communist propaganda, is an affiliate of the Young Pioneers. This fellowship sponsors the Youth Crusade for Disarmament and World Peace—a most deceptive title. It supported the Communist-called and controlled congresses against war, which advocated world revolution to promote communism.

The world youth movement is international and is sponsored by the Socialists, Communists, and their liberal sympathizers. It is using our youth as a pawn in the Communist game and is bringing about a revolt of the youth against family ties, home, moral restraint, religion, and country. The United States has at least 65 international sections of this world revolutionary movement. There are many groups of a local nature. All of these are more or less Marxian, and many actually Communist.

Throughout the world, and especially in our country, the political and often the moral corruption of the minds of the youths are being accomplished through the means of highly organized groups that work at will, unrestrained and unopposed by legal limitation. Most of our difficulties in this respect have been imported and then fostered by persons possessing a destructive complex. Individuals endowed with healthy mental equipment seldom participate in such procedure.

Density of population has produced grave problems. Today most parents endeavor to place their children so that they may have healthy minds to fight successfully the battle of life. Usually parents are unable to give much financial assistance, and this inability often thrusts children of varying ages upon the unsympathetic social organization of the State. This political organism provides a few general laws for the child's protection, taxes certain persons to provide a dole or a poorhouse, and builds larger and stronger prisons. It then leaves the child to work out its destiny. The youth, with its mind poisoned with communism, faces a world where opportunities for employment lessen with the increase of labor-saving devices. Taxation, due to senseless and useless economic experiments of a costly nature, raises the prices of necessities and places an unsupportable burden on the struggling atom of the body politic, with the result that thousands of children are thrown on charity and many into prisons. The seasoned criminal is in the minority. Americans, by permitting radical and unmoral education, are making this situation worse. We have here one of civilization's blunders. Our tacit permission to groups to form in order that they may corrupt the mind of our youth is a blunder that shall affect this and many future generations.

All Russian Young Communist League; American Civil Liberties Union; American Friends Service Committee; American Jewish Congress (youth section); American League Against War and Fascism; American League for Peace and Democracy (youth section national committee); American Student Union; American Youth Congress.

Brookwood College.

Christian Youth Building a New World; Christian Youth Conference of North America; Commonwealth College; Contemporary Clubs.

Farm-Labor Juniors of Minnesota; Fellowship of Reconciliation; Fellowship of Youth for Peace; Free Lance Clubs; Friends Disarmament Council.

Green International.

Independent Young People's Socialist League; Intercollegiate Socialist Society; Intercollegiate Student Council; International and American Committee for the Struggle Against War; International Clubs; International Communist Youth; International Congress of Proletarian Children; International Federation of Socialist Students; International Federation of Socialist Youth Organizations; International League Against Imperialism; International Socialist Student Federation; International Student Service; International Workers' Aid; International Workers' Relief Scouts; International Youth Conference; International Youth Conference for Peace; International Youth Congress.

Junior Hadassah.

Labor Sports of America, Section Red Sports International; League for Industrial Democracy; Liberal Clubs; Liberators Clubs; Lithuanian National Youth Committee.

National Council of Jewish Juniors; National Council for the Limitation of Armaments; National Council of Methodist Youth; National Council for the Prevention of War; National Students Committee for the Limitation of Armaments; National Student Federation of America; National Student Forum; National Student League.

Open Road.

Peace Patriots; Political Associations; Polity Clubs.

Rand School of Social Sciences: Revolutionary Youth; Round Table Clubs; Rumanian Junior League Clubs.

School for Social Research; Social Science Clubs; Social Service Clubs; Southern Negro Youth Congress; Southern Tenant Farmers Union; Southern Tenant Farmers Youth Committee; Student Congress Against War; Student Forums; Student League for Industrial Democracy; Student Leagues; Student Peace Committee; Student Peace Service; Student Progressive Clubs; Student Society.

United States Congress Against War and Fascism; United Student Peace Committee.

War Resisters International; War Resisters League; Women's Peace Society.

Work camps: Camp Penn-Craft (Pa.), Camp Tennessee Valley Authority, Camp Flint (Mich.), Camp Highlander Folk School (Tenn.), Delta Work Camp (Miss.), Los Angeles-San Pedro Work Camp; Workers' International Relief; Workers' International Relief Scouts; Work People's College; World Committee Against War and Fascism; World Committee for Peace and Democracy; World Committee of the Students' League Against War and Fascism; World Congress Against War; World Congress of Youth Against War and Fascism; World Student Association for Peace and Freedom and Culture; World Student Union; Workers' Defense League; World Youth Congress; World Youth Movement; Workers' Schools.

Young Communist League; Young Communist League of the United States of America; Young Communist International; Young Judea; Young People's Socialist League of America; Young Pioneers of America; Young Workers' League of America; Youth Anti-War Congress; Youth Committee Against War; Youth Crusade for Disarmament and World Peace; Youth for a New World Order; Youth Peace Conference; Young America; Young Caravan; Young Defenders (International Labor Defense); Young Labor Poets; Young Sparticus League; Young Workers' Dance League; Youth clubs: Brighton, Cafeteria, Central, Garibaldi, Lakewood, Partisan, United.

New York's Water Power

EXTENSION OF REMARKS

OF

HON. JAMES H. FAY

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, August 3, 1939

RADIO ADDRESSES BY HON. MAURICE P. DAVIDSON AND HON. JAMES H. FAY, OF NEW YORK

Mr. FAY. Mr. Speaker, under leave to revise and extend my remarks in the RECORD concerning cheap electricity for the city of New York, I include an address made by the Honorable Maurice P. Davidson, trustee of the Power Authority of the State of New York, and by myself during interrogation of my constituents on Thursday, July 27, 1939:

SPEECH OF HON. MAURICE P. DAVIDSON, TRUSTEE OF THE POWER AUTHORITY OF THE STATE OF NEW YORK, JULY 27, 1939

Ladies and gentlemen of the radio audience, tonight it is my privilege to speak to you as a trustee of the Power Authority of the State of New York. I am going to tell you very briefly about New York's great water powers in the kind of words that you and I, as laymen, can understand. And then, with the help of Congressman JIM FAY and some of his friends, we hope to give you a more intimate picture of how these important natural resources, today largely wasted, can aid in creating a more pleasant daily existence for us all.

But, first, how many of you know of the New York State Power Authority? It is a State authority created in 1931 with the active support of Gov. Franklin D. Roosevelt. It is empowered to develop the International Rapids section of the St. Lawrence River for navigation and power, cooperating with the Federal Government and the proper Canadian authorities. It can finance its share of the construction cost by selling revenue bonds, completely independent of the taxpayer and in a manner somewhat similar to the successful method by which the port authority has financed the construction of the Holland Tunnel and the George Washington Bridge. It must under the law as it now stands sell its cheap electricity for distribution by existing agencies under such terms as to assure that the 3,500,000 homes and farms throughout the State receive the maximum benefit.

The conduct of the power authority's affairs lies in a board of trustees, of which the other members are Chairman James C. Bonbright, professor of finance at Columbia University and one of the country's leading experts on public-utility matters; Vice-Chairman Fred J. Freestone, executive-committee member of the National Grange and known throughout the length and breadth of rural New York; and George S. Reed, a prominent attorney from northern New York. The late Frank P. Walsh led the trustees courageously until his untimely death. Among its greatest friends the power authority counts President Roosevelt, Governor Lehman, and Lieutenant Governor Poletti. Last summer, with Governor Lehman's aid, Lieutenant Governor Poletti led the fight to write into the constitution of the State an amendment designed to preserve its great water powers from private exploitation, and only last Monday, speaking at Watertown, N. Y., he delivered a magnificent address, praising and advocating the power authority's plan for the utilization of these water-power resources.

After long years of technical study, the power authority recommended to the legislature a comprehensive power plan for the State, including the concurrent development of the St. Lawrence and Niagara water-power resources. This cheap power would flow to New York City and other population centers throughout the State over a high-voltage transmission system, coordinating these public generating plants with the facilities of the private power companies.

Because I have a vivid recollection of my own once nebulous picture of the north country, I suggest that you look at a map of the United States. You will see the vast Great Lakes Basin—the heart of the North American Continent—draining into the Atlantic Ocean through the St. Lawrence River. You will see the western end of New York State, with the great inland port of Buffalo, bordering the shores of Lake Erie, whose waters, including all the upper Lakes, descend the mighty Niagara to Lake Ontario. You will see the shores of Lake Ontario, forming the northern boundary of New York from the outlet of the Niagara River to the Thousand Islands at the mouth of the St. Lawrence, where the outflow of the Great Lakes commences the final lap of its majestic journey to the sea.

This immense flow of water gives New York unparalleled hydroelectric-power resources. At Niagara the drop in elevation between Lakes Erie and Ontario totals 326 feet. About two-thirds of this drop takes place at the Falls, producing one of the most impressive natural spectacles endowed forever upon mankind. The other one-third of the drop takes place through the Niagara Gorge and Whirlpool Rapids, whose white horses and tumbling tons of water have thrilled millions. The present partial head power development on the New York side generates a paltry 500,000 horsepower. The power authority's engineers have recommended control works to enhance and protect the scenic spectacle and make possible the development of 2,000,000 horsepower on each side of the river.

Two hundred miles east and north of Niagara, Lake Ontario narrows to create the International Rapids section of the St. Lawrence. Here, in the short stretch between Ogdensburg and Cornwall, the river drops 86 feet. The development of this vital link in the Great Lakes-Atlantic Seaway will produce 2,000,000 horsepower of cheap electricity to be shared alike by the Province of Ontario and the State of New York.

Eventually the capabilities of these border rivers will be augmented by another 1,000,000 horsepower which can be developed on New York's interior streams. Our inland waters have yet to be tamed. Seething floods, bearing destruction and waste, boil down the Genesee, the Susquehanna, the Allegheny, and the Chenango. Site after site for humming water wheels lies along the upper Hudson, the Black, the Oswegatchie, the Racquette, and the St. Regis.

New York's undeveloped water powers add up to at least 4,000,000 horsepower. We are rich, and we starve for lack of vision and enterprise. Because the dry figures of our engineers have not yet inspired the enthusiasm of the 13,000,000 people within our borders, our lawmakers prefer to delay action until the faint whisper of a few pioneers inspires the mighty voice of all the people.

But this delay is serious. Four million horsepower of water power is running to waste, while millions walk our streets and other sections have proceeded to develop their water resources. The T. V. A.'s program is well on the way to completion. Four of the great dams are now in operation, and soon nearly 2,000,000 horsepower of T. V. A. power will be vitalizing the Southeast. Boulder Dam was completed in 1935, and the people of the Southwest have cheap water power to enhance the attraction of their sunny coast lands. In the great Northwest the development of the Columbia River presents a powerful threat to New York's industrial supremacy. Huge generators now hum at Bonneville Dam, and work proceeds both by day and by night at Grand Coulee.

Industry, construction, employment, cheap power. This is the power age—the electric era. New York must advance or fall by the wayside. As far back as 1931 Governor Roosevelt said: "So long as men used our waterfalls and streams only to grind their neighbors' corn or to turn the wheels of primitive manufacturers the public at large had no particular interest." But, he continued, "with the sudden development of this new giant electricity, however, the situation was entirely changed. It is no longer a case of mills along the river banks but of light and power which can be carried along a slender wire into the homes of every citizen."

Shall the great State and city of New York be handicapped by dependence upon fuel power while other sections advance and become prosperous through the development of their water resources? The trustees of the power authority say, "No." With 4,000,000 horsepower of cheap water power lying undeveloped at its back door, New York can lead instead of trailing in the social and industrial progress that follows the abundant use of cheap electricity. Flowing water belongs to the people. Once constructed, water-power developments will run as long as the sun and rains maintain the flow of the rivers. And the people themselves must undertake these developments.

We intend that every citizen of New York shall know of the high and restrictive rates for electricity in New York; of the low rates and greatly increased use of electricity in other sections; and how the power-authority plan can accomplish for New York what has been accomplished in these other sections. With your support, we will confront the next legislature with a popular demand for action which will drown out the petty self-interests seeking more delay—even as the mighty roar of Niagara subdues the voice of the spectator.

And that purpose, Congressman FAY, is the reason for your presence tonight. We know you to be an unselfish seeker for the best interests of your constituents and all the people of the State. We know you have been studying this power issue from their standpoint, and now we will look to you to tell us whether the people of your district are interested in cheap power.

SPEECH OF THE HONORABLE JAMES H. FAY, OF NEW YORK, JULY 27, 1939

Mr. Davidson and friends, I sincerely welcome this opportunity to tell you how I feel about cheap power in general and about the power authority's St. Lawrence-Niagara program in particular. I don't think the people of New York City realize the potential economic good that will result from your power plan, and I'm happy to contribute some part in making them aware of the facts.

Last month I had the privilege of speaking at the Catholic summer school near Plattsburg. I found that the people up there know what the development of our water powers would mean in their everyday existence. They know that this question isn't something in which they are only remotely interested but is one that vitally affects their welfare.

I resolved right then to make sure that the facts about this St. Lawrence-Niagara power program were made known to the 30,000 families who live in my district on the east side of Manhattan. I know their woes and wants—the political tradition of Manhattan means constant personal contact with the Congressman. And for most of them a dollar contains a hundred pennies. They visualize it in terms of bread and milk and shoes.

I know a good many couples who spent their honeymoon at Niagara Falls, but never one who looked at the great scenic spectacle and connected it with their chances of earning a livelihood. I am pretty well accustomed to surprises, Mr. Davidson, but I must admit it was a new one to me when you told me that the power company serving my people on the East Side was solidly connected by transmission lines to the present power developments at Niagara Falls and along the St. Lawrence River. These engineers have a habit of getting way out ahead of us at times.

Seriously, though, here is the way I feel about New York's water powers. I think they should be developed along the lines of the power authority's program and the quicker the better. In the first place, it is my duty as a Congressman to look at the national significance of projects such as you are proposing. I am a member of the House Naval Affairs Committee. Furthermore, I am a veteran of the last World War and, with God's help, I am resolved to do everything possible to keep us out of another one. But our greatest guaranty of peace lies in adequate defense measures—and I agree with President Roosevelt that the immediate development of these great water powers—essential as they are for the production of war materials—is an important part of any well-rounded program for the support of our armed forces.

I know that I can take your word for it that these developments will provide us with lots of cheap power. In the first place, you have spent years in gathering the technical and economic facts with a fine staff of engineers and experts. In the second place, we see the Niagara Hudson Power Corporation hanging on to their claims to these developments like grim death, and to our minds that checks with your statement as to the value of these water powers.

Then we like your attitude toward the private investors and the taxpayers. When you tell us that your conception of retail rates for power includes fair treatment for all present and future capital invested in the private power systems and that your program will stand or fall on its own financial feet, without burdening the taxpayer, we think you should have a chance to put it over. We know you have a practical, workable plan for doing something about business and employment in the State of New York. If you can convince investors that your plan merits a loan of $287,000,000 for your construction program, we'll fight along shoulder to shoulder with you for the necessary legislative action.

We don't see any reason why New York should lag behind the Tennessee Valley or the Pacific Northwest or any other section. My people want work—they want security and employment. They hear that the people using T. V. A. power are spending $60 a year per family for new appliances—refrigerators, ranges, water heaters, vacuum cleaners, washing machines, good lamps, and all the other comforts made possible by cheap electricity. They know this means increased manufacturing activity. They see the Aluminum Co. expanding its plant in Tennessee, and a big, new metallurgical plant under construction at Muscle Shoals. They hear the whistles blowing in the new chemical fertilizer plants south of Nashville, and read the announcements of other big plants building or planning to build down there. My people are a little sick of the unemployment conditions which have forced so many of them on relief—they want some of that kind of cheap-power medicine which creates business, and we believe you have the prescription.

This program seems to be a constructive attempt to remedy the present unemployment situation. When business is bad and men are out of work they want something done about it—and they look to their Representative in Congress, in the legislature, and in city council for action. I believe the power authority's plan is the type of constructive action the people want. The trouble is you haven't been letting us know how important these developments in the St. Lawrence and Niagara Rivers are to the people right here in New York City. We always thought they were local projects—O. K. for Buffalo and northern New York, but nothing for the Sixteenth Congressional District to get excited about. But that last report of yours completely changed the picture. The idea of these two big hydro plants hooked up to the big steam plants in New York City and cheap power being made available all over the State, that appeals to our sense of reason. That means that these big water powers are intimately associated with conditions in New York City; it means cheap power, more business, and more jobs from Fourteenth to Sixty-third Street, and we like it.

And, finally, we don't see why we should pay twice as much and more for electricity as the people do in other sections. A small apartment can be a pretty comfortable home, with good lighting, a radio, an electric refrigerator, and an electric fan. But this would mean at least 100 kilowatt-hours a month on the meter and a bill of $4.72. And a big slice of the 30,000 families in my district haven't any budget provision for $57 a year for electricity. But they know that something is wrong when, compared with their bill of $4.72, the same family in Knoxville pays only $2.50, in Tacoma only $2.12, and in Ottawa only $1.74.

But when we come to compare notes on electric bills the fellows who have a real bill of complaint are the small-business men—the butcher, the baker, and the candlestick maker. Now, Commissioner Davidson, I showed you some of the bills these people are paying. They are right down in my district—my friends and neighbors—and I just brought them up here tonight to verify these bills and so you could tell them why they should be interested in the St. Lawrence and Niagara River program of the power authority.

TESTIMONY OF MR. HUGH M'DONNELL

Q. What kind of business do you operate?—A. I run a bar and grill.

Q. Where is it located, Mr. McDonnell?—A. 341 East Twenty-third Street.

Q. What do you use electricity for, Mr. McDonnell?—A. For the refrigerator, beer cooler. * * *

Q. Lots of neon lights running around the place?—A. Sure have.

Q. Any air conditioning?—A. Not yet.

Q. I suppose you have lots of good liquor, very good steaks, and French-fried potatoes, have you?—A. You said it.

Q. Well, Mr. McDonnell, did you bring your electric bill along with you?—A. I have.

Q. Let me see it. Well, Mr. Davidson, Mr. McDonnell used 487 kilowatt-hours and paid $25.96 for them. What do you think you can do for him in a case like that?—A. (Mr. Davidson.) Well, now, Congressman, if Mr. McDonnell were living in Knoxville, for instance, he would only be paying $11.24. This would be a saving of $14.22 a month, which would amount to about $170 a year.

Q. (Mr. FAY.) Well, Hugh, do you think that that would make a difference in your business?—A. Well, I certainly could use it.

Q. All right, let's see what Mr. Levine has to say. Mr. Levine has a tailoring establishment, you know. Mr. Levine, where are you located?—A. 377 Second Avenue.

Q. What do you use electricity for, Mr. Levine?—A. Well, I have two power sewing machines and a furrier's machine.

Q. How's business, Mr. Levine?—A. Well, there's always room for improvement, you know.

Q. How much was your bill last month? Did you bring it along with you, Mr. Levine?—A. Yes; I have it here.

Q. $14.05. Well, Mr. Davidson, what do you think you can do for Mr. Levine?—A. (Mr. Davidson.) Well, if Mr. Levine were operating in T. V. A. territory his bill would be $6.80, a saving of $7.25, or about $80 per year.

Q. Well, Mr. Levine, do you think you ought to string along with the power authority's plan?—A. Yes, Congressman; I think so.

Q. (Mr. FAY.) Mr. Davidson, I could have brought a dozen of my constituents along. Their testimony would only serve to emphasize what these two gentlemen have said. There is no question in our minds as to whether or not we will support your proposal. We most enthusiastically will.

More Justice for Veterans

EXTENSION OF REMARKS

OF

HON. JOHN G. ALEXANDER

OF MINNESOTA

IN THE HOUSE OF REPRESENTATIVES

Thursday, August 3, 1939

LETTERS OF HON. JOHN G. ALEXANDER, OF MINNESOTA, AND FRANK T. HINES, ADMINISTRATOR OF VETERANS' AFFAIRS

Mr. ALEXANDER. Mr. Speaker, under the privilege of extending my remarks in the RECORD, I insert herein a letter which I have just sent to Gen. Frank T. Hines, Director of the Veterans' Administration, in reply to his letter of July 28, in which the Bureau discusses the charges made by me in the House on May 1 regarding injustices perpetrated on War Veterans by the Veterans' Administration, under the guise of legality, as they seek to interpret the present veterans' laws.

AUGUST 3, 1939.

Gen. FRANK T. HINES,
Veterans' Administration, Washington, D. C.

DEAR GENERAL HINES: I wish to acknowledge receipt of your communication of July 28 regarding the cases discussed by me on the floor of the House of Representatives on May 1.

I appreciate your interest in these matters and the length to which you have gone in investigating the same.

I realize that items of this type are matters in which individual opinions differ. Personally, I am not any more convinced now than I was on May 1 that justice is being done to these men, or that it is being done to thousands of other veterans, with the exception of the case of Edward J. Arthur, of Miami, Fla., regarding whom you state in the next to the last paragraph of your letter that his case is going to be reopened and attended to.

I am not blaming you personally for the situation which exists, but I do feel, as do thousands of others, that the Appeal Board should liberalize its ratings and decisions. If, as you say, no appeals are pending in the cases which I discussed in the House on May 1, is it not probable that the reason for that is that these parties, after years and years of attempts to get justice, have been so discouraged and worn out and beaten down by the attitude of the officials in the Veterans' Administration that they have finally given up in despair. That is the conclusion which I have drawn from my study of the cases.

You might be interested to know that since my exposure on May 1 of the situation that I have received hundreds of letters

regarding other similar cases throughout the country. While this evidence and information has been accumulating, I have postponed using it hoping that after the testimony which developed during the hearings of the Veterans Affairs Committee last spring the Veterans' Administration would relax its overzealous conservatism and try to inject a little more of the milk of human kindness into its proceedings and a little less of the mechanical.

If I had not come in contact personally with so many of these cases of flagrant violations of the laws of justice and humanity, I would not, perhaps, feel so strongly in this matter. However, I hope out of it all may come a more fair and revitalized attitude toward the men of America who have borne the brunt of battle and given sacrificially in time of war.

Yours very truly,

JOHN G. ALEXANDER.

The following is the text of General Hines' letter, which is interesting in the light of the disclosures made by me in my remarks in the House of Representatives on May 1, 1939:

VETERANS' ADMINISTRATION,
Washington, July 28, 1939.

Hon. JOHN G. ALEXANDER,
House of Representatives, Washington, D. C.

MY DEAR MR. ALEXANDER: Under date of May 1, 1939, in a speech on the floor of the House of Representatives, you referred to certain cases, six in number, under the heading "flagrant injustices perpetrated on veterans in the name of the law." Three of these cases have been received in this office for review and it is desired to report on the outcome of the review.

In the case of Donald U. Hildreth, C–48 836, whose address is given as 2250 Bryn Mawr Avenue, Philadelphia, Pa., the following excerpt is quoted from letter from Mr. Wade Goble, judge advocate, Department of Pennsylvania, to Mr. Herbert A. Church, chairman, national legislative committee, Military Order of the Purple Heart:

"In addition to the case which I have written up, there is a case of a veteran, Donald Hildreth, C–48836. This man had a leg blown off while serving with the Yankee Division. Simultaneously with the loss of the leg an enormous scar which took 30 stitches to close was inflicted above the hip. Due to laceration of the nerves, this wound caused the man untold agony; but it was not until 15 years after his discharge that he was awarded any compensation by reason of it. Apparently a great injustice has been done the veteran, even though he did receive compensation for the loss of the leg."

This veteran suffered amputation of the right thigh, middle third, as a result of shell wound April 10, 1918, with simultaneous slight penetrating wound of the rim of the pelvis. He was hospitalized until September 8, 1918, and was discharged after a short furlough, prosthesis supplied, physical reconstruction completed, October 25, 1918. He is reported as walking very well on peg leg prior to July 12, 1918.

On current examination the stump is found to be well muscled, though having spines growing out of the bony stump, for which surgical attention is recommended. He uses artificial leg.

The wound on the crest of the ilium, which Mr. Goble states took 30 stitches to close, is 6½ inches in length, not adherent, and without muscle loss or atrophy. The complaint is of constant dull pains and feeling of pressure, over right hip, aggravated by sitting or lying; no other complaints. The neuropsychiatrist finds no nerve injury, and diagnoses traumatic neurosis on the basis of fixation of thoughts on the amputation stump and gunshot wound, and psychoneurotic element in some of his symptoms.

He has received compensation and vocational training pay from date of discharge, in varying amounts, approximately $20,500 in all. An increase of $4 per month was granted December 23, 1935, and a further increase of $10 per month November 18, 1937. His contention, as evidenced by his own letter to Senator JAMES J. DAVIS, quoted in our files, is that inasmuch as these increases are the result of wounds received in action in 1918 he is entitled to these amounts over prior periods, exclusive of vocational training. He states to Senator DAVIS: "These additional disabilities definitely ruined my chances for civil-service appointment." No appeal is pending before the Veterans' Administration, nor has any complaint been filed with the Veterans' Administration since last rating action, February 15, 1938, at which time he withdrew a pending appeal.

Various records indicate employment as a salesman, and there is no indication of unemployment except for 6 months prior to November 18, 1937. It is not indicated that disability caused this unemployment.

Following complete review of the evidence, it is the opinion of this office that the disability, amputation of the right thigh, has been properly rated as permanent partial 63 percent disabling, with entitlement to $63 per month plus $25 per month subsequent to July 3, 1930, in accordance with section 202 (3), World War Veterans Act, 1924, as amended on that date. In relation to the comparatively slight interference with employment since the date of discharge, this rating and award are considered commensurate with the disability shown. Entitlement to additional ratings on account of additional disability from the scar above the hip, or the fixation of his thoughts on the wound and psychogenic nature of his complaints is supported only on the basis of recent opinion liberally resolving any doubt in the veteran's favor.

In the case of Stanley Dombrowski, C–278928, whose address is given as 6109 Reedland Street, Philadelphia, Pa., the disability was incurred as a result of gunshot wound March 23, 1919, in Russia. The veteran was hospitalized about 9 weeks in Russia, and brought to this country on a hospital ship, and sent to a general hospital, discharged August 16, 1919. The metacarpal bone, middle finger, left hand, was fractured, and healed in good position and alinement, without limitation of motion or loss of strength of the middle finger. There are, however, three bony outgrowths alongside of this metacarpal bone which undoubtedly produce pain and tenderness upon strong muscular effort in gripping. The distal phalanx of the index finger of the same hand was also fractured. and has healed with some deformity, limitation of motion of the distal phalanx only, and some loss of tactile sense.

Since he can make a good fist, all fingers except the index closing fully, with a slight failure of the index to close, grasp any object that the normal hand can grasp, and exert muscular force in gripping without hindrance except some probable discomfort due to new bony growths about the injured metacarpal bone, it is believed that the rating 10 percent is an adequate evaluation. The disability does not exceed favorable ankylosis of the two fingers, for which a 10-percent rating is provided, and since nearly all the usefulness of the hand remains, a higher rating would be disproportionate to the value placed on the left hand, viz, 60 percent.

There is no claim, appeal, or evidence pending adjudication before the Veterans' Administration, but the representative of the Order of the Purple Heart has indicated his intention to submit additional evidence. Since the adequacy of the rating schedule, in relation to the evaluation of comparable disabilities and to the value of the hand has been considered by the appropriate agency, and the condition is permanent, it is not thought that any increase can be made available to the veteran under existing laws.

In the case of Edward J. Arthur, C–174842, whose address is given as 2160 NW. First Court, Miami, Fla., the veteran was injured October 12, 1918, gunshot wound left leg and right ankle, through and through, in action, without fracture. He was hospitalized to March 21, 1919, about 5 months in all, though as early as January 12, 1919, he was able to walk around ward.

On examination May 25 to 28, 1936, he walked with a limp on right foot, the right ankle nearly ankylosed, the toes, hammertoe due to contraction of the tendon Achilles, with discolored spots and apparently some involvement of the deep veins, swelling of the right leg on standing. He wore an arch support which gave him comfort. The left leg was not covered on this examination, which was for treatment right ankle, but in 1934 the disability was scarring, depressed, and adherent, very tight over the popliteal space. Fairly severe varicose veins both legs, noted as slight at the time of enlistment.

The current rating is 40 percent, entitling to $40 per month. This is a slight increase over previous ratings. In 1934 he was employed as a spotter, dry cleaning, and in 1936 was working part time. Psychoneurosis, noted on last examination, is not service connected. While separate service connection has not been granted for varicose veins, the rating is adequate to cover any symptoms from service aggravation of this latter condition.

Mr. Arthur requested outpatient treatment November 5, 1935, but after examination in his home community, it was determined that out-patient treatment would not benefit the service-connected disability. The veteran had been furnished out-patient treatment in 1934, and also hospitalized in that year; however, treatment was not recommended after short observation. Again, in May 1936, he was hospitalized for a short time, and no treatment was found necessary.

On November 17, 1937, the veteran requested to have arch supports replaced or repaired, but such supports were not considered necessary. There has been no subsequent request addressed to the Veterans' Administration for such arch supports.

In Mr. Arthur's case, while the rating appears to be adequate on the evidence in file, reexamination has been directed in a Veterans' Administration facility, to be conducted at the veteran's convenience. The matter of furnishing the veteran with arch supports will be considered in connection with this examination.

It is hoped that on the basis of the above you will feel that complaints against the Veterans' Administration in these three cases have been greatly exaggerated. Mr. Hildreth has received what must be conceded to be a very large sum of money in compensation for the loss of his leg. While this is undoubtedly a source of inconvenience and constant annoyance, his complaints to the Veterans' Administration do not support the allegations in the quoted letter. The neuropsychiatric aspect of the disability is found to be very minor, hardly warranting classification as a moderate disability.

In Mr. Dombrowski's case, the injury resulting from gunshot wound is comparatively minor. He can make a good fist and exert considerable muscular force. The rating has been carefully compared with ratings for similar disabilities and is found to be adequate.

In Mr. Arthur's case, there is some justification for the protest against the Veteran' Administration's failure to furnish new arch supports early in 1938. This feature of the case will be attended to as soon as the veteran reports for examination which has been ordered. The matter of out-patient treatment for his varicose veins has been carefully considered. Any question of surgical intervention should be taken up when the veteran reports for examination.

It is thought it should be emphasized that in none of the cases is there any actual pending claim, appeal, or new evidence requiring adjudication on the part of the Veterans' Administration. These veterans have complained to others who have corresponded

with you and they have not taken their complaints up, at least recently, with the Veterans' Administration, so that they may be properly considered.

Very truly yours,

FRANK T. HINES, *Administrator.*

Agricultural Production Is Difficult for Man to Control

EXTENSION OF REMARKS

OF

HON. CHARLES HAWKS, JR.

OF WISCONSIN

IN THE HOUSE OF REPRESENTATIVES

Thursday, August 3, 1939

Mr. HAWKS. Mr. Speaker, according to U. S. D. A. in 1935 there were 1,054,518,000 acres of land in farms in the United States. In 1930 there were 966,771,000 acres of land in farms in the United States. This shows an increase of 87,700,000 acres that were added to the farms of this country during these years. As the 10-year average from 1927 to 1936 shows, there were 342,500,000 farm acres harvested, and in 1938 there were 341,848,000 acres harvested, so that the acreage in farms is estimated to be relatively the same.

The significant point is that all this talk of the new dealers and all the enormous expenditures of the new dealers in trying to control agriculture have been of little significance, except as they are reflected in the losses of the farmers' pocketbooks and the depletion of the United States Treasury.

Of what value has all this expenditure been? Let us look at agricultural prices and see what the New Deal schemes have done to them. Eggs were 27 cents per dozen the day Mr. Roosevelt was elected President, but today they are only 15.5 cents per dozen. In other words, eggs were 74 percent higher the day he was elected than they are today, and eggs averaged 17 percent more during the last 6 years of the Republican administration than they have during the first 6 New Deal years.

Over 900,000,000 pounds of lard are in storage with the price of lard the lowest it has been in 72 years. We imported over 210,000,000 pounds of edible fats and oils last year—another part of our New Deal agricultural program with its free-trade advocates in the saddle.

Cheese the last 6 Republican years was 17.2 cents per pound. During the last fiscal year it was 11.7 cents per pound. In other words, the average price of cheese during the last 6 Republican years was 47 percent more than it has been the past year.

Wheat is at the lowest price in the history of the world market.

All agricultural prices are declining, and if the New Deal agricultural program is not changed to one with common sense, every farmer in America will lose his farm.

The farmer wants one thing, and that is a decent price for what he raises, and he is entitled to this price. He has no reason to be continually subjected to the whims, cross purposes, experimentations, and fantastic programs of Harvard visionaries.

Public Housing and Children

EXTENSION OF REMARKS

OF

HON. CAROLINE O'DAY

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, August 3, 1939

Mrs. O'DAY. Mr. Speaker, it is a truism to say that the fate of a nation rests upon the kind of children it raises. And the kind of children it raises rests upon the kind of homes which are provided for those children.

Charles Dickens, whose literary works were the basis for many social reforms in his day and afterward, wrote in 1854:

> It behooves every journalist at this time to warn his readers, whatsoever be their ranks and conditions, that unless they set themselves in earnest to improve the towns in which they live, and to amend the dwellings of the poor, they are guilty, before God, of wholesale murder.
>
> Long before this Journal came into existence, we systematically tried to turn fiction to the good account of showing the preventable wretchedness and misery in which the mass of the people dwell, and of expressing again and again the conviction, founded upon observation, that the reform of their habitations must precede all other reforms; and that without it, all other reforms must fail.

England harkened to Charles Dickens, and to those who came after him and fought the good fight for safe, sanitary, and decent dwellings for the poorer citizens of England. Today, England and Wales have more than 4,500,000 people—over 10 percent of the population—living in government-assisted low-rent dwellings.

Since Dickens' day experience has proven that better housing has a definite beneficial effect on the health and development of young children and their mothers. We, in the United States, are just beginning our public-housing and slum-clearance program, and we have as yet no statistics from our own experience to point up this statement. It will take more time to develop a body of facts which will prove the statement that healthful housing, as exemplified in public housing, benefits the Nation.

But is there any reason why we may not profit from the experience of our sister nation across the Atlantic—England? There it has been found that comparisons of mortality rates in low-rent housing and in slum housing show a difference of about 12 percent, while comparisons of infant mortality rates show a difference as great as 95 percent. It is said with authority that if children born in England and Wales were all born under conditions such as exist in English public-housing developments, probably 20,000 infants would be saved every year, and that these children would have every opportunity to grow into healthy citizens.

Tuberculosis, pneumonia, diphtheria—diseases of every kind which take their toll of the Nation's children and mothers and which arise out of unhealthy living conditions—their conquest will stem from improved housing providing healthy surroundings.

But it is not only the effects of slum surroundings upon children and their mothers which must concern us. The birth rate is of primary importance to the forward march of mankind. Given healthy environment, the birth rate will rise.

Health is a prime need of the individual and of society. A statesmanlike government can lead the people into a wholesome, sane, and healthy life. The future of the race depends upon such leadership. The opportunity is ours to provide that leadership. As a major means of attaining a healthy environment for our children, for our mothers, for our future citizens, gentlemen, I earnestly recommend the proposed appropriation for the United States Housing Authority.

An Analytical Study of the World Sugar Situation

EXTENSION OF REMARKS

OF

HON. HENRY O. TALLE

OF IOWA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, August 2, 1939

ARTICLE FROM THE DES MOINES (IOWA) REGISTER

Mr. TALLE. Mr. Speaker, under leave to extend my remarks I desire to submit for consideration of the Members of the House an enlightening statement on the sugar situa-

tion which appeared in the Des Moines (Iowa) Register under date of July 1, 1939.

It appeared under the title of "An Analytical Study of the World Sugar Situation," and was written by Mr. Earl C. Moore, of Mason City, Iowa. It was printed as a letter to the editor and follows:

TO THE EDITOR:

Your recent editorial, Whom Protection Doesn't Protect, is one which I have read with interest. I realize that you were not "picking on" sugar, and that sugar was used merely to illustrate an argument. Nevertheless, there are a number of other aspects of the sugar problem which merit consideration, and I ask this opportunity to mention them.

First, and most important, it may truly be said that the consumer in the United States pays less for his sugar than in any country in which the inhabitants wear shoes on weekdays. Retail sugar prices in the United States are, by any fair standard of measurement, decidedly low.

LOWER PRICE IN UNITED STATES

The retail price of sugar last reported by the Bureau of Foreign and Domestic Commerce of the Department of Commerce was lower for the United States than for any other large nation, Great Britain alone excepted.

The British price was only a fraction of a cent less than ours, and that small difference results from higher costs of distribution in a country geographically as extensive as ours compared with the distribution cost in the British Isles.

The only other countries (out of a total of 43) for which the Department reported lower prices than in the United States were Brazil, Chile, Costa Rica, Cuba, Ecuador, Guatemala, India, Java, Peru, Switzerland, Uruguay, and the Philippine Islands. These price comparisons of the Department are expressed in terms of dollars and cents. Had the comparison taken into account the superior purchasing power of the American wage earner, an even more favorable picture would have been presented.

STATISTICS QUESTIONED

The editorial refers to the case of a Philadelphia refiner who on the same day quoted one price for the domestic market and a lower price for export, and it then proceeds to calculate an assumed "hidden cost" to the domestic consumer by comparing the difference in these prices.

It seems to me that the statistical method involved in this calculation must be seriously questioned at the very outset.

The price which the refiner quoted for export was a quotation for a sale in the world market. And what is the world market? The world market is an international dumping ground for sugar, and it is so recognized by everyone who professes the slightest knowledge of the sugar industry.

ECONOMIC VALUES LEFT OUT

Prices in the world market have not the faintest relationship to any decent human values or real economic values. No important group of consumers in the world buys sugar at the world price, and no important producing area—not even the "natural cane-sugar production of the Tropics," Cuba included—could survive for long if it were forced to accept the world price for all its production.

Less than 10 percent of the world's production of sugar is sold in the world market, and the greater part of that supply comes from countries which sell some of their production in preferential or protected markets, just as Cuba does in the United States.

WHAT A REPORT SAID

The character of the world market, or "free" market, was well described in a report submitted in 1935 by a special committee appointed by the British Parliament to study the sugar industry, as follows:

"The surpluses which at present form so large a part of the free market supplies are 'dumped' sugar and, since in some cases they represent only a small proportion of the total production of the country concerned, the price which is obtained on the free market may be a matter of comparative indifference. In these conditions the price ruling on the free market has no necessary relation to the true economic price of sugar in the sense of the price which would prevail in conditions of free trade. Nevertheless, it is this dumped sugar in the contracted free market which determines the world price."

The 10 percent of the world production which is dumped into the world market amounts to approximately 3,000,000 tons annually. The consumption requirements of the United States are roughly 6,500,000 tons a year. It follows, therefore, if the United States were to buy all its sugar in the world market, that the demand in that market would be increased to almost 10,000,000 tons a year.

IF DEMAND INCREASED

There is no sound reason for assuming, with such increase in demand, that the world price of sugar would remain at its current low level, or that in the final analysis sugar prices to the American consumer would be any cheaper than they are today.

It is necessary to turn back a decade to find a period in which the demand for sugar in the world market approached 10,000,000 tons. The demand approximated that volume in each of the years 1928 and 1929, but the average price for those years was twice the average for 1938. To make available a supply of 10,000,000 tons in the world market would require a tremendous expansion of production in some sugar-producing areas, and it is folly to imagine that the production would be undertaken at recent price levels, which would guarantee the producers nothing but losses.

NO TAXES OR TARIFFS

The Philadelphia refiner mentioned in your editorial apparently bought sugar at the world price, refined it in bond, and then offered it on the world market at the current fire-sale price without the payment of taxes or tariffs. It is certain that the ultimate consumer paid a great deal more than the price quoted by the refiner.

If the sugar were sold in Germany, it cost the consumer about 13 cents a pound; in France, 8 cents; in Italy, 15 cents; in the Netherlands, 12 cents; in Norway, 7 cents; in Ireland, 7 cents; and in Portugal, 9 cents. In the United States the same sugar would have cost the average consumer 5.1 cents a pound.

Except for a 4-year period in the 1890's, when the Treasury paid a direct bounty on sugar production, there has always been a tariff on sugar, and in most cases the rates have been far higher than now.

IN WASHINGTON'S DAY

The first tariff on sugar was imposed 2 months after George Washington was inaugurated President—long before there was a beet-sugar industry and years before Louisiana and Florida came under the American flag. In the face of that record it is hard to believe that the tariff on sugar would be discarded even if there were no domestic sugar industry.

Moreover, it is to be implied from your editorial that the effect of the tariff system is to be measured in the value of the continental sugar industry. This implication overlooks entirely the fact that sugar producers in Hawaii, Puerto Rico, and the Philippines, which together produce more sugar than the continental industry, partake in and are benefited by full protection in our markets.

BENEFITS TO ALL PRODUCERS

Hawaii and Puerto Rico participate in conditional payments under the Sugar Act of 1937 exactly as the producers of sugar beets in Iowa, and the tax assessed against Philippine sugar has been returned in total to the Philippine government. It is the fact that benefits of tariff protection inure to these other sugar producers for the American market as well as to the continental industry.

The Sugar Act and the Cuban trade agreement give Cuba a position in our market which is unequalled by any other foreign country and which amounts to outright subsidy.

Under the Sugar Act Cuba is guaranteed an annual quota of about 2,000,000 tons in the United States market—roughly one-third our consumption requirements—and for this amount of sugar American consumers pay Cuba almost double what she would be able to obtain in the world market.

From 1934 to 1937 the value of Cuban exports of sugar to the United States increased from $55,000,000 to more than $100,000,000, even though there was no appreciable difference in the volume of her exports.

Last year, because of the unprecedentedly low prices, the value of Cuban sugar exports declined to $75,000,000, but all domestic areas were subjected to a like reduction in income.

WALLACE'S SOLICITUDE

Secretary Wallace has frequently declared solicitude for the maintenance of the Cuban sugar industry as a market for American export crops. It would be interesting if those who first calculated the cost of the domestic industry to the consumer by comparing the so-called world price with the domestic prices were to estimate the certain reduction in Cuban purchasing power for American exports if the Cubans were forced to accept the world price for all their sugar.

EARL C. MOORE,
Manager, American Crystal Sugar Co., Mason City, Iowa.

The Housing Program

EXTENSION OF REMARKS
OF
HON. JOSEPH A. McARDLE
OF PENNSYLVANIA
IN THE HOUSE OF REPRESENTATIVES

Thursday, August 3, 1939

Mr. McARDLE. Mr. Speaker, the Pittsburgh Chamber of Commerce is just what you would expect the chamber of commerce of the industrial heart of the Nation to be—an aggregation representative of the biggest of big business in the Pittsburgh area.

The board of directors of that organization in March wrote me pleading for delay in the housing program that we might

have time to study the results of the projects thus far underway. Let me quote from my reply to the chamber, a reply which seems to me still timely:

Mr. FRANK HARPER,
Pittsburgh Chamber of Commerce.

DEAR MR. HARPER: This will acknowledge your letter of March 31, enclosing a resolution adopted by your board of directors urging that present efforts to provide an American standard of housing for South Side and North Side residents be abandoned.

Taking your resolution at its face value and making no present attempt to ascribe to you the motive of sabotaging our housing program, let me outline my position as briefly as possible.

Slums are costly to the entire community—far more costly than subsidies or tax exonerations. Paying low taxes, because their value is low, slums are responsible for conditions which consume a disproportionate amount of the community's tax funds.

Slums are responsible for tremendous juvenile delinquency. Slums breed crime and disease. Slums breed social unrest and discontent, resulting in a high cost of public safety precautions. Slums provide dangerous fire hazards requiring huge outlays for prevention and fire fighting.

Many members of your board of directors are active in community welfare work. Cultural and civic organizations, the Boy Scouts, the Girl Scouts, the free libraries, the Y. M. C. A., and Y. W. C. A., and countless other agencies are recipients of their generosity.

But all these worthy gifts to improve the bodies and mind or nourish the aesthetic natures of Pittsburghers constantly are being nullified by the discontent, unhappiness, despair, and moral and physical illnesses created by the existence of huge slum areas sprawling over our hills and running down our valleys.

The choice is up to us. We must start somewhere to rehabilitate. Rehabilitation is not to be achieved by crying to the high heavens about the spread of un-American ideas in our underprivileged homes. Rehabilitation is not to be achieved by sending children to school in marble palaces and returning them home to dark, drafty, dank houses, where they live in the shadow of tuberculosis, and where a few starved and faded flowers blooming in a window box are the only things of beauty they can afford.

Relief is no cure. The welfare fund agencies do good work, but their treatment is only a stopgap in fighting the social cancer of un-American housing. We in Washington are doing what we can about both problems.

If we are to teach people Americanism, they must be able to live in an American way. You cannot live in an American way in the back alley of a tenement district.

And we cannot wait. We cannot delay while we "try it out on the Hill district." We must push ahead with a progressive program. England has proved that business benefits, the community benefits, and the nation benefits. Housing is a spur to recovery and employment; housing is a big step toward curing many of our social ills.

I see on the list of your board of directors many names prominent in Pittsburgh financial, industrial, and social life. I should like to take these gentlemen and you on a visit to the poorer South Side districts to which they would deny adequate American housing. I do not mean a tour in the manner of the slumming parties so popular of recent years in some well-meaning social circles. I mean a visit.

I should like to take these gentlemen to live with me for 1 week as guests of some of my friends in the South Side. Let me extend a cordial invitation for them to come with me and stay with me right in these homes for 1 week, eating their normal food, living their normal life, contributing their share to the modest expenses of the household, using their rude cots, rusty sinks, and outdoor toilets.

The cost will not be much. You can estimate it as the weekly relief allowance to one person and I shall be glad to assume this obligation for all of you. The discomfort will be considerable, but I am sure the understanding of the South Side's demand for adequate housing will be worth the discomfort. In the daytime the visitors can go about their regular occupations in the Triangle; after 5 p. m. they can be South Siders—just for 1 week.

Many of my friends on the South Side are sensitive about admitting strangers to their homes. They are sensitive of the pity so often extended to them. They do not want pity. They want a chance to live as Americans. They probably would swallow their pride for a week and extend their meager hospitality to you and your directors if they thought, as I do, that the experience would convince you that proper housing is more important than streamlined governmental efficiency.

This is a sincere invitation. The distress of the badly housed is acute. Their problem is one that concerns all of us. I should take pleasure in joining this party and in introducing you to the life. I am not suggesting you or your directors undergo any experience in which I should not join. I know these people; I have broken bread with them; I know they are earnest, struggling, sincere Americans who ask of life only a chance.

I do not believe the chamber of commerce would deny them that chance if your directors knew the true situation. Here is a chance for some real research, some real understanding.

Faithfully yours,

JOSEPH A. MCARDLE.

Mr. Speaker, that same invitation might be extended to my colleagues of the minority side who today are opposing extension of this great program. I might say to them, as I said to the chamber of commerce in repeating my invitation:

My understanding of the Pittsburgh set-up is, in tabloid:

Costs are under rigid control and supervision not only of the Pittsburgh Housing Authority but of Federal housing officials.

Net costs will be sufficiently low to permit occupancy by members of the lowest-income groups which today live in unfit homes.

Anticipated rentals will be in the vicinity of $4 a room-month, cheaper than many homes in Pittsburgh, which today are fit only to be condemned and razed.

Rents will be so low that many persons on W. P. A. projects or relief will be able to occupy the units.

Every Authority transaction is put through temperately, double-checked, and rigidly scrutinized for waste.

I am glad, indeed, to note your acknowledgment that decent housing is needed and must be provided for our ill-housed minorities.

Apparently, where we split is on your plea for delay.

If we had started housing 20 years ago, or even as recently as did the British, we should have been in position to put up a few sample units and sit back to study the results. Instead, we waited until housing conditions were made many times worse by the depression, with consequent doubling up of families and the mass reversion to the lowest level of shelter.

Today we justly hurry. The people will not be patient much longer. The people need the work created by the projects, industry needs the business, the under-housed multitudes must have the shelter.

But hurry as we do and must, you must remember we do not blaze a trail. Projects elsewhere in the Nation already are in operation. And even these were not pioneering in the field. England has had ample experience to justify her public housing projects and there are ample studies available to help us avoid some of her pitfalls.

More houses on both South Side and North Side become unfit for human habitation yearly. Most of these houses remain occupied by unfortunate Americans who can find nothing better within their means.

The consequences of delaying for a year or two are too severe. A year or two from now we must have all of the present projects complete and must drive ahead with others. The proposed $20,000,000 in Pittsburgh Housing Authority projects is but a start. We must and we will have more.

I think your and your directors' failure to appreciate the need for forging ahead without delay indicates you are out of touch with the people and with their needs.

That is why I suggested you might be willing to be my guests for a week on the South Side, living in some of the type of houses we would rehabilitate or raze.

You may haye thought my suggestion impractical, but I assure you it is my considered opinion that I was placing in the path of the chamber an opportunity for distinguished public service.

Undoubtedly one of the great causes of social maladjustment in America today is the remoteness of our more fortunate citizens from the hum-drum and often sordid daily life of their less fortunate fellow Americans.

All this talk of labor unions and social security and home loans and bad housing, this demand for relief and the W. P. A. and the C. C. C. and the N. Y. A. must indeed seem strange and dangerous to gentlemen who never have known or whom time has allowed to forget the ravages of economic distress.

The leaders of American business and social life could find themselves far better able to understand the needs of the ill fed, the ill clothed, and the ill housed if every once in so often they made a pilgrimage to poverty.

Such a pilgrimage would be wasted if conducted in a spirit of ostentation and condescension. But if the task were approached with proper humility—and I use the word advisedly—in a sincere attempt by our leaders to return to human fundamentals, even if physical comfort were sacrificed to some degree, the pilgrimage would help to establish true contact with the needs of the masses which are, after all, the majority of the American people.

If at any time a majority of your directors feel they would like to accept my invitation, please do not hesitate to call upon me. The South Side is hospitable and I shall not withdraw my offer.

But a pilgrimage to poverty comprises too great a sacrifice for our leading citizens. They would rather sit in their clubs and mansions and condemn than visit the less fortunate and learn about America.

I regret my invitation was never so much as acknowledged.

Mr. Speaker, I yesterday received the following telegram from Councilman Edward J. Leonard, of Pittsburgh, who also is chairman of the Allegheny County Housing Authority:

No funds available for 16 Allegheny County projects if S. 591 is not passed this session. Bad housing in many industrial communities of Allegheny County has been accompanied by a startling increase in juvenile delinquency, cost of police and fire protection, danger of epidemics, and decrease in civic morale.

Decency and Americanism cry out for correction of this unbearable condition, which only can be alleviated by Government aid for housing. All your fine work for housing will be in vain unless additional U. S. H. A. funds are authorized.

Almost simultaneously the Honorable John J. Kane, chairman of the Board of County Commissioners for Allegheny County, which embraces Pittsburgh and surrounding municipalities, and his colleague, the Honorable George Rankin, Jr., telegraphed:

The need for Government aid for housing in Allegheny County is acute. Our worst slums in the industrial areas of the county are overcrowded. Houses ruined by repeated floods are jammed by families unable to find or pay for other accommodations. Rents are rising in some distressed sections. Social problems are on the increase. Housing projects planned for the most-needy sections are threatened if the proposed extension of the United States Housing Authority's loan authorization is not approved by Congress. The county commissioners are eager to help, through the Allegheny County Housing Authority, but are powerless in themselves to aid without Federal money. Please continue your efforts in our behalf and in behalf of all the citizens, rich and poor, of our great county.

Housing is not a class problem; it is an American problem.

The Honorable George E. Evans, Pittsburgh councilman and chairman of the board of the Pittsburgh Housing Authority, writes me:

I am very happy * * * to learn that you are in sympathy with our public housing program. * * *

We have been carefully studying both the South Side and the North Side areas. We have been more successful on the South Side and have an area there which has already been tentatively approved. * * * It is large enough for a project of from 800 to 1,000 units. * * * We are also studying the possibility of rehabilitation of already existing houses in that area. The general plan is to select blocks running from street to street and to vacate and demolish the alley dwellings in the rear, thus creating open spaces for play areas and then to rehabilitate the houses fronting on the streets. * * *

I am entirely familiar with the conditions over there and their lack of sanitary facilities, as well as the crowded condition of these homes. Probably no section is so crowded as the South Side area and I agree with you that they are a good, substantial class of citizens, which should be given the opportunity to maintain themselves and their families in the American fashion. * * *

I can assure you that no other expenditure made under the New Deal will be more effective in restoring prosperity than this, furnishing, as it does, employment for large numbers of men in the building trades and in the manufacture and transportation of building materials.

Councilman Evans is not rash when he cites housing as a business stimulant as well as a social necessity.

The Pittsburgh Housing Authority has now under way in Pittsburgh three projects which will provide approximately 3,000 homes for persons now living in the ramshackle tenements dotting our hillsides and river bottoms.

The authority points out:

All work is done by private contractors. The projects are planned by private architects, surveyed by private engineering firms, and erected by private construction firms. * * * The Pittsburgh Housing Authority is paying $3,000,000 for the purchase of materials and over $7,500,000 for labor. Employees of all contractors engaged by the authority must be paid prevailing wages.

Most business is heartily in support of the program. All labor supports it. President James L. McDevitt, of the Pennsylvania Federation of Labor, recently wrote me in regard to the bill we now are considering:

The officers and members of our federation are deeply appreciative of your efforts, and we are today advising all unions in your district of the cooperation you have rendered.

The Congress of Industrial Organizations has repeatedly expressed its strong stand in favor of the measure. The Pennsylvania Industrial Union Council recently released an able report on the need for better housing in Pennsylvania, saying in part:

In our large cities, such as Philadelphia, Pittsburgh, and Scranton, workers' families are living in "bandboxes," in run-down tenements, and under conditions of extreme overcrowding. In our smaller cities and towns the situation is just as bad. Homes lack decent plumbing, decent heating, and decent ventilation. And in those towns where substandard housing is at a minimum there is an acute shortage, which produces serious overcrowding and skyrockets rents. * * *

In 1934 certain figures were gathered by the State planning board, which still have relevance today. At that time it was estimated that the immediate need in Pennsylvania was for 335,000 low-rent homes. * * * Since 1934 this immediate need has increased to at least 440,000.

Only a $2,200,000,000 housing program could provide the necessary number of homes. * * * All the funds which are now being planned to use throughout the country could easily be used in the State of Pennsylvania alone. * * *

Public housing means jobs. The first $800,000,000 to be spent under the U. S. H. A. program will provide enough jobs to keep more than 330,000 men busily at work 40 hours a week for an entire year. If the U. S. H. A. program is expanded to $1,600,000,000, this number will amount to more than 600,000.

However, this report points out:

Obviously, such a program is hopelessly inadequate to meet the needs of America's ill-housed millions.

Further evidence of the pitiful inadequacy of the present program comes from the Philadelphia Housing Authority, which writes:

The Philadelphia Housing Authority will have accomplished less than 12 percent of the low-rent housing and slum clearance needed in this city through the present funds available.

Director Joseph P. Tufts, of the Pittsburgh Housing Association, a private survey group, writes:

It is not necessary to urge your support of additional loan authorizations and annual contributions for the use of the United States Housing Authority. * * * The program is vital to Pittsburgh and other communities in Pennsylvania, and we believe it should be continued.

The names of some of the wealthiest and most conservative Pittsburgh residents appear on Mr. Tuft's letterhead, indicating their support of this great program.

And let me add that dozens of private citizens, community councils, and similar groups have notified me of their support of this program.

I think Pittsburgh and Allegheny County probably are typical of the picture throughout the Nation. Let me summarize the situation there as best I can.

Forty percent of Pittsburgh's families, approximately 64,000 families comprised of adults and growing Americans, live in substandard homes.

Twenty-five percent of these families have no hot and cold running water. One out of four knows bathing as a luxury, cleanliness as a distant hope, sanitation as a word you hear in the schoolroom and read in the newspaper.

Twelve percent—one out of every eight—have no indoor toilets. Half of the other seven families have only partial use of water closets.

Almost 24 percent of these families have neither bath tubs nor showers.

Now what is private industry doing to defeat this condition?

Housing units built for families with incomes under $1,000 a year are negligible in number. An average of about 10,000 homes for families with an income from $1,000 to $1,500 a year are built in the entire Nation each year. And even these homes would be out of reach of many if not most of Pittsburgh's 64,000 badly housed families.

Not until you reach the income group of $2,000 and over, does private building assume significance, when it jumps to an average of some 200,000-odd units a year, according to the Bureau of Labor Statistics' average from 1929 to 1935.

You say, "Stop this Federal activity and private initiative will find a solution"? Experience shows that private building is spurred by public building in Europe and in America.

Other means of stimulating housing having failed, maybe it is time to try that. For activity in the home-construction field is vital to any stable prosperity at any time.

The New York City Housing Authority and the Works Progress Administration recently collaborated in compilation of an excellent report on housing construction there is in the United States today, with the amount there would be if we were proceeding as fast as some other foreign nations.

The Swedish Government aids in the building of an average of 3,073 dwellings each year, the equivalent to 140,554 family units in this country.

With federal aid England and Wales, by no means a socialistic or wasteful nation, is so far ahead of this country that government aid accounts for 71,161 homes a year, or the equivalent of 209,335 for the United States.

Germany—and I refer now to the Germany of 1928 to 1938—build an average of 138,833 homes a year with government aid, or the equivalent of 233,259 homes if Germany were as large as the United States.

And what was the American average? Three thousand six hundred and ninety-five houses a year.

The figures are even more illuminating, however, when compared with private industry.

Mr. Speaker, it is reasonable to conclude that in those nations where the most government-aid dwellings are built there also exists the highest rate of private construction.

Government aid built 4.7 homes for every 1,000 families in Sweden over the 1928–38 period.

Private aid built 30.6 homes for every 1,000 families.

In the same period in this Nation Government aid—and I grant the great New Deal housing program was not yet under way—built two-tenths of one house for every 1,000 families and private aid built only 9.4 homes for every 1,000 families.

Compare that with England and Wales. For our two-tenths of one home Government aid in that rainy island built 7 homes for every 1,000 families. Where our private industry and individual initiative built 9.4 homes their private industry built 18 homes for each 1,000 of population.

Poverty-stricken Germany's index of private building is the lowest among the nations studied and is the only one lower than this Nation's. But even Germany built 14 houses for each thousand German families against our 9.4.

The lowest, of course, is Soviet Russia, which yearly built 19 homes for every 1,000 persons in the 10-year average, of which an insignificant number were privately constructed.

But the fact remains that Sweden, Denmark, the Netherlands, Czechoslovakia—may she rest in peace—England and Wales, Switzerland, Norway, the Soviet Union, and Germany all built more homes in one way or another than did the United States for each 1,000 citizen families.

This 10-year period embraces the years when our depression-ridden Nation had the least money to pour into upkeep and modernization of the old buildings still serving as dwellings.

During the period when these European nations, so much poorer than we in material wealth, were outstripping our home-building activities, the United States Housing Authority estimates new construction was equal to one-third of the number of homes in this Nation utterly unfit for habitation and bore the same relation to the number of new houses needed for additional families between 1930 and 1938.

In other words, for every six houses needed in this Nation, public and private initiative combined supplied but one.

That rate of building will make us a nation of slum dwellers in a very few years.

These and other figures can be cited to show that the housing program will spur industry, aid labor, stimulate private construction, and make our cities better places to live. Other speakers in this House have presented the proposition more ably than could I.

I should like, however, to say a few words about Pittsburgh and Allegheny County, with which I am familiar.

The backbone of my district is the South Side of Pittsburgh, which lies in the low valley of the Monongahela River back of the water-front steel mills and factories and warehouses.

You realize when you pass through the district that it is poor. But the houses are, many of them, old, substantial-looking buildings erected by the thrifty inhabitants many years ago.

You do not see the back alleys, the hillside shacks, and unrepaired and insanitary interiors of the houses until you become friends of the south-siders, as I have.

Many of them are lovable people, battered and beaten by the break-down of an economic machine they knew nothing about, buffeted by fate until they are sore, bewildered, and weak.

Others still are strong and fighting, but they, too, are powerless in the face of continued depression, continued unemployment, and continued poverty.

The North Side, West End, East Liberty, Homestead, McKees Rocks, Braddock, North Braddock, Rankin, Turtle Creek, East Pittsburgh, Tarentum, Natrona, McKeesport, Duquesne, Clairton, West Homestead, and countless other districts, boroughs, and small cities within this great industrial area present a similar picture.

Almost one-half of the population of the entire county lives in substandard homes.

The tuberculosis rate in the slum district is about three times the tuberculosis rate in the better districts. Count, if you will, the dollars of public money you will save by lowering this tuberculosis rate as you will do with public housing.

The infant death rate is half again as high in the slum districts as it is in the better districts.

Can you set a price on babies' lives? If you can, compute what America will save by raising our standard of living.

Slum districts produce almost three juvenile delinquency cases for every one from the better residential districts. Will you continue to pay social workers, reformatory teachers and guards, judges' salaries, and other expenses of the juvenile court, or will you seek to get to the root of the problem and spread American hope and living standards and ideals into the poor sections?

Pittsburgh has almost two policemen in slum districts for every one in better districts; fire calls in slum districts are twice the number of those in better districts.

Mr. Speaker, if the minority in this House, the gentlemen of the Republican Party, sneer at pleas for happiness and an American standard of living for our poorer classes, if they despise the poor and would let them shift for themselves, possibly they would be willing to consider this program in dollars-and-cents terms.

Let them consider the saving in fire and police protection.

Let them consider the saving in hospitalization and lost man-hours of work.

Let them consider how much less they will have to give to their community funds, their hospitals, their municipal treasuries in taxes.

Let them consider the labor that will be created by public-housing programs, the materials that will be bought from manufacturers, the wheels of industry that will be turned by this great program.

Railroads, mills, mines, factories, architects, engineers, bricklayers, plasterers, masons, teamsters, taxpayers, all benefit by this program. All, Mr. Speaker, and more.

Every man, woman, and child in America stands to benefit in dollars and cents.

This bill will spread the benefits to the country districts, with the amount set aside for rural construction. And who can take a motor trip through our South, through New England, through western Pennsylvania, without acknowledging the need for rural-housing projects?

When I campaigned for Congress, I promised the people in my district I would be guided by the slogan:

The South Side is in America, too.

Today, Mr. Speaker, I would enlarge that slogan, to say:

The poorest one-third of the Nation is in America, too.

Let us forget party lines, let us forget class and sectional prejudices, and let us vote for this bill which, while just a beginning, probably constitutes a great permanent contribution to the morale, the civic virtue, the genuine patriotism, the happiness, hope, and ideals of this Nation than any other measure we have considered in Congress this session.

This is permanent, this is part of any cure you may solve for the Nation's ills.

Let us pass this bill so we can turn our attention to a bigger and increasing housing program next January.

Freight Rate Discrimination—On the Way out

EXTENSION OF REMARKS

OF

HON. JOSEPH R. BRYSON

OF SOUTH CAROLINA

IN THE HOUSE OF REPRESENTATIVES

Thursday, August 3, 1939

Mr. BRYSON. Mr. Speaker, in these closing moments of the first session of the Seventy-sixth Congress, I hasten to call attention to an important announcement just made by the Interstate Commerce Commission. The newspaper article I have in hand reads as follows:

I. C. C. HOPES TO MODERNIZE FREIGHT RATES—GENERAL INVESTIGATION OF RAIL AND WATER CLASS TARIFFS ORDERED

The Interstate Commerce Commission announced yesterday it would attempt to bring the Nation's complicated freight-rate structure up to date.

It ordered a general investigation of rail-and-water class rates, except in Mountain Pacific territory and on transcontinental traffic, and also an investigation of freight classifications by rail and water. One official indicated that he thought the investigation might require several years.

The commission said the investigation would be made "with a view to prescribing such rates and classifications as may be found to be justified."

The investigation will cover the intra- and inter-territorial class rate structures in northern, southern, southwestern, and western trunk-line territories.

FREQUENT CRITICISM

Class rates apply to all shipments which do not move under commodity rates. They apply to traffic generally called merchandise, while commodity rates apply generally to heavy, low-rated commodities such as coal.

One Commission official estimated that about 50 percent of the tonnage in northern territory moved on class rates, but that the percentage was considerably smaller in other territories.

The present class-rate structure frequently has been criticized. The South especially has objected to the class rates applying to shipments into the North. These interterritorial rates are considerably higher than the rates within the North. The South contends it should have the same rates on its shipments into the North, mileage considered, as apply on shipments entirely within the North.

There can be no doubt about the fact that the drive against freight-rate discriminations which was launched early in this session of Congress is gaining momentum. Under pressure of this open thrust at freight-rate discriminations, concessions to our demands are being made while sentiment for outright removal of unjust rate differentials is rapidly crystallizing.

At this time I am firmly reasserting my determination to press on for further justice to our southern manufacturers, industrial workers, and farmers. The fact is not disputed: Southern industry has too long been subjected to the retarding force of this man-made artificial economic barrier. The breaking point has been reached; sectional freight-rate discriminations must go.

To reinforce the position I have taken in this matter, I should like to have inserted in the RECORD the following:

[Newspaper article, February 1, 1939]

BLYSON ASKING FREIGHT PARITY—SOUTH CAROLINA CONGRESSMAN PRESENTS BILL TO WIPE OUT PRESENT RATE DISCRIMINATIONS

WASHINGTON, February 1.—A bill to wipe out existing freight-rate discriminations was presented to the House today by Representative JOSEPH R. BRYSON, of the Fourth South Carolina District.

The first bill he has sponsored since entering Congress January 3, Mr. BRYSON declared that removal of the unjust rate burden was one of the most important issues facing the South.

The proposal specifies that the Interstate Commerce Commission "shall revise existing rate structures for the purpose of establishing and thereafter maintaining sectional and intersectional uniformity in rates, permitting the free and unfettered flow of commerce between different sections and States of the United States."

Mr. BRYSON is also a Member of the large House bloc which last week, under the leadership of Representatives WARREN, of North Carolina, and RAMSPECK, of Georgia, unanimously adopted a resolution asking that legislation equalizing freight rates be included in the rail-relief bill now before the House Committee on Interstate and Foreign Commerce.

The Bryson proposal and others sponsored by Mr. RAMSPECK will probably form the nucleus of a new legislative program which will be pushed in the House if the committee fails to act on the group resolution.

STATEMENT TO PRESS, APRIL 28, 1939

There are two approaches to the freight-rate problem:

First. Legislative: Congress can enact legislation making it mandatory for the Interstate Commerce Commission to eradicate existing freight-rate differentials.

Second. Administrative: The Interstate Commerce Commission itself, in disposing of complaints filed with the Commission by carriers and shippers, can readjust existing rate structures so as to eliminate differentials.

Action by the first method would result in a curtailment of the I. C. C.'s authority, which the I. C. C. is anxious to avoid. The value of present efforts being made by certain Members of Congress to have such legislation passed is that it assures the South of more sympathetic treatment by the Commission. Already Commissioner Lee has submitted a recommended report to the Commission which would lower rates on a number of articles moving through southern territory.

My bill, designed to eliminate freight-rate discriminations, is like several similar measures introduced by other Members of the Congress still pending before the Committee on Interstate and Foreign Commerce. Some of these bills may or may not pass; but, regardless of their final outcome, they exert a favorable influence over the present situation.

[Remarks recorded in CONGRESSIONAL RECORD, July 22, 1939]

THE SOUTHERN PLEA FOR ABOLITION OF FREIGHT-RATE DISCRIMINATIONS

[In the House of Representatives Saturday, July 22, 1939]

Mr. BRYSON. Mr. Speaker, no part of this transportation bill is more deserving of our consideration than section 6, which strikes a blow at sectional and intersectional freight-rate discriminations.

While those of us in this House who have been pressing for the enactment of legislation to wipe out freight-rate discriminations against industry in the South and West cannot say that the provisions of section 6 give us all that was asked for, we do feel that it represents a partial victory—a precious concession to our demands.

Section 6 of this measure amends section 3, part I, of the Interstate Commerce Act so as to make it unlawful for any common carrier either to give any undue advantage to any particular region, district, or territory, or to subject any particular region, district, or territory to any undue disadvantage. Under this section authority is also given the Interstate Commerce Commission to investigate rate structures throughout the country to determine instances in which unjust, unreasonable, or unlawful rates exist.

BILL INTRODUCED

The inclusion of this section in the transportation bill recalls efforts at this session of Congress, which began with the meeting of a large group of southern and western Members of Congress on January 20. Representatives of 20 Southern and Western States participated in this meeting and plans to attack the problem of freight-rate discrimination were considered at length.

The week following this conference I introduced a bill designed to wipe out existing freight-rate discriminations. This bill was referred to the Committee on Interstate and Foreign Commerce on January 30. Making it unlawful for any common carrier to maintain rates unduly disadvantageous to any particular region or territory, my bill would also require the Interstate Commerce Commission to revise existing freight-rate structures "for the purpose of establishing and thereafter maintaining sectional and intersectional uniformity in rates, permitting the free and unfettered flow of commerce between different sections and States of the United States."

Similar measures, aimed at the eradication of freight-rate differentials between different sections of the country, have been introduced by other Members of Congress. In an interview with the press on April 28, I stated that the introduction of these measures had made an impression on the Interstate Commerce Commission that was being reflected in a more sympathetic treatment of the complaints of southern shippers. In support of this view, I pointed to a recommended report which Commissioner Lee submitted to the Commission on February 27. This report recommended lower rates on a number of articles moving out of southern territory, stating that:

"The maintenance of rates reflecting territorial differences in rate levels, thereby creating rate walls along the borders of rate territories, tends to prevent a Nation-wide development of industry, and is not conducive to the promotion of the best interests of either the carriers as a whole or the country as a whole."

PRESIDENT'S SUPPORT

At that time I also predicted that the President's action in calling upon Congress to give special study to the subject of freight-rate discriminations would strengthen the position taken by the southern group in Congress. Last November I had an opportunity to briefly discuss the freight-rate situation with the President, and he left no doubt in my mind as to his readiness to support the South in this struggle.

Legislation to eliminate freight-rate differentials, which impose an unfair tariff on goods manufactured in the South, is long overdue. I wish to call to the attention of the Members of this House certain portions of a recent report on economic conditions of the South, which reads as follows:

"In addition to absentee ownership and the high cost of credit, the major problem which faces almost all industry in the South is that of freight-rate differentials. The present interterritorial freight rates which apply on movements into other areas of many southern manufactured and semifinished goods, and some agricultural products and raw materials, handicap the development of industry in the South. This disadvantage works a hardship particularly with regard to shipments into the important northeastern territory. This region, containing 51 percent of the Nation's population, is the greatest consuming area. The southeastern manufacturer sending goods across the boundary into this region is at a relative disadvantage of approximately 39 percent in the charges which he has to pay as compared with the rates for similar shipments entirely within the eastern rate territory. The southwestern manufacturer, with a 75-percent relative disadvantage, is even worse off. Such a disadvantage applies to the southern shipper even when, distance considered, he is entirely justified on economic grounds in competing with producers within the eastern territory.

DIFFERENTIALS CREATE MAN-MADE WALL

"In effect, this difference in freight rates creates a man-made wall to replace the natural barrier long since overcome by modern railroad engineering. Both actual and potential southern manufacturers are hampered because attractive markets are restricted by the existence of a barrier that is now completely artificial. The southern producer, attempting to build up a large-scale production on the decreasing cost principle, finds his goods barred from the wider markets in the Nation's most populous area. In marketing his products over the wall he is forced to absorb the difference in freight charges.

"Two chief reasons for higher freight rates have disappeared. One was the greater expense of railroading in the South due to physical difficulties. This has geen minimized by modern engineering. Another was the comparative lack of traffic that prevented the spreading of the cost. This no longer is the case, since many important southern roads have as great a traffic density as those above the Ohio River. The operating costs of southern lines today are lower than those in the eastern territory."

Despite the fact that all reasons for higher freight rates have disappeared, glaring examples of rate discriminations still exist. For instance the distance between Charlotte, N. C., and St. Louis, Mo., is 801 miles, and the cost per 100 pounds for shipping goods first class is $1.98. On the other hand, while the distance between New York City and South Bend, Ind., is 803 miles, the cost per 100 pounds for shipping goods first class is only $1.42. This means in this instance that the manufacturer in Charlotte must pay 56 cents more—an outright 56-cent tariff—on every 100 pounds of goods which he ships to St. Louis in competition with the New York manufacturer.

Looking at this matter of rate discrimination from another angle, we find that the distance between Atlanta, Ga., and Louisville, Ky., is only 449 miles, while the distance between New York City and Louisville is 852 miles, or almost twice as great as the distance between Atlanta and Louisville. Yet the transportation cost for the 852 miles between New York City and Louisville is only $1.49 per 100 pounds first class, while the transportation cost for the 449 miles between Atlanta and Louisville is $1.51 per 100 pounds first class. This means that the southern manufacturer must pay 3 cents more than the New York manufacturer to ship every 100 pounds of his goods about half the distance of the New York shipper.

MANUFACTURERS, INDUSTRIAL WORKERS, AND FARMERS SUFFER

There can be no denying the fact that the industrial development of the South has been retarded and is being hampered today by the presence of discriminatory freight rates. All the people of the South have felt the oppressive effects of this great injustice. The manufacturer has been forced to meet competition from other sections of the country with one hand tied behind his back; the mill worker has seen his opportunities for employment limited and he has often been expected to bear the burden of this freight rate tariff while the farmer has had to place his product on sale in a restricted market.

I know that the Members of this House hold to the vision that this Nation can, and will, if it so orders its affairs, attain the ultimate in productive genius and human happiness, and I appeal to each of you in a spirit of fair play to go forward with us in this effort to wipe out all freight-rate discriminations.

Thomas Jefferson

EXTENSION OF REMARKS

OF

HON. CLYDE L. GARRETT

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Thursday, August 3, 1939

ADDRESS BY HON. LON A. SMITH

Mr. GARRETT. Mr. Speaker, recently I received an address delivered by Hon. Lon A. Smith, chairman of the Railroad Commission of Texas, which address was delivered on the occasion of the celebration of the birthday of Thomas Jefferson, author of the Declaration of Independence, and third President of our country. I believe that this address should be printed in the CONGRESSIONAL RECORD for the historic value which it has and for the significance of its utterances.

The address is as follows:

I am happy to be a guest of your patriotic organization and to appear on your program this evening.

A brief word regarding the Thomas Jefferson Society of Texas under whose auspices we gather: Your organization is founded on principles of government as eternal as the stars that sing in the heavens above, as constant as the sun in its orbit, as consistent as the teachings of the Decalog; an abiding belief and faith in God; a purpose, fundamental and glorious, teaching and expounding the philosophy of the liberty and freedom of our Republic; a declaration of vigilance and watchfulness of the interests of our Nation, having ever uppermost in mind and heart the faith of the fathers of the Declaration of Independence; inculcating a living appreciation of the real value and sacred obligations of American citizenship; exemplifying benevolence, promoting the general welfare, and inspiring loyal cooperation of the whole people. Builded upon such a foundation, launched under such auspicious skies, your organization should live as long as the American heart beats in rhythmic unison with the eternal principle of government proclaimed by the Sage of Monticello in the Declaration of American Independence.

In all the far-reaching range of illustrious names—soldiers, statesmen, patriots—of whom we proudly boast, whose glorious achievements are recorded in history, poetry, story, song, and legend, the subject assigned me this evening has gathered about it a halo resplendent, refulgent, inspiring, prophetic, glorious—Thomas Jefferson.

Born in Albemarle County, Va., April 13, 1743, on his father's farm surrounded by the simplicity of country life in the Virginia colony, Jefferson grew to manhood in an environment conducive to the development of statesmanship, in an atmosphere whose every breath told of the struggle for independence. Broad acres reflected his earthly possessions, and many slaves were at his command. His lands were tilled under the most improved methods of agriculture. He did not believe in the system of slavery, refusing to buy slaves in the market, never adding to the number he inherited from his father's estate and those added to the number by his marriage to Mrs. Martha Skelton.

His life does not abound in the spectacular and outwardly glorious deeds of generals and conquerors, yet he showed a courage of thought and action that would entitle him to the name of hero, and by the stroke of a pen and with broadness of vision he added to the United States a territory larger and richer than the conquests of Genghis Khan or Attila, adding to our domain all the territory west of the Mississippi except the empire of Texas and lands acquired by conquest and by treaty with Mexico.

It required heroism of the sublimest sort for a man to take the chairmanship of the committee and to draw up with his own hand the Declaration of American Independence from the British Empire. Well did he write, "We mutually pledge our lives, our fortunes, and our sacred honor," because if the effort had ended in failure, the leaders would have died ignominiously, and one of the first to pay the price would have been the man whose hand drafted that declaration.

It is not my intention to go into detail concerning the life of Thomas Jefferson for it is a subject with which all of us are familiar from school days. After being taught by a private tutor the subjects that were standard in his day—Latin, Greek, French, and mathematics—the youth enrolled in William and Mary College. It is interesting, indeed it was prophetic of the greatness to which he was destined, that Jefferson, though not yet 20 years of age, was a member of a little group of men. The other three were far older and more experienced than he—George Wythe, the eminent lawyer; Gov. Francis Fauquier, gay and accomplished man of the world; and Prof. William Small, a profound scholar. It was indeed a great good fortune that the slender, raw-boned, read-headed boy in the semiwildnerness of the new world should have been privileged to come under the influence of Professor Small, a man of learning and of thought, who had taught in British universities and had won recognition as being among the ablest of educators and philosophers. With these three men, the eminent attorney, the gay and witty Governor, and the profound scholar, young Tom Jefferson discussed weighty problems of philosophy and government.

Yet, he was a human sort of fellow, too. He liked to play the fiddle and he took an active part in the social life around him; especially was he fond of attending the dances and other elaborate social affairs.

In 1765, 22-year-old Jefferson stood in the hallway of the House of Burgesses and heard eloquent Patrick Henry offer his famous resolution against the Stamp Act. This stirred his liberty-loving spirit. Earlier than that, when he was just a boy, Jefferson had engraved on a seal his motto, "Resistance to tryants is obedience to God."

In swift review, consider the many offices that this remarkable man held—member of the House of Burgesses, of the Virginia conventions, of the Continental Congress, and of the Virginia Legislature; Governor of Virginia; Member of Congress; Minister to

France; Secretary of State; Vice President; and President of the United States. From 1769 until 1801, a period of 31 years, he was continuously in public office.

And after he retired to private life and to his beloved Monticello, Jefferson continued to give thought to the problems of the Nation and to serve his fellow man. For 17 years people came from all over the world to consult the "Sage of Monticello." Often the housekeeper had to provide beds for 50 guests. And when Jefferson died, he died a bankrupt because of his hospitality—a bankrupt in worldly goods but rich beyond price in achievement and service for mankind.

Reference already has been made to his authorship of the Declaration of Independence. As a member of the Virginia Legislature he destroyed primogeniture and entail, heritages or relics of the feudal ages, and he was responsible for the passage of one of the best laws the world has ever seen for public education—an ideal system from primary department to university. He wrote the statute for religious freedom in Virginia. He planned our decimal monetary system. As Secretary of State in the administration of George Washington, he clashed with Alexander Hamilton, who favored a strong centralized government, while Jefferson wanted the National Government to exercise only the powers clearly stated in the Constitution. In 1793, he resigned from the Cabinet and returned to Monticello, and on his plantation, which had grown to more than 10,000 acres, he did much to improve methods of farming, and he established a manual-training school among the Negroes on the plantation.

In the Louisiana Purchase his political enemies said he was disregarding his "strict construction" theory of the Constitution because the Constitution did not specifically provide for adding territory. Jefferson acted in order that the United States might control the Mississippi River and the port of New Orleans; further that the United States might not be hampered by European countries in the development of a republican form of government.

In his second term as President, the United States waged war on pirates of Tripoli who were plundering American commerce, and this successful war increased the influence of the United States among the nations of the world.

It has been said that Jefferson gave to the world more broad principles of government than any other man. If you think this statement too sweeping, let us consider the fact that he stood for the sovereignty of the people in an age of kings and despots. In the United States when only landowners were allowed to vote, he urged the ballot for every man who might be subject to military duty; he was for universal education and for circulating libraries. Jefferson was opposed to bounties and monopolies; he favored economy in government; he was for peace; for a well-trained militia and a small standing Army; he believed in rotation in office and local self-government.

While Secretary of State, he enunciated the principle that later was to become known as the Monroe Doctrine.

The great utterances of this mighty thinker are still a bugle call to men who love freedom today more than a hundred years after his death. I cannot forbear quoting these familiar words of the Declaration of Independence: "We hold these truths to be self-evident—that all men are created equal; that they are endowed by their Creator with certain inalienable rights; among these are life, liberty, and the pursuit of happiness."

Jefferson had a sense of humor, too. One of his best known sayings was concerning public officials and employees: "Few die and none resign." "When a man assumes a public trust he should consider himself as public property."

In this day when dictatorships are again in the ascendancy in some parts of the world and the peak of mankind is threatened by autocratic, ruthless power, Jefferson's remarks are again timely. He declared, "It is error alone which needs support of government. Truth can stand by itself." When we consider the subservient and shackled press of some lands these words of Jefferson's are truly impressive: "Were it left to me to decide whether we should have a government without newspapers or newspapers without a government I should not hesitate to prefer the latter."

"The mass of mankind," he declared, "has not been born with saddles on their backs nor a favored few booted and spurred, ready to ride them."

"The care of human life and happiness, and not their destruction, is the first and only legitimate object of good government."

What would Jefferson do if he were living today? What would be his attitude touching problems that confront us? It would be the presumption of prophecy for me to attempt to answer such questions, but I believe that his fundamental principles would be the same. The greater density of population, the unoccupied land, the undreamed-of growth of our cities the elaborate systems of communication and transportation, and the tremendously complicated industrial development—all these in contrast with the simplicity of Jefferson's day might cause him to change his views, however, as to specific methods.

Jefferson asserted, "The only orthodox object of the institution of government is to secure the greatest degree of happiness possible to the general mass of those associated under it."

"A wise and frugal government, which shall restrain men from injuring one another, which shall leave them otherwise free to regulate their own pursuits of industry and improvement, and shall not take from the mouth of labor the bread it has earned—this is the sum of good government."

That Jefferson would apply his general principles in the light of conditions as they exist at a given time is shown by his statement that "the present generation has the same right of self-government which the past has exercised for itself."

"I know no condition happier than that of a Virginia farmer, his estate supplying a good table, clothing himself and his family with ordinary wearing apparel, furnishing a small surplus to buy salt, sugar, coffee, and a little finery for his wife and daughters, enabling him to visit his friends, and furnishing him pleasing and healthy occupation. To secure all this, he needs but one act of self-denial—to put off buying anything until he has money to pay for it."

Looking back over many brilliant achievements, Jefferson wrote to a friend: "I had rather be shut up in a very modest cottage with my books, my family, and a few old friends, dining on simple bacon, and letting the world roll on as it liked, than to occupy the most splendid post which any human power can give."

At Monticello, the Mecca of Democracy, the American shrine of liberty, he died on July 4, 1826, just exactly 50 years after he wrote the Declaration of Independence and on the same day that his old political rival, John Adams, passed away.

The modesty which characterizes the deepest and truest greatness was revealed in the inscription that Jefferson asked be placed on his tomb. He did not request that it be carved in marble that he had been President of the United States or that he had added a magnificent sweep of territory to the Nation, but he asked simply that these words be inscribed: "Author of the Declaration of Independence; of the Statute for Religious Liberty in Virginia; and Founder of the University of Virginia."

As long as democracy endures, as long as human liberty lives, men will honor the memory of Thomas Jefferson.

The declaration, "All men are created equal," is the summum bonum of consistency in democracy. This is not a high-sounding phrase of political philosophy. The unfaltering simplicity of this great man is the eternal support of the platform of the party he founded. Jefferson was an aristocrat in birth, in fortune, in intellect, but a plain American citizen in the simplicity of his life, possessing the demeanor of distinction but manners and habits most democratic, making him deservedly popular with the masses, as shown in the demonstration and ovation given as he rode on horseback to his inauguration as President of the United States, requesting he be addressed as Mr. Jefferson and not "His Excellency" as was the custom in addressing the Presidents.

He was assisted in drafting the Declaration of Independence and the Constitution of the United States by those stalwart Americans, Adams, Franklin, Sherman, and Livingston. Gladstone, England's greatest statesman, declared our Constitution presents a degree of wisdom akin to Deity.

"Breathes there a man * * *." Such is the epitaph the generous hand of the consecrated patriotic poet would carve on the tomb of an American citizen destitute of love for country—patriotism. Loyal devotion to patriotic principles of government is absolutely essential to the life of any nation. As a people we have enjoyed such liberties for more than 150 years. This glorious heritage was bequeathed to us as a nation by Thomas Jefferson, the wise statesman, the devoted patriot, the typical southern gentleman, whose birthday we celebrate and whose memory we enshrine anew in our hearts.

Art, science, and literature have contributed most generously to the glory and glamour of this outstanding American. But when the poet's muse shall have lost its charm, when paintings shall have faded from time-worn canvas, and when inscription on marble has corroded, the wisdom, philosophy, and teachings of Thomas Jefferson will continue to abide in every loyal American heart.

Centralization of Power Defeats Recovery

EXTENSION OF REMARKS

OF

HON. WILLIAM A. PITTENGER

OF MINNESOTA

IN THE HOUSE OF REPRESENTATIVES

Thursday, August 3, 1939

Mr. PITTENGER. Mr. Speaker, one of the most interesting discussions having to do with our business depression and the problem of recovery for agriculture and industry is set forth by Mark Sullivan in his column in the Washington Post for July 27.

Mr. Sullivan calls attention to a bank which can no longer pay interest on savings deposits because the bank cannot find people who will borrow money for carrying on business and industrial enterprises. Mr. Sullivan said:

I am going to write today about President Roosevelt's lending program. I have in my hand 31 newspaper clippings about it. I have on my desk 6 copies of the CONGRESSIONAL RECORD containing 54 arguments pro and con. And I have in my own head some ideas.

But I am going to dismiss most of that. For the most illuminating comment on the lending program I turn to the Des Moines (Iowa) Register of one day last month. The comment is not on the editorial page—though the Register editorials give exceptionally sound discussion of national questions.

But the story that most illuminates Mr. Roosevelt's lending program is on the news pages. It is a dispatch from the little town of Booneville, some 15 miles west of Des Moines. I quote and condense:

"BOONEVILLE, IOWA.—There is practically 'no sale for money' here. The Booneville Savings Bank is going out of business September 1. * * * It has $267,000 of its depositors' money, and has been asking them to come and get it since May 29. * * * The reason for the bank's going out of business is inability to use the money. The bank has been paying 2½-percent interest on deposits and can't make sufficient loans to earn it. 'We are going to pay off our depositors and quit business September 1,' says C. C. Cook, the affable gray-haired cashier who runs the bank. 'The principal reason we are quitting is that we do not know what to do with your money,' depositors were told in letters when the decision to liquidate voluntarily was made. The bank has been open every business day in 33 years except during the 1933 bank holiday."

WHY CAN'T BANK LOAN ITS MONEY?

Now reader, ask yourself the question: If the Booneville bank could loan its money, would it shut up shop? That question hardly needs to be answered. If you insist on an answer, it is in the words of the dispatch quoted above: "The reason for the bank's going out of business is inability to use the money." The answer is in the letter of the Booneville cashier to his depositors. "We do not know what to do with your money."

Next, ask yourself this question: Why can't the bank loan its money? The answer is obvious. It is because no one wants to borrow; that is, no prudent businessman wants to borrow, nor prudent farmer, nor prudent other person. No doubt there are plenty of willing borrowers in Booneville and thereabouts, as everywhere else. The Booneville cashier can find them on any street corner. But they are not prudent businessmen.

No one wants to borrow who is the type that won't borrow unless he can see his way clear to paying back. There is no one to borrow who sees how he can make prudent use of the money, make enough to pay interest, make a profit for himself, and pay back the principal when due.

PRUDENT BORROWERS DIFFICULT TO FIND

True, Booneville is a very small town. Conditions there may be extreme—I do not happen to know. But if the Booneville conditions are extreme, they are not unusual. On the contrary, they are common. Booneville is a microcosm of the country. Practically every bank official in the United States who reads this story of the Booneville bank will recognize that, to some degree, he is up against the same situation. His bank is overflowing with money, potential credit, for which he can't find use. He can't find borrowers. That is, he can't find prudent borrowers—he can't find borrowers of the type who won't borrow until they can see their way to pay back. Officials of big city banks tramp the streets looking for borrowers. Vice presidents of city banks nowadays have become salesmen; they ring doorbells with almost the ubiquity and pertinacity of a soap salesman.

If the banks can't find borrowers, that is, prudent borrowers, then where is the administration going to find borrowers for that two and one-half billion lending fund, after and if Congress passes it? If the Booneville bank can't find borrowers, where can the Government find them?

The administration will find borrowers all right—no need to worry about that. But will they all be prudent borrowers? That question, I imagine, the reader can answer for himself.

FEAR IS CAUSE OF CREDIT RESTRAINT

The final question, and the nub of the whole matter, is: Why do prudent borrowers not borrow the money that is already in the banks begging to be borrowed? Why do businessmen and shopkeepers and manufacturers refrain from extending their operations? Why do men not in business refrain, if they are prudent, from going into business? In short, why does business not recover and go forward?

Mainly the answer is fear. Some of the fear, such as fear of European war, is not within the administration's power to help.

But much of the fear existed before the war scares. Largely it is fear of the administration, of things the administration has done and other things it may do. Just what these things are, there is not space here to set down in detail. If the administration really wants business to recover, the true path is to remove these fears, and thus set business free to borrow the abundance of money that is already in the banks and looking desperately for prudent borrowers to borrow it.

Ill fares the land, when power accumulates at Washington, while the Boonevilles decay.

Royal C. Johnson

EXTENSION OF REMARKS

OF

HON. JAMES E. VAN ZANDT

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, August 3, 1939

STATEMENT BY THE NATIONAL COMMANDER OF THE VETERANS OF FOREIGN WARS

Mr. VAN ZANDT. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following statement by the national commander of the Veterans of Foreign Wars of the United States, Commander in Chief Eugene I. Van Antwerp, in tribute to Royal C. Johnson, former Congress Member from South Dakota:

Immediately upon his return from the American Expeditionary Forces, Royal C. Johnson, member of C. C. Croal Post, No. 17, Aberdeen, S. Dak., served as judge advocate general of the Veterans' of Foreign Wars of the United States. We honor him, not only as a former national officer and as a comrade in arms, but for his great contribution to the cause of veteran welfare as chairman of the House Committee on Veterans' Legislation while a Member of Congress during the years preceding his retirement in 1933.

When Royal Johnson was a first lieutenant with the Three Hundred and Thirteenth Infantry, Seventy-ninth Division of Montfaucon, France, he performed an act of heroism that was subsequently recognized by the War Department with a Distinguished Service Cross. As an officer, he constantly exposed himself to enemy fire, setting a brave example to his men by his fearlessness. When severely wounded by shell fire, he assisted two men of his company to the rear and refused to occupy space in the ambulance until these men had been provided for.

This particular incident symbolizes Royal Johnson's career in Congress as the chairman of the House Committee on Veterans' Legislation immediately following the World War. Under his leadership this committee laid the foundation for the Federal Government's present veteran-welfare program—including compensation, hospitalization, and vocational training.

Every Government hospital for disabled veterans in the United States stands as a monument to the memory of Royal C. Johnson and his devotion to the welfare of America's disabled veterans and their dependents.

Federal Spending

EXTENSION OF REMARKS

OF

HON. C. ARTHUR ANDERSON

OF MISSOURI

IN THE HOUSE OF REPRESENTATIVES

Thursday, August 3, 1939

Mr. ANDERSON of Missouri. Mr. Speaker, 7 years of spending is enough. In the beginning of the era of spending, even those of us who had little faith in the back-door method of stimulating business, were willing to go along and give the spenders a chance to prove their theories. We had just been through the most ruinous depression of our history and we were willing to experiment.

But after 7 years of spending, no material improvement can be shown. There are just as many unemployed now as then. We are still "priming the pump" and after all these years I think we might just as well come to the conclusion that the well is dry.

Today the expenses of our Government are greater than at any time in our history. Our revenues are greater also. But, nevertheless, our debt is also becoming more burdensome. Taxes are mounting with every session of Congress,

and yet the problem we are asked to solve by all this spending remains unanswered.

It was Chief Justice Marshall who said, "The power to tax involves the power to destroy"; and we are rapidly reaching a point where, through ever-increasing taxation, the liberty, the initiative, and the enterprise of our people is being destroyed. The incentive to save, to accumulate over a period of years, in the hope of investing in productive enterprise, is being discouraged and destroyed by the burden of taxation. Every conceivable source of taxes is being explored and claimed in order to sustain this orgy of spending. Generations to come will still be paying interest on the debts we are thus acquiring.

In attempting to sustain these spending programs for year after year we must necessarily add new taxes. In so doing we are discouraging initiative and thrift. We are encouraging a growing tendency in millions of our people to look upon themselves as the special wards and obligation of the Federal Government. Such a program and such a policy, unless halted now, will inevitably break down our standards of living and there will remain but two classes of people—the very rich and the very poor. The great middle class that pays the Nation's bills is being destroyed quite effectively by the ever-increasing burden of taxes and more taxes.

This Government cannot continue to spend more than its revenue and remain solvent. No other business has ever been able to accomplish the impossible and neither will this Government of ours. There remains but one alternative—repudiation.

If ever the day should come—and it can if we continue to spend more than we collect in revenue—when the Federal Government defaults on its obligations, then democracy in America has reached its darkest day. It will not survive the storm. The whole structure of our Government and the very life thereof depends upon the continued confidence of the people. What chance will there be to retain that confidence if the Government defaults on its obligations?

There is going to be a stop to this era of wild and uncontrolled spending; make no mistake about that. Now is the time to begin. What further arguments can the spending theorists hold out to entice us when, after 7 years in the saddle, their theories remain without proof? Are you satisfied to experiment further?

Let us remember that this Nation was built and is maintained upon initiative and enterprise. When that spirit is destroyed, so is America. It will be destroyed unless this Congress has the courage to call a prompt halt to a policy which permits and encourages the continued spending of far more money than we can possibly hope to collect.

We can stand here for days on end and debate this bill, but there is still only one argument: Can this Government continue to spend billions of dollars every year above, over, and beyond its revenues? I think the answer is obvious.

The experimenters and theorists have had their day, and it has been a long one with a lot of headaches. Let us give up this policy of reverse economy and make a real effort in the right direction to get people back to work and to improve business by removing a lot of unnecessary boards, bureaus, and taxes that shackle and intimidate American business and the American citizen.

Cost of Production to the Farmer

EXTENSION OF REMARKS

OF

HON. BERNARD J. GEHRMANN

OF WISCONSIN

IN THE HOUSE OF REPRESENTATIVES

Thursday, August 3, 1939

Mr. GEHRMANN. Mr. Speaker, everybody seems to be agreed that the foundation for prosperity is in the soil. Even though we have had what appeared to be prosperous times when agriculture was in a slump, it was never lasting. Shortly after the war, in the early twenties, agriculture started its downward plunge. Farm commodity prices had been fairly high, land values, of course, followed and skyrocketed beyond ability to produce enough to pay interest on the investment. Farmers were urged to produce more than they ever produced before. They were almost compelled to plant every available foot of land and millions of acres of soil that had never been plowed before were turned over and planted to crops. Money was not only made available to farmers, it was virtually forced on them to buy what the bankers and those "dollar-a-year men" said was "modern equipment" so that they might produce more to help win the war.

In the early twenties, farm-commodity prices started downward so fast that everybody believed it to be only temporary and could not last more than a few months or a year, but it turned out otherwise. While prices paid to the farmer dropped to new low levels, consumers' prices remained up there nearly as high as they had been at any time during the war for several years later. Some things like foodstuffs were gradually lowered, while others, especially farm machinery and other needed manufactured goods, were not only never lowered but actually cost more today than they did during the war when wages and raw materials were much higher than they are now.

Then the international bankers and financiers started their squeeze play on the farmer. After forcing him to borrow money, and I absolutely mean forcing, if for nothing else than to buy Liberty bonds, they demanded payment of their obligations. The poor farmer could not pay these notes that he had signed so that he might not be branded a traitor or pro-German, because the price for his produce was so low that it was in many instances a drug on the market. That is when the wholesale mortgaging really started. That ended the normal purchasing power of one-third of our population and the only natural consequence was the crash or total collapse in 1929.

Since then we have been tinkering and experimenting with all kinds of schemes. Hoover realized that agriculture had to be lifted up to where the farmers would have purchasing power again, and many boards were created for the purpose of recommending a remedy. Under him the Farm Board was created, headed by one of the International Harvester Co. officials. I am not criticizing him. I believe he was a good man and tried his best. Even from a selfish standpoint, it would have benefited his company to help agriculture, but it turned out to be a flop, and it cost the Government hundreds of millions of dollars. Then came the present administration and with it the A. A. A. and processing taxes. When that failed other things were tried, and now we are working under the Soil Conservation and Agricultural Adjustment Act passed last session, which recognizes only five commodities. I do not intend to find fault with any of the experiments that have been made and are now carried on, but they have definitely proven to be of little or no benefit, and we must now get down to the only possible solution left—namely, cost of production—meaning that the minimum price for all major commodities consumed at home shall be fixed by the Secretary of Agriculture as directed by Congress.

I have introduced a bill to that effect, which is H. R. 2376. While this will be a new undertaking for agriculture, it is by no means a brainstorm of some economist or professor. Many years of study by some of the best minds of the country have been devoted to this type of Government control of agricultural prices, and up until now was sponsored by the National Farmers' Union for more than 10 years. If the farmers as producers were properly organized, no Government legislation would be needed. But they are not so organized and, therefore, I believe that the Government must step into the picture and protect the largest of all industries in this country from utter ruin and pauperism.

The unorganized farmer cannot have any voice in what his product should sell for, as do the manufacturers and processors. The farmer cannot stop producing more than consumption demands because not only is he an individualist, but he has to take more chances than any other type of industry. There is no production control necessary, except that it is necessary to prorate each farmer's share for which he is to be paid the average cost of production. That portion not needed for home consumption will be stored until it is possible to dispose of it to the best advantage, or some of it may be given away to the needy.

The consumer is told by the enemies of this plan that the costs of living will greatly increase if this is enacted. That is the voice of the gambler and speculator talking to them, because those unnecessary middlemen will not be able to hide their profits from the public as they have thus far done. The laborer must be protected by minimum wages and maximum hours, and this would do the same thing for the farmer. Why the farmer and laborer do not see by now the absolute necessity for cooperation for their own protection is a mystery to me. As long as both groups believe the false propaganda constantly spread to keep them apart, just so long will the speculator and gambler be able to enrich himself at the expense of both producer and consumer. The city consumer thinks that the farmer gets at least 10 cents out of the 12 cents or 13 cents she pays for a quart of milk, which, of course, is not so. The farmer is lucky to net 2 cents or 3 cents out of it. The New York housewife joined with others last year in a meat-buyers' strike. She felt that the 40 cents to 44 cents per pound for pork chops was too much. Of course, she thinks that the farmer gets at least three-fourths of that, when the fact is that about that time the farmer was getting 10 cents for hogs or around 12 cents for dressed pork. Mrs. Consumer does not know that the farmer only gets 9 cents out of every dollar she pays for bread. If this bill becomes a law, the consumer will know what the farmer gets, and if the spread is too great, she will want to know who gets the rest of her dollar.

There are many unnecessary speculators that add no value either in goods or services that should and would be eliminated by the enactment of the cost-of-production bill.

The Senate committee reported the Frazier cost-of-production bill without a dissenting vote. The House committee refused to let the Members vote on an identical bill and killed it by a 17-to-6 vote.

If our national farm leaders would have remained neutral instead of opposing it, I believe the committee report would have been reversed. These leaders criticized and picked it to pieces instead of going into the committee hearings to help work out a bill most of us could agree on. But, back of it all, who is really fighting this proposal?

It is none other than the grain gamblers and commodity speculators who, like leeches sucking the blood of their victims, fatten on the ruination of agriculture. Why in the name of common decency and good judgment should a gang of speculators set the price for what we, as farmers, produce? Is it more fitting for the Chicago Board of Trade to prescribe what the farmer is entitled to for his long hours of labor or shall our Congress not assume this great responsibility and set a minimum price for our foodstuffs, a price fair to consumer and producer alike?

Has not the United States Steel Corporation decreed for years the cost of steel f. o. b. Pittsburgh? Does not General Motors set the price on their cars? Does International Harvester consult the board of trade as to the price for farm machinery the farmer must buy? Coal costs the farmers so much per ton, whether they can afford to buy it or not. Has not the price of a loaf of bread remained very nearly the same, whether I receive $1.50 per bushel for my wheat or 50 cents? Everything the farmer buys is manufactured by factories and sold at a profit, or these factories could not remain in business.

Our great Nation can better afford to adopt the cost-of-production bill, unanimously recommended by the Senate Committee on Agriculture, than to see our great farming industry, the greatest one profession in America, continue its slide, greased by foreign imports, downward toward peasantry.

May I request of you people to think about this vital subject? Decide for yourselves whether or not the farmer of our Nation is entitled to be paid what it costs him to produce the food for our 130,000,000 people. Decide for yourselves if it would not be good business to give agriculture a push along the road to recovery, and take with it into honest employment the millions now subsisting on a dole. Ask yourself these questions, people of America, and if you agree, why not urge your Congressmen and Senators to back up this measure? Give them an opportunity to know your opinion.

Give the farmer cost of production, a fair price for the goods you consume, and he will be able to stay on the tax roll and off of W. P. A.

Give agriculture the same rate of interest that industry enjoys by refinancing the farm mortgages rather than foreclosing on the home, and we will prove that the farmer's long years of work leads elsewhere than to poverty. Far better, people of America, to enable a farmer to preserve the ownership of the farm that has been his for years than it is to ruthlessly knock his family out of their homes, to be resettled later on at some far-distant point at the taxpayer's expense.

In closing, let me say that I will do all within my power to have the dairy industry included in the present agricultural bill by having it designated a basic commodity. I have fought for that ever since I have been in Congress, believing it to be very unfair to disregard the largest and most important of all the agricultural commodities.

But that still will cover only 6 commodities, and will still leave nearly 100 other commodities out of the picture, and will still not help even these 6 commodities unless Congress appropriates from five hundred million to a billion dollars annually for parity payments. That, I can assure you, will not be easy to accomplish.

The cost-of-production principle must and will be adopted, and the more interest you people in this Nation take in this vital legislation the sooner will the leaders follow your wishes, and then there will be no question but that Congress will carry out your demands.

Veterans' Legislation

EXTENSION OF REMARKS

OF

HON. JOHN G. ALEXANDER

OF MINNESOTA

IN THE HOUSE OF REPRESENTATIVES

Thursday, August 3, 1939

LETTER AND RESOLUTION OF THE MILITARY ORDER OF THE PURPLE HEART, DEPARTMENT OF MINNESOTA

Mr. ALEXANDER. Mr. Speaker, under previous consent to revise and extend my remarks in the RECORD, I insert herewith a letter from the commander and four resolutions from the Military Order of the Purple Heart, Department of Minnesota, and commend them to the consideration of the Members of Congress and to the public in general.

THE MILITARY ORDER OF THE PURPLE HEART,
DEPARTMENT OF MINNESOTA,
St. Paul, Minn., July 29, 1939.

Hon. JOHN G. ALEXANDER,
House Office Building, Washington, D. C.

DEAR CONGRESSMAN: Enclosed herewith are copies of resolutions adopted at our recent department encampment, having to do with veterans' legislation. I am instructed to submit them to you.

As you know, the Military Order of the Purple Heart is composed entirely of veterans who have been wounded or gassed in combat with an armed enemy of the United States. The patriots of our order have a conviction that this class of veteran has not been accorded the benefits he is entitled to.

Yours very truly,

L. C. CHRISTENSEN,
Commander, Department of Minnesota.

Resolution 1

Whereas under the present regulations and laws in effect governing the estates of incompetent veterans there is no limit placed upon the size of the estate that they may accumulate from compensation received from the United States Government; and

Whereas this procedure has resulted in the building up of large estates, many of which are already valued at $20,000, solely from compensation and pension benefits; and

Whereas it is felt that such an estate will in no way be of any benefit in providing additional comforts or happiness to the incompetent veterans; and

Whereas under our present laws these estates, in event of death, will become payable to brothers, sisters, or distant relatives; and

Whereas experience has taught us that very few, if any, of this class of relatives have any particular interest in their incompetent veteran relatives; and

Whereas the amount of money thus paid these veterans results in building up large estates and causing the veterans as a whole to be subject to a great deal of criticism: Now, therefore, be it

Resolved by the Military Order of the Purple Heart, Department of Minnesota, in convention assembled, That we recommend to our National Congress and the Director of the United States Veterans' Administration that regulations be issued prohibiting payment to incompetent veterans in cases wherein they have no immediate relatives, such as wife or children, upon the estate reaching the sum of $1,500, and payments not again be reinstated until the veteran's estate has been decreased to $500. Providing further that upon being restored to capacity this regulation shall be ineffective.

Resolution 2

Whereas the Congress of the United States has passed laws granting compensation upon the theory that a disability would be presumed to have been incurred in service if shown to have existed within a definite time after release from service;

Whereas it is felt that such type of law without taking into consideration the length and type of service is unfair: Now, therefore, be it

Resolved, That the Military Order of the Purple Heart, Department of Minnesota, recommends and urges that the Congress of the United States pass laws providing that for each month that a veteran was in service in the United States only he should be entitled to 1 month's presumption for each month in service; be it further

Resolved, That in cases wherein veterans served outside the United States that they be granted a 2 months' presumption for every month of service performed; be it further

Provided, That in cases wherein a veteran performed service in combat with the enemy of the United States that he be granted a 4 months' presumption for each month of service; be it further

Provided, That veterans who saw front-line service in combat with the enemy of the United States and are now suffering from bronchitis or from a nervous disorder—that is, should be conclusively presumed that these disabilities had their origin in and the result of their military service; and that copies of this resolution be sent to the national commanders and legislative chairmen of the Disabled American Veterans of the World War, the American Legion, the Veterans of Foreign Wars, the Military Order of the Purple Heart, and to all United States Senators and Representatives from the State of Minnesota, and Frank Hines, Director of the Veterans' Administration.

Resolution 3

Whereas the present plan of selecting members of rating boards results in many inequities, particularly to actual combat veterans, and to effect the proper organization: Be it

Resolved, That two members of each board must have had combat service, one of whom shall be suffering from a combat disability, members of such boards to be appointed from the permanent personnel of the Administration.

Resolution 4

Whereas the amount of compensation or pension allowable to veterans suffering from disabilities incurred in service in combat with the enemy of the United States, wherein Congress has passed laws and the Veterans' Administration issued regulations granting the statutory allowance for veterans suffering from certain types of disabilities; and

Whereas Congress has passed laws granting a rating of permanent partial 25 percent for anyone suffering from arrested tuberculosis; and

Whereas Congress has passed a law granting a statutory allowance of $50 for anyone that is suffering from inactive tuberculosis; and

Whereas Congress has passed a law granting the statutory allowance of $25 per month for the loss of use of a creative organ irrespective of whether the veteran is sterile or not; and

Whereas statistics show that a large group of men suffering from combat disabilities are not receiving any compensation, or a much smaller amount of compensation than that granted veterans whose disabilities were not incurred in front-line service; and

Whereas it is felt that any man who was wounded or gassed in front-line service has, and will continue to suffer, a considerable degree of disability from such service: Now, therefore, be it

Resolved, That the Military Order of the Purple Heart, Department of Minnesota, in convention assembled at Hinckley, Minn., on June 3 and 4, 1939, go on record recommending to the President of the United States, the Congress of the United States, and the Director of the Veterans' Administration, that Executive orders and regulations be passed and promulgated granting any veteran that was wounded or gassed during the period of his military service while in combat with the enemy of the United States compensation independent of any other compensation that he may be in receipt of or monetary benefits that he may be in receipt of, the statutory allowance of $10 per month: *Provided,* That in cases wherein a veteran received two or more wounds or was wounded and gassed in military service, that the amount of statutory allowance shall not be less than $25 per month, independent of any other compensation or pension that he may be in receipt of; and a copy of this resolution be forwarded to the national commanders and legislative chairmen of the Disabled American Veterans of the World War, the American Legion, the Veterans of Foreign Wars, the Military Order of the Purple Heart, and to all United States Senators and Representatives from the State of Minnesota, and Frank T. Hines, Director of the Veterans' Administration.

The Agricultural Merry-Go-Round

EXTENSION OF REMARKS

OF

HON. REID F. MURRAY

OF WISCONSIN

IN THE HOUSE OF REPRESENTATIVES

Thursday, August 3, 1939

Mr. MURRAY. Mr. Speaker, during the past 6 years, $2,500,000,000 has been distributed to help improve agriculture through the A. A. A., but the only result, as I observe it, is that the farmers of America are worse off financially than they have ever been in the history of our country.

Large loans have been made by the Government to agriculture on the basis of normal agricultural value of the farms, and then these loans have been followed by an agricultural policy that has resulted in the lowest farm prices in history.

Wheat on the world market today is the lowest in 325 years. Cheese is 43 percent lower in price today than the average price during the last 6 Republican years.

Over 900,000,000 pounds of lard are begging for a market, and the price is the lowest it has been for 72 years.

We surely have an agricultural merry-go-round. Congress has appropriated this session $500,000,000 to control crop production under the guise of soil conservation, $225,000,000 for parity payments because the control did not raise the price sufficiently, and $113,000,000 to dispose of the surplus because the crops were not sufficiently controlled.

In addition, we have appropriated $64,000,000 for reclamation, including power and irrigation, and another $90,000,000 is expected from the lending bill to put more land under cultivation.

We have also appropriated $163,000,000 to the so-called Farm Security Administration to increase production, and the administration has asked for $600,000,000 for so-called farm security in the spending-lending bill.

This shows that $917,000,000 may be appropriated to "increase production" and $838,000,000 to control production. This kind of a program does not make sense.

It may make a very good political program, but every farmer in America will lose his farm if it is continued, as no farmer can continue to produce crops at from 50 percent to 75 percent of what it costs to raise them. The large increase in farm foreclosures offers conclusive evidence of this fact.

The agricultural merry-go-round will ultimately ruin every farmer, laboring man, and businessman in America if it is continued.

Royal C. Johnson

EXTENSION OF REMARKS

OF

HON. WILLIAM P. COLE, JR.

OF MARYLAND

IN THE HOUSE OF REPRESENTATIVES

Thursday, August 3, 1939

Mr. COLE of Maryland. Mr. Speaker, the late Honorable Royal C. Johnson was a member of the Seventy-ninth Division

of the American Expeditionary Forces and I was, also. Royal served in the Three Hundred and Thirteenth Infantry, while I served in the Three Hundred and Sixteenth Infantry. I was not a Member of Congress prior to the World War, serving with Royal Johnson, and, therefore, did not know him so well during the war, even though we were in the same division, passing through several major battles together, but I soon became quite close to him when I was elected to Congress in 1926. At that time I found him the active, able leader of the Veterans' Committee of the House and occupying a place of real distinction in what was then the majority side of the House. I shall remember always the genial personality and the soldierly bearing that Royal Johnson always maintained, and even above the splendid record he made in France will I recall the manner in which he handled the initial and most important legislation dealing with the veterans and their dependents while he presided over the Veterans' Committee of the House. This legislation will live for all time as a monument to the ability, fairness, and loyalty Royal Johnson displayed as a veteran, a citizen, and a great statesman.

As one of his buddies and, I expect, the only other Member of Congress who served with him in the Seventy-ninth Division, I am sure I speak for all the officers and men of the Seventy-ninth Division when I say that no one occupies a higher place in the memory of the men of the Seventy-ninth Division and no one deserves a more conspicuous place in the enviable record of that division than our late colleague Royal C. Johnson.

Mr. Speaker, I admired Royal Johnson and greatly enjoyed his association and was proud to have soldiered with him. I take advantage of this brief opportunity to join with many of my colleagues in an extension of remarks following the announcement of his very sudden and sad death on yesterday.

Wage-Hour Law

EXTENSION OF REMARKS

OF

HON. HARRY R. SHEPPARD

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, August 3, 1939

RADIO ADDRESS BY R. W. BLACKBURN, SECRETARY OF THE AMERICAN FARM BUREAU FEDERATION

Mr. SHEPPARD. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following radio address of Mr. R. W. Blackburn, secretary of the American Farm Bureau Federation, delivered August 2, 1939:

Those who oppose the changes that farmers are asking in the wage-hour law have grossly misrepresented the views of farmers and of farm organizations. I am therefore grateful to the National Broadcasting Co. for the opportunity to tell you the viewpoint of agriculture and the reasons why we consider it necessary to clarify the wage-hour law by passing a bill introduced by Congressman BARDEN, of North Carolina.

The wage-hour law was passed last year as a remedy for intolerable urban sweatshop conditions. It was not intended to impose any regulation or hardship upon rural America. Small businesses of various kinds were exempted such as retail stores and two classes of exemptions were written in for the benefit of farmers.

The first of these exempted the work done on a farm upon the products produced on that farm. The second covered establishments located off the farm such as butter-making plants and fruit-packing sheds where farm products must be prepared for market and whose costs are direct charges against the farmer's income from his products.

Congress endeavored to prevent abuse of this second exemption by providing that the exemption applies only to those establishments which are located in the area of production. However, Congress left it to the discretion of the Wage-Hour Administrator to define the term "area of production." That is where the trouble arises and the whole controversy over amendments of the wage-hour law at this time results from what in our opinion was a very unreasonable and capricious definition of area of production by the Administrator.

Instead of defining the term "area of production" in terms of an area or a geographic locality the Administrator first decided that any establishment which employs seven persons or less is in the area of production while any establishment which employs more than seven persons is outside the area of production and hence not entitled to the exemption.

This decision of the Administrator was immediately protested by the American Farm Bureau Federation and by others as being entirely too restrictive and not in line with the meaning of the phrase.

The Administrator then amended his definition by providing that any establishment located in a town of 2,500 or less population and obtaining its agricultural products from farms within 10 miles was to be regarded as being within the area of production, but any establishment which receives its products from a distance greater than 10 miles is to be regarded as being not within the area of production and hence subject to his jurisdiction.

While there are many agricultural establishments located in towns with less than 2,500 population few of them will draw their products from so short a distance as 10 miles. It is a rare establishment that does not have at least 1 farmer patron located at a distance of more than 10 miles. The amended definition, therefore, carries no relief whatever and makes congressional action necessary to bring about clarification and certainty. The restriction to 7 employees, the population limit of 2,500, and the mileage limit of 10 miles all are arbitrary methods of defining a very simple phrase "area of production."

These are the facts which have been so badly distorted by bureaucrats who, through newspaper statements, congressional speeches, and radio addresses, are trying to make the American public believe that the farmers are engaged in some kind of subversive campaign to nullify the wage-hour law.

This is untrue. Every Member of Congress from an agricultural constituency knows that farmers are justified in asking for clarification of the phrase "area of production." Moreover, the Members of Congress in our judgment are ready to pass the Barden bill, which will accomplish this clarification just as soon as they are given an opportunity to vote upon it. But during the past few weeks we have all been witnesses to a most amazing campaign to prevent the House of Representatives from having an opportunity to vote upon the Barden bill.

We who represent farmers are asking nothing more than that the Barden bill be laid before the House of Representatives and an opportunity be presented for a vote to be had upon the subject.

The effect of the definition of "area of production" which the Administrator has issued and as it has been amended, has the effect of nullifying the exemptions which Congress wrote into the law. Let me illustrate: If there are more than 7 employees employed in a butter-making establishment, or if it is located in a town of more than 2,500 population, or if even in a smaller place, and draws its supplies from a distance of more than 10 miles, such establishment would not be exempt. The number of employees has nothing to do with the phrase "area of production." The Bureau of the Census in 1937 reported the number of establishments making butter, classified according to the number of wage earners. This report shows that there were 198 butter-making establishments which employed no wage earners; 2,680 employing from 1 to 5 wage earners; 4,703 establishments employing from 6 to 20 wage earners; 1,077 establishments employing from 21 to 50 wage earners; 475 establishments employing from 51 to 100 wage earners; and 6 establishments employing in excess of 100 wage earners. By limiting the exemption to establishments employing seven or less persons engaged in the making of butter, more than half of the butter-making establishments in the United States have been denied exemption. Plants engaged in making butter are invariably located in the "area of production." Many are located in towns larger than 2,500 population, but are supplied by farmers in the surrounding country. The definition, therefore, has operated to discriminate between plants with less than seven employees as against plants with more than seven employees, while both groups are located within the "area of production" under any reasonable construction.

Numerous other illustrations of like character could be recited on the basis of similar statistics which the Bureau of the Census has published. Time does not permit me to give illustrated material on other types of agricultural commodities.

The problems presented by the duty and power placed in the Administrator to define the term "area of production" have been recognized by the Administrator and he has commented in respect thereto in a letter addressed to the chairmen of the House and Senate Labor Committees. I quote from the letter of the Administrator to the committee chairmen in respect to the "area of production" problem: "The duty and power to define area of production and thereby to determine when such operations are exempt and when they are not exempt is given the Administrator. Prior to the exercise of this power the Administrator considered the possibility of mapping producing regions for each of the several agricultural and horticultural commodities. Such procedure would have led to discrimination against plants on the border lines of areas."

Referring to the general definition which the Administrator has issued, he says: "This general definition did not exempt all the employers believed by some to be entitled to the exemption under the law, but it was believed that a broader definition should not be granted except after investigation or hearings for particular industries, so that any resulting disturbance in the competitive relationships of employers similarly situated could be minimized." In con-

cluding his discussion of this point the Administrator said: "This procedure of investigation and redefinition for individual industries will not produce satisfactory results. In each instance it is clear that no amount of care and study can result in a definition of 'area of production' which will not create a discriminatory situation. * * * Cotton handlers consider the area of production for cotton to be the entire area. * * * Some canners interpret it as the extreme limits from which it is practicable to draw produce for canning. Others would confine 'area of production' to the 'general vicinity' where the products in question are grown, or would confine it to 'rural regions.'

"The difficulties of arriving at any approximate definition of what constitutes the 'general vicinity' or 'rural regions' are apparent. All of these considerations lead to the conclusion that any precise, definite, uniformly applicable and at the same time equitable and justifiable definition of 'area of production' as used in the act cannot be found. Its elimination or clarification of its meaning by the Congress therefore appears necessary."

What is the scope of the Barden agricultural amendments? We believe they constitute a restatement of the exemptions now in the law. They cover the same list of commodities which the existing law covers. They do not extend into the milling of wheat, corn, rye, barley, and other grains for the making of flour, breakfast cereals, starch, corn sirup, etc., nor does the existing law. The commodities included are in the main of highly perishable and seasonal nature, such as milk, sugar beets and cane, fresh fruits and vegetables, the handling of which must be prompt. They give relief in the employment of persons in tobacco-stemming operations, an operation in which several thousands in the tobacco areas obtain employment following the harvesting of the crop.

The charge has been made that the Barden bill emasculates the Wage-Hour Act. We deny this unwarranted statement. In the Administrator's report dated January 14, 1939, he estimates that the total number of employees in all trades and industries covered by the act for September 1938 was 11,000,000. The exemption of those engaged in only a part of the agricultural trades which service farmers cannot by any stretch of the imagination accomplish so devastating a result as has been stated.

Why have we opposed the Norton bill with its agricultural amendments? The answer is a simple one. Because it takes away exemptions now prevailing under the existing law. This has made the issue clear as to whether the amendments to the Wage-Hour Act shall extend its scope into fields now exempt, as does the Norton bill, or whether the law shall be clarified as to the Administrator's power to nullify its exemption provisions by unreasonable and unwarranted definitions.

In conclusion, let me say that agriculture presents a united front on this issue. Practically every farmers' organization is behind the Barden bill. Failure to enact it will increase the costs of distribution of perishable farm commodities, and many farmers may suffer complete loss of market outlets.

A Résumé of My Activities in the House of Representatives During the First Session of the Seventy-sixth Congress

EXTENSION OF REMARKS

OF

HON. JAMES F. O'CONNOR

OF MONTANA

IN THE HOUSE OF REPRESENTATIVES

Thursday, August 3, 1939

Mr. O'CONNOR. Mr. Speaker and Members of the House, I do not think it is out of order to take this means of acquainting my colleagues and my constituency with activities as a Member of Congress during the first session of the Seventy-sixth Congress.

At the very outset of my remarks, I want to express my deep appreciation to Members on both sides of the aisle who have cooperated with me in behalf of major projects so important to the State of Montana. Accordingly, I shall always feel obligated and indebted to Members of the House, regardless of party affiliations. If at any time, on account of rising temperatures in the discussion of matters before the House, I have injured any Member's feelings, I humbly apologize.

I introduced the following bills for the benefit of my constituents during the session:

H. R. 1968. To amend title I of the act approved August 25, 1937 (Public, No. 354), to provide for the expenditure of the unexpended balance of $70,000,000 for public buildings outside of the District of Columbia during the calendar year 1939.

H. R. 2185. To provide for the construction of a fish hatchery on Blue Water Creek near Fromberg, Carbon County, Mont.

H. R. 2373. To regulate interstate and foreign commerce in agricultural projects; to prevent unfair competition; to provide for the orderly marketing of such products; to promote the general welfare by assuring an abundant and permanent supply of such products by securing for the producers a minimum price of not less than cost of production, and for other purposes.

H. J. Res. 117. To confer jurisdiction on the Court of Claims to adjudicate claims of the Crow Indians.

H. R. 2775. To confer jurisdiction on the Court of Claims to adjudicate claims of the Arapahoe and Cheyenne Indians.

H. R. 2776. To confer jurisdiction on the Court of Claims to adjudicate claims of the Assiniboine Indians.

H. R. 2777. To credit the Crow, Fort Belknap, San Carlos, Apache, Klamath, and Fort Hall Indians, and others, with sums heretofore expended from tribal funds on Indian irrigation works.

H. R. 2185. To authorize the addition to Glacier National Park of certain property acquired for the establishment of a fish hatchery.

H. R. 2786. To provide for the erection of a public historical museum in the Custer Battlefield National Cemetery.

H. R. 2849. For the relief of Mrs. Guy McConoha, of Poplar, Mont., $425.50 in satisfaction of claims sustained when dispossessed by the Government of an automobile.

H. R. 2850. To authorize the Secretary of the Interior to issue a patent for certain lands to Jordan N. Bean, of Bridger, Mont.

H. R. 2851. For the relief of Maurice J. O'Leary, to correct his military record.

H. R. 2852. For the relief of Charles F. Kegel, of Turner, Mont., $450 in satisfaction of claim against the Government for the loss of his truck in a fire.

H. R. 3371. To empower the President to create additional and make additions to existing National forests from unappropriated lands owned by the United States in Montana.

H. R. 2379. To restore citizenship to Harry Ray Smith, of Sweet Grass, Mont.

H. R. 3480. For the relief of Major M. Reynolds, who shall hereafter be held and considered to have been honorably discharged from the military service of the United States on October 30, 1918.

H. Con. Res. 7. To establish a congressional investigation of working conditions in the metal mines of the United States.

H. R. 3699. To provide funds for completion of school building at Wolf Point, Mont.

H. R. 4709. To credit the Crow Indian tribal funds with amounts expended on irrigation works.

H. R. 4097. To provide for the use of buildings and other facilities of national parks and national monuments for elementary-school purposes.

H. R. 4143. For the relief of George Francis Burke, placing him on the emergency officers' retired list of the Army, and to pay him retired pay at the rate of 75 percent of the pay to which he was entitled as a second lieutenant.

H. J. Res. 181. To authorize the Attorney General to bring such action to assert title and possession of the United States to petroleum deposits underlying submerged lands along the coast of the United States.

H. R. 4535. To add 35,500 acres of public-domain land to the Rocky Boy Indian Reservation.

H. R. 8979. For the relief of John M. Grady pertaining to his honorable discharge from the Army in March 1903.

H. R. 4965. For the relief of Harry Walker, of Poplar, Mont., pertaining to burial of Indians.

H. R. 4994. To amend the Bankhead-Jones Farm Tenant Act to return 50 percent instead of 25 percent of fees collected by the United States to the counties.

H. R. 5360. To take the profits out of war by steeply graduated income and other taxes.

H. R. 5477. For the benefit of the Crow Indians, permitting sales of allotted and inherited lands to members of Crow Tribe.

H. R. 5493. For the relief of Burr A. Davison, of Roundup, pertaining to postal funds lost in the failure of a bank.

H. R. 5506. To authorize the Secretary of the Interior to contract with the Montana State Water Conservation Board and the Tongue River Water Users' Association for participation in costs and benefits of the Tongue River reservoir project, for the benefit of Tongue River Indian Reservation.

H. R. 5533. To authorize advance of amounts due on delinquent homestead entries on Fort Peck, Pine Ridge, and other Indian reservations.

H. R. 5581. To amend the National Park Service Act empowering the Secretary of the Interior to take over hotels, lodges, transportation services, and other facilities in national parks upon terms he may deem proper.

H. R. 5590. For establishment of Woody Island Wildlife Refuge in Blaine County.

H. R. 5621. To divide Montana into six judicial districts, and accommodations for terms of court.

H. R. 5632. Making income from securities issued by the United States or any State or Territory subject to the income-tax laws of the United States or any subdivision thereof.

H. R. 5655. To authorize the suspension of assessment work on mining claims held by location.

H. R. 5879. To provide for Federal courtrooms at Livingston and Miles City.

H. R. 6164. To provide for the restitution of the Peak's Park fairgrounds at Roundup.

H. R. 6176. For the relief of Otis Pewitt, of Whitefish, who was injured while fighting a fire in the Little Rocky Mountains.

H. R. 6372. Permitting the development of farm units on public lands under Federal reclamation projects with funds furnished by the Farm Security Administration.

H. R. 6975. To provide for the reconveyance of 3,820 acres to the State of Montana from within the boundaries of Yellowstone Park, in the State of Montana.

H. R. 7054. To relieve the Bowdoin Oil & Gas Co., of Glasgow, Mont., from any liability to the United States.

H. R. 7097. To except the hours of service of persons employed on the Government-owned Wiota-Fort Peck railroad from act of August 1, 1892, limiting hours of daily service employed on public works.

H. R. 7112. To amend the 1939 relief act to restore prevailing wage scale.

H. R. 7309. For the relief of Emmett Shaw, of Great Falls, who was injured while in the employ of the United States Forest Service.

Of the above measures, I was successful in securing passage in the House of the following bills:

To authorize the addition to Glacier National Park of certain property acquired for the establishment of a fish hatchery—signed by President.

To provide for the erection of a public historical museum in the Custer Battlefield National Cemetery.

To empower the President to create additional and make additions to existing national forests from unappropriated lands owned by the United States in Montana.

To provide funds for completion of school building at Wolf Point.

To provide for the use of buildings and other facilities of national parks and national monuments for elementary-school purposes.

For the relief of Harry Walker, of Poplar, Mont.

To authorize the Secretary of the Interior to contract with the Montana State Water Conservation Board and the Tongue River Water Users' Association for participation in costs and benefits of the Tongue River Reservoir project, for the benefit of the Tongue River Indian Reservation.

Providing for terms of Federal district court at Livingston and Kalispell.

A bill permitting the development of farm units on public lands under Federal reclamation projects with funds furnished by the Farm Security Administration.

In addition to the preceding legislative items, I have taken an active interest and given my full support to measures providing for the improvement of irrigation and reclamation facilities in the West, in addition to all legislation pertaining to agricultural interests.

As a member of the House Committee on Irrigation and Reclamation and as a Representative of a State where irrigation and reclamation play such an important role in the agricultural picture, I gave full support to the enactment of the bill providing for a variable payment of construction charges on Federal reclamation projects. The main purpose of the bill was to provide flexibility in the annual construction charges under repayment contracts, so that repayment obligation each year will move up or down contemporaneously with increases or decreases in the crop returns realized by the farmers.

An excerpt from my remarks on the floor of the House July 27 in support of the bill follows:

> In other words, it (the reclamation bill) gives the farmers some chance, in case of a complete loss, so that their rights will not be imperiled or in anywise foreclosed. Other provisions of the proposed legislation provide for simplifications and economies in administration of the reclamation program and provide a sound basis for undertaking new construction.

My major activity during the first session of the Seventy-sixth Congress centered on an attempt to amend the Sugar Act of 1937 and to permit United States beet and cane growers to produce more than 30 percent of the sugar needed annually for domestic consumption. After the Ellender sugar bill, amending the Sugar Act, passed the Senate and was shelved by the House Committee on Agriculture, I filed a discharge petition to take the bill out of committee and place it before the House for consideration and a vote. However, an insufficient number of signatures was placed on the petition to permit this procedure.

In several addresses on the floor of the House I discussed the situation facing Montana beet farmers and pointed out the unfairness of curtailing the beet acreage in Montana or any other State. Although no action was obtained, nevertheless I believe that a feeling was crystallized in Congress which will be reflected at the next session when a new sugar act is written. We have served notice that the new sugar act will be written from the standpoint of the American farmer not from the standpoint of the welfare of foreign countries.

My efforts in behalf of the construction of the Shirley-Terry-Fallon unit of the Buffalo Rapids projects in Montana were rewarded on May 31 when President Roosevelt approved an allocation of $1,100,000 for the construction of the project. The President pointed out in his approval announcement that—

> I know well the great need of this section for an irrigation development, and you have very effectively presented the matter to me.

The Department of the Interior, including the Bureau of Reclamation, advised me they were "favorable" to the construction of the Saco Divide project and considerable attention was devoted to the project during the entire session. I also took an active interest in the furtherance of the Dead Man's Basin project, the Marias River project, the Milk River project, the Big Horn Dam project, the Yellowstone Basin development, and other programs of utmost importance to the future of Montana's agricultural industry.

I devoted utmost efforts to enactment of my bill providing for cost-of-production returns to farmers. I appeared before the House Committee on Agriculture and joined with a bloc of Congressmen from agricultural States in efforts to bring the bill before the House. The House committee, however, failed to take favorable action at this session.

In connection with the cost-of-production bill, I pointed out to the committee that the farmer is the only person unprotected in the channels of trade today. The farmer is forced to pay an established price, generally far above cost of production, for every article he purchases, and at the same time must throw his products on the market and receive what is offered.

Following conferences with the Secretary of Agriculture and officials of the Agricultural Adjustment Administra-

tion, I was instrumental in obtaining a schedule of protein premiums to be added to the 1939 wheat loan basic rates for hard red spring, hard red winter, and hard white wheat, in cases where the wheats show a 13-percent or more protein content. This schedule is of the greatest importance to Montana, where high-protein wheat is produced.

I have endeavored during the session just closed as well as preceding sessions to devote as much time as possible to my work on the House Committee on Indian Affairs in an attempt to better the economic position of the Indian on reservations in my own congressional district as well as over the Nation.

I feel that the Indians have suffered an injustice and I believe that they are entitled to every benefit which Congress can bestow on them. In addition to introducing many pieces of legislation for the benefit of Indians, I served as chairman of a number of subcommittees of the House committee, and throughout I attempted to give all assistance possible toward the cause of the American Indian.

I voted for and devoted untiring efforts to enactment of the Townsend National Recovery bill. I appeared before the House Ways and Means Committee during hearings on the bill and urged favorable committee action on the bill, which is "a step in the right direction toward the solution of our economic problems." I was one of the 101 Members of the House who voted for the bill and spoke on the floor in support of the measure.

During consideration of House Joint Resolution 83, providing additional funds for the Works Progress Administration, on January 13, I voted for the Cannon amendment to the bill to keep the W. P. A. deficiency appropriation at $875,000,000, as requested by President Roosevelt. Following the passage of the 1940 appropriation bill for work relief, I introduced a bill in the House to amend the act to restore the prevailing-wage scale, as well as providing for the reemployment of persons dropped from relief rolls.

On June 29, when the House had under consideration the neutrality bill of 1939, I voted for the retaining of the arms-embargo clause which would prevent the shipment of munitions of war to any country engaged in combat. An excerpt from my remarks made on the floor of the House the night of June 29 will clarify my position in this matter:

My objective is to do everything I can to keep my country out of European squabbles. I will fight to the finish the enactment into law of this bill as written because I feel that it means war to my country.

Mr. Chairman, let us tear the mask off of this bill and look it squarely in the eye and drag the thing before the House as it really is. This not a neutrality bill; it is an intervention bill. What power is given the President of the United States under this bill? The power is given him to permit the lending of credit and money to England, France, and other countries under the operation of this act. Do you want to again lend money to nations that, after you had furnished them the best blood of American manhood, and after we had furnished them billions of dollars of our people's money, that refer to us as the greatest Shylocks on the face of the earth when we suggested repayment? The great principle is whether or not the House of Representatives tonight is going to commit itself to a desire for profits and gold and sacrifice the blood of American youth over and above the desire for peace throughout the world.

When the transportation bill to amend the Interstate Commerce Act was before the House the week of July 24, I attempted to amend the bill to provide a greater security for the employees of the railroads in the section devoted to consolidation. Excerpts from my remarks on this legislation follow:

The railroads of the country are indispensable. We must have them. We must have them not only in peacetime, but we must have them in wartime. They are in financial stress. We are either going to give them a square deal with other means of transportation, or they will go into the hands of the Government and we will have Government ownership.

I am not defending the railroads. The present operators of railroads are now compelled to answer for the sins of their fathers, committed 60 or 75 years ago when they exploited this country, but nevertheless we are confronted with a condition which demands action to protect not only employees but innocent investors as well.

On April 25, when the House had under consideration the strategic-metals bill, I worked for enactment of the legislation and for the inclusion of the "buy American" provision in the bill. In my remarks in support of the bill, I said:

I am going to support this measure, but not because I feel it is an emergency war measure. Personally, I do not believe we are in danger of going to war with any foreign country if we keep our feet on the ground. [Applause.] I am for this bill because it will give encouragement to the development of our mines in the United States, and particularly in my own State of Montana. We produce in Butte, Mont., alone, as my colleague from Montana will verify, in the neighborhood of 70,000 tons of manganese ore per annum.

I also described the chrome deposits in my congressional district.

I voted against H. R. 5138, the so-called Smith alien bill, because I considered the legislation anti-Christian in that it permits no opportunity to forgive unfortunates for their past faults. A portion of my remarks pertaining to this bill follows:

You cannot legislate morals into people. That was demonstrated by the eighteenth amendment. You cannot legislate patriotism into people any more than you can legislate morals into people. You have to feed the people. Let us find a way of taking care of a third of our population that needs care and quit spending our time trying to pass laws to put them in jail and to deport them. Let us try to make them love our country, instead of hate it, by giving each man, rich or poor, a square deal.

On January 19, when the House was considering an appropriation for the control of grasshoppers, Mormon crickets, and other insect pests, I assumed an active part in the debate in pointing out the necessity for the early approval of the appropriation. I have worked diligently each session of Congress in behalf of funds for the control of the crop-destroying insects. Among other statements, I said on the floor of the House:

A few dollars spent early in the spring will accomplish much more than perhaps five times that amount spent later.

However, when control funds were exhausted I was instrumental in obtaining early House action on a special appropriation, and I made an appeal to the President to expedite the placing of his signature on the measure.

The United States Government Housing Program Should Have Been Carried Forward

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EXTENSION OF REMARKS

OF

HON. JENNINGS RANDOLPH

OF WEST VIRGINIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, August 3, 1939

Mr. RANDOLPH. Mr. Speaker, had we been given the opportunity to debate a housing bill it was my intention to speak briefly in favor of such a measure. I sincerely regret that this body was not used as a forum on that subject. Since I was unable to address the membership, I am taking this opportunity to give my views on this important subject.

There is one thing that I have been particularly proud to do whenever I have been back home during the past 2 years. That has been to be able to tell my constituents—all of them, not just the home owners—that the Federal Government is doing something to help them live in decent homes in the midst of healthy environments.

And, as all of you know, some of my constituents, and yours as well, are badly in need of such help. All too many of them are living under conditions that are downright disgraceful. And, as I said, we all know it. The folk back home in all walks of life know what the living conditions are in substandard dwellings, and they are rapidly awakening to the fact that the lowest-paid one-third of them have not been given the proper attention.

VALUABLE WORK IS BEGUN

The Congress of the United States began to take cognizance of housing perplexities back in the early 1930's. A

very loud outcry arose when mortgage holders began foreclosing on homes in wholesale lots. We of this Congress came to the rescue by establishing the Home Loan Bank Board and the Home Owners' Loan Corporation.

No one can deny that these organizations performed one of the outstanding services of our generation in saving thousands of homes from loss through foreclosure. These organizations, however, were saving the homes of rich and poor alike, wherever possible. But the lowest-income people did not own any homes and were not touched by this great service.

Next, this Congress established the Federal Housing Administration. There is no question but that that Administration has functioned admirably in its field. That field, however, like the first, did not reach down to where the slum dweller suffered in misery in his dark and ill-kept basement or his bleak and bare-walled tenement. The F. H. A. has assisted in bringing into being excellent apartments and homes for families of moderate means. Moderate, mark you; not the lowest.

Well, gentlemen, we are not wagging our heads in shame, exactly. But this seems to have been the old, old story of getting around last and least to the families of lowest income, the inarticulate, misery-burdened, one-third of our Nation who have no spokesman, no champion, no powerful friend to whom it could appeal in its hour of need.

FORGOTTEN FAMILIES AIDED

After years of turning our heads, of ignoring the plight of the millions crowding our slums, we at last got around to them in 1937. In that year the Congress passed the United States Housing Act, and actually did something for the most unfortunate families of the Nation—the forgotten families, if you please.

We established the United States Housing Authority and told it to go ahead with a slum-clearance and rehousing program. And, frankly, gentlemen, we limited its funds to an amount only sufficient to develop a program and to show how slum clearance and low-rent housing should be accomplished.

This Congress, my friends, gave the slum-dwellers and the alley-dwellers, the lowest-income groups, a ray of hope in a bleak and hostile world, as far as they are concerned. And now, can we go back among them and say we have changed our minds? I say we cannot do it.

HELP TO THE POOR

What kind of punishment could be worse than to offer these millions of poor families the opportunity eventually to live in clean, decently equipped homes, dangling before them the picture of happiness and health and cleanliness such as they have never enjoyed, and then suddenly to snatch away their hopes?

This is no time, gentlemen, to cut short a program so full of promise. This is no time to destroy the greatest single mass-housing movement this country has ever undertaken. To do this just when the rehousing and slum-clearance program is making itself felt throughout the country and is gaining the admiration and approval of the large majority of our unselfish citizens, I say, would be the most foolish thing we ever have done.

And, gentlemen, I sincerely hope you will not go back on the promises we have given our low-income one-third, but will vote for the continuation of this program.

Spending-Lending Bill

EXTENSION OF REMARKS

OF

HON. ROBERT G. ALLEN

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, August 3, 1939

Mr. ALLEN of Pennsylvania. Mr. Speaker, the 47 Democrats who voted against consideration of the spending-lending bill were consistent in their stand and conformed to the platform of the Democratic Party and the campaign pledges of President Roosevelt.

In Sioux City, Iowa, on September 29, 1932, President Roosevelt spoke the following words:

I accuse the present [Hoover] administration of being the greatest spending administration in peacetimes in all our history. It is an administration that has piled bureau on bureau, commission on commission, and has failed to anticipate the dire needs and the reduced earning power of the people. Bureaus and bureaucrats, commissions and commissioners have been retained at the expense of the taxpayer. * * *

If we do not halt this steady process of building commissions and regulatory bodies and special legislation like huge inverted pyramids over every one of the simple constitutional provisions, we shall soon be spending many billions of dollars more.

The truth of those words is as vital today as it was then.

Again in his message to Congress on March 10, 1933, President Roosevelt made the following statement:

And on my part I ask you very simply to assign to me the task of reducing the annual operating expenses of your National Government. We must move with a direct and resolute purpose now. The Members of Congress and I are pledged to immediate economy. When a great danger threatens our basic security it is my duty to advise Congress of the way to preserve it. In so doing I must be fair not only to the few but to the many. It is in this spirit that I appeal to you.

The 47 Democrats who helped to defeat the rule on the spending-lending bill were absolutely loyal to the pledges and promises of the leader of their party. No apologies are necessary.

New Deal Propaganda

EXTENSION OF REMARKS

OF

HON. CHARLES HAWKS, JR.

OF WISCONSIN

IN THE HOUSE OF REPRESENTATIVES

Thursday, August 3, 1939

Mr. HAWKS. Mr. Speaker, in my remarks on the Farm Security Administration, which appeared in the Appendix of the CONGRESSIONAL RECORD at page 3700, I said:

We are sure that here is one Federal agency that will have to be more careful of the political propaganda it is sending out if the Hatch bill is signed by the President.

It is a well-known fact that the New Deal administration conducts and maintains at the expense of the neglected and overburdened taxpayers of the country a gigantic system for the dissemination of political propaganda. This propaganda handles the truth carelessly which it pours forth from every nook and cranny of the manifold New Deal ramifications to bolster the rapidly fading glamour of New Deal policies.

Well, the President did sign the Hatch bill, reluctantly, and in his extraordinary message to Congress on yesterday he sought, among other specious interpretations of that bill, to preserve and safeguard his New Deal propaganda system by a flank movement of setting up a straw man of fear that somebody at some time will attack his precious offspring.

The President said the Hatch bill—

Raises the interesting question as to whether all Government officials except the President and Vice President, persons in the office of the President, heads and assistant heads of executive departments, and policy-determining officers appointed by and with the advice and consent of the Senate, must remain mute if and when they or the work with which they are concerned is attacked and misrepresented in a political campaign or preliminary thereto.

The President falsely assumes that all criticism of New Deal officials and their acts would be in the "form of charges, misrepresentation, falsification, or vituperation" and could not be replied to "except by a handful of high executive officials." The President could not have better nor more correctly described the character of the New Deal propaganda that daily aud hourly is spewed forth to the public, which misrepresents and falsifies the operations of the many New Deal agencies set up and multiplied during the last 6 years.

Suppose they are attacked and criticized in a political campaign or preliminary thereto, as certainly they will be, and such criticism is more apt to be just than otherwise and not false, would it not be enough for a handful of high executive officials to reply to such criticisms, for are not those high executive officials responsible, not only for New Deal policies but for the acts of their subordinates?

The President then goes on to say that it is the considered opinion of himself and Attorney General Murphy that all Federal employees, from the highest to the lowest have the right publicly to answer any attack or misrepresentation, but not as part of active participation in political campaigns.

"To rule otherwise," said the President, "would make it impossible for the people of the United States to learn from those who serve the Government, vital, necessary, and interesting facts relating to the manifold activities of the Federal Government," and "to give a monopoly, to originate and disseminate information to those who, primarily for political purposes, unfortunately have been given to the spreading of false information."

This, gratuitously, is nothing more than a big red herring which the President drags in and throws across the trail. What greater "monopoly" exists than that within the Government itself for the dissemination, not of vital facts relating to the manifold activities of the Federal Government, but for the dissemination of propaganda "primarily for political purposes?" It is this propaganda machine the President seeks to protect and preserve. Before the advent of the New Deal, and even under the restrictions of civil-service rules and regulations, the public had no difficulty in obtaining accurate information concerning "the manifold activities of the Federal Government."

During the consideration in Congress of the Hatch bill there was no intimation or interpretation that its provisions would restrict any legitimate function of Government.

The President's comment was both politically ingenious and mentally disingenuous.

The United States Housing Program Is a Communistic Scheme and Is Being Used to Exploit the Taxpayers and Especially to Oppress the Poorest People of Our Nation

EXTENSION OF REMARKS

OF

HON. FREDERICK C. SMITH

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Thursday, August 3, 1939

Mr. SMITH of Ohio. Mr. Speaker, the distinguished and able chairman of the Banking and Currency Committee [Mr. STEAGALL], just prior to my testimony before his committee opposing the extension of the United States housing program, voiced the commonly expressed belief of one school of political thought that the blame for our present economic distress is excessive concentration of wealth.

He indicated that the Federal Government intends to use its taxing powers to decentralize the wealth of the Nation by drawing upon the hoarded store to build houses for the "ill housed," supply food for the "underfed," and so forth.

I should like to call the attention of the gentleman to the fact that the Federal Government can hardly be said to be using any of its taxing powers for any such purposes. I believe if he will give the matter some thought, he will discover that while Federal taxes have increased enormously since the inauguration of the spending program, regular Government operating costs have also increased proportionately.

The increase in Federal taxes is being used largely to pay the cost of hundreds of thousands of new Federal political jobs, and the multitude of boards and bureaus that have been established under the spending program. If the science of taxation has established any one fact and grounded it more firmly than any other, it is that the burden of taxation falls upon the masses in direct proportion to the total cost of government. The premise upon which this truth rests is that the real and ultimate source of all taxes is in production. Since no less than 85 percent of all the necessities of life are produced by the wage earners, farmers, and the other lower-income groups, it follows as a law that these groups must in the end bear the same proportion of taxes. The figure of 85 percent is based on a study of my own of the individual incomes as given by the National Industrial Conference Board.

The following figures show how the increase in Federal taxes in the last 6 years has added to the burden of taxes which must be borne by the working classes and the poorer people in general:

Total amount of ordinary taxes collected for the 6-year period from 1928 to 1933, inclusive [1]	$19,529,000,000
Total amount of ordinary taxes collected for the 6-year period from 1934 to 1939, inclusive [1]	27,232,000,000
Amount of increase in the last 6 years over the previous 6 years	7,703,000,000
Increased burden of Federal taxes borne by working groups in last 6 years over former 6 years, 85 percent of $7,703,000,000	6,548,000,000

[1] 1938 Treasury Report and 1939 Preliminary Treasury Report.

Bear in mind also that the average annual income during the former 6 years was $3,000,000,000 more than the latter 6 years. Thus it is seen that the Federal Government is using its taxing powers to enlarge its functions and promote its own growth.

I do not know what effect the great increase in Federal taxes is having in the way of decentralizing the Nation's wealth. Two things, however, appear to me to be certain: One is that if there is any such dissemination, none of it is reaching the masses. The other is that the masses are paying the bulk of the increase in taxes.

In its lavish use of credit the Federal Government is decentralizing the Nation's wealth. Here there is a distribution of temporary benefits which reaches a section of the masses, but only a section. But when the bill will finally be paid, and paid it will be, whether in dollars and cents or in the agonizing pains of a national bankruptcy, who but the masses will do the real paying?

Not only is the present abuse of Government credit storing up for the toilers of this land an added burden of taxation and laying the ground for something far worse, but it is destroying the industry of our Nation, the very lifeblood of labor itself.

The able chairman of the Banking and Currency Committee also strongly protested his faith in property and human rights.

I do not reckon—

He said—

that there is anyone here who has any more respect for property rights than I have * * *. I believe they are inseparably linked with human rights.

As will be seen from further remarks in the hearings, Mr. STEAGALL defended this so-called slum-clearance program as a humanitarian act. I thoroughly respect his sincerity and belief in the matter. But I cannot agree with him that the United States Housing Act has the least respect for property or human rights, or that there is anything whatever humanitarian about it. I look upon it as the most flagrant violation and disregard of property and human rights, and as one of the most hurtful measures to the poor that can be conceived.

Five-thousand-dollar houses are being built for an arbitrarily selected group in the middle-income third of our population. Where is there any respect for property rights in arbitrarily taxing the people in the upper income third, many of whom cannot afford homes costing more than $3,000 or $4,000, to build $5,000 houses for the middle-income group?

Where is there any respect for property or human rights in arbitrarily taxing the middle-income group, who cannot afford to own or rent homes costing more than $2,000 or

$3,000, to build $5,000 houses for an arbitrarily selected number of families of their own income group?

Where is there any respect for property or human rights, or even a sign of humanitarianism in arbitrarily taxing the lower income third, who must live in houses costing from a few hundred to a thousand or two thousand dollars, many of whom have by toil and sacrifice laid by enough to provide themselves with little homes they can call their own, to build $5,000 houses and furnish free rent for their more fortunate brethren whose incomes are from 2 to 5 times more than their own?

Where is there any compassion for the poor, or even a scintilla of regard for their rights, in permitting a highly centralized political bureaucracy like the United States Housing Authority, whose responsibility to the communities in which it operates is so indirect and distant that it is practically nil, armed with the power of eminent domain, to descend upon a community and throw the people living in it out of their homes into the streets without even consulting them about it? To deny this is being done is merely defending the deed, for it is well known that it is taking place all over the country. I personally saw the U. S. H. A. try to do this very thing in my own city, Marion, Ohio.

To answer that the people living in the so-called slum areas are paid for their properties, where they own them, is merely a confession of utter disregard for any of their rights. Has our civilization really reverted so far that human beings are again to be evaluated in the terms of dollars and cents? How far is this from actual human slavery? Russia arbitrarily shifts her people from one section of the country to another. We call that communism and bitterly condemn such action. Mussolini is now doing the same thing in the Tyrol. We condemn his conduct as being the work only of a brutal dictator. But the United States is also doing the same thing. In many sections where the Federal Government is building dams it is being done. It is taking place on a large scale in the operation of the U. S. H. A. Is it any less barbaric if we do this than if Russia and the other absolutist powers do it?

The power of eminent domain is a very dangerous weapon unless its use is most carefully restricted. It should never be applied until all other means for attaining the end sought have been exhausted. It is a power that is subject to the most flagrant abuse of human rights. Applied in the wrong place, it becomes one of the most effectual instruments for exploiting the taxpayers and oppressing the people. In the hands of the U. S. H. A. and certain other selfish interests, the power of eminent domain is now being used to exploit the taxpayers and oppress the people.

The scheme grossly violates all the honest and just principles of taxation, as they were so classically stated by Adam Smith in his four maxims of taxation, especially in the first two, which follow:

1. The subjects of every state ought to contribute to the support of the government, as nearly as possible in proportion to their respective abilities; that is, in proportion to the revenue which they respectively enjoy under the protection of the state. In the observation or neglect of this maxim consists what is called the equality or inequality of taxation.
2. The tax which each individual is bound to pay ought to be certain, and not arbitrary. The time of payment, the manner of payment, the quantity to be paid, ought all to be clear and plain to the contributor, and to every other person. The certainty of what each individual ought to pay is, in taxation, a matter of so great importance, that a very considerable degree of inequality, it appears, I believe, from the experience of all nations, is not near so great an evil as a very small degree of uncertainty.

The United States Housing Act arbitrarily exempts an arbitrarily selected number of families in the middle-income group from paying property taxes. These people are exempted from "contributing to the support of government, as nearly as possible in proportion to their abilities * * * in proportion to the revenue they respectively enjoy under the protection of the State." They live in comparative luxury, receive free rents, enjoy the benefits of police and fire protection, janitor service, as well as education, at the expense of other taxpayers. They enjoy the extraordinary and revolutionary special privilege of being permitted to exercise the right to vote on matters affecting real-estate taxes, which they themselves are exempted from paying.

For what reason—

Asks John Stuart Mill—

ought equality to be the rule in matters of taxation?

For the reason, he says—

That it ought to be so in all affairs of government. A government ought to make no distinction of persons or classes in the strength of their claims on it. If anyone bears less than his fair share of the burden, some other person must suffer more than his share. Equality of taxation, therefore, as a maxim of politics, means equality of sacrifice. It means apportioning the contribution of each person toward the expenses of the Government, so that he shall feel neither more nor less inconvenience from his share of the payment than every other person experiences from his.

The inherent wrong in the scheme is the arbitrary levying of taxes. It was the arbitrary levying of taxes by the sovereign power of the state that has been at the bottom of every major revolution that has taken place.

It was the arbitrary taxation of his subjects by Louis XIV that reduced them to human wretches and laid the basis for the French Revolution.

It was the arbitrary levying of taxes by King John upon the baronial order that caused the latter to revolt and wrest from him Magna Carta, out of which grew the entire English parliamentary system.

Indeed, the whole parliamentary system is based on the principle of keeping the powers of taxation in the hands of the people, so as to prevent the government from arbitrarily exercising them.

It was the arbitrary taxation by King George of the colonists that was so largely responsible for the American Revolution.

Nor can the United States expect to long escape the same evil consequences if we continue to pursue the iniquitous course of permitting the arbitrary taxation of our people as embodied in such socialistic schemes like the United States housing program.

What To Do About Pollution

EXTENSION OF REMARKS

OF

HON. KARL E. MUNDT

OF SOUTH DAKOTA

IN THE HOUSE OF REPRESENTATIVES

Thursday, August 3, 1939

Mr. MUNDT. Mr. Speaker, inasmuch as this session of Congress is about to adjourn without taking action on the various pollution and antipollution measures now before us, it is my hope that during the recess each of us may find occasion and opportunity to give some study to the perplexing problem of pollution which has been gradually but surely ruining the clean streams and the pure waters of America since the advent of the first white man on this continent.

I realize that the busy session of a typical Congress permits of little opportunity to study and analyze all the legislation which confronts us, and such a matter as pollution control is all too likely to be shunted aside without a careful study of its consequences or the procedures leading to its cure. Let us hope that the next session will find us confronted with fewer items of major legislation, so there will be more time for our deliberative consideration of the whole problem of pollution.

Inasmuch as it now appears that both Senate bill 685, the so-called Barkley bill, and H. R. 6723, the so-called Mundt bill, will be before us for consideration sometime in January, I am inserting at this point under permission granted me by the

House a radio interview on this whole subject which was recently broadcast over the Mutual Broadcasting System's network under auspices of the American Wildlife Institute, which group is actively working for the passage of H. R. 6723:

NARRATOR. America's wildlife!

(Fanfare.)

ANNOUNCER. America is a land of rapidly diminishing natural resources.

NARRATOR. Ugly erosion sores eat into our fertile lands.

ANNOUNCER. Many of our widespread forests have been hacked and burned to the ground.

NARRATOR. Once-plentiful birds and animals are threatened with the fate of the extinct passenger pigeon and the buffalo.

ANNOUNCER. Great fish runs that once gave sustenance to thousands have been destroyed.

NARRATOR. The country's wildlife is in danger.

(Music in—theme—fade to background.)

NARRATOR (behind music). This program is brought to you through the cooperation of the American Wildlife Institute.

ANNOUNCER. The purpose of these broadcasts is to awaken greater interest in the country's wildlife.

NARRATOR. To the end that a priceless American heritage—the right to enjoy the great out of doors—may be restored.

ANNOUNCER. To the end that our country may become a better place in which to live.

(Music up to end.)

ANNOUNCER. Pollution, or the despoiling of our waters, is one of the greatest menaces to wildlife in our country. Today this subject will be discussed by the Honorable KARL E. MUNDT, a Member of the United States House of Representatives from South Dakota, and former national vice president of the Izaak Walton League of America. Congressman MUNDT will be interviewed by C. M. Palmer, Jr., acting secretary of the American Wildlife Institute. Congressman MUNDT and Mr. Palmer.

Mr. PALMER. Congressman MUNDT, just to get the records straight, what is pollution?

Mr. MUNDT. Mr. Palmer, pollution, which, generally speaking, means the despoiling of water, is roughly divided into three classifications. First, we have individual or petty pollution; then, although not necessarily in that order of importance, municipal and industrial pollution of waters. Under the first heading would come the thoughtless and unnecessary throwing of papers, cans, and refuse into streams by campers and picnickers. This comparatively—and I say comparatively unimportant, mind you—form of pollution can be corrected by public education in common decency and correct outdoor behavior. The second type I mentioned is the raw sewage from municipalities, perhaps carrying some industrial wastes, entering rivers through our sewerage systems. This waste is generally alkaline in nature and heavily laden with bacteria and disease germs. Such pollution often seriously depletes the oxygen content of a stream or river, killing fish and other aquatic life. The third type covers the waste from different industries. This varies widely in character and effect. In general, industrial wastes are acid and many are highly toxic and poisonous. Except when highly diluted, many industrial pollutants kill all forms of aquatic life. Sometimes even abandoned industries continue to pollute our rivers and streams. The acid effluent from abandoned coal mines is the largest and most destructive source of pollution from abandoned industries.

Mr. PALMER. Mr. MUNDT, why is the control of pollution an important problem?

Mr. MUNDT. The control of pollution is such a vital question it is very difficult to answer that question in the short time we have for this discussion. In fact, many programs much longer than this one could be devoted to describing some of the horrible effects of pollution. It may be said briefly, however, that pollution, while commonly referred to as a public-health matter, is not alone a health matter nor do certain types of pollution directly involve health—although this is an important phase of the problem. Organic wastes, such as municipal sewage, may not always be detrimental to fish life, but they are a menace to public health, and the water must be treated to kill typhoid and other bacteria. On the other hand, some industrial wastes in a water supply may not be considered detrimental to public health, but because of their toxic nature readily kill fish and other aquatic life. Sometimes, too, the pollution is not strong enough to be a menace to public health nor directly kill fish, yet may blanket the bottoms of streams, killing the minute organisms that are the foundation of the aquatic food supply on which fish are dependent for their existence. Such streams and rivers will be practically barren of fish, although they may pass the requirements of both public health and fish. Most public-health departments have been concerned primarily, perhaps solely, with the product that comes through the water faucet to the ultimate consumer. As long as it is possible to purify the water for drinking, it is of little or no moment to the public-health authorities that a river may be so vilely polluted as to be absolutely dead biologically.

Mr. PALMER. Mr. MUNDT, how can this pollution problem be remedied?

Mr. MUNDT. Mr. Palmer, you and I and everybody else who has studied this problem know it can be effectively dealt with in only one way—by proper control. We don't need any further study of the problem to realize how important it is to the country. What we need now, and right now, is effective control of pollution. This control must be eminently fair to those now polluting our waters. It must give them time to work out pollution control for their individual operations, but it must require that pollution be controlled. I think such pollution control may best be achieved through a bill which I introduced in the House this session.

Mr. PALMER. What does your pollution-control bill propose, Mr. MUNDT?

Mr. MUNDT. The bill I introduced, known as H. R. 6723, if passed by the Houses of Congress, will absolutely outlaw pollution. For 150 years now we have done nothing about pollution except perhaps to talk a great deal about it. During that time billions of gallons of water have been polluted and millions of dollars have been wasted by our failure to take definite action. I think it is high time we did something, and the bill I introduced should solve the problem. It is a pollution-control measure with teeth in it—something the need for which has been growing from the very moment the first white man set foot upon this continent.

Mr. PALMER. Aren't there other pollution measures now being considered by Congress?

Mr. MUNDT. Yes; but these measures not only lack teeth, so far as controlling pollution is concerned, but they are actually harmful. Let me explain. Two other bills were introduced—one, known as the Spence bill, is being practically neglected at the present time; another, introduced by Senator BARKLEY, the majority leader, while called a pollution-control bill, is anything but that. As a matter of fact, there is no mention of pollution control anywhere in the bill, except in its title. This bill would merely provide for further study of pollution by the Public Health Service—at a cost of $1,000,000 a year. That's all there is to it. It absolutely would not control pollution. We don't need any further study of pollution to know the damage it is doing and the dire necessity of controlling it. What we need now is actual control of pollution.

Mr. PALMER. If the Barkley bill is not effective, why was it introduced and why does it have supporters, Mr. MUNDT?

Mr. MUNDT. The Barkley bill is a red herring, Mr. Palmer, and that's what makes it so dangerous. Everybody realizes that something should be done about pollution, even the polluters themselves. One witness stated flatly before one of the House hearings on the subject that unless something was done about pollution, in another 10 years there wouldn't be a stream left in the United States in which any self-respecting fish would live. All of those responsible for pollution admit something must be done, and practically all of them endorse the Barkley bill. It is very significant that those responsible for the damage are lobbying for this innocuous bill, and very much opposed to the bill I introduced, which would actually end pollution. You see, those responsible for pollution know that public opinion is demanding some action in the matter. They think that if the Barkley bill can be rammed through, that will silence public opinion, as a great many people unacquainted with the facts will believe that at long last Congress has actually done something about pollution. That will silence some of the public and make it even more difficult for us to get a real pollution-control measure passed later. That's why I described the Barkley bill as a dangerous red herring.

Mr. PALMER. How would your bill act to end pollution?

Mr. MUNDT. Pollution control, under the bill I introduced, would be administered by the Chief of Engineers of the United States Army. He would be advised by a committee, consisting of the Surgeon General of the United States Public Health Service, the Chief of the United States Biological Survey, and the Commissioner of Fisheries. The Chief of Engineers would also cooperate with the States, thus preserving States' rights. The Chief of Engineers would be charged with the duty of ending pollution, taking action on specific instances as they arose. The Mundt bill would not become effective until 2 years after passage. This should give most polluters time to work out solutions to their problems. However, just to give everyone a fair chance and to keep from imposing hardships or asking the impossible, there is yet another clause in the bill. This clause allows the Chief of Engineers to grant an extension of time, not exceeding 5 years, wherever a public hearing has shown that compliance with the standards of purity fixed by the Chief of Engineers cannot be complied with before the effective date of the act. The bill further provides that a reasonable time shall be allowed for the completion of treatment works. In other words, if a municipality or industry is making an honest effort to solve the problem, it will not be arbitrarily punished. The bill I introduced would be far more economical than the Barkley bill. It specifically states that not more than $500,000 shall be appropriated each year to carry out its provisions, and in all probability it will cost much less than that.

Mr. PALMER. What can the general public do to help in this fight for pollution control?

Mr. MUNDT. The general public can help a great deal by realizing that the Barkley bill is a harmful substitute for a real pollution-control measure and by getting solidly behind H. R. 6723, which is the bill I introduced, with certain amendments giving polluters more time to work out answers to their problems. I am firmly convinced that the people of America realize the necessity of pollution control. Now they must realize that that is possible only if a law with teeth in it is enacted—and get behind that law.

Mr. PALMER. The Mundt bill, or H. R. 6723, is just such a measure. I understand it will come before the House some time this session. I can only add my pleas to those of Congressman Mundt and ask all

our listeners to get solidly behind this legislation. Make your wants known by wiring or an air-mail letter to your Congressman. And now our time is up, and I must say thank you, Congressman MUNDT, and thank you, listeners, for your attention.

ANNOUNCER. You have just heard another in a series of broadcasts on American wildlife brought to you through the cooperation of the American Wildlife Institute. Today pollution was discussed by Congressman KARL E. MUNDT, of South Dakota, who was interviewed by C. M. Palmer, Jr., of the American Wildlife Institute. Copies of this broadcast may be obtained by writing the station to which you are listening or direct to the American Wildlife Institute, Washington, D. C.

Let me point out one additional reason why it is imperative that all of us study most carefully the sources of support and the eventual consequences of all forms of legislation which will confront us in the next session on this problem of pollution.

It has long been a source of embarrassment to early supporters of S. 685, many of whom have accepted it as a bona fide antipollution bill from its title, without analyzing its contents, that as the hearings developed before committees of both Houses of Congress it soon became apparent that every "polluter" who testified opposed H. R. 6723, every nationally known conservation organization went on record for H. R. 6723 and in opposition to S. 685, whereas, to the consternation of many sincere legislators who were first attracted to the Senate bill, they found the "polluters" themselves in many instances urging Congress to adopt that bill. This "kiss of death" from the lips of those most vehement in their denunciation of all previous antipollution legislation led many Congressmen to investigate further and to switch their support away from the Senate bill and in favor of H. R. 6723.

For example, in the RECORD for August 2, a distinguished and able Member of this body inserted a list of supporters of S. 685 under the heading of "Stream pollution bill—Every public-health body in America worthy of the name is for the Barkley-Spence bill." A headline reader would surely be impressed by such inclusive adulation for the Barkley bill. But I hope every Member will take the time to read this list of "public-health bodies worthy of the name," because the seventh name on the list is the Brewers' Association of Greater Cincinnati, which will itself, I feel certain, be surprised to find it elevated to the rank of a "public-health body" in the pages of the CONGRESSIONAL RECORD.

The ninth name on the list is the Chamber of Commerce of the United States which organization may have much to commend it but this is the first time I have found it masquerading before us as a "public-health body." Other imagination-stretching names on this list of humanitarian organizations dedicated to the health of man and the purity of his streams and rivers are the Dayton Business and Civic Association, the Great Miami Valley Taxpayers' Association, and other industrial and commercial groups until we even find our old friend of pollution fame, the Independent Petroleum Association of America, proudly displayed in this list headed "public-health bodies" and offered as testimony of groups unselfishly fighting a bill which would admittedly control pollution and favoring a bill which actually in the form it passed the other body of this House offered a bounty to individuals and municipalities whose pollution proved most offensive. A reading of S. 685 will indeed prove a diverting and a revealing pastime for those enjoying games of "hunt and seek" and wanting to entertain themselves trying to find one word or phrase in the bill which would in any way, at any time, or in any place "control pollution."

It is only fair and frank to state, however, that the list of "public-health bodies" inserted in the RECORD for August 2 did contain the names of many State boards of health. These legitimate health-serving groups have almost universally been lead to support S. 685. Whether the fact that S. 685 sets up a special fund to be collected from the taxpayers each year to the extent of $700,000, annually "to be allotted and paid to the States for expenditures by or under the direction of their respective State health authorities" had anything to do with these endorsements, it would not be nice to suggest and it is not my purpose to contend.

But two facts cannot be denied: First, many State health boards have endorsed S. 685. Second, if it passes, an annual "take" of $700,000 will be available to these boards from the Federal Santa Claus. A third fact may be argued, but I doubt if it, either, can be denied: Third, pollution would still go on uncontrolled if the bill passed in its present form, but the tax collector would reach down a little deeper into the pocket of each taxpayer to the Federal Government.

A curious fellow might have cause to wonder why so many State health boards have endorsed the identical pollution bill which is endorsed and enthusiastically supported by some of the biggest "polluters" in America. Frankly, it causes me to wonder! I make no implications and intend no criticisms and am willing to take the charitable position that many of the health boards have not studied S. 685 but have hastily endorsed it on a pretty much of a "sight and unseen" basis at the recommendation of somebody else. Either the "polluters" or the health boards are being badly fooled or the taxpayer is being taken for a ride, because a bill which finds twin support from those who profit from pollution and those who should be its greatest enemies cannot be both fish and fowl at the same time.

Mr. Speaker, my only purpose for these remarks is to point out the confusion and misinformation which surrounds the entire problem of pollution. I do not question the sincerity of anybody in this House in his desire to stop pollution. I do not impugn the motives of our public-health bodies nor, for that matter, of our "public-health bodies," despite their unnatural masquerade.

It is my hope that when we return fresh from our recess we can all get together on a rational and laudable antipollution bill which conservationists, health authorities, taxpayers, and public-spirited industrialists can all support to the end that what remains of the clean streams and pure waters of this country may be preserved for future generations.

Eggs in the New Deal Basket

EXTENSION OF REMARKS

OF

HON. JOSHUA L. JOHNS

OF WISCONSIN

IN THE HOUSE OF REPRESENTATIVES

Thursday, August 3, 1939

Mr. JOHNS. Mr. Speaker, one more fallacy of the New Deal agricultural program is clearly demonstrated in the huge losses that have been incurred by the egg producers of this country.

The following figures are reported by the United States Department of Agriculture:

Price of eggs—cents per dozen

1921	28.3
1922	25.0
1923	26.5
1924	26.7
1925	34.0
1926	28.9
1927	25.1
1928	28.1
1929	29.8
1930	23.7
1931	17.6
1932	14.2
Average price for last 12 Republican years	25.6
1933	13.8
1934	17.1
1935	23.4
1936	21.8
1937	21.3
1938	20.3
1939	(1)
Average price for first 6 New Deal years	19.6

[1] Fill in price you get for your eggs today.

Eggs averaged 6 cents more per dozen during the last 12 Republican years than in the first 6 New Deal years, and 10.1 cents per dozen more than the price of 15.5 cents today.

Wisconsin produced 799,100,000 dozens of eggs in the past 6 years. If Wisconsin farmers had received the additional 6 cents per dozen that eggs averaged during the last 12 Republican years, the egg producers of Wisconsin would have had $47,946,000 more than they did with the New Deal egg prices. Eggs averaged 31 percent more under the last 12 Republican years than during the first 6 New Deal years. These 15.5-cent-per-dozen eggs show:

Egg producers of the United States received $1,059,445,000 less during the last 6 New Deal years than they would have received if they had been paid the prices they obtained under the last 12 Republican years.

The price of eggs was 27 cents per dozen the day the New Dealers were voted into power, and are 15.5 cents per dozen today.

Mr. Congressman, how many dozen eggs did your constituents produce the past 6 years, and with a 6-cents-per-dozen loss, what was their total loss?

Mr. Farmer, how many dozen eggs did you produce the past 6 New Deal years? How much money would you have in your pocket if you had the additional 6 cents per dozen for the eggs you have produced during this time?

Secretary Wallace's suggestion for improvement of egg prices is to have Congress lend and spend and increase the public debt.

The egg producers of this country not only need the rich home market but they should not be subjected to Federal competition in their business, where thousands of chickens are being furnished to beginners to compete with poultrymen already established in the business.

The first 5 months of 1938, 88,304 dozen shell eggs were imported, and during the first 5 months of 1939 there were 149,424 dozen, or an increase of 70 percent, even during the prevailing low prices.

The Farmer Pays the Freight

EXTENSION OF REMARKS

OF

HON. REID F. MURRAY

OF WISCONSIN

IN THE HOUSE OF REPRESENTATIVES

Thursday, August 3, 1939

Mr. MURRAY. Mr. Speaker, the Federal Surplus Commodities Corporation is supposed to operate for the benefit of the farmer and also to furnish food to the underprivileged third of our population.

This program has been carried out for the benefit of the relief rolls, but I can see little, if any, benefit, so far as agriculture is concerned.

First. Agricultural products are purchased as cheaply as they can be bought, and given away now through the blue-stamp process.

Second. Agricultural products purchased do not seem to represent the importance of the agricultural industry. For example, not one pound of cheese has been purchased during the past fiscal year, though the price of cheese has been only 11½ cents per pound, or only a little over one-half the cost of production. The sum of $3,000,000 has been spent for fluid milk, and $12,000,000 of milk could have been distributed through purchases of cheese.

CONCLUSIONS

First. The farmer by having his products purchased at from 50 to 75 percent of the cost of production is contributing from 25 to 50 percent of the cost of feeding the people on relief as well as the whole population.

Second. No man can say that this administration is feeding the poor, when the farmer is making such a large contribution to the feeding of the poor as well as the rich.

Third. No one can expect to stabilize agricultural prices with funds from the United States Treasury that represent 1 to 1½ percent of the national farm income when we are importing agricultural products that represent 10 to 21 percent of our national farm income. We may "save at the spigot but lose at the bunghole."

Fourth. The orange and blue stamps may be of political value and may have some vote appeal, but I am sure the farmer would like to see a program with a little more of a red, white, and blue basis.

Fifth. Let us use this food for our 2,240 foster homes, with a population of 242,000 dependent children, on a nonsectarian basis if we really wish to follow a nonpolitical feed-the-needy program.

Sixth. Let us give the farmer what it costs him to produce this food supply before we give his whole market away.

The Housing Bill

EXTENSION OF REMARKS

OF

HON. WILLIAM J. MILLER

OF CONNECTICUT

IN THE HOUSE OF REPRESENTATIVES

Thursday, August 3, 1939

Mr. MILLER. Mr. Speaker and Members of the House, I voted for the resolution to make in order the consideration of the so-called housing bill.

I voted for the resolution for at least two reasons: First, because I feel that real slum clearance is badly needed and that the Federal Government should aid in such a program even as it has aided in our road program. I feel that when the social benefits are taken into account this program will pay big dividends, not only in dollars saved but in an improved standard of living. Second, and more important than any other reason, I voted for the housing resolution because I have assured the people of my district that I would vote for a housing program.

I did not bring much to Washington with me but I did bring a reputation for keeping my promises. I intend to take that reputation back to Connecticut with me unimpaired. It was stated on the floor that a vote against the resolution was a vote against the housing bill, and I believe that that statement is correct.

The bill as reported out of the Banking and Currency Committee was not perfect but I honestly believe that this House, sitting for 4 hours in the Committee of the Whole, could have amended the bill so that it would have been workable.

The housing bill, in my humble opinion, is not as bad as it was painted by Members who spoke against it during the debate on the rule. Certainly most of the $800,000,000 appropriated for Housing will be returned to the Government when the housing bonds are retired. No one will claim that these bonds will be permitted to default.

The subsidy amounting to 3½ percent of the amount allotted for slum-clearance projects will, of course, be an expense to the Government. But that is the Government's contribution to make possible conditions such that those with low incomes may live in decent homes. The cities make their contributions by granting tax exemption and services on such projects.

I for one intend to give extensive study to the subject of slum clearance during the coming recess of Congress. I hope to visit England in order that I may study their housing program. I intend to investigate some of the ugly rumors relating to the administration of the United States Housing Authority, as only by honest and efficient administration can this program be continued. We will deal with this subject

early next year and I am hopeful that the Banking and Currency Committee will bring in a bill that will be approved by the House and by the country.

Embargo on Sale of War Supplies to Japan

EXTENSION OF REMARKS

OF

HON. LEE E. GEYER

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, August 3, 1939

LETTER FROM THE CHINA AID COUNCIL

Mr. GEYER of California. Mr. Speaker, under leave to extend my remarks, I include a letter from the China Aid Council, of Los Angeles, Calif. This letter is an indication of the trend in public sentiment toward the United States withdrawing her support from a violator of treaties.

CHINA AID COUNCIL,
Los Angeles, Calif., July 29, 1939.

Hon. LEE E. GEYER,
Congressman, Seventeenth District of California,
Washington, D. C.

MY DEAR CONGRESSMAN GEYER: We herewith wish to advise you that we have recently forwarded another batch of petitions to Washington requesting that an embargo be placed on the sale of war supplies to Japan. To date 44,729 persons residing in Los Angeles and vicinity have signed these petitions. This is exclusive of the petitions which have been forwarded by church and other groups. The action of these 44,729 citizens has been followed by 118 labor, civic, fraternal, and patriotic organizations in this city and vicinity which have signed resolutions asking similar action.

These petitioners and organizations speak in behalf of 300,000 of our local residents. We are again asking that when the neutrality legislation again comes before Congress you will vote in favor of such legislation as shall place an embargo on the sale of war supplies to Japan.

Yours very truly,

CHINA AID COUNCIL,
By IRVIN E. CLINE,
Executive Secretary.

The Nation's Balance Sheet

EXTENSION OF REMARKS

OF

HON. GEORGE H. BENDER

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Thursday, August 3, 1939

Mr. BENDER. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following statement:

The Nation's balance sheet, June 30, 1939

(From July 1, 1938, to June 30, 1939)

The Federal Government collected	$5,667,823,625.59
The Federal Government spent	9,268,338,030.54
Leaving a gross deficit of	3,600,514,404.95
From the gross deficit deduct:	
Statutory debt retirement	58,246,450.00
National bank note retirements	5,497,305.45
Surplus in trust funds, gold increment, silver seigniorage, and Government checking accounts	884,286,173.36
Leaving a net deficit of	2,652,484,476.14
Increase in public debt	3,274,792,095.66
Debt as of June 1939	40,439,532,411.11
Pre-war debt, Mar. 31, 1917	1,282,044,346.28
First post-war peak, Aug. 31, 1919	26,596,701,648.01
Increase since 1930	24,413,445,324.04

James A. Farley

EXTENSION OF REMARKS

OF

HON. ROBERT F. WAGNER

OF NEW YORK

IN THE SENATE OF THE UNITED STATES

Friday, August 4 (legislative day of Wednesday, August 2), 1939

ARTICLE BY JAMES E. DUNNE ENTITLED "THE STAR OF FARLEY"

Mr. WAGNER. Mr. President, I ask unanimous consent to have printed in the Appendix of the RECORD an article by James E. Dunne relative to Hon. James A. Farley.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

THE STAR OF FARLEY

Neptune is supposed to control the seas. To Mars is imputed responsibility for wars and disasters. When these planets are opposite each other in their orbits, a struggle for dominance is reputed to take place. Lately those planets are said to have been in this contending position, and some astrology students have been led to attribute the three recent mysterious submarine disasters to that "war" in the great space of the universe.

Undercurrents of the seas are indeed rough and uncertain.

The political seas no less so.

Many brave hearts are asleep in the political deep, to be joined anon by others.

The planets of Washington, for the most part, are opposite one another in their orbits.

So far as insurance goes, there is one planet in the Capital galaxy shining out more effulgently than all the rest. For all we know, the course of this planet may be mapped in the great chart that orders the inscrutable travels of the worlds out there in the vague unknown.

James A. Farley!

Despite contention from other political planets, that star is on rise.

CARTER GLASS speaks of James A. Farley as "one man who keeps his word."

CARTER GLASS' words are always appreciated, and the record of James A. Farley speaks for itself. Farley has never been known to break the faith.

The Gallup polls, authoritative in the past as barometers of public sentiment, show James A. Farley the choice of many to carry the Democratic banner in the next national election. Yet James A. Farley has not indicated his candidacy.

James A. Farley is a proven friend of the insurance business.

We turned back the pages of the years in the Index the other day, and this last fact—James A. Farley's good will toward the insurance business—stood out like a beacon in lowering clouds of black.

That is why it can be said that, so far as insurance goes, there is one planet in the capital galaxy that is burning into the public consciousness.

In October 1936, James A. Farley wrote a special article which was copyrighted by the Index.

His words of those days are worth repeating now.

It will be recalled that certain prominent Republicans induced a national case of jitters by casting doubt upon the credit of the insurance business if they lost the election.

Spoke Farley:

"The statement has been made and repeated often during this campaign * * * that the policies of the * * * administration had threatened the insurance structure of the United States.

"Granting that it was made not in all honesty but for campaign purposes it was, nevertheless, an indictment of an industry which has a larger stake in the future of America than any other and for that reason it was dangerous and inflammatory. It was, I am glad to say, recognized as such by insurance men generally, so that explanations and alibis have been the order ever since.

"Explanations cannot, however, undo the damage that was done. Every insurance man knows, through the testimony of his own files, that a considerable number of persons became alarmed when the attack upon the safety of insurance was first made, and that despite the general disclaimers some scars have undoubtedly been left in the public mind."

James A. Farley said in that copyrighted article in the Index for October 1936 that he did not believe the utterance of such statements contributes to the national welfare. He did not believe that a national political campaign is an excuse for attacks upon the credit and reputation of any person, "much less a business which

through the investment of billions of dollars has aided the progress of the Nation." Mr. Farley warned that we must remember that even in election years, we cannot tear down the advances which have been made for the sake of any party or group of men.

"No wonder," he observed then, "that in other years business of all sorts went into a decline during the season of greatest political activity."

Mr. Farley continued:

"I would like to return for a moment to the question of insurance stability. Insurance men realize even more than laymen, I believe, how close to disintegration their industry was in 1932 and 1933. We are all familiar with what happened to the banks. Those in the insurance field know that their companies could not have resisted the waves of the depression if they had swept in much longer."

The Postmaster General said, "The work of rehabilitation of the banking structure * * * prevented the insurance companies from suffering a similar fate. Every thinking man knows that this is true, for if our banking system had collapsed beyond repair the next to go would have been insurance. The two are too closely intertwined for one to stand without the other."

Mr. Farley described the situation which necessitated bringing relief to "our insurance companies." He recalled that in the spring and summer of 1933 the mortgage-loan field was not only paralyzed but in extremis. Millions of home owners who had bought homes in good faith and in expectation of that "prosperity" which they were promised by President Hoover, found that they could no longer meet payments on their residences. In the spring and early summer of 1933 foreclosures were getting progressively worse. In June of that year 1,000 homes a day were going under the hammer of the auctioneer.

"A large proportion of insurance funds has been for years and still is invested in first mortgages," Mr. Farley remarked. "Not even the strongest companies could have continued protecting themselves against the forced sales that were going on. Had nothing been done to check the volume, insurance company portfolios would have been loaded down with frozen assets.

"Into this breach was thrown the Home Owners' Loan Corporation. The homes of more than 1,000,000 Americans have been refinanced by the Government and an equal number of investments that were causing insurance men sleepless nights have been replaced by Government interest-bearing bonds."

In the farm-mortgage field similar aid was extended. Here, too, Mr. Farley reminded, in the period before the depression the investments of insurance companies had been heavy. Agricultural values had been boosted to unsound levels by thoughtless national administrations. The farmers could not keep up their obligations and the insurance companies could not realize on the loans they had made.

"More than one insurance man," wrote the Postmaster General, "has reason to remember that period when indignant farmers not only halted foreclosure proceedings but threatened physical violence to insurance men who were merely carrying out their duty to the policyholders of their companies.

"* * * Through the Farm Credit Administration the log jam in this lending field was broken. Thousands of farm mortgages have been refinanced and benefited not only the owner of the land but the company which held the mortgage. The policies of the Department of Agriculture have, moreover, enabled insurance companies to get some return out of farm properties which they were forced to take in through nonpayment."

Mr. Farley concluded that in the light of facts revealed in his article, it was fundamental that the administration, rather than having damaged the credit of any insurance company, had saved every company in the United States from a fate which they would not like to contemplate. He said specific action had helped insurance, that general action up to that time "helped us all," and it is as a nation that we go forward.

Politics is a word that has dropped into disrepute, but it really means "the science of government." James A. Farley is today's greatest governmental scientist.

In his own circle there are those who resent his matchless candor, his unassailable honesty, his admirable truthfulness, his insistence upon old-line American principles and his unshakably solid views on important fundamental subjects, which have adorned his reputation so nobly and won for him the trust of the rank and file of the American people.

Mr. Farley's record, reputation, and character are such that might well be expected to arouse political jealousy among ambitious bigwigs who could not by the farthest stretch of imagination claim the same attributes for their own. It is these who would attempt to edge Mr. Farley more and more into the background—Jim Farley, without whose great efforts not one of those who insensibly envy him would be in the public eye today.

In the public eye * * *.

A number of those who ungratefully obscure the light of the Postmaster General are but cinders in the public eye.

The average man does not long suffer such cinders.

The average insurance man, as well as the average layman, knows that Farley is sound, trustworthy, faithful to his word at every turn.

With leadership vested in him, the country would be safe.

For, as he has said, it is as a nation that we go forward.

And that does not mean in groups, one group against another, with rights of one curtailed, the rights of another expanded unjustifiably.

Mr. Farley thinks in terms of what is best for the whole Nation.

Solid, clear thinking, representing the true measure of a great man, propels his star zenithward.

Lutheran Youth at New York World's Fair

EXTENSION OF REMARKS

OF

HON. BENNETT CHAMP CLARK

OF MISSOURI

IN THE SENATE OF THE UNITED STATES

Friday, August 4 (legislative day of Wednesday, August 2), 1939

ADDRESS BY HON. HENRIK SHIPSTEAD, OF MINNESOTA, JUNE 25, 1939

Mr. CLARK of Missouri. Mr. President, I ask unanimous consent to have printed in the Appendix of the RECORD a very illuminating address delivered by the senior Senator from Minnesota [Mr. SHIPSTEAD] before a national gathering of Lutheran youth at the New York World's Fair on June 25, 1939.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

Ladies and gentlemen, I am highly honored by your invitation to be in this forum to address you this afternoon.

Living as we do in the mightiest democracy of the world there has been brought to this world's exposition in this city the contribution of practically every nation of the world, bringing the best man has produced in all lands and what he plans or dreams to do for the world of tomorrow.

What tomorrow has in store for the world we can only surmise by what we know of the history of the past. Great advancement has been made in human endeavor, in the arts and sciences, in the field of production. We have mass production of goods and crops as well as of ideas. We seem to be better equipped to distribute ideas than our production of goods.

We have the record of ancient civilizations and ancient culture, the magnificence of Greek and Roman cities of centuries ago. The modern American skyline of our cities gives testimony to the constructive genius of our artisans.

The story of ancient civilization so far as they are recorded in history gives us some indication of the reasons for their fall and decay.

It is evident that the message of nearly 2,000 years ago "bringing peace on earth to men of good will" has cheered the hearts and lightened the paths for millions of human beings.

Nevertheless the doctrine of the brotherhood of men has still a long way to go before it will control the relations between nations.

If we can believe the records of history, we can only come to the conclusion that some advancement has been made to invoke the doctrine of good will among men and little to extend peace among nations.

The oldest treaty of peace among nations, of which there is a record, was signed in the twenty-first year of the reign of Rameses II which date is Tybi 21, and seems to correspond to November 28, 1279 B. C. The treaty is now nearly 42 centuries old and in view of recent events shows there is very little new in diplomacy and in international relations.

For instance, in that treaty there was to be "open diplomacy, openly arrived at." The treaty goes on to say "there shall be good peace and brotherhood between us forever" and also their descendants and successors to the throne.

Next comes the clause for military alliance. The Egyptian Government should come to the aid of the Kheta, in case they are attacked and vice versa.

"The king of either nation need not personally enter the conflict, but shall send his soldiers and chariots to help the Hittites."

This treaty was signed between Tarte Sebu and Rameses, the ambassadors of the King of the Hittites and the King of Egypt, respectively, who negotiated for the principals. This treaty of peace, for mutual security forever, lasted 30 years, which is an unusually long time in such cases.

Since that time up to the present, the rule of force, with very few exceptions, has been a controlling factor in all peace treaties on international relations, instead of justice and mercy.

We often wonder why the message of the Prince of Peace has not reached further into the acts of men and nations. However, we must remember we have had a long way to go.

We have come a long way in 2,000 years, and we have still far to go. We must remember that 2,000 years ago 90 percent of humanity was in slavery.

The people were vassals of rulers who owned and controlled the government, held all the wealth, and exploited 90 percent of their populations as slaves.

Into that state of society came the revolutionary doctrine of the Prince of Peace, born in Bethlehem, that all men were the children of the same Divine Father and therefore were brothers.

That message said that all men, before the judgment seat of the Almighty, must answer on the basis of equality for their thoughts and deeds whether their station in life was high or low, rich or poor, freemen or slaves.

This meant equality in divine law for the slave as well as for the freeman. This doctrine struck at the very foundation of existing economic, religious, and political institutions of that time.

It became the religion of the lowly. It gave hope and consolation in this life and assurance of eternal salvation.

This doctrine resulted in centuries of religious wars and the soil of every land drank the blood of the millions of martyrs who have died for their faith.

As time passed on, this religious doctrine, of the Prince of Peace, the brotherhood of man, became more or less accepted by humanity and having been accepted, it led to the next step which was the desire for political equality and freedom.

Men said, if all men are equal before the judgment seat of the Almighty, why should they not stand on the basis of equality before the law of the land?

This question resulted in more centuries of war for political freedom. Again the soil of every land drank the blood of the martyrs who died for human freedom and equality before the bar of civil law.

The first settlers coming to America, came here to escape the persecution of governments who denied them religious and political freedom.

They settled in various parts of the country and it is a strange paradox that after they had settled here, they started religious persecution and were in many respects as intolerant as had been their persecutors in Europe.

For 300 years there was no religious liberty on American soil. There was, to some extent toleration in some of the colonies, such as in Maryland and Pennsylvania, due to the influence of Lord Baltimore and William Penn.

But real political and religious freedom was not known until after the American Revolution and on a week from next Tuesday, it will be 163 years since the Declaration of Independence was written on July 4, 1776.

This is the first time in history that a political document had been agreed to by a political government recognizing the right of an individual to have political freedom on the basis of equality with all men.

I quote:

"We hold these truths to be self-evident that all men are created equal, that they are endowed by their Creator with certain unalienable rights, that among these are life, liberty, and the pursuit of happiness."

Following the Revolution the Constitution of the United States was ordained and established.

However, religious intolerance and persecution had continued and the Constitution could not be ratified by several of the States until assurances were given that the first amendment should be adopted, guaranteeing religious liberty and freedom for all men.

This provision ventured upon a new experiment and established a principle for the relation of church and state, which had never before been incorporated into a national constitution.

For the first time in the world's political history, freedom of conscience, the right to worship God according to dictates of one's own conscience was guaranteed protection for all men by the Government of the United States.

I sometimes wonder if later generations have fully realized the price that humanity paid down through the ages for this political and religious freedom that we enjoy here.

I sometimes think that having cost us nothing, we do not prize it as highly nor cherish it as we should.

We believe this provision of the constitution to be in complete harmony with Divine law and to be the same principle that we find proclaimed in the Lutheran Confession of 1530, and if, consistently adhered to, guarantees religious liberty to every form of religion which is not in violation of public morality.

Having inherited it and being permitted to enjoy it under the Constitution, let us not forget our responsibility in preserving these liberties at a time when they are again being challenged throughout the world.

We are protected in our own country by a Constitution that limits the power of the majority. If the majority should at any time wish to persecute any faith or race, the duty of our Government under the Constitution, is to protect all and determine for none.

Whatever political and religious liberty men enjoy upon this earth has been achieved through the teaching of the lowly Nazarene.

Under the benign influence and the fulfillment of these liberties, humanity was set free to follow the dictates of its own conscience in religious matters as well as in government.

As a result humanity has been lifted out of the dark ages. The arts and sciences and education have flourished, and man's opportunity for the pursuit of happiness, while not as yet complete, has advanced to a greater height than ever before in human history.

However, we still have a long way to go. Avarice and greed still corrupt the hearts of men and nations.

As a result we have both domestic and international strife in every land, resulting in wars, depression, persecutions of minorities not protected as we are by a form of government under a constitution.

The foundation of human freedom is threatened now throughout the world. Nations that have taken much by force want to keep what they have taken. Nations who have little and from whom has been taken, want to take what they do not now have.

In either case the power to take is sanctioned by international law. While a great deal of justice has been established in the various countries between individuals, international law is still the law of the jungle, because it grants to him who can take the right to take.

We must not overlook the fact that the present conditions in Europe and much of the world elsewhere are distinctly the product of the war and peace treaties, so-called, that ended the World War.

The conditions in Germany to which so many object were conceived at the Treaty of Versailles and were finally developed in the hard treatment given the prematurely born Weimar Republic.

Had common sense ruled at Versailles, all mankind would have been spared much trouble. Billions spent for armament after a war that was to end war would have been put to better use.

This world, indeed, would have been a better place in which to live. Democracies, instead of being now beset by many powerful enemies, would have gained in the German Republic a fine pillar of support.

The hateful persecution of minorities now going on in Europe is undoubtedly the fruit of the seeds of hate planted by the majority at Versailles and spread in the fertile soil of the oppressed minority by the administration of the treaty.

These cruel persecutions we now abhor in others and rightly so. We do abhor these things as emphatically as the American people and their representatives in the Senate abhorred and repudiated an effort to make us a party to a treaty of oppression that would threaten western civilization and jeopardize the sovereignty of the United States.

We abhor no less the present dictators in control of government that make these purges and persecutions possible and are determined that such ideas shall not find root on American soil.

The question forced upon us is how shall we keep these ideas of government from finding root in American soil.

Many people in this country, speaking over the radio and through the press, would have us believe that the way to save democracy is to go to war again to save democracy.

The propaganda to get us into the next war, if and when it comes, has been carefully prepared and as ably executed in the last few years as it was during the period of 1915, 1916, and 1917.

I cannot see how our going into that war saved democracy. There is less democracy in the world now than before the war.

It is true we got rid of the Kaiser, who was supposed to be an autocrat, and in getting rid of the Kaiser we had the help of the Russian Czar and the Emperor of Japan.

We were told they were fighting for democracy, too. The dictators we got in place of the Czar of Russia and Kaiser Wilhelm II, I do not think are an improvement over those we got rid of.

In my opinion another World War would destroy whatever democracy there is left in the world.

I found that to be the opinion of many statesman in Europe and therefore they are trying to solve some of their problems by peaceful means.

In so doing, injustice will be done. Persecution of minorities will occur. But a world war will multiply these by a million times more.

Many good people say we must do something to stop dictators. Very well, but how are we going to do it without going to war?

We ask these people what they will have when the war is over.

Will everything then be peaceful and serene?

In my opinion we will then have more dictators than now, and a thousand times more debt than now. Millions of young men dead, and more persecution of minorities than now. The present troubles of the world are due to the last war.

The problems following the next war will be much more difficult and human suffering far worse.

Of course, these people tell you they don't want war. They say they want peace, but they are so anxious for peace they want war to prevent a future war.

That is the kind of war we had last time. That is the kind of a war they would get us into now.

Every day on the radio we have these peace people stirring up emotions of the people, preparing them to accept the theory of necessity of war—in order to have peace.

Europe has its own peculiar problems that only Europe can solve. We hope they can solve these problems without war.

We, too, have our own peculiar problems. We do not ask Europeans to come over here and settle our troubles. We must do this ourselves.

We have plenty to do here. We have ten or eleven million people out of work. In the neighborhood of 20,000,000, young and old, directly or indirectly, are on relief.

Our debts are increasing by the billions. Farmers are, generally speaking, going bankrupt. Business houses are being supported by customers on relief rolls.

This has all to be paid for, so taxes are eating like a cancer on the body politic.

Haven't we enough to think about and do here? I think we have.

Nevertheless the war propaganda persists. Our own troubles are no longer regarded as of first importance.

Our first duty is said to be to save democracy in Europe. To do this they say we must go to war.

I believe the best way to save democracy abroad is to save it first at home. That the best way to discourage the dictators is to make our own democracy secure by solving our own problems—to show the world how well democracy can be made to work.

And so by force of example, as well as by the power a sound prosperity builds, to discourage dictators by demonstrating a better way of life to the unfortunate people who suffer under tyranny.

And to some of us it seems further that unless we do this and do it without waste of time we can be of but little service to democracy or civil and religious liberty.

I believe that by putting our own house in order we can best discharge our responsibility and duty to ourselves, to democracy, and to world peace.

We can best do this by practical application of the Sermon on the Mount, which, in my opinion, is the foundation of democracy.

The Paramount Problem

EXTENSION OF REMARKS

OF

HON. CHARLES W. TOBEY

OF NEW HAMPSHIRE

IN THE SENATE OF THE UNITED STATES

Friday, August 4 (legislative day of Wednesday, August 2), 1939

ADDRESS OF HON. STYLES BRIDGES, OF NEW HAMPSHIRE, ON UNEMPLOYMENT

Mr. TOBEY. Mr. President, I ask unanimous consent to have printed in the RECORD an able and interesting address by my distinguished colleague [Mr. BRIDGES] on the subject of the unemployment problem.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

The paramount problem which this Nation faces today, is the problem which has existed since the present administration came to power in 1933. It is the problem of unemployment.

Until that problem is solved, until the vast army of idle men and women are restored to useful work, there can be no real prosperity in the United States.

According to the figures of the American Federation of Labor, there are today more idle workers in the country than there were in 1935, 4 long years ago. These figures show that the average number of unemployed for the 12 months of 1935 were 10,652,000. During the brief revival of 1937 unemployment dropped to 7,706,000.

Today the number of unemployed has increased to an average of 11,403,000 for the first quarter of the present year.

That, to my mind, is the greatest indictment that can be brought against the policies and the performance of the New Deal.

When we say that a man is unemployed, we say two other things. A man out of employment is a man who has ceased to produce useful goods or services. Also, a man out of work has ceased to be a consumer for the products of workers who are still employed.

Unemployment is a disease that feeds upon itself. It prostrates the unemployed worker himself and, by reducing purchasing power, it causes other workers to lose their jobs.

Like the Old Man of the Sea, unemployment has hung round the neck of the New Deal from the day it came to power.

No administration ever entered upon its duties under better hopes. While business and the public still believed in the promises which had been made, there was a surge of public hope and confidence.

Because of that confidence between March 1933 and September 1933, at a period when we were in the darkest days of the depression, unemployment dropped from 13,600,000 to 10,108,000.

The failure of the New Deal is summarized in the fact that today, in the seventh year of the New Deal policies, there are more men out of work than in the September of the first year after the New Deal came to power!

For 6 years this administration has been treating the symptoms of a disease and has done nothing to cure the disease itself. Why? Because in the name of reform we have seen millions of workers turned out in the street. In an effort to get rid of the rats we have burned the barn. Such destruction can never be a constructive policy and I condemn it.

To secure work the worker must find an employer able and willing to employ him. Labor cannot be prosperous unless the employer is prosperous.

Yet for the past 6 years we have seen policies pursued which struck at the confidence, and the prosperity of business, both great and small.

The New Deal created unemployment when it imposed on business new and vexatious taxes; when it created bureaucratic control of business processes; when it destroyed business confidence by incessant attacks on business practices; when it tried by every means in its power to create ill will and misunderstanding between management and labor; when it adopted the program of "tax and spend" as the goal of the apostles of the New Deal.

I should like to quote to this body from the report of the executive council of the American Federation of Labor, at its midwinter meeting last February.

Said the council: "The executive council, numbering many millions, is seriously affected by the continuation of unemployment and adverse business conditions.

"We are firmly convinced that various forms of Government spending, either in the distribution of relief, or in the development and maintenance of work projects designed to supply relief wages to unemployed, can only serve as temporary measures. They cannot and do not provide a permanent solution for unemployment. * * *

"* * * This leads to the inevitable conclusion that private industry and business generally should be stimulated so that the facilities of production may be increased and millions more working men and women may be employed.

"The executive council is firmly of the opinion that this issue should be met squarely. All should understand that no new rules or stipulations will be promulgated by some administrative bureau other than the rules and regulations definitely set forth in regulatory statutes enacted by the Congress of the United States. Such action will serve to help business, labor, and the people generally. Under such a plan industrial management would be accorded the widest opportunity to render service in the solution of our unemployment problem."

After all the emphasis that has been laid on the hours and wages of labor, after the Wagner Act, and the Walsh-Healey Act, after all the bias and activity of the National Labor Relations Board, this statement by the governing committee of the American Federation of Labor is illuminating.

It shows that labor itself realizes that it has been given only the shadow of help by this administration, and that it has been denied the substance.

To me it recalls the truism that you can't fool all the people all the time.

In every other depression of which I have knowledge business suffered and employment suffered. But in every other depression the native genius and energy of the American people was responsible for bringing the Nation back to an increased prosperity.

In not one of the previous depressions was employment less 10 years after the depression began.

The difference between this depression and those that went before is that in this depression the Government stepped in to demand recovery on its own terms.

I am not one of those who would deny that there is merit in any of the proper reforms which the New Deal has instituted.

Yet with all the earnestness at my command, I insist that these reforms and the methods which have been used to put them into effect have actually hindered the recovery which the Nation sought.

No man in this body is more opposed to the exploitation of labor than I. I have always believed in the American theory of quantity production, high wages, and low prices.

Yet the New Deal, in pursuit of theoretical ends, has turned from the exploitation of labor to the exploitation of those who give the worker employment.

Legitimate business today walks in doubt and fear. It regards its Government not as the arbiter of fair play but as an unstable tyrant intent on the destruction of private business. Not only is business laboring under a multitude of new taxes; not only is it buried under a mass of reports, questionnaires, investigations, and abuse but it finds itself with a steadily decreasing market.

We have heard a lot about the strike of capital. By that, of course, is meant the unwillingness of men and women to put their savings today into new enterprises.

That fact alone is a biting commentary on the policies that have held sway during the past 6 years.

Yet we all know human nature well enough to know that money can always be found for ventures with a reasonable certainty of profit.

Capital itself is in the same state as business. It now knows enough about the New Deal to be fearful of the future. It will not play in a game where the rules are subject to change without notice.

There is, however, another strike which is far more serious. It is the consumers' strike, for which the New Deal itself is responsible.

The public today is restricting its purchases to the simple necessities of life. The 11,000,000 unemployed, of course, have no option. They cannot become real consumers until they are restored to gainful employment.

The remainder of the public are conserving their resources against the day when the spreading tide of unemployment may engulf them.

As an example of the effect of New Deal policies, let us take a glance at two of our key industries. The New Deal glories in the fact that it has stimulated a rise in wage scales. Yet, what use are high-wage scales to the worker if his weekly income does not increase?

For example, today in the steel industry the worker is working only 24 hours a week. Today in the automobile field the worker is working only 3 days a week.

This is a striking example of the effect of New Deal policies which have resulted in cutting down the production of the individual worker.

This country was built and made great on the theory that the more the individual produced the more he could earn for himself.

That was the program which gave to the American worker the highest living standards of any worker in the world. It gave automobiles and pianos, radios, and purchasing power to the American worker, to make him the envy of workers of other lands.

Studies conducted by students of economics show that during the present century, at least, the worker's annual income has kept pace with the value of the goods he produced, in season and out of season.

All the New Deal has done is cut down the productivity of the worker while it increased the army of the unemployed.

While this strange and alien program has been in full swing, the New Deal has increased the national debt more than $20,000,000,000 in a wild attempt to spend itself into prosperity.

With that part of the debt which has been used to relieve distress no man can justly quarrel.

But for that larger part of the debt, which has been used to create duplicating and multiplying boards, bureaus, and commissions; with that part used to control and whip business, to create competition with private industry, and to harass the employer, the unemployed and the employed worker alike, have a just grievance.

Every dollar added to the national debt must some day be paid out of the pocket of the worker, the consumer, and the employer.

The only way that business can pay high wages and high taxes and stay in business is to add its taxes to its operating cost and reflect this in higher prices to the consumer. And every worker, whether employed or unemployed, is a consumer.

While taxes have been mounting too little attention has been given to the fact that money paid out by business to the Government in taxes, is money that cannot be used to increase pay rolls or to give useful employment.

With 11,000,000 workers unemployed, it is high time that those who have the responsibility for national policies should recognize the folly of the path that has been followed during the past 6 years.

It is time that we call a halt to half-baked experiments on business and the worker, and devote sincere attention to getting back on the road to sanity and safety.

The policy of the New Deal has been to give lip service to legitimate business while it was stabbing business in the back in the dark alleys of the New Deal's "kitchen cabinet." And 11,000,000 unemployed workers have been the victims of the continuing plots against American business.

To continue the course we have been pursuing is to invite disaster. It is a tribute to the good sense of labor and management alike that, in spite of every obstacle and every discouragement, they have kept the wheels of industry turning through the 6 hectic years we have passed through. It is true that the wheels have been turning at slower speed and with increasing difficulty. It is true that there have been heavy casualties in the ranks of business as well as in the ranks of labor. But the great machine of American business has continued to function.

Yet there is a limit to the strain that can be borne by every mechanism.

The cushion which business once had in its surpluses and its reserves has been worn thin by taxes. Its markets have decreased as the purchasing power of the worker has decreased.

Before the ranks of the unemployed are increased by further additions, those who have the interest of their country at heart must stand together to change the policies that have brought us to this pass.

Labor, management, and the public alike demand that government should confine itself to governing, and leave industry free within the law to solve the problems of business.

That has been the policy which has brought the Nation out of every previous depression, and it is the policy which the New Deal has flouted at every turn.

A great President once said at another crisis in our history that no nation can exist half slave and half free.

Today it is true, as is proved by the critical condition of industry and by the army of the unemployed, that business cannot prosper half slave and half free.

The chains which the New Deal has wrapped about American business and American labor must be stricken off. The energies of government must be devoted to restoring to useful production the millions now suffering the heartache of unemployment and to preserving the security of those who are now employed.

We have about us all the means for recovery. We have a nation which is rich in the products of farm and factory. We have an abundance of wealth to draw on for the expansion of existing industries and the creation of new ones. We have a great army of workers ready and willing to produce more so that there may be more to divide.

For 10 long years there has been an accumulation of work to be done, of new houses to be built, of factories to be modernized, of new inventions to be merchandised. All that is lacking is confidence in the stability and honesty of government.

The New Deal has forfeited that confidence.

It has proved its incompetence to grapple with unemployment.

It has persecuted business.

It has split labor into warring camps.

It has arrayed class against class.

It has said one thing and done another.

It has assailed the cherished ideal of a government with coordinate powers.

It has preached a gospel of scarcity to the farmer so that Nature itself has rebelled.

It has repudiated its own contract on its gold notes, and it has tried to divert attention from its own failures by its meddling in the affairs of Europe.

All over this land a cry is rising to restore to the halls of state a government which the Nation can trust—a government which will honestly carry out the pledges which it makes when it seeks its mandate.

When such a government releases the energies and the hopes of America, then, and only then, will discontent and unemployment disappear.

Governor Aiken of Vermont

EXTENSION OF REMARKS

OF

HON. ERNEST W. GIBSON

OF VERMONT

IN THE SENATE OF THE UNITED STATES

Friday, August 4 (legislative day of Wednesday, August 2), 1939

ARTICLE IN THE BELLOWS FALLS (VT.) TIMES OF JULY 13, 1939

Mr. GIBSON. Mr. President, I ask unanimous consent to have printed in the Appendix of the RECORD an article appearing in the Bellows Falls (Vt.) Times of July 13, 1939, entitled "Vermont Speaking."

There being no objection, the article was ordered to be printed in the RECORD, as follows:

VERMONT SPEAKING

One of the reasons why Vermont continues to arrest the attention—and receive the affection—of the citizens of other States is because Vermonters seem to have absorbed the staunchness of their hills and mountains. They have the gift of brief and pointed speech. Stubbornly and proudly they cling to the old virtues—as witness their rejection in 1936 of the New Deal—a vote which won for them the honor of the charge that the Union had seceded from Vermont.

A combination of pithiness and taciturnity seems to be bred in the bones of most Vermonters. For a while the hard common sense of these Vermonters may be brushed aside. But in the end it triumphs. Governor Aiken, like the late President Coolidge, has absorbed these qualities which seem to be so enduring. Because the American people are still in an era of illusions, and still have fond hopes that panaceas will be found which will solve their problems, such blunt words as were spoken by Governor Aiken at the world's fair on Sunday will fall on many deaf—or, at least, reluctant—ears. "We don't believe in building the world of tomorrow on a foundation of debt," he said, referring to his people in the Vermont hills. Hard work, thrift, and the duty and privilege of being self-supporting he held up as personal ideals.

Cynics may say that Governor Aiken is playing the role of the typical anti new dealer—that he is consciously building up for himself the "character" of being the exact opposite of the President. This might be true of some one other than a native Vermonter. But Governor Aiken by nature and inclination is the personification of all that Vermont stands for. This in itself is the antithesis of New Deal America. In fact, even his method of earning a living is typically Vermont, for it required ingenuity, persistence, and energy, as well as frugality and thrift, to create a business which had never before been successfully exploited on a large scale in his State, the propagation and distribution of wildflowers. The story is that he started on a borrowed $100. Today he boasts that he and his family still live on much less than the $5,000 salary which he receives as Governor.

This augurs badly for any political ambitions which he may cherish. The professional politicians will resent him. Who ever heard of a Governor who would publicly admit that he could live on much less than the State was paying him? Such a man might even try to reduce salaries and other expenses drastically. No wonder the new dealers would like to see Vermont expunged from the Union. The vote in 1936 was bad enough. But here is a Governor who has succeeded through thrift, self-reliance, self-respect, energy, and self-denial. This is a personal affront to the Great White Father in Washington, with all his munificence and paternalism.—New York Herald Tribune.

Mexican Oil Probe

EXTENSION OF REMARKS
OF
HON. CARL A. HATCH
OF NEW MEXICO
IN THE SENATE OF THE UNITED STATES
Friday, August 4 (legislative day of Wednesday, August 2), 1939

ARTICLES ON RESOLUTIONS PROPOSING AN INVESTIGATION OF THE MEXICAN OIL SITUATION

Mr. HATCH. Mr. President, I ask unanimous consent to have printed in the RECORD three brief newspaper articles relative to the action of the Committee on Foreign Relations on resolutions proposing an investigation of the Mexican oil situation.

There being no objection, the articles were ordered to be printed in the RECORD, as follows:

MEXICAN OIL PROBE RESOLUTIONS KILLED BY SENATE BODY—NO FACTS GIVEN TO JUSTIFY EXPROPRIATION INQUIRY, PITTMAN REPORTS

The Senate Foreign Relations Committee killed today two resolutions for an investigation of conditions surrounding the expropriation of American oil properties by Mexico.

Chairman PITTMAN, Democrat, of Nevada, said the committee reported both resolutions, by Senators BRIDGES, Republican, of New Hampshire, and NEELY, Democrat, of West Virginia, adversely for the following reasons:

1. "Neither of such resolutions was properly before this committee.

2. "There were no facts stated that justified making such an investigation."

Senator PITTMAN said the motion for the adverse report was adopted unanimously by the committee virtually without discussion.

The resolutions grew out of newspaper accounts Senator BRIDGES read to the Senate last week linking the name of Senator GUFFEY, Democrat, of Pennsylvania, with persons who negotiated the sale of Mexican oil seized on American properties.

Senator GUFFEY, who had said he desired a full investigation, was absent from the committee room, Senator PITTMAN said, at the time of its decision.

SENATORS REJECT OIL SEIZURE PROBE—FOREIGN RELATIONS GROUP FINDS NO REASON FOR MEXICAN INQUIRY

By unanimous action, the Senate Foreign Relations Committee today rejected two resolutions which would have created a special Senate committee to investigate expropriation of American-owned oil lands by Mexico.

The resolutions, sponsored by Senators NEELY (Democrat) of West Virginia and BRIDGES (Republican) of New Hampshire, came after BRIDGES read newspaper stories in the Senate in which Senator GUFFEY (Democrat) of Pennsylvania and officials of the Government were mentioned in connection with Mexico's seizure of the oil lands.

SET ASIDE IN 2 MINUTES

Senator PITTMAN (Democrat) of Nevada, chairman of the committee, said that the resolutions were indefinitely set aside "in less than 2 minutes" after the postponement motion was entered by Senator BORAH (Republican) of Idaho.

PITTMAN said the committee ruled out the resolutions on two points:

1. "That neither of the resolutions were properly before the committee.

2. "That there were no facts stated that justified this committee in making such an investigation."

PITTMAN explained that the committee felt that the assertions read by BRIDGES from newspaper stories and editorials did not justify a special Senate committee making "an investigation of our foreign affairs."

SENATE GROUP BARS GUFFEY OIL INQUIRY—PROBE OF MEXICAN DEALS UNJUSTIFIED BY FACTS, COMMITTEE HOLDS

WASHINGTON, August 2.—With Senator BORAH (Republican, Idaho) taking the lead, the Senate Foreign Relations Committee today killed two resolutions for an investigation of circumstances surrounding the seizure of American oil property by the Mexican Government.

The committee decided unanimously, on BORAH'S motion, that neither of the resolutions was properly before it and that no facts were stated which justified an investigation.

FOLLOWS BRIDGES' ACTION

The resolutions were introduced after Senator BRIDGES (Republican, New Hampshire) read to the Senate last week newspaper reports linking the name of Senator GUFFEY (Democrat, Pennsylvania) with persons who negotiated the sale of oil by Mexico from the seized properties.

Wool Products Labeling Bill

EXTENSION OF REMARKS
OF
HON. JOHN A. MARTIN
OF COLORADO
IN THE HOUSE OF REPRESENTATIVES
Friday, August 4, 1939

Mr. MARTIN of Colorado. Mr. Speaker, Congress adjourns with H. R. 944, which is titled "Wool Products Labeling Act of 1939," pending before the Committee on Rules for a rule for consideration of the legislation by the House. The rule requested is an open rule, with such allotment of time for general debate as the committee may fix, and with unrestricted privileges of amendment. A companion bill, S. 162, by Senator SCHWARTZ, of Wyoming, has passed the Senate since the filing of the report on the House bill, and a wool-labeling bill also passed the Senate in the last session of the Seventy-fifth Congress.

Wool-labeling bills have been pending in the House and Senate the past 3 years. Extensive hearings have been held on these bills before the Senate and House Committees on Interstate Commerce. The Senate comittee hearings comprise nearly 400 pages, and the House committee nearly 700 pages. All parties interested were given ample time in which to present their views. The demand for truth in fabrics, or fiber-identification legislation, has been growing for 25 years, and in ever-increasing measure. This is shown by statements made before the committees by representatives of the National Federation of Women's Clubs, the American Federation of Labor, the American Farm Bureau Federation, the National Farmers' Union, the Naticnal Grange, the National Farm Guild, and various consumer organizations. The demand in the last two Congresses has been Nation-wide and persistent.

It was hoped that the Committee on Rules would see fit to report a rule before the adjournment of this session of Congress, enabling consideration of the legislation at the incoming of the next session, but this hope was not realized. It was objected to in the committee that the legislation is very controversial. It would be singular if it were not. It has been the history of all legislation designed to protect the consuming public from fraudulent and dishonest business practices that it was very controversial.

The original Pure Food and Drugs Act was enacted only after a long and Nation-wide controversy over that type of legislation. After being 30 years on the statute book the act was materially strengthened by the last Congress, but only after a fight in the committees and on the floor of the Senate and House extending over a period of 3 years. "Wheresoever the carcass is, there will the eagles be gathered together." The powerful shoddy-clothing industry will not submit tamely. The history of this legislation in this Congress is ample proof of their ability to fight back. They want to label their goods but they do not want to stand behind the label. All this legislation proposes is to make them stand behind it, as the manufacturers and distributors must now do in the food, drug, and cosmetic industries, and in the stock and bond industry. Congress at this session passed a pure-seed bill, much more drastic than the wool-labeling bill, and for which legislation there was much less need.

Under leave granted I shall insert the committee report on H. R. 944. As the report carries in it the bill as it now appears on the calendar, an analysis and explanation of the bill

section by section, and excerpts from statements of the representatives of the great national organizations endorsing the legislation as to the demand and need for the legislation, I shall not go into these matters in my introductory remarks. I shall, however, under leave granted insert a letter from the Chairman of the Federal Trade Commission to Senator SCHWARTZ in answer to two objections made by opponents of the legislation, one being that the provision against importation of woolen manufactures in violation of the law would be impossibly burdensome and unenforceable, and the other being the claim that the legislation would be detrimental to the cotton industry.

While it may renew man's faith in his fellows to see the manufacturers and distributors of shoddy-wool clothing in which there is no cotton shedding tears before a congressional committee over the injury the legislation may do to cotton, the sponsors and endorsers of the legislation are to be warned that no misrepresentation will be overlooked by the profiteers in dishonest clothing. The cotton argument is simply a red herring.

The House of Representatives should be given an opportunity to consider these and other objections on the floor. The action of two great committees of the House and Senate in reporting the legislation after 3 years of study, the action of the Senate in twice passing such legislation, the endorsement, year after year, of the farm, labor, women's, and consumers' organizations of the country, representing many millions of people, entitle the legislation to consideration.

IMPORTATION OF WOOL RAGS FOR AMERICAN CLOTHING

I desire to make one correction in the report on the bill. Under the heading, "Need for the Legislation," which will be found in the early part of the report following a copy of the bill, is the statement that the volume of wool rags imported from Great Britain into the United States for use in the textile industry, had increased from 170,261 pounds for the first 4 months of 1938 to 2,817,113 pounds for the first 4 months of 1939, an increase of 1,654 percent. This increase is attributed in the report to the trade treaty with Great Britain and a reduction of 50 percent in the tariff.

My attention has been called by the Secretary of State to the fact that during the first 4 months of 1937, and before the tariff reduction, imports of wool rags from Great Britain amounted to 3,336,551 pounds. The Secretary attributes the increase and decrease of rag importations to a corresponding rise and fall in the consumption of raw wool in the United States, and he supports his claim by tables of which I give herewith only the summary:

Summary table

	January to April, inclusive—		
	1937	1938	1939
	Pounds	*Pounds*	*Pounds*
Imports of wool rags	3,226,551	170,261	2,817,000
Consumption of raw wool	110,300,000	47,800,000	89,070,000

It will be noted that raw-wool consumption practically doubled in the 4-month period of 1939 over 1938, while wool rags went up to nearly the figures in 1937. I accept the Secretary's figures. The important fact they disclose is the enormous consumption of imported wool rags in the manufacture of wearing apparel for the American people—wool rags gathered up from the slums of European cities and worked up and sold as wool garments to be worn by the American people. These rags could be garmented and sold as 100-percent wool.

It is confidently anticipated by the supporters of the legislation in the House and in the country that once it is given a place on the calendar it will pass overwhelmingly.

[H. Rept. 907, 76th Cong., 1st sess.]

WOOL PRODUCTS LABELING BILL

Mr. MARTIN of Colorado, from the Committee on Interstate and Foreign Commerce, submitted the following report (to accompany H. R. 944):

The Committee on Interstate and Foreign Commerce, to whom was referred the bill (H. R. 944) to protect producers, manufacturers, distributors, and consumers from the unrevealed presence of substitutes and mixtures in spun, woven, knitted, felted, or otherwise manufactured wool products, and for other purposes, having considered the same, report favorably thereon with an amendment and recommend that the bill, as amended, do pass.

The amendment is as follows:

Strike out all after the enacting clause and insert in lieu thereof a substitute.

The substitute is as follows:

"That this act may be cited as the 'Wool Products Labeling Act of 1939.'

"DEFINITIONS

"SEC. 2. As used in this act—

"(a) The term 'person' means an individual, partnership, corporation, association, or any other form of business enterprise, plural or singular, as the case demands.

"(b) The term 'wool' means the fiber from the fleece of the sheep or lamb or hair of the angora or cashmere goat (and may include the so-called specialty fibers from the hair of the camel, alpaca, llama, and vicuna) which has never been reclaimed from any woven or felted wool product.

"(c) The term 'reprocessed wool' means the resulting fiber when wool has been woven or felted into a wool product which, without ever having been utilized in any way by the ultimate consumer, subsequently has been made into a fibrous state.

"(d) The term 'reused wool' means the resulting fiber when wool or reprocessed wool has been spun, woven, knitted, or felted into a wool product which, after having been used in any way by the ultimate consumer, subsequently has been made into a fibrous state.

"(e) The term 'wool product' means any product, or any portion of a product, which contains, purports to contain, or in any way is represented as containing wool, reprocessed wool, or reused wool.

"(f) The term 'Commission' means the Federal Trade Commission.

"(g) The term 'Federal Trade Commission Act' means the act of Congress entitled 'An act to create a Federal Trade Commission, to define its powers and duties, and for other purposes,' approved September 26, 1914, as amended, and the Federal Trade Commission Act approved March 21, 1938.

"(h) The term 'commerce' means commerce among the several States or with foreign nations, or in any Territory of the United States or in the District of Columbia, or between any such Territory and another, or between any such Territory and any State or foreign nation, or between the District of Columbia and any State or Territory or foreign nation.

"(i) The term 'Territory' includes the insular possessions of the United States and also any Territory of the United States.

"MISBRANDING DECLARED UNLAWFUL

"SEC. 3. The introduction, or manufacture for introduction, into commerce, or the sale, transportation, or distribution, in commerce, of any wool product which is misbranded within the meaning of this act or the rules and regulations hereunder, is unlawful and shall be an unfair method of competition, and an unfair and deceptive act or practice, in commerce under the Federal Trade Commission Act; and any person who shall manufacture or deliver for shipment or ship or sell or offer for sale in commerce, any such wool product which is misbranded within the meaning of this act and the rules and regulations hereunder is guilty of an unfair method of competition, and an unfair and deceptive act or practice, in commerce within the meaning of the Federal Trade Commission Act.

"This section shall not apply—

"(a) To any common carrier or contract carrier in respect to a wool product shipped or delivered for shipment in commerce in the ordinary course of its business; or

"(b) To any person manufacturing, delivering for shipment, shipping, selling, or offering for sale, for exportation from the United States to any foreign country a wool product branded in accordance with the specifications of the purchaser and in accordance with the laws of such country.

"MISBRANDED WOOL PRODUCTS

"SEC. 4. (a) A wool product shall be misbranded—

"(1) If it is falsely or deceptively stamped, tagged, labeled, or otherwise identified.

"(2) If a stamp, tag, label, or other means of identification, or substitute therefor under section 5, is not on or affixed to the wool product and does not show—

"(A) the percentage of the total fiber weight of the wool product, exclusive of ornamentation not exceeding 5 percent of said total fiber weight, of (1) wool; (2) reprocessed wool; (3) reused wool; (4) each fiber other than wool if said percentage by weight of such fiber is 5 percent or more; and (5) the aggregate of all other fibers: *Provided*, That deviation of the fiber contents of the wool product from percentages stated on the stamp, tag, label, or other means of identification, shall not be misbranding under this section if the person charged with misbranding proves such deviation resulted from unavoidable variations in manufacture and despite the exercise of due care to make accurate the statements on such stamp, tag, label, or other means of identification.

"(B) the maximum percentage of the total weight of the wool product, of any nonfibrous loading, filling, or adulterating matter.

"(C) the name of the manufacturer of the wool product and/or the name of one or more persons subject to section 3 with respect to such wool product.

"(3) In the case of a wool product containing a fiber other than wool, if the percentages by weight of the wool contents thereof are not shown in words and figures plainly legible.

"(4) In the case of a wool product represented as wool, if the percentages by weight of the wool content thereof are not shown in words and figures plainly legible, or if the total fiber weight of such wool product is not 100-percent wool exclusive of ornamentation not exceeding 5 percent of such total fiber weight.

"(b) In addition to information required in this section, the stamp, tag, label, or other means of identification, or substitute therefor under section 5, may contain other information not violating the provisions of this act or the rules and regulations of the Commission.

"(c) If any person subject to section 3 with respect to a wool product finds or has reasonable cause to believe its stamp, tag, label, or other means of identification, or substitute therefor under section 5, does not contain the information required by this act, he may replace same with a substitute containing the information so required.

"(d) This section shall not be construed as requiring designation on garments or articles of apparel of fiber content of any linings, paddings, stiffening, trimmings, or facings, except those concerning which express or implied representations of fiber content are customarily made, nor as requiring designation of fiber content of products which have an insignificant or inconsequential textile content: *Provided*, That if any such article or product purports to contain or in any manner is represented as containing wool, this section shall be applicable thereto and the information required shall be separately set forth and segregated.

"The Commission, after giving due notice and opportunity to be heard to interested persons, may determine and publicly announce the classes of such articles concerning which express or implied representations of fiber content are customarily made, and those products which have an insignificant or inconsequential textile content.

"AFFIXING OF STAMP, TAG, LABEL, OR OTHER IDENTIFICATION

"SEC. 5. Any person manufacturing for introduction, or first introducing into commerce a wool product shall affix thereto the stamp, tag, label, or other means of identification required by this act, and the same, or substitutes therefor containing identical information with respect to content of the wool product and other information required under section 4, shall be and remain affixed to such wool product, whether it remains in its original state or is contained in garments or other articles made in whole or in part therefrom, until sold to the consumer: *Provided*, That the name of the manufacturer of the wool product need not appear on the substitute stamp, tag, or label if the name of the person who affixes the substitute appears thereon.

"Any person who shall cause or participate in the removal or mutilation of any stamp, tag, label, or other means of identification affixed to a wool product with intent to violate the provisions of this act is guilty of an unfair method of competition, and an unfair and deceptive act or practice, in commerce within the meaning of the Federal Trade Commission Act.

"ENFORCEMENT OF THE ACT

"SEC. 6. (a) Except as otherwise specifically provided herein, this act shall be enforced by the Federal Trade Commission under rules, regulations, and procedure provided for in the Federal Trade Commission Act.

"The Commission is authorized and directed to prevent any person from violating the provisions of this act in the same manner, by the same means, and with the same jurisdiction, powers, and duties as though all applicable terms and provisions of the Federal Trade Commission Act were incorporated into and made a part of this act; and any such person violating the provisions of this act shall be subject to the penalties and entitled to the privileges and immunities provided in said Federal Trade Commission Act, in the same manner, by the same means, and with the same jurisdiction, powers, and duties as though the applicable terms and provisions of the said Federal Trade Commission Act were incorporated into and made a part of this act.

"The Commission is authorized and directed to make rules and regulations for the manner and form of disclosing information required by this act, and for segregation of such information for different portions of a wool product as may be necessary to avoid deception or confusion, and to make such further rules and regulations under and in pursuance of the terms of this act as may be necessary and proper for administration and enforcement.

"The Commission is also authorized to cause inspections, analyses, tests, and examinations to be made of any wool products subject to this act; and to cooperate with any department or agency of the Government, with any State, Territory, or possession, or with the District of Columbia; or with any department, agency, or political subdivision thereof; or with any person.

"(b) Every manufacturer of wool products shall maintain proper records showing the fiber content as required by this act of all wool products made by him, and shall preserve such records for at least 3 years.

"The neglect or refusal to maintain and so preserve such records is unlawful, and any such manufacturer who neglects or refuses to maintain and so preserve such records shall forfeit to the United States the sum of $100 for each day of such failure, which shall accrue to the United States and be recoverable in a civil action.

"CONDEMNATION AND INJUNCTION PROCEEDINGS

"SEC. 7. (a) Any wool products shall be liable to be proceeded against in the district court of the United States for the district in which found, and to be seized for confiscation by process of libel for condemnation, if the Commission has reasonable cause to believe such wool products are being manufactured or held for shipment, or shipped, or held for sale or exchange after shipment, in commerce in violation of the provisions of this act, and if after notice from the Commission the provisions of this act with respect to said products are not shown to be complied with. Proceedings in such libel cases shall conform as nearly as may be to suits in rem in admiralty, and may be brought by the Commission.

"If such wool products are condemned by the court, they shall be disposed of, in the discretion of the court, by destruction; by sale; by delivery to the owner or claimant thereof upon payment of legal costs and charges and upon execution of good and sufficient bond to the effect that such wool products will not be disposed of until properly stamped, tagged, labeled, or otherwise identified under the provisions of this act; or by such charitable disposition as the court may deem proper. If such wool products are disposed of by sale, the proceeds, less legal costs and charges, shall be paid into the Treasury of the United States.

"(b) Whenever the Commission has reason to believe that—

"'(1) Any person is violating, or is about to violate, sections 3, 5, 8, or 9 of this act; and that—

"'(2) It would be to the public interest to enjoin such violation until complaint is issued by the Commission under the Federal Trade Commission Act and such complaint dismissed by the Commission or set aside by the court on review, or until order to cease and desist made thereon by the Commission has become final within the meaning of the Federal Trade Commission Act,'

"the Commission may bring suit in the district court of the United States or in the United States court of any Territory, for the district or Territory in which such person resides or transacts business, to enjoin such violation, and upon proper showing a temporary injunction or restraining order shall be granted without bond.

"EXCLUSION OF MISBRANDED WOOL PRODUCTS

"SEC. 8. All wool products imported into the United States, except those made more than 20 years prior to such importation, shall be stamped, tagged, labeled, or otherwise identified in accordance with the provisions of this act, and all invoices of such wool products required under the act of June 17, 1930 (c. 497, title IV, 46 Stat. 719), shall set forth, in addition to the matter therein specified, the information with respect to said wool products required under the provisions of this act, which information shall be in the invoices prior to their certification under said act of June 17, 1930.

"The falsification of, or failure to set forth, said information in said invoices, or the falsification or perjury of the consignee's declaration provided for in said act of June 17, 1930, insofar as it relates to said information, shall be an unfair method of competition, and an unfair and deceptive act, or practice, in commerce under the Federal Trade Commission Act; and any person who falsifies, or fails to set forth, said information in said invoices, or who falsifies or perjures said consignee's declaration insofar as it relates to said information, may thenceforth be prohibited by the Commission from importing, or participating in the importation of, any wool products into the United States except upon filing bond with the Secretary of the Treasury in a sum double the value of said wool products and any duty thereon, conditioned upon compliance with the provisions of this act.

"A verified statement from the manufacturer or producer of such wool products showing their fiber content as required under the provisions of this act may be required under regulations prescribed by the Secretary of the Treasury.

"GUARANTY

"SEC. 9. (a) No person shall be guilty under section 3 if he establishes a guaranty received in good faith signed by and containing the name and address of the person residing in the United States by whom the wool product guaranteed was manufactured and/or from whom it was received, that said wool product is not misbranded under the provisions of this act.

"Said guaranty shall be either (1) a separate guaranty specifically designating the wool product guaranteed, in which case it may be on the invoice or other paper relating to said wool product; or (2) a continuing guaranty filed with the Commission applicable to all wool products handled by a guarantor in such form as the Commission by rules and regulations may prescribe.

"(b) Any person who furnishes a false guaranty, except a person relying upon a guaranty to the same effect received in good faith signed by and containing the name and address of the person residing in the United States by whom the wool product guaranteed was manufactured and/or from whom it was received, with reason to believe the wool product falsely guaranteed may be introduced, sold, transported, or distributed in commerce, is guilty of an unfair method of competition, and an unfair and deceptive act or practice, in commerce within the meaning of the Federal Trade Commission Act.

"CRIMINAL PENALTY

"SEC. 10. Any person who willfully violates sections 3, 5, 8, or 9 (b) of this act shall be guilty of a misdemeanor and upon conviction shall be fined not more than $5,000, or be imprisoned not more than 1 year, or both, in the discretion of the court: *Provided*, That nothing herein shall limit other provisions of this act.

"Whenever the Commission has reason to believe any person is guilty of a misdemeanor under this section, it shall certify all pertinent facts to the Attorney General, whose duty it shall be to cause appropriate proceedings to be brought for the enforcement of the provisions of this section against such person.

"APPLICATION OF EXISTING LAWS

"SEC. 11. The provisions of this act shall be held to be in addition to, and not in substitution for or limitation of, the provisions of any other act of the United States.

"EFFECTIVE DATE

"SEC. 12. This act shall take effect 6 months after the date of its passage.

"SEPARABILITY CLAUSE

"SEC. 13. If any provision of this act, or the application thereof to any person, partnership, corporation, or circumstance is held invalid, the remainder of the act and the application of such provision to any other person, partnership, corporation, or circumstance shall not be affected thereby.

"EXCEPTIONS

"SEC. 14. None of the provisions of this act shall be construed to apply to the manufacture, delivery for shipment, shipment, sale, or offering for sale any carpets, rugs, mats, or upholsteries, nor to any person manufacturing, delivering for shipment, shipping, selling, or offering for sale any carpets, rugs, mats, or upholsteries."

FOREWORD

Throughout the lengthy consideration of H. R. 944, titled the "Wool Products Labeling Act of 1939," both in the hearings and in the committee's consideration of the bill, it has been the constant aim of the committee to produce practicable and workable regulatory legislation entailing as little burden as possible on the various branches of the industry affected.

A comparison of H. R. 944 as introduced, and the bill as reported by way of an amendment, both of which will be before the House for such comparison, will show the marked success resulting from the fair and thorough treatment of the legislation by the committee. Many suggestions and amendments proffered, not only by the industry, but by Members opposed to the legislation no matter how liberal it might be made, were accepted by the committee, and are embodied in the pending bill. The committee assures the House that nothing has been left undone to make this a fair, workable, and practicable piece of regulatory legislation.

It is submitted that it may be left to the very able Federal Trade Commission, with its extraordinary record of support by the Federal courts, to fairly administer the act and search out defects and inequities for the further consideration of the Congress.

HISTORY OF THE PROPOSED LEGISLATION

Representatives of numerous large national organizations—the National Federation of Women's Clubs, American Federation of Labor, American Farm Bureau Federation, National Grange, National Farmers' Union, National Farmers Guild, National Wool Growers' Association, home economics and consumers' organizations, and the United Textile Workers of America—stated at the hearings that for the past 20 to 25 years they have been endorsing and urging legislation requiring truth in fabrics or fiber identification in order that the consumer might know what he was purchasing and be protected, insofar as law may be able to protect him, against the imposition of shoddy and reused materials, and materials other than wool, being sold under the guise of pure or virgin wool.

The campaign for fiber identification took active and concerted form 3 years ago with the introduction in the Seventy-fifth Congress of wool-labeling bills in both Houses, and extensive hearings were held on such bills. The Senate passed a wool-labeling act near the close of the last Congress and a House Subcommittee on Interstate Commerce favorably reported a House bill, but too late for action.

Bills were again introduced at the incoming of the Seventy-sixth Congress and extensive hearings have been held by the committees of both bodies. The House hearings occupy 500 pages, added to nearly 300 pages in the preceding Congress. The Senate Committee on Interstate Commerce has favorably reported what is known as the Schwartz bill, S. 162, a companion bill to H. R. 944.

NEED FOR THE LEGISLATION

Heading the list of materials used in the manufacture of garments as in widest use and most subject to the use in manufacture of shoddy, rags, and reclaimed or reused wool fibers, the testimony shows that of some 500,000,000 pounds of wool fabricated into garments annually nearly one-third of it comes under the heading of reused wool. This percentage threatens to increase through the greatly augmented importation of rags under the trade treaties and a reduction of 50 percent in the tariff. As an example, the volume imported increased from 99,000 pounds in January 1938 to 1,119,000 pounds in January 1939, or an increase of 1,100 percent.

Recent figures obtained from the monthly report of the Bureau of Foreign and Domestic Commerce of rag importation from the United Kingdom for the use of the textile industry in the United States, show the rapid growth of such importation, as follows: First 4 months 1938, 170,261 pounds; first 4 months 1939, 2,817,113 pounds; percentage of increase, 1,654.

The legislation, while strongly endorsed by wool and stock growers and farm organizations generally, is not simply or even mainly to benefit the wool industry, but to protect the 90 percent of the American people who must, as the hearings disclose, purchase garment suits at a cost of $25 or less. The legislation is not needed for people who can pay $75 or $100 for a suit of clothes. It is the workingman, the farmer, the millions of clerks and office workers, and the great miscellany of employment in the lower-income brackets who need protection.

The movement originated, not with the groups pressing for this legislation, but with unfair and deceptive acts and practices originating in the industry. The legislation is a logical and necessary part of the growing body of legislation to protect the consuming public in the field of food, drugs, meat inspection, honest weights and measures, and only recently by the passage by the House of a seed-labeling act much more drastic than the pending bill.

NEED FOR THE LEGISLATION AFFIRMED BY THE FEDERAL TRADE COMMISSION

It is objected to the legislation that the Federal Trade Commission now has ample power under existing law to deal with the unfair competition and deceptive acts and practices aimed at in the bill and that therefore it is not needed. The committee's answer is that a representative of the Commission appeared before the committee on all these bills, including the pending bill, in support of the legislation. Letters from the chief counsel and the Chairman of the Commission will be found on pages 6 and 7 of the hearings, and on pages 11 to 23 the testimony of Mr. Henry Miller, assistant director, trade practice conferences of the Commission.

In answer to a question from the committee as to the need for the legislation, Mr. Miller, on page 17 of the hearings, said:

"The present power of the Federal Trade Commission does not go to the extent, nor is it implemented to the extent, that this present bill will implement it, and which it is believed is necessary in order to cure the evil resulting in nondisclosure, as distinguished from the evil resulting from an actionable disclosure or a false disclosure."

Mr. W. T. Kelley, chief counsel, in his memorandum for the Commission (hearings, p. 6), states:

"The bill is designed to protect producers, manufacturers, distributors, and consumers from the unrevealed presence of shoddy, substitutes, and mixtures in spun, woven, knitted, felted, or otherwise manufactured wool products. The evils which it is the purpose of this bill to correct occur in connection with 'wool' and 'part wool' products and in relation to fabrics and articles which simulate wool or part-wool products. The evils to be corrected by the bill also relate to the unrevealed use or presence of reclaimed wool or shoddy in fabrics. In my opinion, the bill, if enacted into law, will accomplish the desired purpose."

Hon. R. E. Freer, Chairman, in answer to a letter of inquiry for Mr. LEA, chairman of the committee, as to the cost of the legislation, among other things (hearings, p. 7), states:

"By way of partial explanation, I may point out that matters covered by the measure are the source of many complaints coming to the Commission from the public and from businessmen; and a substantial part of our regular personnel and funds is necessarily required for handling these matters in the work of effecting as much relief as is possible under existing law. It appears that the bill, if enacted, would so clarify the situation in respect to destructive or harmful practices in the marketing of wool products as to simplify and facilitate the administration of the laws relating to transactions in interstate commerce. A larger proportion of voluntary compliance may also be expected, and a consequent diminution of the types of complaints now required to be handled by the Commission would probably result. A more effective utilization of the Commission's present facilities for protecting the public interest could no doubt be accomplished."

Such statements from the authority charged with the administration of the law should dispose of the contention that it is not needed.

IMPROVEMENT OF THE LEGISLATION

As the result of the successive hearings, and close analytical study of the proposed legislation, several revisions of prior bills have been made, and it is the opinion of your committee that the result is a greatly improved bill, more definite, workable, and liberal than the original bills. Many liberalizing and clarifying amendments were made in the pending bill (H. R. 944) and on all of them the committee agreed.

If the Congress is to enact the fiber-identification legislation under the principle laid down in the bill, it is agreed that the pending bill fairly achieves the objective. The division in the committee occurs over the question whether any such legislation should be enacted. The Federal Trade Commission approves it. A majority of the committees of both Houses approve it. Organizations representing practically all the workers', farmers' women's, and consumers' organizations of the country testify that it should be enacted. No such organizations have appeared against it.

ANALYSIS OF THE LEGISLATION

Section 1 titles the legislation the "Wool Products Labeling Act of 1939."

Section 2 deals with definitions. The major controversy over the legislation centered on the proposed definition of wool, and the crux of the controversy was over the use of the word "virgin" wool, and the classification of wool as "virgin wool" and "reclaimed wool." The objection of certain manufacturers and distributors to the use of the term "virgin" wool is significant. It is not in dispute that the manufacturer and dealer likes to have his product known as "virgin" wool, as "pure" wool, as "all" wool, or as "100-percent" wool. They want it on the label but some do not want it in the law. It is conceded that the fiber of wool has no satisfactory substitute. It was claimed, among other things, that the virginity of the wool was not a true test of its superiority; that there were many grades of

virgin wool, the lowest of which were inferior to the better grades of reclaimed or reused wool.

Section 2 eliminates the terms "virgin wool" and "reclaimed wool." The section defines three classifications of wool, to wit: "wool," "reprocessed wool," and "reused wool."

"Wool" is defined as the fiber from the fleece of the sheep or lamb or hair of the angora or cashmere goat (and may include the so-called specialty fibers from the hair of the camel, alpaca, llama, and vicuna), which has never been reclaimed from any woven or felted wool product.

In prior bills wool which had been spun or knitted was excluded from the definition of wool, but in the pending bill, spun and knitted wools are included in the definition, as are the various forms of wool waste which have never been woven or felted.

The term "reprocessed wool" means wool which has been woven or felted into a wool product and subsequently reduced to a fibrous state without having been used by the ultimate consumer.

The term "reused wool" means the resulting fiber when wool or reprocessed wool has been spun, woven, knitted, or felted into a wool product and subsequently reduced to a fibrous state after having been used by the ultimate consumer.

The committee especially stresses as an achievement in definiteness and simplification the three classifications of wool, reprocessed wool, and reused wool, and the requirement of the percentage of each classification on the label. All bills which have been introduced, and all endorsements of the legislation, aim at fiber identification by some formula distinguishing between the original wool fiber, and reclaimed or reused wool fiber. The committee is in agreement that the definitions in this bill achieve fiber identification as far as practicable without encumbering the label with refinements which would make it burdensome to the industry and meaningless to the purchaser. The purchaser will at least know whether the garment came off the backs of animals or of humans.

MISBRANDING DECLARED UNLAWFUL

Section 3 declares unlawful and an unfair and deceptive act or practice the introduction, or manufacture for introduction, or the sale, transportation, or distribution in interstate commerce of any misbranded wool product.

The section excludes common and contract carriers and exportation to foreign countries of wool products branded in accordance with the laws of such countries.

WHAT CONSTITUTES MISBRANDING

Section 4 deals with the label and declares a wool product misbranded if it is falsely or deceptively labeled, and if the label does not show—

(a) The percentage of the total fiber weight of the wool product, exclusive of ornamentation not exceeding 5 percent of said total fiber weight, of (1) wool; (2) reprocessed wool; (3) reused wool; (4) each fiber other than wool if said percentage by weight of such fiber is 5 percent or more; and (5) the aggregate of all other fibers. Unavoidable variations are permitted where due care has been taken. The percentages must be shown on the label in words and figures plainly legible;

(b) The maximum percentage of the total weight of nonfibrous loading, filling, or adulterating matter;

(c) The name of the manufacturer of the wool product or the name of one or more persons subject to section 3, the section which prohibits misbranding.

The section carries a provision that it shall not be construed as requiring designation on garments or articles of apparel, of fiber content of any linings, paddings, stiffening, trimmings, or facings, or inconsequential fiber contents, provided they are not represented as containing wool. Section 14, at the end of the bill, excludes from the act carpets, rugs, mats, or upholsteries.

ENFORCEMENT RESTS ON LABEL

Enforcement of the act rests on the label, attached in the first instance by the manufacturer, and backed by the manufacturer's records. It is agreed that the manufacturer knows the identity and quality of the fibers going into his product, and keeps a record. Very considerable efforts were made by the opposition during the hearings to shift enforcement from the label to laboratory tests, which tests they claimed to be inadequate to detect reworked or reused fiber in the fabric, therefore enforcement will fail.

A witness from the Bureau of Animal Industry stated that the percentages of virgin wool and reworked wool in the fabric may be measurably determined by the laboratory test (hearings, pp. 407–408). A witness from the Bureau of Standards stated that this cannot be done (hearings, pp. 48–49).

If the reused fiber can be integrated in a garment beyond detection by the laboratory test, it is all the more reason for the legislation, with enforcement placed on the label, backed by the records of the manufacturer, under penalty for falsification.

In the case of numerous products required to be labeled under the Pure Food and Drugs Act and similar legislation, chemical analyses cannot determine, or cannot determine accurately, certain differences or the presence of certain adulterants. But in all these cases the maker knows his composition, and the law makes it an offense to falsely or incorrectly label the product.

PROTECTION TO DISTRIBUTORS, WHOLESALERS, RETAILERS

The provision permitting substitute labels in lieu of that of the manufacturer eliminated from the bill the controversy ranking next in importance to that of the definition of wool. It is highly desired by the wool trade that distributors, wholesalers, and retailers shall have the right to use their own label, and this they may do, provided it carries the required fiber identification under the law.

Much attention was given to the question of retailer protection and this was accomplished by eliminating "persons who receive any wool product from or through interstate commerce, and having so received, sell or deliver for pay, or offer to resell or so deliver to any other person."

RETAILER AMENDMENTS ADOPTED

Six amendments suggested for the protection of retailers by Mr. David R. Craig, president of the American Retail Federation, were incorporated in substance and effect in the bill. In offering the six amendments, Mr. Craig said:

"Retailers do not oppose the bill, but offer these amendments which they believe would make the bill more workable and practical (hearings, p. 359)."

Mr. Craig also suggested the classifications of "reprocessed wool" and "reused wool," instead of "reclaimed wool" (hearings, p. 360).

Objections raised by the Retailers National Council are completely cured by amendments.

AFFIXING OF LABEL

Section 5 relates to the affixing of stamp, tag, label, or other identification.

The person manufacturing, or first introducing into commerce a wool product, shall affix the label, and the same, or substitutes containing identical information, must remain affixed to the product until it is sold to the consumer. The name of the manufacturer need not appear on the substitute label. Removal, except for lawful substitution, or mutilation of the label, is declared an unfair method of competition, and an unfair and deceptive act or practice under the Federal trade laws.

ENFORCEMENT OF THE ACT

Section 6 invests the Federal Trade Commission with jurisdiction of the act and the power to make rules and regulations and prescribe procedure; authorizes and directs the Commission to prevent violations of the act in the same manner, by the same means, and with the same powers it possesses under the Federal Trade Commission Act; and subjects persons violating the act to penalties, and entitles them to the privileges and immunities of the Federal Trade Commission Act.

The Commission is authorized to cause inspections, analyses, tests, and examinations to be made of any wool products subject to the act; and to cooperate with any department or agency of the Government in the enforcement of the law.

The manufacturer is required to maintain proper records showing the fiber content of all wool products and to preserve such records for at least 3 years. It was stated repeatedly to the committee that manufacturers now regularly keep such records.

CONDEMNATION AND INJUNCTION PROCEEDINGS

Section 7 provides for condemnation and injunction proceedings, and for seizure for confiscation by process of libel, but the person affected is given the opportunity after notice to comply with the provisions of the act.

Condemned wool products are to be disposed of, in the discretion of the court, by destruction, by sale, by delivery to the owner upon payment of costs and charges and the giving of bond to observe the provisions of the act in the further handling of the products, or by charitable disposition.

The Commission may bring suit in the district court of the United States or any territory for the district where the accused persons resides or transacts business, to enjoin such violation, and on proper showing a temporary injunction or restraining order may be granted.

IMPORTED WOOL PRODUCTS

Section 8 provides for the exclusion of misbranded wool products from the United States, except products made 20 years prior to such importation unless stamped, tagged, labeled, or otherwise identified in accordance with the provisions of this act; and all invoices of such wool products are required to set forth the information required under this act and under the act of June 17, 1930.

The section also deals appropriately with falsification of invoices, or failure to furnish the required information, or perjury in the consignee's declaration, and such persons may be prohibited from importing any wool products, except upon filing, with the Secretary of the Treasury, bond in double the sum of the value of the products and duty thereon. A verified statement from the manufacturer or producer of the products showing their fiber content may be required by the Secretary of the Treasury.

GUARANTY

Section 9 relates to guaranty, a subject to which much consideration was given. The section provides that no person shall be guilty under section 3 (misbranding) if he establishes a guaranty received in good faith, signed by the manufacturer or person from whom the wool product was received.

The guaranty may be either a separate guaranty specifically designating the wool product guaranteed, or a continuing guaranty may be filed with the Commission applicable to all wool products handled by a guarantor.

CRIMINAL PENALTIES

Section 10 provides that any person who willfully violates sections 3, 5, 8, or 9 (b) of the act shall be guilty of a misdemeanor and on

conviction subject to a fine of not more than $5,000, or imprisonment of not more than 1 year, or both.

Whenever the Commission has reason to believe a violation exists it shall certify all pertinent facts to the Attorney General for appropriate proceedings.

Section 11 provides that the act shall be in addition to and not in substitution for or limitation of other acts.

Section 12 fixes the effective date as 6 months after the date of passage.

Section 13 is the usual separability clause.

Section 14 exempts carpets, rugs, mats, or upholsteries, as heretofore noted.

STATEMENTS OF ENDORSERS SUPPORTING THE LEGISLATION

The need and the demand for fiber-identification legislation, as well as the history of the movement to secure such legislation, are touched upon in the various group statements made at the hearings. It is considered of value to members to subjoin excerpts from a few of these statements.

Mrs. Ernest William Howard, department chairman of the legislative committee of the District of Columbia Federation of Women's Clubs (hearings, p. 297):

"I wish to record the support of the District Federation of Women's Clubs for the Martin wool-labeling bill, in accordance with the action, February 17, 1939, of the legislative committee, composed of representatives from 31 individual clubs in the District of Columbia.

"This support is in line with the past declarations of the General Federation of Women's Clubs, with which the District federation is affiliated.

"The general federation, however, did not approve this particular bill, H. R. 944, which is now before you, because the federation does not endorse bills by name nor number because that would be committing the general federation to the support of amendments and changes in the bill. Its policy is to endorse principles of legislation. Thus, it endorsed the principle of fiber identification at the convention at Kansas City in May 1938. Every woman at that convention understood from the discussion that differentiation of virgin wool and reclaimed wool, shoddy, was involved in that resolution. In support of this I quote from the statement made on July 9, 1938, before the House committee holding hearings on the Schwartz-Martin bill, page 103, of Mrs. Roberta Lawson, at that time president of the General Federation of Women's Clubs (reading):

" 'We women are deeply concerned over knowing the truth about fabric content, whether it be virgin wool or substitutes for virgin wool, and this concern extends to all other fabrics.'

"Furthermore, the delegates to the Kansas City convention came authorized by their individual organizations to vote on this resolution. Every one of the 14,500 affiliated clubs voted on the fiber-identification resolution. Every one of the 2,000,000 women received a copy of this resolution for fiber identification and had an opportunity to vote on it in connection with the instructions to the delegates to the Kansas City convention. And the Kansas City convention voted in favor of this resolution by a vote of 106 to 1. Mrs. Ketterer, chairman of the legislative committee of the General Federation of Women's Clubs, has sent me a copy of the resolution, which I wish to insert in the record.

" 'RESOLUTION NO. 9. FIBER IDENTIFICATION

" '*Resolved*, That the General Federation of Women's Clubs in convention assembled, May 1938, commend the Federal Trade Commission for the protection which it has afforded to consumers and urge its continuance of this work until fibers in common use are accurately identified; and be it further

" '*Resolved*, That Congress be urged to supplement the powers of the Federal Trade Commission so that the Commission may extend further protection to the consumer by bringing about fuller informative labeling.' "

Hon. John M. Baer, former Member of Congress, publicity director of the union label trades department, American Federation of Labor:

"The union label trades department of the American Federation of Labor urges the passage of this measure, as it has supported previous bills aimed at protection of the consumer, especially the provisions that would force disclosure of the reclaimed wool or shoddy content of wool products.

"Our department represents 51 directly affiliated international unions of the American Federation of Labor, with a membership of over 1,000,000. In addition, our department's activities have the loyal support of the 4,500,000 members of the American Federation of Labor. Furthermore, the American Federation of Women's Auxiliaries of Labor, representing 2,000,000 women, is organized under our department (hearings, pp. 295-296)."

Miss Julia K. Jaffray, chairman, department of economic adjustment, New York City Federation of Women's Clubs, Inc.:

"On behalf of the New York City Federation of Women's Clubs, which includes over 200,000 women living in Greater New York and the majority of whom purchase supplies for their households, we submit the following resolution which was adopted at a convention of the federation held at the Hotel Astor, New York City, on February 3, 1939. The resolution is as follows:

" 'Whereas the Schwartz bill which was passed by the United States Senate last June and the Martin bill which is the corresponding House of Representatives bill and which was favorably reported by the committee to which it was referred, have been reintroduced in the present Congress; and

" 'Whereas these bills provide for the identification of virgin and reclaimed wool and instruct the Federal Trade Commission to require the accurate labeling of all wool products, which provisions are in harmony with the principle endorsed by the New York City Federation of Women's Clubs that all fibers in common use must be accurately identified: Therefore be it

" '*Resolved*, That the New York City Federation of Women's Clubs in convention assembled endorses the principles of these bills; and be it further

" '*Resolved*, That copies of this resolution be sent to Senator HARRY H. SCHWARTZ and Representative JOHN A. MARTIN' " (hearings, p. 265).

Mrs. Katharine McFarland Ansley, executive secretary, American Home Economics Association:

"For some 15 years the association has stood for the general principle of fiber identification. To confirm this stand the following resolution was passed at the 1937 annual meeting of the association:

" 'Whereas various agencies are engaged in efforts to secure identification of fibers in fabrics and garments: Therefore be it

" '*Resolved*, That the American Home Economics Association endorse this movement and that its members lend their assistance in every way possible.

" '*Resolved*, That a copy of this resolution be sent to the Federal Trade Commission' " (hearings, p. 249).

Mr. W. R. Ogg, in charge of the Washington office of the American Farm Bureau Federation:

"The American Farm Bureau Federation is a national organization of farmers, supported by membership dues of farmers, composed of members in State organizations located in 40 of the 48 States. The American Farm Bureau Federation has been advocating legislation such as is now involved in the Schwartz-Martin bill since 1920. I have here a resolution adopted at the annual meeting of the American Farm Bureau Federation in 1920, which resolution is as follows:

" 'We urge the prompt enactment by Congress of a law which will compel garments or fabrics containing shoddy or other substitute for fiber to be plainly marked as such' " (hearings, p. 437).

Mr. Edward A. O'Neal, president, American Farm Bureau Federation, in a lengthy and informative statement (hearings, pp. 496, 497, 499), says:

"For nearly 20 years the American Farm Bureau Federation has consistently urged action by Congress to protect wool growers and consumers against misrepresentation and deception in the sale of woolen goods. In 1920 the annual meeting of the American Farm Bureau Federation adopted the following resolution:

" 'We demand of Congress the prompt enactment of a law which will compel clothing and fabrics containing shoddy or other substitutes for virgin wool to be plainly marked as such.'

"The American Farm Bureau Federation strongly supports the Schwartz-Martin bill and urges its speedy enactment by this Congress. We oppose amendments that will weaken and injure the effectiveness of this measure. We likewise oppose inadequate substitutes such as S. 1496."

Mr. Fred Brenckman, Washington representative of the National Grange:

"For more than 20 years the National Grange has advocated and strongly supported truth-in-fabric legislation which would require woolen manufacturers to disclose the fibers used in their products, including the use of virgin wool and of substitutes including reclaimed wool, or, as it is more generally known, shoddy.

"Records of past hearings on previous bills similar in purpose to H. R. 944 now before this committee show that authorized representatives of the Grange appeared before House and Senate committees as early as 1919, 1920, 1921, and in 1924, and in subsequent years, including 1938. In each instance the National Grange advocated strongly the enactment of this legislation because it believes that once it becomes a law it will result in the same benefits to the consuming public that followed the passage of the Pure Food and Drug Acts, meat-inspection, and other laws, all of which the Grange has actively sponsored and supported" (hearings, p. 157).

Mr. Edward E. Kennedy, representing the National Farmers' Guild:

"I am here representing the National Farmers' Guild. This national organization was formed in February 1939, and is made up of the 10 Farmers' Union State organizations which I have represented here for the past 2½ years.

"I wish to also say, by way of further identification, that for 5 years prior to that I was secretary of the National Farmers' Union and represented that organization here in Washington.

"Mr. Chairman, we have for these many years favored the adoption of wool-labeling legislation, and we are in favor of the passage of Congressman MARTIN'S bill, H. R. 944, not only from the standpoint of our people as producers but from the standpoint of our people as consumers of wool and woolen products" (hearings, p. 447).

Mr. G. F. Holsinger, president, Virginia Farm Bureau Federation:

"HARRISONBURG, VA., *April 8, 1939.*

"Hon. CLARENCE F. LEA,
"Chairman, House Interstate and Foreign Commerce Committee, House of Representatives, Washington, D. C.

"DEAR CONGRESSMAN LEA: I am enclosing you a copy of a resolution passed by the delegate body of the Virginia Farm Bureau Federation at their annual convention in Staunton, Va., on March 17, endorsing the Martin bill (H. R. 944) which is before the House Interstate and Foreign Commerce Committee.

"We hope you will report favorably and the bill will be passed at this session of Congress" (hearings, p. 501).

Mr. J. B. Wilson, legislative representative, National Wool Growers' Association:

"I want at this time to present the resolutions passed by the National Wool Growers' Association at their seventy-fourth annual convention in San Angelo, Tex., on January 26 of this year. This is resolution No. 36 (reading):

"'36. We urge the prompt enactment of S. 162, introduced by Senator SCHWARTZ, and H. R. 944, introduced by Representative MARTIN, known as the truth-in-fabrics bill.

"'We especially urge that fabrics containing reworked wool be labeled to show the exact amount of such reworked wool'" (hearings, pp. 418–419).

Mr. Francis J. Gorman, president, United Textile Workers of America:

"I have supported the principles of this legislation for 20 years. Our organization first became interested in the problem of truth in fabrics many years ago. It has been part of our legislative program for a long time, and our officers have repeatedly appeared before legislative committees and the Federal Trade Commission in favor of the same" (hearings, pp. 404–405).

MANY MANUFACTURERS FAVOR

The Senate subcommittee hearings on S. 162, companion bill to H. R. 944, lists by name 29 woolen manufacturers as having written letters favorable to wool-labeling legislation in answer to inquiries sent out by the New York City Federation of Women's Clubs. The list does not contain the name of the Forstmann Woolen Co., Passaic, N. J., whose assistant to the President, Mr. Glen Gardiner, testified at length in behalf of the legislation (hearings, pp. 466–481). Mr. Kirt E. Forstmann, executive vice president of the Forstmann Co., testified before the subcommittee in behalf of the wool-labeling bills in the Seventy-fifth Congress (hearings, pp. 108–138), as did Mr. Charles F. H. Johnson, president of the Botany Worsted Mills of New Jersey (hearings, pp. 387–404). These manufacturers recognize that wool labeling will protect their industry against the shoddyists and sweatshoppers.

COST OF ADMINISTRATION

The cost to the Treasury Department is estimated by Mr. John W. Hanes, Acting Secretary, at $55,200 annually. The Federal Trade Commission states that no additional cost will be entailed on that agency.

[Letter of the Chairman of the Federal Trade Commission]

JULY 28, 1939.

Hon. H. H. SCHWARTZ,
United States Senate, Washington, D. C.

MY DEAR SENATOR SCHWARTZ: I have received and presented to the Commissioner your letter of July 27, 1939, referring to the wool-products labeling bill (S. 162) and propounding two questions: First, as to whether the bill will adversely affect cotton; and, second, whether the provisions of the bill will be effective with respect to imports from foreign countries.

The Commission has considered the matter in the light of its many years of experience respecting commercial practices in the sale and distribution in commerce of fabrics and fabric merchandise; and responding to your first question, it is the opinion of the Commission that the legislation under consideration will have no adverse effect upon the sale or use of cotton.

WOOL LABELING SHOULD HELP COTTON

As a textile fiber, cotton has distinctive qualities and intrinsic merits; and the bill, requiring truthful disclosure, would undoubtedly tend toward having these meritorious qualities of cotton brought to the attention of the buying public. Moreover, in mixed fabrics, those not composed wholly of virgin wool, cotton may reasonably be expected to be employed in place of cheap shoddy or low-grade, second-hand wool fibers which are at present used in such mixed products without disclosure of such fact to the consuming public. Under all the circumstances, it appears quite possible that as a result of the legislation the trend will be toward a greater use of cotton in mixed goods in lieu of certain types of shoddy.

The bill does not prohibit the use of any fiber, but is aimed at having the respective products marketed under nondeceptive conditions of truthful disclosure in the interest of maintaining fair competition and consumer protection. Experience has demonstrated that honest disclosure of a meritorious fiber does not hurt, but, on the contrary, helps its sale. Cotton with its many distinctive and desirable properties could not, in our opinion, be adversely affected in such situation.

HOW LAW AGAINST IMPORTATION MAY BE ENFORCED

Respecting your second question, as to whether the bill will be effective in the matter of imports from foreign countries, the measure is applicable to such foreign imports as well as to domestic wool products. In addition, the bill provides means for excluding from the country foreign merchandise misbranded under its terms. It also provides for sworn declaration of contents on so-called consular invoices as required in the act of June 17, 1930; also the falsification of or the failure to set forth such information in such invoices is made an unfair method of competition under the Federal Trade Commission Act. If done with willful intent, it is also punishable as a misdemeanor. Moreover, the guilty party may be prohibited from importing or participating in importations of wool products into the United States except upon filing bond with the Secretary of the Treasury in the sum double the value of the wool products and the duty thereof conditioned upon compliance with the provisions of the act. Under general administrative procedures through treaty arrangements, information may be obtained from the original sources in the country of origin of the goods. Likewise, through scientific tests, the presence of the most objectionable types of shoddy in the fabric can be sufficiently detected for purposes of enforcement.

Upon consideration of the matter as a whole and in answering your question specifically, it is the opinion of the Commission that the provisions of the bill will be effective with respect to imports from foreign countries.

By direction of the Commission.

Yours very sincerely,

(Signed) R. E. FREER, *Chairman.*

Young Democrats of the Fifth District of Virginia

EXTENSION OF REMARKS

OF

HON. A. WILLIS ROBERTSON

OF VIRGINIA

IN THE HOUSE OF REPRESENTATIVES

Friday, August 4, 1939

ADDRESS BY HON. ROBERT L. DOUGHTON, OF NORTH CAROLINA, JUNE 24, 1939

Mr. ROBERTSON. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following address by the gentleman from North Carolina [Mr. DOUGHTON] to the Young Democrats of the Fifth District of Virginia on June 24, 1939, at Galax, Va.:

I esteem it a very great honor to have been invited to address this enthusiastic meeting of militant young Democrats. Your attendance in such large numbers evidences a keen interest in the welfare of America, and your confident belief that you can best serve your country through affiliation with the great Democratic Party.

I appreciate very much the generous words that my kind friend and your very able Representative, TOM BURCH, has said about my public service, although his praise is far more gracious than I deserve. In point of ability, assiduity, industry, and fidelity, no district has a finer Representative than the Fifth District of Virginia. He is universally respected and loved by each and every one of his colleagues.

Taken as whole, no State in the Union has a stronger delegation in Congress than Virginia. Each of its nine House Members has a major committee assignment: Mr. BLAND, of the First District, is chairman of the Committee on Merchant Marine and Fisheries; Mr. DARDEN, Second District, Naval Affairs; Mr. SATTERFIELD, Third District, Judiciary; Mr. DREWRY, Fourth District, Naval Affairs and also chairman of the National Democratic Congressional Committee; Mr. BURCH, Fifth District, ranking Democratic member of the Committee on Post Office and Post Roads, who will doubtless be chairman at an early date, if retained in Congress; Mr. WOODRUM, Sixth District, ranking Democrat on Committee on Appropriations, and now its acting chairman; Mr. ROBERTSON, Seventh District, Committee on Ways and Means, where he is rendering great service; Mr. SMITH, Eighth District, member of the Committee on Rules; Mr. FLANNAGAN, Ninth District, member of the Committee on Agriculture.

In addition, Virginia's Senators hold key committee posts and rank among the foremost Members of the upper House in point of ability. Senator GLASS is chairman of the Committee on Appropriations, the ranking member on the Banking and Currency Committtee, and is a member of still other important committees. Senator BYRD, your distinguished former Governor, is a member of the Committee on Finance, Naval Affairs, Rules, and other leading Senate committees. Every patriotic Virginian can take great pride in the high standing of the State's delegation in the National Congress and the wonderful service it is rendering, not only to Virginia, but to the entire Nation.

It is always a pleasure to me to renew my youth by the association and fellowship with young people, especially when they are of my own political persuasion. The meetings of young Democrats are characterized with a certain zeal and enthusiasm that I find contagious and especially invigorating and inspiring.

May I say to my young friends gathered here that, to my mind, the words "youth" and "democracy" are synonymous. Almost all of the attributes of the one are equally applicable to the other. Youth has high ideals and noble purposes, and so has the Democratic Party. Youth has enthusiasm, vitality, and optimism. They are also virtues of democracy. Youth believes in progress and action. These are two of the foundation stones upon which our party is built. Youth advocates its convictions with indomitable vigor and unrelenting courage. These are two of the chief characteristics of our party's activities.

As a matter of fact, regardless of the year which may appear on our birth certificates we are all young Democrats together. There

is an axiom I have often stated, and my years of experience have amply verified its truth. It is this: "There are no old Democrats nor young Republicans." Being a Democrat keeps one young and being a Republican tends to make one old. One promotes longevity and the other decrepitude.

Youth does not list the word "impossible" in its vocabulary. On many occasions youth has converted the impossibilities of the past generation into the glorious realities of the present. The cause of good government has been tremendously advanced on numerous occasions by young men and women who simply would not believe that the particular obstacle which confronted them could not be overcome if they fought with determination and courage.

As an instrument for the enlightenment and molding of public opinion, as well as translating it into effective and constructive public service, your organization is worthy of the highest praise. The things you have wrought are in no small way responsible for the interest and success in their solution.

It is an extremely interesting fact that many of the most constructive movements in the early history of our Nation were begun and consummated by very young men. As an example of the effectiveness of youth in the realm of public affairs, let me recite from the history of Virginia, in whose sacred soil the roots of democracy first took hold, a brief chapter or two that deals with the accomplishments of young people.

Our minds immediately turn to the record of Thomas Jefferson, father of the Democratic Party, who entered public life at the age of 26 by being elected to the Virginia House of Burgesses. He became a member of the Continental Congress at the age of 32, and 1 year later, at 33, wrote the greatest document ever to come from the mind or pen of any American, the Declaration of Independence, and as chairman of the committee charged with its drafting, he presented it to the Continental Congress. And Jefferson became Governor of Virginia when he was but 36. Then, in succession, he served as Ambassador to France, Secretary of State, Vice President of the United States, and at the age of 57 became President of the Republic he helped to found.

A second striking example is that of James Madison, fourth President of the United States, another renowned son of the Old Dominion. He became a member of the First Assembly of Virginia in 1776, when he was only 25. Before he became 30, he was a member of the Continental Congress, and at the age of 36 he served as a delegate to the Constitutional Convention and had more to do with the drafting of our Federal Constitution than any other man, although many of his colleagues in the Convention were his seniors by many years. And his wonderful career in public life was climaxed by two successful terms as Chief Executive of the Nation.

James Monroe, another illustrious Virginian, became a United States Senator at the age of 32. Before he reached middle age he had served as Governor of Virginia, as an Envoy to France to negotiate the Louisiana Purchase. He served as Ambassador to England and as Secretary of State. He later became President of the United States and served two terms.

John Randolph, of Roanoke, entered the National Congress at the age of 26. John Tyler, the tenth President of the United States, also entered the Congress in his twenty-sixth year. Gen. Sam Houston, whose heroic conquests in Texas cause many of us to forget he was a Virginian, entered Congress at the age of 30. Edmund Randolph became aide-de-camp to General Washington in 1776, when Randolph was only 23; 3 years later he became a Member of the Continental Congress, and at 34 was appointed to the Federal Constitutional Convention.

Then, the greatest of all Virginians and, at the same time, of all Americans, George Washington, who outdid even these other famed sons of your State in his useful service while yet a young man. At 23 he was appointed commander in chief of the colonial forces of Virginia, after he had already become an outstanding Indian fighter and surveyor. At 26 years of age he commanded a markedly successful campaign to Fort Duquesne in the Indian wars. At 43 he was unanimously chosen Commander in Chief of the Army which the Colonies had raised to wrest their liberty from Great Britain. So outstanding and acceptable were his services to his country, he was elected first President and reelected without any opposition. Of whom it was truly said, "He was first in war, first in peace, and first in the hearts of his countrymen."

There are innumerable other instances where your brilliant fellow Virginians have rendered outstanding public service at tender age. Many of them were famous ere they reached the early thirties.

You younger Democrats are a very important component part of our party organization. In its make-up, the wisdom born of experience must emanate from the older group, but this is not more important than the zeal and energy contributed by the younger members. Young Democrats have before them a golden opportunity to render a vital public service. The time is not so far away when a great many of us who have been in the forefront of the battle for democracy must lay down our arms, and they, in turn, will be taken up by you younger men and women. Your work in connection with the activity of the Young Democratic Clubs will prove to be a valuable preparatory experience. Let me urge you to maintain your keen interest in governmental affairs, and to continue your active support of and devotion to our great party. Its future lies in your hands. Whether its star shall rise to still greater heights or shall sink into obscurity will soon depend on you. Study its history, revere its traditions, respect its high ideals, fight for its principles and perpetuity.

I know you take just pride in being members of a party that predominated in 93 of the 100 counties in your State, and in the last election was triumphant in 46 of the 48 States in the Union.

The Democratic Party is not, or never will be, a single individual or a single ideal. It is a flexible, living, and growing body, made up of persons from every station in life and from every field of endeavor. It has never depended, and does not now depend, upon hackneyed labels and stereotyped phrases for its existence. It seeks to meet the needs of today by attempting to mold the functions of government so as to conform to rapidly changing economic and social conditions. At the same time it bends every effort to bring about such changes in an orderly manner so as not to disrupt the stability of our established institutions.

For the purpose of more clearly charting our future course, and appraising the aims and work of the Democratic Party, let's briefly examine a few of the concrete accomplishments of our party in the recent past and compare them to anything or everything achieved by the Republican Party since the days of Hamilton which would benefit the average American citizen. I can honestly state to this fine gathering of Young Democrats that no monuments, in the way of service for all the people, have been built by that unfortunate succession of reactionary administrations, and I'm sure you will agree that the public improvements and worthy reforms which directly affect your daily walks are products of liberal Democratic rule.

Under the administration of Grover Cleveland the Democratic Party brought about the establishment of the Department of Agriculture with its multitude of aids and services to farmers. It also inaugurated the free delivery of mail to rural residents.

Under the administration of President Wilson, another of America's immortals who claimed Virginia as his native home, we set up the Department of Labor which has contributed so much to the welfare, the security, and the income of working men and women throughout the Nation. It was under this same administration that the Federal Reserve System, fostered by your own CARTER GLASS, was established, and the Federal Farm Loan System came into operation. During this period the Federal Government began the expenditure of funds for the building and maintenance of public roads, and since this legislation was enacted into law the National Treasury has expended more than $54,000,000 for highways in the State of Virginia and nearly $3,000,000,000 for roads throughout the United States. Another important step of the Wilson administration was the establishment of our Parcel Post System.

Our accomplishments have been no less outstanding during the present Democratic administration. In the years that have elapsed since March 4, 1933, under the leadership of a President imbued with a belief that Government is responsible in some degree for its subjects, the welfare of the masses of the people has been further advanced than during any period of twice that length in the history of our Nation.

The present national administration inherited an enormous burden of evils. Banks had failed by the thousands, and at the rate they were going there would not have been a bank that could have stood the strain 30 days longer, factories were closing hourly, agriculture was prostrate, ships of commerce were idly rusting in the harbors of international trade, millions of farmers and city dwellers were losing their homes, and there was a Nation-wide epidemic of suicide. These conditions were not confined to any section of the country nor to any class of people, but were Nation-wide and affected every group, calling, and occupation from the Atlantic to the Pacific and from the Great Lakes to the Gulf. Moreover, social injustices and economic maladjustments were widespread and universal. These conditions had continued for 4 long years and were getting worse hourly, when on March 4, 1933, President Roosevelt took charge of the affairs of the Government.

Under this present Democratic administration banks have been made safe for the people's money. Hardly a bank failure has occurred since Federal deposit insurance came into being. The income of farmers has more than doubled since March 1933, and the same is true with reference to factory pay rolls. The national income has increased from $39,000,000,000 in 1932 to $64,000,000,000 in 1938. Those farmers who have not been able to pay off their mortgages with the increased prices they have received under this administration have had their loans extended and their interest payments reduced. The Home Owners' Loan Corporation has saved the homes of millions of urban dwellers, the United States Housing Authority has built modern apartments for a multitude whose lives have been spent in drab tenements "across the tracks," and the Federal Housing Administration, through its insured mortgage plan, has made it possible for thousands of American families to enjoy the comfort and dignity of home ownership.

Agriculture, our great basic industry, has been revived by dozens of progressive Federal measures and restored to a profitable basis. Labor has been greatly benefited by reduced working hours and increased wages, and sweatshop conditions, long a cancer in our social life, have been eradicated.

The Reconstruction Finance Corporation, developed from a doubtful agency of Republicanism (best remembered for its loan of $80,000,000 to a certain Chicago bank) has provided credit facilities to all types of businesses at low rates of interest.

The Civilian Conservation Corps has provided employment and a new lease on life to more than 2,000,000 youths and unemployed war veterans, who found haven and useful work in hundreds of camps broadcast over America.

The regulations of the Securities and Exchange Commission have succeeded in putting to an end the once-popular sport of stock-

buccaneering, and is now adequately protecting American investors from such synthetic booms as that experienced during the Hoover reign. The T. V. A. and the Rural Electrification Administration have substantially aided in the program of generating electricity at reasonable cost, and making it available to every hamlet, crossroads, and rural home.

The Social Security Act, through its program of unemployment insurance, old-age pensions, and benefits, has done more to relieve the hardships and vicissitudes that are byproducts of our highly industrialized society, than any other single program ever undertaken by the Federal Government.

The Committee on Ways and Means, upon which I have the honor to serve as chairman, has recently completed a 4-months' study of proposed amendments to this act. Our study resulted in a thorough revision of the program which will substantially liberalize and extend its benefits. The House of Representatives adopted our recommendations by an almost unanimous vote. Only two of the more than 400 members of the House cast dissenting ballots, thereby establishing to a very clear degree the regard which the American people hold for this humanitarian legislation.

And we mustn't forget that wide ribbon of asphalt that soon will link your beautiful Shenandoah National Park with my Smoky Mountains of North Carolina—that greatest of all eastern scenic highways, the Skyline Drive—which traverses more than 300 miles of the most beautiful scenery in God's creation.

We are still suffering to some extent from ailments inherited by this administration, but I am convinced that they can and will be entirely eliminated so far as it is possible for government to eliminate them. Our party has clearly demonstrated its strength and the wisdom of its leadership in rescuing this country from the depths of the greatest, most calamitous, and devastating depression it has ever known.

The traditions and accomplishments of the Democratic Party constitute a glorious heritage. It has and is fulfilling a wonderful mission in the advancement of the cause of good government in the Nation, in your State of Virginia, and my State of North Carolina. Many and furious have been the onslaughts made upon it by its enemies, but its principles are so fundamentally sound, its record so commendable, and its achievements so outstanding that it continues to grow and to flourish in spite of those who would destroy it.

Our party's concepts are broad enough and elastic enough to include and provide for the ever-changing needs of government. No rule of theory that has to do with the conduct of human affairs can be static. Like a great river the course of events is ever flowing and endlessly changing and adapting itself to varying conditions and circumstances. In this lies our party's greatest strength and surest claim to a continuing glory. It has kept itself alert to the needs of the people and to the appropriate functions of government under a progressive attitude that recognizes injustices and does not hesitate to correct evils when they are disclosed. The Democratic Party shows its faith by its useful works, while the Republican Party reveals its faith by empty words, vague promises, and criticisms of its progressive opposition. In fact, it has a patent on two things, boasting and criticizing, and I have no purpose or desire to infringe upon that patent.

No party has so consistently championed the cause of the underprivileged nor has done so much to improve the lot of the unfortunate and downtrodden as has the Democratic. No party has labored so effectively to bring about constructive improvement or to legislate needed reform both in the relationships between our citizens and their Government and in our economic and social structure.

Next year we will have another general election, and it is but natural for Democrats to disagree as to those best suited to fill the various offices. Where there are contests let me adjure you to be tolerant with those Democrats with whom you differ as to candidates. Accord to them the same right of choice you reserve for yourself. Avoid harsh words and unkind thoughts, and especially bitterness, so that when the primary is over we can present a united and determined front in our battle with the common enemy.

Never fear the result of honest differences of opinion. It is only by the free and open discussion of these differences that sound decisions can be reached and worth-while policies formulated and followed. We may not agree absolutely with some of our party brethren, but we are much nearer in degree in our political philosophy than are either of us with those of the opposing ranks.

There is but one way to keep our party useful, and that is to keep it strong and in power. There is but one way to keep it strong, and that is to keep it united and clean. There is but one way to keep it clean, and that is to be ever vigilant in a scrutiny of its standard bearers and its aims and purposes.

The Democratic Party cannot retain its efficiency—it cannot serve this Nation—and it is doomed, and justly so, if it becomes wildly radical or if it adopts a policy of reaction or inaction. Either of these courses would prove fatal, and no right-thinking American would wish otherwise. Our course, it seems to me, is clearly indicated.

This, my young Democratic friends, is the road of orderly progress—the road of reform and change, tempered by reason.

The Democratic Party has fought and is fighting a good fight for all the people; it has kept the faith; but it has by no means finished its course or completed its work. Its future task is to continue to serve and save America.

My Report to the People of the Third Congressional District of Washington

EXTENSION OF REMARKS

OF

HON. MARTIN F. SMITH

OF WASHINGTON

IN THE HOUSE OF REPRESENTATIVES

Friday, August 4, 1939

Mr. SMITH of Washington. Mr. Speaker, it must be very gratifying to us to note the substantial improvement in general business conditions throughout southwest Washington. My mail, which has been very heavy this session, and almost every newspaper from home which comes to my desk brings evidences of increased industrial operations and larger pay rolls, higher farm prices, record-breaking building construction, better retail trade, and greater business activity. The lumber, shingle, and forest-products industries are the most active they have been in many years. Since 1932–33 truly remarkable improvement has taken place in our lumber and shingle industries as disclosed by the increase in prices, production, and volume of unfilled orders. In 1938 the average price received for west coast lumber was $19.14 per thousand board-feet, and is now $19.20, as compared with $11.50 in 1932, an increase of approximately 70 percent. Unfilled orders on July 1, 1939, were 366,684 thousand board-feet as compared with 202,889 thousand board-feet in 1932, an increase of approximately 80 percent.

Production in 1932 was 3,114,000,000 feet as compared with 5,182,000,000 feet in 1938, an increase of 65 percent, and was 1,443,000,000 feet for the first 3 months of this year, which, if maintained for the remainder of this year, will show a still further increase. (Figures furnished by Forest Products Division, Department of Commerce, and as reported by West Coast Lumbermen's Association in Industry Facts.) The yearly average price for red-cedar shingles in 1938 was $2.75 per square and is now $2.90 as compared with $1.05 in 1932, an increase of 160 percent. Production of red-cedar shingles has increased from 172,000 squares in December 1933 to 434,000 squares in December 1938, an increase of 245 percent. Both prices and production are continuing this year at a level far in excess of 1932–33. (Authority: Bureau of Census, Department of Commerce, U. S. Red Cedar Shingle Bureau.)

This spiral of improvement will continue to climb as labor, industry, agriculture, business, finance, and our Government cooperate and work together in harmony and unity. Our Government is continuing its constructive policies to surmount the difficulties and aid in the solution of the serious social and economic problems which faced the Nation. This task has proved to be extremely difficult but that substantial progress has been and is being made is obvious to everyone. Even the most partisan critics of our Government would not dare to propose the repeal of the major legislation which we have enacted and which has the approval of the majority of our people.

In the concluding paragraph hereof I am calling attention to an interesting and significant comparison of economic conditions during the Roosevelt and Hoover administrations.

WE ARE KEEPING OUR COUNTRY OUT OF WAR

I consider by far the most important and solemn duty to be performed by our Government and our Congress at the present time to be that of keeping our country out of war. We have made every effort to avoid any and every action which might involve our country in war. We have surrounded our country with every possible safeguard to prevent war. My attitude on this momentous issue is well known to the people of my congressional district. I continue to strongly favor a policy of absolute and complete mandatory neutrality and am opposed to allowing the desire of a few of our citizens for commercial profits or to extend credit to belligerents to expose us to the danger of a foreign war. Those of our citizens who wish to travel or trade in war zones should do so

at their own peril. I feel that I express almost the unanimous views of the people of southwest Washington when I declare that we value peace and the lives of our young men and women above the profits of international trade and finance.

On the other hand, in these troubled times, it behooves our Nation to be adequately prepared for peace and to be in a position to properly defend and protect the lives and property of our own people against foreign attack. I have, therefore, supported heartily every appropriation for the Army, Navy, and Air Corps. It is with a feeling of pride that I say that as a result of our national-defense program we will be better prepared to successfully defend our country than we have ever been during our entire previous history.

THE GENERAL WELFARE ACT, H. R. 6466 (H. R. 2)

We finally succeeded in this Congress in obtaining full and extended hearings on the Townsend old-age pension and national-recovery plan before the Committee on Ways and Means of the House of Representatives, which we have sought for 5 years. We also secured the first record roll-call vote which we have ever had in the House of Representatives on this proposal. Consequently, the vote of every Member of Congress is now a matter of record and known to his constituents and they can judge whether he kept his campaign pledges or not and act accordingly.

Needless to say, I testified at length in support of the legislation during the hearings before the Ways and Means Committee and actively participated in the debate in favor of the bill on the floor of the House and voted for its passage. I shall continue to give this meritorious proposal my active support until it is enacted into law. In modified and varied form the tax formula of the Townsend plan is proving a success in the Hawaiian Islands, in the State of Indiana and 26 other States, in New York City, in France, in Germany, in Hungary, in Russia, and elsewhere. It is only a question of time when a broader tax formula will be adopted in the United States and displace the present complex multiple-tax levies and bond-debt-interest system. More liberal old-age pensions should and will be financed upon a national pay-as-you-go basis.

MY PROGRESSIVE VOTING RECORD

In this first session of the Seventy-sixth Congress, I have continued my progressive voting record, of which I am proud, and have voted for the following important measures:

(1) House Joint Resolution No. 83 to provide appropriations for work relief. I voted for the amendment to increase the amount from $725,000,000 to $875,000,000, the sum requested by President Roosevelt in order to give unemployed men and women work on worthy community projects and thus increase consumer purchasing power in the local communities.

(2) The National Defense Act of 1939, authorizing 5,500 airplanes and 3,000 officers for the Air Service.

(3) Act to continue the Reconstruction Finance Corporation and the Electrical Home and Farm Authority to January 15, 1941. The R. F. C. has made loans to numerous business and industrial firms in southwest Washington and thereby made possible the employment of much labor, and through various lending agencies met the needs of many of our farmers. The Electrical Home and Farm Authority has made loans in cooperation with local dealers upon electrical appliances in rural and urban homes and been very helpful to householders who find it necessary to buy on installment.

(4) The Commodity Credit Corporation Act, to make loans to farmers and producers and finance the marketing of farm products and protect them against forced and seasonal sales, which has been beneficial to dairy and grain farmers and prune and nut growers in southwest Washington.

(5) Naval aviation bill, providing for construction of naval air bases and aeronautical engine and materials laboratory buildings as a part of the national-defense program.

(6) War Department appropriation bill, providing for the Military Establishment 565 army planes, ordnance, military posts and barracks, the National Guard, Organized Reserve officers, training of 30,000 in citizens' military training camps.

(7) Reorganization bill of 1939, to reorganize the departments of the Federal Government in the interests of efficiency and economy and to eliminate red tape, as was advocated by every President for the past 40 years and has finally been accomplished by President Roosevelt.

(8) Interior Department appropriation bill, 1940, containing items for Bonneville and Grand Coulee projects, which have given employment to thousands of our citizens and will prove vital factors in the future progress and development of our State. Transmission lines are now in course of construction in many of our counties and providing jobs for numerous citizens.

(9) Labor Department appropriation bill, 1940, appropriating funds for the National Labor Relations Board, Federal Employment Service, Wages and Hours Division, Children's Bureau, Bureau of Labor Statistics, and other activities for the special use and benefit of the workers and wage earners of the Nation.

(10) Additional appropriations for work relief; for those of our citizens whom private industry has failed or refused to employ. Also appeared and testified before the Appropriations Committee and urged that full sum of $150,000,000 requested by President Roosevelt be appropriated. I stressed permanent value of school, street, sewer, road, diking, school gymnasium, playground, and sewing-room projects in the local communities and cited survey of disbursement of wages paid on work-relief projects to butchers, grocers, bakers, clothiers, dry goods stores, shoe shops, property owners for rentals, ice and coal dealers, tobacco stores, gas and electricity firms, auto repair shops, loan organizations, insurance-benefit societies, druggists, doctors, and churches.

(11) Amendments to the National Housing Act, legislation which I have sponsored and supported very actively on account of its being strongly favored by organized labor and the building materials industries. It has been of vast benefit to the workers in the building trades, the lumber, plywood, veneer, shingle, and other allied industries and to manufacturers generally. A recent report shows that 9,374 families in my congressional district have had loans insured to the extent of $5,217,266. Officials of the Red Cedar Shingle Bureau and the Shingle Weavers Unions declare that this legislation has caused the shingle industry to flourish.

(12) H. R. 2320, to provide domiciliary care, medical and hospital treatment, and burial benefits to certain veterans of the Spanish-American War, the Philippine Insurrection, and the Boxer Rebellion.

(13) H. R. 2296, to restore certain benefits to World War veterans suffering with paralysis, paresis, or blindness, or who are helpless or bedridden, and for other purposes.

(14) H. R. 289, the Spanish-American War Philippine travel-pay bill, for the payment of travel pay to the officers and enlisted men of State volunteer regiments who served in the Philippine Islands beyond the period of their enlistment in the same sum as was paid to enlisted men of the Regular Army who were discharged in the Philippines, as a fulfillment of the promise which was made to them by our Government 40 years ago, which bill I had the honor to introduce in this Congress.

(15) H. R. 805, extending further time for naturalization to honorably discharged alien veterans of the World War.

(16) The Stabilization Fund and Alteration of the Weight of the Dollar Act, extending to June 30, 1941, the time within which the powers of the President relating to the stabilization fund and alteration of the weight of the dollar may be exercised.

(17) Act for the Acquisition of Stocks of Strategic and Critical Materials, which contains the proviso that purchases under the act shall be made in accordance with the Buy American Act of 1933, and a reasonable time, in the judgment of the Secretary of War and the Secretary of the Navy, shall be allowed for the production and delivery from domestic sources. I collaborated with a group of my colleagues in securing the inclusion of this proviso because of its importance to citizens of our district who are interested in the development of minerals, particularly manganese.

(18) Naval Aviation Reserve Act of 1939, providing for the training and commissioning of a minimum of 6,000 of our young men in the Naval and Marine Corps and thus furnishing a splendid opportunity to many young men in southwest Washington.

(19) H. R. 2875, providing that, notwithstanding any provision of law or veterans' regulation, awards of death pension shall be effective as of the date of death of the veteran of the Spanish-American War, including the Boxer Rebellion and Philippine Insurrection, if claim is filed within 1 year after the death of such veteran.

(20) H. R. 5452, providing pensions and increased benefits to widows and dependents of veterans of the World War, and eliminating the so-called misconduct clause.

(21) Navy appropriation bill, 1940, providing for battleships and equipment, naval air bases, and items of maintenance of Naval Establishment as part of the national-defense program.

(22) War Department civil functions appropriation bill, 1940, providing funds for rivers and harbors and flood-control projects, as a result of which approximately $2,500,000 will be allocated and expended in southwest Washington, in support of which items I appeared before the Appropriations Commitee during the hearings.

(23) The rivers and harbors authorization bill, authorizing new projects and surveys for the improvement of rivers and harbors and likewise containing several new items for southwest Washington, the Camas-Washougal project and the survey for Bay City, Grays Harbor, Wash.

(24) Department of Agriculture and Farm Credit administration appropriation bill, 1940, containing item of $113,000,000 for surplus farm commodities, including dairy products, as well as item of $225,000,000 for parity payments to cotton, tobacco, wheat, corn, and rice farmers. When the amendment to provide $60,000,000 for surplus commodities, contemplating $25,000,000 for dairy farmers, was defeated during the consideration of a previous bill, I joined with many of my colleagues in voting against the parity item of $225,000,000, and we succeeded in defeating it. With our dairy farmers included in this bill, we voted for this bill, and it carried. We thereby won our fight in the House for benefits for the dairy farmers, along with the cotton, tobacco, wheat, corn, and rice farmers. We also increased the item for Bang's disease over $2,600,000, also important to southwest Washington, and $25,000,000 for farm tenancy.

(25) S. 1369—to provide cutters and seaplanes for the Coast Guard.

(26) H. R. 6466 (H. R. 2)—the Townsend old-age pension and national recovery plan.

(27) H. R. 2310—A bill to provide national flags for the burial of honorably discharged former service men and women.

(28) Social Security Act amendments: Increased contribution by Federal Government for old-age assistance to $20 per month, so that if matched by the State of Washington would result in an increase of the old-age pension in our State to $40 per month; liberalized payments to the blind, crippled children and dependent children and mothers; reduced pay-roll taxes, causing considerable saving to employees and employers; abolished huge accumulated reserve fund.

(29) Work Relief and Public Works Administration bill, 1939, to provide $1,735,000,000 for work relief and loans, as requested by President Roosevelt. I voted for the amendments to increase the items for the National Youth Administration and the Farm Security Administration because of the outstanding merit of the work being done by these agencies and their soundness as an investment in the future of America. I voted for the Casey-Murray amendment, favored by many organizations in southwest Washington. I opposed in the Committee of the Whole the elimination of the prevailing-wage proviso, the 130-hour month, and the compulsory lay-off of those employed for 18 months.

(30) The revenue bill of 1939, repealing the undistributed-profits tax, reducing the capital-gains tax, providing for carrying net operating losses forward for 2 years, and otherwise equalizing taxation and removing business deterrents and tax irritants. Also extends the excise tax on imported lumber to June 30, 1941, a matter of importance to the lumber industry of southwest Washington.

(31) The Neutrality Act of 1939, legislation to keep our country out of war.

(32) H. R. 5479, granting annual and sick leave with pay to substitutes in the Postal Service.

(33) H. R. 2001, a bill for the equalization of letter carriers.

(34) Senate Joint Resolution 118, to provide for the establishment of the Franklin D. Roosevelt Library at Hyde Park, N. Y., as a gift by the President to the Nation for the use and benefit of the public.

(35) Civil Service Retirement Act, for the benefit of employees of the Federal Government. Voted for the amendment to strike out the provision to include Members of Congress, because I am opposed to the principle of retirement benefits for Members of Congress.

(36) S. 522, to provide pensions to members of the Regular Army, Navy, Marine Corps, and Coast Guard who became disabled by reason of their service therein, equivalent to 75 percent of the compensation payable to war veterans for similar service-connected disabilities, and for other purposes.

(37) H. R. 2900, to extend the program of the Civilian Conservation Corps to July 1, 1943, which has proven highly beneficial to southwest Washington.

(38) H. R. 7411, providing for surveys for new rivers and harbors projects, introduced following the failure of the Senate to act in this session on the omnibus rivers and harbors bill—No. 23 herein—in which these surveys were originally incorporated and which includes surveys for Grays Harbor with a view to constructing a channel into Bay City.

(39) House Resolution 286, for the consideration by the House of H. R. 7120, the so-called lending bill for financing of self-liquidating projects, to create business and industrial activity, and thereby furnish employment and consumer purchasing power in rural and urban areas by constructing sound and needed public and semipublic improvements in the local communities. This resolution was defeated in the House but can be reconsidered in the next session.

(40) House Resolution 266, for the consideration by the House of S. 591, the Housing bill, to continue the program of slum clearance and low-rent housing established under the United States Housing Act of 1937, as amended, and also to provide program for rural housing. This resolution was defeated in the House but can be reconsidered in the next session.

I signed discharge petition No. 5 to bring the cost-of-production bill for farmers before the House for consideration; discharge petition No. 4, on the Ludlow war-referendum bill; discharge petition No. 6, on the Frazier-Lemke bill; discharge petition No. 10, on the antilynching bill; discharge petition No. 15, on the General Welfare Act, H. R. 5620; and discharge petition No. 19, on H. R. 5074, providing for disability allowances for World War veterans and service-connected disability status.

BUY-AMERICAN LEGISLATION

During the past 6 years our Government has for the first time in its history taken measures to give preference to our own producers and manufacturers in the use of materials and supplies. We have enacted the following legislation of this type:

(1) The Domestic Origins Act of 1934.

(2) Provision in title 3, Treasury-Post Office Appropriation Act for the fiscal year 1934.

(3) Emergency Relief Appropriation Act of 1935, section 13 (A) and (B).

(4) United States Housing Act of 1937, section 6.

(5) Work Relief and Public Works Appropriations Act of 1938—title IV, rural-electrification loans.

This is a subject in which I have taken an active interest during my entire period of service in Congress. On February 18, 1939, I was advised by Hon. Leon H. Keyserling, Acting Administrator of the United States Housing Authority, of the

reenforcement of the proviso requiring local housing authorities to have their contractors use domestic-made materials and supplies, particularly lumber and shingles.

On May 13, 1939, I was advised by William A. Coleman, special assistant, Procurement Division, Treasury Department, of the policy to further enforce the Domestic Origins Act of 1934 by requiring that lumber used shall contain the label "Made in U. S. A." or inspection certificate that the lumber is "Made in U. S. A."

Hearings on my bill, H. R. 6718, to prohibit the use of funds expended, granted, or loaned by the United States for the purchase of materials which are not of domestic origin, were held before the House Ways and Means Committee on June 13, 1939. House Joint Resolution 325, to provide for negotiations with the Government of Canada to arrange a modification of the trade agreement entered into November 17, 1938; H. R. 5124, to restore the 25 percent quota on imported red-cedar shingles from Canada; and H. R. 5125, to reenact the lumber-marking provision, all companion measures to those introduced in the Senate by Senators BONE and SCHWELLENBACH, are pending before the Congress. My bills, H. R. 7034, for an excise tax on imported pulp, and H. R. 7312, an amendment to strengthen the Antidumping Act, have been assigned to the Ways and Means Committee for hearings in the next session of Congress.

The activity shown and results which we have achieved in behalf of the workers in the lumber, shingle, and forest-products industry during the past 6 years have never before been equaled, and I shall continue to cooperate with my colleagues in the House and Senate in regard to these matters. In addition to the benefits bestowed by the Federal housing and public construction programs, which have proved highly beneficial, we have provided the only protection against foreign competition in 25 years.

THE NEW DEAL (ROOSEVELT) VERSUS THE OLD DEAL (HOOVER)

An interesting and most enlightening comparison has recently been made of economic conditions in the United States for the first part of 1939 and the first part of 1932. The figures compiled show clearly the vast improvement, according to every business barometer and index, which has taken place during the administration of our Government under President Roosevelt, and which is even greater now than it was a few months ago when these figures were compiled.

The figures are as follows:

Commodity	Under Hoover, 1932	Under Roosevelt, 1939
Stock prices (average)	$81.20	$100.61
Bond prices (average)	$74.29	$85.78
Monetary gold stock	$4,345,000,000	$15,801,000,000
Federal Reserve credit	$1,859,000,000	$2,572,000,000
Currency circulation	$5,548,000,000	$6,915,000,000
Brokers' loans	$379,016,662	$547,443,175
New York rediscount rate (percent)	3%	1%
Bank clearings (22 cities)	$90,859,453,000	$96,268,786,000
United States Steel (tons shipped)	1,124,851	2,235,209
Steel ingot output	4,329,830	9,505,594
Pig iron output	3,757,196	8,315,927
Automobile production	376,665	1,055,576
Building permits	$74,677,796	$293,703,797
Petroleum output (barrels)	36,936,900	57,175,850
Bituminous coal (tons)	102,455,000	111,650,000
Electric current (kilowatt-hours)	26,094,970,000	37,893,658,000
United States raw cotton consumed (bales)	1,374,010	1,803,521
United States wool consumption (pounds)	57,600,000	97,400,000
Rayon yarn consumption (pounds)	39,800,000	102,400,000
United States exports	$461,000,000	$699,821,000
United States imports	$398,000,000	$526,652,000
Gold imports	$89,728,000	$745,159,000
Car loadings	9,574,837	9,822,512
Railroad earnings (51 roads)	$66,045,525	$84,998,333
Sears, Roebuck sales	$59,793,251	$125,428,094
Moody's commodity index	86.5	141.8
Wheat (bushel)	0.68	0.95
Corn (bushel)	0.45	0.66
Oats (bushel)	0.34	0.46
Cotton (pound)	5.77	9.26
Wool (pound)	0.44½	0.62½
Crude oil (barrel)	2.02	2.00
Coal, furnace (ton)	11.62	10.08
Copper (pound)	5.75	10.37
Lead (pound)	3.00	4.75
Zinc (pound)	2.51	4.50
Steel scrap (ton)	9.80	14.75
Iron pigs (ton)	15.00	22.84
Steel billets (ton)	27.00	34.00
Lumber (west coast) (thousand bd. ft.)	11.50	19.08
Shingles (red cedar) (square)	1.05	2.75
Industrial production	67	98
Manufactures	65	96
Minerals	84	110
Construction	26	58
Factory employment	68	91
Factory pay rolls	53	87
Carloadings	61	66
Department store sales	70	88

The Verdict of the Press

EXTENSION OF REMARKS

OF

HON. BERTRAND W. GEARHART

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Friday, August 4, 1939

EDITORIAL COMMENT UPON THE GEARHART-ELLIOTT CONTROVERSY

Mr. GEARHART. Mr. Speaker, on the 2d day of May of this year it became my unpleasant duty to call the attention of the membership to what I then considered a flagrant violation of my legislative prerogative by another Member of this body.

That which then occurred upon the floor of the House attracted considerable attention and aroused widespread interest. The comment of the editors of our magazines and newspapers was extensive. Some of these have reached my hands.

The unanimous consent of the membership of this body having been granted, I hand the following clippings to the Public Printer and ask that they be spread upon the pages of the CONGRESSIONAL RECORD as a part of my instant remarks. The periodicals from which each was taken is indicated in connection with each clipping I offer.

From Time magazine of May 15, 1939, a news magazine of national circulation:

THE BLAME REBOUNDED

The House's week was enlivened by a fight in the California delegation. Democrat ALFRED J. ELLIOTT received by mistake a check for $100 made out to Republican BERTRAND W. ("BUD") GEARHART by a Mrs. Gertrude Achilles, of Morgan Hill, Calif., urging passage of a bill to create John Muir-Kings Canyon National Park. Mr. ELLIOTT had the check photostated, sent it back to California for remailing, set the F. B. I. to watch for its cashing, and told people to watch him catch "BUD" GEARHART taking a bribe. When he got the check, "BUD" GEARHART returned it to Mrs. Achilles, honestly and promptly. Then he learned of ELLIOTT's trap for him. Last week he defended himself before a full House; flayed ELLIOTT for a damnable dastard. One by one, Democratic colleagues of ALFRED ELLIOTT left their seats near him. Had he pressed for a vote, "BUD" GEARHART could doubtless have caused Democrat ELLIOTT to be the first Representative formally censured (called to the Well for a wigging by the Speaker) since Tom Blanton, of Texas, in 1921, who wangled into the RECORD, in an extension of remarks, a string of obscenities so vile that they had to be expunged from the permanent RECORD—torn out of the Congressional Library's temporary copy.

From the Fresno (Calif.) Bee and Republican, of May 4, 1939. This editorial was printed concurrently in the Sacramento Bee and Modesto Bee.

ELLIOTT'S "SMEAR GEARHART" ATTEMPT PROVES BOOMERANG

Congressman B. W. GEARHART, of Fresno, has been making a gallant fight in Congress for the passage of his bill authorizing the establishment of the John Muir-Kings Canyon National Park, which would include some of the finest mountain scenery in the Kings River country of Fresno County.

The bill has met with the stubborn opposition of certain selfish interests; and their principal mouthpiece in Congress has been Congressman A. J. ELLIOTT, representing the congressional district which includes Tulare and Kern Counties.

And the methods to which the opposition has been willing to stoop in order to torpedo the park project received apt illustration in facts presented to the House of Representatives on Tuesday by Congressman GEARHART.

Briefly, these attested facts were as follows:

A Morgan Hill, Santa Clara County, woman who is a Nature lover, mailed a check for $100 to the campaign to create the John Muir park. Through some mistake the letter containing the check was received by Congressman ELLIOTT.

What did he do? Did he send the check over to Congressman GEARHART's office? Hardly.

He had a photostatic copy made, and then turned it over to Charles Dunwoody, Washington lobbyist, of the California State Chamber of Commerce, and another opponent of the park bill, who in turn mailed it to a correspondent in San Jose with instructions to remail it to Washington with the intent that Congressman GEARHART be led to believe he was receiving it in the original envelope.

Then, if he cashed it, the photostatic copy would be flashed in the newspapers, and Congresman GEARHART would be made to appear to be a "crooked politician."

The F. B. I. was called in to make the "catch," but there was none, because GEARHART returned the check to the donor.

Significant of the intent of this plot was the affidavit of R. B. Williams, a farmer of Kingsburg, Fresno County, who attended one of the several meetings where Congressman ELLIOTT exhibited the photostatic copy of the check.

Williams quoted ELLIOTT as saying that while be believed GEARHART to be honest, "in substance and effect, that those present could use their own judgment."

In other words, ELLIOTT was careful not to make any charge of misconduct in so many words, but he left an implication that those who heard him and saw the check could not miss.

The whole business has proved a boomerang.

It is Congressman ELLIOTT who gets the smear, not Congressman GEARHART.

And instead of injuring the cause of the John Muir-Kings Canyon National Park project, the opponents have enormously strengthened it, because when the opposition uses methods so contemptible, its members shout the weakness of the cause they represent.

From the pen of Harlan Miller, nationally know commentator, this comment appeared in numerous dailies throughout the Nation, including the Washington Post and the Los Angeles Daily News, on June 3, 1939:

A hundred years ago a duel might have been fought in the Capital's suburbs as a result of the GEARHART-ELLIOTT incident in the House. The crafty ELLIOTT received by mistake a communication intended for the innocent GEARHART and tried to make something of it. An anonymous phone call tipped GEARHART off to what was up, and the two Congressmen from adjacent California districts fought it out oratorically on the floor of the House.

GEARHART was distinctly the winner, and didn't even demand a reprimand for his Democratic colleague. ELLIOTT's oratory was the shakiest heard on the floor in many a day, and his attempts to convince the Republican GEARHART of his friendly intentions were pathetic.

From the Livingston (Calif.) Chronicle of May 4, 1939. This editorial also appeared in the Hilmar (Calif.) Enterprise of May 5, 1939:

CHARACTER ASSASSINATION

There is no more despicable nor degraded trick than attempted character assassination, and those who try it deserve the lasting contempt of all decent people.

Congressman B. W. GEARHART, of this district, took the floor in the House of Representatives Tuesday and, under the seldom used personal privilege, exposed what he plainly branded as an attempt by Congressman A. J. ELLIOTT, of the district immediately to the south of GEARHART'S, to make it appear to Members of Congress and others that GEARHART had accepted a check for $100 from a California woman in dishonest connection with his Kings River Canyon National Park bill.

If ELLIOTT really tried to smear "BUD" GEARHART, and this paper believes he did solely because GEARHART alleges that he did, his effort will be wasted. "BUD" GEARHART will come out of the Kings River Park fight with the respect even of his political enemies, of which he has but few. The Ninth District, regardless of party lines, will continue to honor its Representative whom its voters have returned to Washington repeatedly with increased majorities.

And again. Character assassination. What lower?

From the Waso (Calif.) News of May 19, 1939. This editorial also appeared in the Kern Herald, a newspaper published in Bakersfield, Calif., issue of May 21, 1939.

FLAYING RICHLY DESERVED

The climax of the chicanery that has attended the opposition to the proposal for the creation of the John Muir-Kings Canyon National Park was the recent exposé of the sharp practices indulged in by Congressman A. J. ELLIOTT. ELLIOTT has seen fit to oppose bills introduced by his colleague B. W. ("BUD") GEARHART, of Fresno, providing for the construction of Pine Flat Reservoir as an aid to irrigation and flood control and the creation of the Kings River Canyon National Park. GEARHART has sincerely been trying to secure legislation that would protect the water situation along with the creation of the national park.

In his zeal to get "something on" GEARHART, according to reports from Washington, ELLIOTT resorted to a trapping game, when he received, through a mistake, a check for $100 issued in the name of GEARHART by a woman enthusiast urging the passage of the national park bill. The woman wished to contribute to the program in behalf of the measure and sought to donate her check to the cause.

Apparently ELLIOTT saw an opportunity to make himself a hero in nipping GEARHART in the acceptance of what he (ELLIOTT) chose to regard as a bribe. The magazine Time refers to the case as follows:

"Mr. ELLIOTT had the check photostated, sent back to California for remailing, set the F. B. I. to watch for its cashing, and told people to watch him catch "BUD" GEARHART taking a bribe. When he got the check GEARHART returned it to Mrs. Achilles (the sender), honestly and promptly. Then he learned of Mr. ELLIOTT's trap for him. Last week he defended himself before a full House, flayed ELLIOTT for a damnable dastard. One by one Democratic colleagues of ALFRED ELLIOTT left their seats near him. Had he pressed a vote, BUD GEARHART could doubtless have caused ELLIOTT to be the first Representative formally censured since 1921."

The duplicity above described is hardly in keeping with what should be the conduct of a sincere representative of the people of the Tenth District. ELLIOTT knew the purpose of the check and that the sender could have had no thought of an ulterior motive, and knowing GEARHART as he does, he knew him incapable of any pettifogging practices. The flaying delivered by GEARHART against ELLIOTT was thoroughly deserved. It looks very much as if the Tenth District was decidedly misrepresented in Congress.

From the Union Labor Journal of Bakersfield, Calif., of Friday, May 19, 1939:

THINGS AND OTHER THINGS

(By the editor)

When Congressman GEARHART grilled Congressman ELLIOTT the other day as a "damnable dastard," the democratic colleagues of ELLIOTT, desked near him, left their seats and let ELLIOTT sit all by his miserable lonely to take the tongue lashing he so richly deserved for his moronic scheme to trap GEARHART into a bribe-taking situation in which GEARHART was absolutely innocent.

"You can't make a monkey out of me," yelled ELLIOTT. (He had done the job so well himself that the House snickered.)

It seems fitting that the non-union-printed magazine Time should publish the picture of ELLIOTT the union hater.

From the Ventura (Calif.) Star-Free Press of May 24, 1939. This editorial was widely copied.

LAUGHTER IN CONGRESS

For the sake of us constituents back here in his five-county bailiwick, we wish Mr. ELLIOTT, Congressman from the Tenth California District, would elaborate a little upon a statement of his which we find in a current issue of the CONGRESSIONAL RECORD.

A debate was in progress in the lower house over the John Muir National Park controversy which has been raging between Representative ELLIOTT and Representative GEARHART. Mr. ELLIOTT had been interrupted; the RECORD then reports, as follows:

"Mr. ELLIOTT. Now, if I may be permitted to proceed, some of you might think you are making a monkey out of me, but that cannot be done. [Laughter.]"

What intrigues our curiosity, and we can't shake off the itch to learn more, is why the laughter by the other Congressmen?

From Bruce Catton's nationally read column of July 21, 1939, which appeared in numerous newspapers, among them being the Merced (Calif.) Sun-Star:

UNWRITTEN RULE IS LAW

The member who violates the unwritten rule of good fellowship gets sat on. The House made its displeasure unmistakably manifest, a month or so ago, when Congressman GEARHART, of California, rose to a point of personal privilege and explained how his colleague, Congressman ELLIOTT, had sought to prove that he, GEARHART, was taking bribes. The air of disapproval of ELLIOTT's action was so thick you could have cut it with a knife.

From the Los Angeles (Calif.) Westwood Hills News-Press of May 5, 1939:

ROW

Recalling for a stunned House of Representatives halcyon days of another generation when admixture of personal with public morality was less uncommon, California's GEARHART (R.), Fresno, and California's ELLIOTT (D.), Tulare, mixed hot indignation with resentful dignity, brewed a minor Capitol sensation.

Opposed over creation of a John Muir-Kings Canyon National Park, ELLIOTT received accidentally a $100 check made out to GEARHART. Photostated, the check then was allegedly sent to an "undisclosed confederate" of ELLIOTT'S. At last returned first to its original sender and then to GEARHART, the check was again but more promptly returned to its sender, GEARHART stated, displaying an affidavit and copies of his correspondence as evidence he had accepted no pay for his stand on the park issue.

After an hour-long harangue, GEARHART concluded with a desire for no punitive action, sat down to thunderous applause.

From the Long Beach (Calif.) Press-Telegram of May 10, 1939:

HIT AND MISS

(By Harold Williams)

Representative GEARHART needn't worry about any insinuations that he favors the John Muir-Kings Canyon National Park bill for ulterior, selfish, or dishonorable reasons. The public understands that a Member of Congress looking for personal profit will serve private interests and not the public.

The public rewards a faithful servant with nothing more substantial than gratitude and not always with that.

No moneyed interest will be benefited by the Kings Canyon Park. The beneficiaries will be the millions of Americans who delight in scenic beauty and derive pleasure and health from vacations in national parks.

From the California State Grange News, published in Sacramento, Calif., of May 20, 1939:

THE PUBLIC INTEREST IS AT STAKE

An issue that is clear cut between the public interest and the Power Trust and its friends is the Kings Canyon-Pine Flat proposal which would reserve some of California's most beautiful scenery for the public and establish a very worth-while flood-control and irrigation project, all in the vicinity of the Kings River. On record favoring the three Gearhart bills which would make this reclamation development possible are such organizations as the Sierra Club and the Grange, and their stand is vigorously backed up by such notables as President Roosevelt, Secretary of the Interior Harold L. Ickes, and Governor Olson.

Opposing such development of the Kings area is primarily the large power interests, which include so-called farmer and mountaineer organizations that have sprung up like mythical mushrooms to cry, "We're farmers, we're nature lovers, and we don't want these bills passed by Congress." That is the language they use, but their intent might be expressed in such words as: "This is the Power Trust speaking. We want control of the valuable water and power resources of the Kings River. We want to develop this and sell, at our own price, power and water to the people. The public is getting too precocious when it attempts to help itself to its own natural resources and should be slapped for every public-ownership move it makes."

The same misleading propaganda that defeated the worthy Garrison Revenue Bond Act at the last election is operating against the Kings River development bills. Thank goodness there are men in Congress like Representative GEARHART who can see through the fog of such misrepresentation. And thank goodness people are becoming enlightened as to the motives behind those who would defeat worthy public projects. It is to be hoped Representative GEARHART will continue to receive the support of the people in his battle to protect and promote the public interest.

From the Morgan Hill (Calif.) Times of May 12, 1939:

DESIRED TO AID

The facts, apparently, are these: Mrs. Achilles, favoring the park project, sought to aid the campaign by making a contribution of $100 to the volunteer organization furthering the park. The check was made out to Representative GEARHART, it being intended to be handed by him to the group working in behalf of the park. At the same time this correspondence was being prepared, Mrs. Achilles directed a letter to Representative ELLIOTT, and by mistake the check made in GEARHART's favor went into ELLIOTT's letter.

ELLIOTT, seeing an opportunity to smear GEARHART, sent the check to a San Jose friend and had him mail the check to GEARHART, though not until he had called the F. B. I. into the scheme and had a photostatic copy of the check made. If GEARHART cashed the check, then ELLIOTT would have been in a position of shouting his charges of accepting a bribe.

But GEARHART, unaware of what was going on, returned the check to the donor.

MADE DIRTY ATTACK

But ELLIOTT, apparently unable to understand how an honorable man handles such matters, couldn't accept the developments and lashed out with a dirty attack on GEARHART. He displayed the photostatic copy of the check at public meetings in California, leaving the implication that GEARHART was dishonest.

Airing of the whole situation not only cleared beyond any suggestion of suspicion the names of Mrs. Achilles and Representative GEARHART but it showed Representative ELLIOTT in what is apparently his true light. It indicated the type of efforts being used by opponents of the national-park project to kill it.

A little decency in handling this matter would have cleared Representative GEARHART, avoiding unpleasant notoriety for a public-spirited local woman, and would have shown a sportsmanship in the treatment of a public issue which has been entirely lacking.

From the capable pen of Arthur Caylor, who writes for the San Francisco News and other papers under the heading "Behind the News":

DUELS, POLECATS, TROUBLE FOR G-MEN, "ART" SEES GEARHART BATTLE

Funny thing. We get to Washington. We are rushed right out to the House to attend a historic and almost unprecedented main event in which one California Congressman is about to smite a fellow California Congressman with evidence that he's an unpleasant character. The House is nearly full to hear Representative GEARHART rise to a point of personal privilege. And what does he mention right there in Congress? Why, he mentions the very story we had about Representative Elliott trying to trap him in bribe charges with a check for $100.

The occasion is already a celebrated affair. If times were quieter it would be more of a national sensation than if Clark Gable bit a dog. If two more prominent Congressmen had been involved—say the two party floor leaders—it would have caused more stir than a polecat under the Capitol. If it had happened in the befo'dewah days of the Calhouns and the Clays, suh, it certainly would have brought on a duel—pistols for two and coffee for one.

To some of the old-timers, the intensely interesting item in the story told by "BUD" GEARHART, of California, was that he had been under investigation by the gallant G-men of the Federal Bureau of Investigation. The question was whether the House would rise as one man to say, "We resent that."

There was a time, they remembered, when the Secret Service was up there where J. Edgar Hoover has put the Federal Bureau of Investigation. President Theodore Roosevelt had it investigate Senator Mitchell, of Oregon. There was a little matter of some land frauds, or something. But the Senate said, "What; investigate one of us!" Since then the Secret Service has been allowed to do nothing save guard the President and the currency. Other outfits have been the Government's glamor-bulls. If the House took that attitude when one of its Members was investigated by the Federal Bureau of Investigation, it would be too bad for J. Edgar Hoover and his men.

However, it didn't—largely because it was so much interested in what Secretary Ickes might say. When Mr. Ickes says something it is usually interesting, and Members felt he was almost certain to let go a mouthful at the Representative, Mr. ELLIOTT, who has headed the fight against the creation of the John Muir-Kings River Canyon National Park. He did.

In his column of May 10, 1939, Mr. Arthur Caylor made this further comment in the San Francisco (Calif.) News:

BOOK

Congress, which is supposed to have been thinking deeply for years on the subject of California's migrant problem, is beginning to learn there is such a thing. No congressional investigation is at the bottom of this phenomenon. It's John Steinbeck's Grapes of Wrath. Congressmen read books sometimes, and there's so much comment that they're reading this one.

Yet the pardon may have come too late. The farm-security appropriation already has been cut one-third—and that's where most of the Federal money for migrant aid in California has come from. The Elliott-Gearhart battle may hurt, too, for most Congressmen are at the moment moved by an intensive lack of enthusiasm about doing anything for Representative ELLIOTT. And he's the man charged with the business of putting any migrant legislation through committee.

Monopoly Control Act

EXTENSION OF REMARKS

OF

HON. JERRY VOORHIS

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Friday, August 4, 1939

Mr. VOORHIS of California. Mr. Speaker, the first session of the Seventy-sixth Congress is drawing to a close. Two or three features of the session stand out. One is the many, many pages in the CONGRESSIONAL RECORD which have been covered with speeches by various Members deploring the increasing public debt, but offering absolutely no solution to the present problem of unemployment and human need.

The second feature of the session is the fact that no progress whatsoever has been made in the direction of bringing the consuming power of the Nation into line with its power to produce. There are a number of ways in which this could be accomplished without increase in the public debt. None of them has even been seriously considered. In the third place, the New Deal has suffered several major defeats and must now, as I see it, develop a more fundamental program to meet America's economic need than any it has advanced so far.

WHAT EVERYBODY IS FOR

Everyone wants a balanced Budget and an end to increases in public debt.

Everybody wants an increase in production.

Everybody wants the unemployed to go back to work in private industry.

Everybody wants a better home market for our agricultural and industrial products.

Everybody wants to save our constitutional democracy and understands—down deep in his heart, at least—that this can only be done if within the framework of that democracy we can solve the problems of unemployment, nonproduction, and poverty in the midst of possible plenty.

And everybody wants the other fellow to make the first move toward accomplishing any of these things.

I have introduced a bill that would restore to Congress its constitutional power to issue the Nation's money and would give the Nation a dollar of stable and dependable value; I have supported every move for a national old-age pension; I have worked for legislation to refinance at a lower interest rate farm indebtedness and for bills to provide adequate credit for the small-business man. None of these measures has received the attention of the present Congress. They remain as necessary unfinished business. But I realize that even though these measures were all enacted into law at least one great problem would still remain to be dealt with—the problem of monopoly. To that problem we must turn if we are to restore abundant production and full employment in private industry, if we are to balance our Budget, and if we are to do anything like justice to the small-business man or the farmer or the 130,000,000 consumers in the Nation.

INCREASED NATIONAL INCOME EQUALS BALANCED BUDGET AND PROSPERITY

It is obvious that the troubles we face are in the nature of a vicious circle—or cycle. Producer A would like to hire more men and produce and sell more of his goods. But he will not, and probably does not dare, do this because, at present, he has no assurance that producers B, C, D, E, F, and so forth, will do likewise. And unless they do likewise producer A will have no market for his increased production unless the Government hires more people on public works.

The only answer, therefore, to the problem of producer A, and all other producers, is either for the Government to furnish him a market or for some method to be found so that all other producers will increase their production at the same time. A general expansion of production all along the line must, therefore, be the alternative to increasing public expenditures.

DILEMMA OF AGRICULTURE AND COMPETITIVE INDUSTRY

But the thing is more complicated than that. For there are some producers in the Nation, like farmers and small competitive manufacturers who cannot decide how much they are going to produce. Economic necessity drives them to produce as much as possible because, unless they do so, someone else in their same line of work will do so and take even what curtailed market there is. As long as monopolistic industry refuses to increase production, agriculture is doomed because the farmer's crops will be sold in a glutted market, while most of the things he has to buy are produced under conditions where the volume of production as well as the price charged can be largely if not entirely controlled by the deliberate decisions of a comparatively few individuals or corporations. The small industrial producer finds himself in the same fix as the farmer.

MONOPOLY HOLDS THE KEY

And so we can understand that it is monopolistic industry that in large measure holds the key to national prosperity. For by curtailing production—for whatever reasons—not only is employment reduced in one industry but the market for goods of all other industries is made smaller. And, furthermore, since monopoly can, generally speaking, exact such prices as it chooses, there is a constant tendency for all competitive producers to be robbed of a portion of their share of current purchasing power and for surpluses to accumulate not only of goods on the shelves of merchants but of idle funds in the coffers of monopolistic industries. As soon as this latter tendency makes itself felt, then a larger proportion of current national income is withdrawn from the general market for goods, and depression deepens.

OLD-FASHIONED BOOM NOT A LASTING SOLUTION

Many people are arguing today that "if only Government would get out of the way, business would move ahead." Perhaps for a brief time that might happen. But it could not last, for a number of reasons. Chief among them is that however "free" business may become, its advance will not be steady or well balanced unless united effort is put forth to bring this about. We need a continuous, effective distribution of the purchasing power represented by goods and services produced. And we need to see to it that a few very powerful highly organized industries do not crowd out all the rest when it comes to obtaining the profits from increased business activity. The "confidence" that a few people may be able to profit greatly because a much larger number are about to lose their shirts is hardly a sound basis for national prosperity. And, finally, no "boom" can possibly last unless, while it is on, provision is made for stepping up general consuming power as fast as production increases.

THE MONOPOLY CONTROL ACT

The confidence that must be given to the producers of America, if we are to have lasting prosperity, is the confidence that production is going to increase steadily and evenly all along the line. We have got to enable people to be sure that other pay rolls beside their own are going to increase, for it is in those other pay rolls that they will find their principal market.

It is evident that business unaided cannot bring about this condition of general steady balanced increase of employment and production. It may not even be to selfish interest of all monopolistic industries to see an abundance produced.

Therefore I have today introduced a bill, the product of the work of many people besides myself—churchmen, businessmen, labor leaders, and economists. It is called the Monopoly Control Act. The basis of the bill is twofold: First, that all America will benefit from a general increase of production and restoration of private employment, and that it is entirely possible to accomplish both these things; second, that the one thing a nation has an unquestioned right to demand of a monopolistically controlled industry is that it use its productive machinery to turn out at least as much of its product as the nation really needs. It is a bill to get people back to work in private industry by assuring each private industry that all other private industries will have large enough pay rolls to consume their goods.

The bill does not affect any industry or business unless it is a major producing industry and also is found to be engaging in monopolistic practices. Other industries may come in under the bill if 70 percent of both employers and employees vote to do so. Otherwise they do not have to. In effect, what the bill does is provide machinery through industry councils and a monopoly control commission to bring about a coordinated expansion of production in all lines at once. In return for this a production-insurance corporation is set up to guarantee all participating businesses against loss due to increasing their production.

An abstract of the main provisions of the bill follows:

ABSTRACT OF BILL

The Monopoly Control Act proposes a new attack on the problem of the monopolistic control of certain industries. Since the purpose of monopoly is the obtaining of excessive profits through the limitation of production and the maintenance of high prices, the bill proposes a direct attack on the reduction of interstate commerce by expanding the production and controlling the prices of monopolistic industries. A general expansion is planned of all of the monopolistic industries of the country, as well as of competitive industries which may voluntarily participate in the program, under provisions for raising wages and lowering prices through the economies resulting from increased production, the expanded production being distributed and consumed through the increased employment provided by the program.

Section 1 lays down the policy of Congress to remove the hindrances on interstate commerce by expanding production, expanding markets for farm and industrial products, and controlling monopolistic practices.

Section 2 consists of definitions. The act applies only to the major industries of the country operating in interstate commerce. Professional, domestic and personal service, and trade occupations are excluded, as well as the printing and publishing industries. Interstate major industries in which monopolistic practices are found to prevail come under the act compulsorily,

while competitive major industries may adhere voluntarily, to secure the benefits of the act. Monopolistic practices are defined to include the following prevailing practices or situations: Selling prices which do not fall after unit costs of labor and material fall; control of the majority of the production of an industry by a very small number of companies; long continued profits far in excess of those earned by competitive industries; control of vital patent rights in the hands of a small number of companies using them exclusively; failure of prices or wages to reflect technological improvements; and prices set in accordance with a basing point system. Provision is made for public hearings, with due notice to all interested parties, before decisions are reached under the act.

Section 3 creates a Monopoly Control Commission of seven members, representing consumers, labor, agriculture, and large and small business. The Commission will administer the provisions of the act, being guided by the principle that the economic resources of the Nation are to be utilized as fully as practicable in the promotion of the national general welfare. It shall cooperate with other agencies of the Government and of labor and industry, especially through the industry councils to be described below.

Section 4 provides for the preparation each year of a national monopoly control and expansion program. The objects of this program are the balanced expansion of production simultaneously in the interstate industries of the country, providing for increased employment within the limits of the available manpower. It is also to provide for the gradual expansion in the productive capacity of the country, and the sharing of the benefits between management, workers, farmers, and consumers. Provision is made for the conservation of natural resources; the improvement or elimination of hazardous or undesirable conditions of work; the replacement of workers displaced from employment; the increasing of wages generally, and most rapidly in the lowest wage brackets; vacations with pay, reduced hours of work, and elimination of child labor and home work; the prevention of unwarranted increases of prices, and the passing on of economies to consumers in the form of lowered prices; the reduction of waste in production and distribution; and a gradually rising assured annual minimum income to the unskilled and semiskilled worker in industry.

Section 5 provides for the setting up of an industry council in each participating industry, giving equal representation to management, labor, and consumers, in addition to representatives chosen by Congress and one representative of the Commission. The industry councils are to formulate and propose tentative expansion programs for their respective industries, to be submitted to the Commission for review and final approval. Under guidance from the Commission concerning the general program for national expansion, the councils will work out the practical possibilities of increasing production, and allocate the resulting economies between higher wages, lower prices, and increased profits.

Section 6 provides for putting into effect the national expansion program when industry programs have been prepared for a sufficient number of interstate industries to insure a general expansion of the industry of the country. Maximum prices are to be set at such levels as will yield to participating industries a rate of profit on their used and useful assets equal to the higher of the following two standards: (1) The average earnings of businesses in competitive industries over the past 20 years, or (2) such earnings as will be necessary to assure efficient businesses in the industry the availability of private capital for their future expansion in capital equipment. Provision is made for the exclusion of particular industries, if the Commission finds their exclusion will further the purposes of the act. Other major industries engaged in interstate commerce may participate voluntarily on an affirmative vote of the managements representing at least 70 percent of the products of an industry, and of the representatives of at least 70 percent of the employees of an industry. On such affirmative vote a competitive industry becomes a "participating industry" to obtain the benefits of the act, on the same footing as a monopolistic industry.

Section 7 provides for the setting up by the industry councils of quotas for each individual business in participating industries, to assure the balanced and comprehensive expansion in the production of all the units in an industry. Maximum and minimum quotas within a given range are provided for, based on the average production of individual businesses over a past term of years. Provision is made for new businesses and for annual revisions in view of current production. Quantities within their minimum quotas which businesses are unable to sell are to be purchased as provided in the next section. The purpose is to assure the increase in activity all along the line.

Section 8 establishes a Production Insurance Corporation as an agency of the Commission whose duties are to underwrite the expanded production. The Corporation will offer to each business in a participating industry a contract promising to take over, at stated intervals, at a price of not to exceed 90 percent of the maximum prices allowed under a program, any quantities within its minimum quota it is unable to sell. The Corporation may hold or dispose of such quantities in a variety of ways; through subsequent resale to the businesses from which acquired, resale in the open market, distribution to those on relief, or holding over to a future period. In the last case such amounts are to be deducted from the quotas for the industry for the following year, to prevent the piling up of unused surpluses of any commodity. Where a participating business is unable to obtain necessary bank credit for its requirements, the Corporation may approve and guarantee such bank loans, under appropriate safeguards.

Section 10 provides for the licensing of businesses in participating industries. Where violations have been established, licenses may be refused, suspended, or revoked by the Commission after due notice and public hearing. Appeals are provided to the courts.

Section 12 provides for the readjustment of farm programs of the Department of Agriculture in line with expanding industrial activity, in order to assure adequate supplies of raw materials, bring about concurrent expansion in farm income, and increase the efficiency of marketing.

Section 15 provides that actions properly taken pursuant to this act will not be deemed violations of the antitrust laws.

Section 16 provides for the nonpartisan administration of the act.

Section 23 sets up an advisory Workers' Rehabilitation Board to coordinate the action of various governmental bodies in the replacement of displaced workers, and provides for payments to displaced workers while undergoing retraining.

Section 24: In order to encourage adequate standards of housing and insure that the housing industry will take its part in the expansion program planned for the Nation, this section makes special provision for the expansion of building operations in the low- and medium-cost housing fields not covered by existing agencies. The construction of low-cost rental houses is to be encouraged by a guaranty for a 30-year period of the net income from properties constructed under standards set up by the Commission. The building of houses for sale is likewise to be encouraged through contracts with the Production Insurance Corporation providing that houses constructed under standards set by the Commission and which remain unsold after 1 year will be taken over by the Corporation at a price which safeguards the actual costs of the builder, but not his profit.

Section 25: The separability clause contains the provision that if section 5 of the act is declared invalid, the whole act shall fall. This is to assure the democratic control provided through the industry councils.

Other sections cover various legal and administrative details.

It is clear from this abstract that this bill proposes to deal with unemployment in an entirely different manner than has our previous public action. It does not attempt to break up big corporations into little ones or to hamper them in carrying on their regular business operations. On the contrary, it proposes to see that the productive capacity of our big-business units is turned loose to produce and employ men. It sets up means by which expansion in production can be made safe for business through Federal underwriting of increased production. At the same time it insures that the increased production will be moved into consumption by providing for higher wages and reduced prices. Yet the manufacturers are reasonably assured of increased profits, because with increased output and sales their costs will come down even faster than prices will be reduced. At the same time it assures farmers of increased markets for farm products and increased farm incomes—a much more satisfactory solution for the farm problem than the present program of subsidizing farmers in the place of providing adequate markets.

It is becoming increasingly apparent that the problem of unemployment is too big to deal with by any of the stop-gap methods we have used thus far. A recent article (L. H. Bean, "Industrial Unemployment and the Farmer," The Agricultural Situation, U. S. D. A., January 1939) in an official Government publication showed that there are about 10,000,000 unemployed today in cities, in addition to those on farms who are waiting for a chance at a city job. But, what is more ominous, the article shows that even if industrial production should move up from its present level of around 100 on the Federal Reserve Board index to a level of 130, there would still be more than 6,000,000 nonfarm unemployed. And who is optimistic enough to think we are going to get industrial production up 30 percent in the next year or two? Even the big new lending program suggested by the President would at best have put less than 1,000,000 men back at work, and many Congressmen and Senators seemed to think that that much additional public investment was too big a commitment for the Federal Government to undertake. If we cannot afford to insure a program of investment to put 1,000,000 out of the 10,000,000 workers back at work, what are we going to do for the other 9,000,000?

The program here proposed, on the contrary, would provide for putting the entire 10,000,000 back at work over the next 2 to 4 years—putting them back at work in private industry, and would not be any direct cost to the Government. The Government would be taking a certain amount

of contingent liability in underwriting the increased production, but any losses it might incur would be much less than what it would gain in increased revenues and reduced relief costs from increased employment.

GENERAL RECOGNITION OF NEED FOR SOME SUCH PROGRAM

During the past year a number of different groups have begun to realize more and more clearly that much more positive action than has yet been undertaken was needed to start definite moves toward reemployment and full production. One of the first steps was taken by the American Farm Bureau Federation at its last annual meeting in New Orleans on December 15, 1938. The first resolution they adopted read in part, as follows:

Believing as we do that recognition of these principles by all groups, and translation of such recognition into action, is the only way out of our economic difficulties, we respectfully urge the President of the United States to call together representatives of industry, labor, and agriculture selected from a list of those recommended by the duly selected leaders of the three major economic groups, to discuss a program of action designed to promote economic balance between these groups on a basis that will permit full utilization of our great productive resources and we further urge that in view of the serious effect of the present maladjustment, these representative leaders be kept in session until they have agreed upon such a program.

This important farm group recommended that the leaders of industry, labor, and agriculture be called upon by the President to prepare a program of increased production and employment. This resolution recommended two essential elements of the program which my bill provides, (a) that leaders of business, labor, and agriculture should participate in the development of a program, and (b) that it should be set up on a democratic basis.

The American Federation of Labor in its Monthly Survey of Business has repeatedly called attention to this same problem. Thus, for example, in its February issue the statement was made:

What are the next steps to expand production? First, Government, business, farmers, and labor must work together. We need regular channels through which business thinking and labor thinking can reach the Government and take part in policy making. Business has its advisory council to the Department of Commerce who are being called in for consultation, but Labor has no open door for making its views known to the Executive. It is for the Federal Government to take the initiative in bringing representatives of labor, as well as business, farmers, and others into its councils to develop practical measures for immediate industrial expansion. * * *

Any plan for industrial expansion must include labor. Democratic procedure requires that labor as well as business be represented and consulted by the Federal Executive. Labor's interest must be protected and wage gains must keep pace with rising production and profits. Any practical plan for expansion requires team work of all groups under Government supervision.

Similarly the June issue of the A. F. of L. monthly publication reemphasizes the same point as follows:

Sound recovery in an age of mass production can only come through planning to advance all economic groups and timing undertakings so as to provide consuming power to buy output. Such planning, as advocated in our last issue, has two important features: The National Planning Board is (1) representative, and (2) continuous. Representatives of businessmen, labor, consumers, farmers, industrial engineers, should have a voice in formation of policies.

Steady progress in production and living standards cannot be achieved unless all groups cooperate to carry out a workable plan for these ends. Businessmen, in the May United States Chamber of Commerce meeting, brought out a number of points bearing on recovery; their counsel and cooperation is needed. Labor counsel is necessary to aid in directing national social and economic policy toward provision for human needs, higher living standards, and better work conditions. The advice of engineers, heretofore not utilized on the plane of national affairs, is essential in the difficult problems of national planning, organization, and coordination which lie ahead. Counsel and cooperation from consumers, farmers, and other economic groups is equally important.

Not only the A. F. of L. but leaders of the C. I. O. recognize the need for concerted action to increase production. John L. Lewis, in his report to the first constitutional convention of the C. I. O. held in Pittsburgh, November 14, 1938, made the following statement:

It is becoming obvious that full production in a stable economy can be created only by intelligent direction which has the power and the will to coordinate all economic controls toward that single end. Such central direction must necessarily come from government. Intelligent direction also of necessity means planning toward the future. One of the serious defects of the economic measures of the present administration has been the failure to coordinate and plan its economic program over an adequate period.

The goal of full production and full employment is one to which it would be difficult to find open opposition. It is clear, however, that there are many who oppose that goal through seeking special interests. Only labor, representing the majority of the people can guarantee a continuous movement toward full production. Labor must have a strong voice in the Government and in the agencies of the Government which administer a sound economic program to guarantee that such a program shall not stagnate or be perverted. Heretofore labor has too often been ignored. If the future is to be one of hope, labor must take its rightful place.

Religious leaders, too, are becoming aware of the need for positive action to deal with this great problem. Recently at an interfaith conference on democracy and economic planning, leaders of every faith stressed the need for action along the lines here proposed. The character of their beliefs is indicated by the following extract from their statement:

The depression had held America in its grip for 9 years. Millions are still jobless. There is no sign of putting any considerable proportion of them back to work or of assuring either them or many of those now at work income sufficient to enable them to live as human beings and Americans should live. * * *

In our country desperation has fortunately not yet reached the stage of a widespread demand for such dictatorship. However, until economic life is stabilized on high levels of production and just distribution, and until unemployment is abolished, there will remain constant danger of trends toward the totalitarianism of a communistic or Nazi-Fascist state with all their cruel violation of basic rights and liberties. * * *

We need to direct economic life, but the direction should be undertaken first of all, and to the very limits of the possibilities by the people, democratically organized around their own work and ownership. The greatest burden and control should rest on the people, freely organized as now, in employers' associations and labor unions, in farmers' marketing cooperatives, and in associations of the professions, and upon them so federated by industry councils that they can see their own occupation squarely in the whole picture of economic life. * * *

Governmental leadership can go far to lead them when they are thus organized and federated, to set and attain goals of widening output and larger employment, and distribute the income, and balance the prices so as to let the people use the increasing goods and services which we produce and can produce. We can do this under democracy. * * *

A wisely conceived guidance of economic life need not mean a dictatorial state. Neglect to guide and direct the economic system will mean totalitarianism by default. * * *

We furthermore urge a constant recognition of the fact that the direction of industry must provide that labor as such, and consumers as such, as well as employers, be organized as constituent, self-conscious elements of any and all plans. In other words, we suggest democratic action from the bottom up as well as from the top down.

PROGRAM FOR THE FUTURE

I should make clear in introducing this proposal that I do not expect that it will be adopted immediately nor probably in the form of my bill. The fundamental technique used in maintaining production in the Roosevelt administration thus far has been that of public expenditure. At the same time it is clearly apparent that spending or investment alone, unless done in far more tremendous volume than we have yet been able to do, cannot deal with the problem of 10,000,000 unemployed. The theory of lack of "business confidence" and that with "confidence" restored business will invest enough to increase activity is purely a red herring. The testimony of Owen D. Young and Alfred P. Sloan, Jr., and other industrial leaders before the National Temporary Economic Committee here showed clearly that their industries do not need capital and are now investing as much as they see markets for their products. Regardless of what party is in power 2 years from now, it will be faced with the same economic problems we are now faced with. Regardless of what party is in power, it will have to develop a program to provide increased employment through a broad program including the correction of monopolistic practices.

It may be that we will not adopt such a positive national program until another great depression reduces industry and finance to desperation and leaves everyone willing to use strong and positive measures where weak and partial measures have failed. I hope we will not have to wait that long. But whether we adopt a positive program such as this coolly

and with foresight, or whether we adopt it hurriedly and frantically in the midst of another great depression, certainly it is important for it to be well considered ahead of time. This proposed bill is introduced in the hope that it will encourage the study and consideration of such proposals ahead of time so that if and when we finally do come to adopt them they will be as rational and sound as possible.

MAINTENANCE OF DEMOCRACY ESSENTIAL

The program that I propose is complicated throughout by provisions for public hearings and participation on the central authority and in the industry councils of labor, consumers, and of business, and also by representatives of the Congress selected by that body; by provisions for votes and other procedures; and also by provisions of public hearings not only in each industry but eventually in each factory participating in the program. I well recognize that it will take longer to work out a program with all of this elaborate machinery, and that the administrators will have many headaches in trying to compose the interests of the various groups who have to fight things out in various hearings and industry discussions. That is, however, part of the price we pay for democracy. Democracy is a relatively disorderly and somewhat lumbering process. Dictatorship with a small group of men telling everyone exactly what to do and when to do it is easier to run—for the dictator—and probably operates faster and smoother.

What I am aiming at is not merely providing for economic security for the people but also maintaining freedom and liberty at the same time. The democratic process with its lumbering discussion groups and public hearings does provide means through which concerted action can be taken with the understanding and support of the whole people affected by the actions. Whatever one's views on its economic soundness, the A. A. A. program, with its township and county committees, and planning groups, and State and regional conferences, has shown that economic programs can be developed through democratic processes and that it is possible to plan from the grass roots up as well as from the top down. The industry program outlined in my bill similarly provides for planning from the bottom up rather than from the top down. The democratic features in the bill do insure that such planning will give full voice and full opportunity to be heard to each participating interest.

Democracy cannot endure without jobs. In presenting a program for conscious action to increase production and provide jobs for all our people I believe that I am offering a program vital to the preservation of democracy. Young folks who are unable to get jobs for years after they leave school may lose their faith in society. America has got to offer them opportunity to help build their Nation. There are those who will call them to tear it down. Older men who see their children die of malnutrition or outright starvation become embittered and ready to follow anyone who promises them work. Yet today we are cutting 1,000,000 people off the relief rolls in the face of the fact that the number of jobs during this next year is hardly likely to increase any more than the number of workers added to the population looking for work. How can we say that we are providing for our people when in cold blood we throw 1,000,000 more people out of relief with no jobs for them?

Liberty and freedom are sweet and precious things. But when men feel they must choose between food and freedom they are likely to choose food for their children. If they feel their only choice is between liberty and a job, they will say a job is more important than liberty. This has happened in other nations. It is the supreme task of this generation to work out ways and means by which we can assure men jobs and yet retain their liberty at the same time. A program such as that provided in my bill will assure opportunity to work and economic security to all while preserving democracy. If we will adopt such a program and put it into effect, we need have no fears that free Americans will subscribe to the false hopes held out by demagogues and would-be dictators.

The bill is so framed that unless the features of it which provide for democratic control stand the whole act becomes invalid. This is accomplished by a reverse separability clause. And furthermore there is no reason why a free democratic people should not be able by their own voluntary action to guard against the ravages of unemployment and the stagnation of nonproduction. My own belief is that had a bill of this character been ready in 1932 and 1933 the people of the Nation—including the business leaders—would have welcomed it and that it would speedily have brought us out of the depression.

I would be the last to be willing to see a bill of this character passed unless there were an overwhelming demand for it. Indeed, I will go further and say that I still have very real hope that by a scientific control of our monetary system and the flow of buying power to and from all groups of our people such a bill may yet be rendered unnecessary. But I do not want America to be unprepared nor to have anyone able to say that her parliamentary, democratic processes have broken down and cannot cope with her problems. The bill is offered primarily as a basis for study, discussion, and consideration of the problem of private monopoly in what is supposed to be a free economy. For private monopoly deprives the Nation generally and other producers particularly of freedom quite as much as does governmental regulation. And private monopoly—though it undoubtedly has contributed much to technological efficiency—contains within it the germs of destruction for democracy unless that democracy can guide the activities of monopoly into nationally useful paths.

The cure for every form of subversive activity in this country—the cure for fascism, nazi-ism, communism—is jobs for our workers and the saving of the business and property of our other people. This, then, is the task of Congress. In a way it is its only task. And it is, therefore, the duty of every Member to work diligently at that task until at last we succeed. It is in this spirit that this bill is offered

Gene I. Van Antwerp, Veteran of Foreign Wars Chief

EXTENSION OF REMARKS

OF

HON. J. HARDIN PETERSON

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Saturday, July 29, 1939

ARTICLE FROM THE FOREIGN SERVICE MAGAZINE

Mr. PETERSON of Florida. Mr. Speaker, the Honorable Eugene I. Van Antwerp, soldier, engineer, father extraordinary, president pro tempore of the Detroit Council and commander in chief of the Veterans of Foreign Wars, was in Washington this week on the day of the fiftieth anniversary of his birth and Gene Van Antwerp, half a century young in spirit and energy and enthusiasm and half a century old in experience and responsibility, was saying "howdy" to his friends here, among whom I have the privilege of being, and I rise to congratulate him on the anniversary of his birth and to congratulate the great organization which he heads. The Foreign Service Magazine, published monthly by the Veterans of Foreign Wars of the United States, in its November 1938 number, had a very fine article about Gene Antwerp and his family and I quote, in part, as follows therefrom:

Born July 26, 1889, third child in a family of eight, "Gene," as he is affectionately known to thousands of loyal friends from coast to coast, has lived in Detroit all of his life, like his father and grandfather before him, aside from one or two brief periods of absence in search of fortune and adventure. He grew with Detroit, and his career has recognized no obstacles.

He is a self-made man in every sense of the word, he learned life in the hard way, and is, in the vernacular, a "regular guy."

John C. Lodge, 76-year-old dean of Detroit's Council, has known Gene all his life, and knew his father and grandfather. He pays tribute to our commander thus:

"No finer family man ever lived. He is a gentleman, kind and considerate, with a fine sense of humor and an infectious laugh; he is strong mentally and physically and has a tremendous store of energy. He can take orders and knows how to give them; he has an unusual understanding of public affairs, and has the God-given faculty of being able to get down to brass tacks."

At 12 he got his first job, running cash in a department store on Saturdays and at vacation time, but left this 2 years later to become water boy for a track-laying gang of the street-railway company because it paid more money.

After graduation from grade school he entered Detroit College, now the University of Detroit.

The ambition to become a soldier still persisted and, unknown to his father, he wrote Congressmen and Senators and even to President Theodore Roosevelt, seeking an appointment to West Point.

He pulled every string he could think of and his ambitious efforts were rewarded with not one, but two, appointments to the Military Academy.

Gene didn't know of his good fortune, however, until the appointment had been sent back—refused by his father.

He was heartbroken and his father packed him off for a year at boarding school in Montreal, but upon his return in 1907 he finally realized his ambition to become a soldier by joining Troop B, Michigan National Guard Cavalry, under Lt. Heirnrich Pickert, who now is Detroit's police commissioner and brigadier general commanding the Michigan National Guard.

But being a saddler in the guard was too tame, so he resigned and enlisted in a balloon unit being formed at Fort Omaha, only to be sent back as physically unfit. Resigned to leading what he considered a prosaic life in Detroit, he reentered Detroit College and again joined the cavalry troop.

It was at this time he met the girl who later became his wife, Frances McDevitt.

He happened to meet Justin McDevitt, Frances' brother, who sadly told him he was up against a tough problem and asked his aid. Gene had played football with Justin while at college and agreed to help.

It seemed that Justin had promised to take his sister to a dance that night and later found his best girl wanted to go also. He asked Gene to take his sister. Gene did and thus began a friendship that ripened into love and resulted in marriage and the happy parenthood of 11 children.

He left school and Detroit, going to Spokane, Wash., where he joined the faculty at Gonzaga College, becoming an instructor in mathematics and English.

He continued to correspond with Frances McDevitt and, filing for a homestead in the Coeur d'Alene Reservation, wrote her, popping the question.

She agreed and they were married on June 21, 1911, at the home of her cousin Sara, wife of the mayor of Odessa, Wash.

A newspaper story told of vacancies in the police department. Although 2 years under the minimum age limit of 23, Gene talked fast and was soon traveling a beat. He served a year in various capacities, earned front-page newspaper publicity when he saved the life of a woman trapped in her burning home, then resigned to take up the work he had studied for, becoming a civil engineer for the Michigan Central Railroad.

In December 1916, when it began to look as if nothing could keep the United States out of the World War, Gene applied for a commission in the engineers. He was ordered for examination April 13, 1917; on May 26 he was commissioned a first lieutenant in the Sixth Reserve Engineers, which later became the Sixteenth; on June 7 he was ordered to active duty.

He trained at the State fairgrounds in Detroit and on the first Sunday in July boarded the transport *Tuscania* for "somewhere in France."

He was one of the first 30,000 to arrive in France.

Later the Sixteenth was sent to the Aubigny-Arras-Bethune front to build a narrow-gage road. It took 4 months to complete and the Sixteenth suffered many casualties, being almost constantly shelled while they worked and bombed at night when they tried to sleep.

After service on the Meuse-Argonne front Gene was assigned to the Engineer Officers' Combat School, where, in August 1918, he received his captaincy.

But instead of rejoining his regiment he was sent back to the States and assigned as an instructor to D Company, Third Engineers Training Regiment, Camp Humphries, Va.

On November 6, five days before the armistice, he was ordered to Washington to the staff of the Chief of Engineers, and on November 30, discharged, he returned to Detroit and resumed his work with the Grand Trunk.

He left the railroad in 1926 to become chief engineer for the National Survey Service, and 2 years later opened an office for himself as consulting engineer.

Finally persuaded by his friends that Detroit needed an engineer on the council, Gene gave in—telling them he could not afford expenses of the campaign with a flock of children at home and in school.

Gene was elected and at the last election, in 1937, he polled the second highest number of votes for the office, thus becoming president pro tempore of the nine-man council.

His connection with the V. F. W. began early in 1919 when he joined the Corporal J. W. Johnson Post, No. 78, later becoming post chaplain.

During the 1921 reunion of Company A, Sixteenth Engineers, Gene suggested the founding of a V. F. W. post, and the Sixteenth Engineers Post, No. 582, was born.

He refused office at first, but in 1924 succumbed to the wishes of his comrades and became senior vice commander. From then on it has been just one step upward after the other; commander of Post 582 in 1925; senior vice commander of the Wayne County, Mich., council in 1926; commander in 1927; commander of the Department of Michigan in 1928; member of the national council of administration in 1931–32; and unanimously elected senior vice commander in chief of the Veterans of Foreign Wars of the United States at Buffalo, September 3, 1937.

He is also a member of the Disabled Veterans of the World War; Bearle V. Pittenger Post, American Veterans Français du Michigan; honorary vice president, Detroit Branch, Canadian Corps Association; Sixteenth Engineers Association; Sons of the American Revolution; the National Geographic Society; American Society of Civil Engineers; Engineer Society of Detroit; Holland Society of New York; Detroit Yacht Club; past commander, Michigan Tent, the Maccabees; and honorary life member of the International Association of Operating Engineers, Local 522.

The many friends of Gene congratulate him and wish for him much success in his fine work and continued health and happiness.

Development of the Cattle Industry in Florida

EXTENSION OF REMARKS

OF

HON. J. HARDIN PETERSON

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Friday, August 4, 1939

Mr. PETERSON of Florida. Mr. Speaker, under date of July 1, 1939, in the Tampa Times, and under date of July 2, 1939, in the Tampa Tribune, two large daily newspapers published in my district, there appeared a full-page advertisement by the First National Bank of Tampa carrying the data which I have given in these remarks, and showing a picture of a "drive" of 1,600 head of cattle snapped at the Carey Carlton ranch, in Highlands County, and a photograph showing Hereford sires shoulder deep in para grass on Roscoe Bass ranch, near Avon Park, Fla.

Another photo showed T. J. Durrance, Jr., of Bowling Green, Fla., who ranches with his father on 25 sections of land east of Brighton, Fla. It also shows a stand of giant Bermuda grass coming up to the hub caps of an automobile, a picture of a tractor transforming palmetto scrubland into land suitable for planting carpet, para, or giant Bermuda grasses—tractor being used by Nichols and Rudasil of Sebring, Fla.—all of these aforementioned groups being in the district which I have the honor to represent, but being typical of what is happening in the other cattle-raising sections of our State. With no extremes of cold, with year-round water and the practical elimination of the tick, Florida is making great strides in the cattle industry.

Ten years have seen gigantic strides in Florida's beef cattle industry, according to reports of the Florida State Marketing Bureau. Here are some interesting comparisons: Value of beef cattle—now estimated at $20,000,000—and number of animals—now about 1,200,000—doubled since 1929; more cattle under fence—estimated 60 percent in 1939 as against 5 percent 10 years ago; marked improvement in quality of beef produced.

South Florida is the leader in development of the cattle industry along modern lines—which calls for better animals to start with, and better pastures. During the past 3 years, material aid in pasture improvement as a soil conservation measure under the Government's A. A. A. program in Florida, has enabled cattlemen to meet in a large measure the initial cost of converting prairie and cut-over lands from palmetto thickets to planted pastures.

Not all the cost of such improvement is taken care of through the A. A. A. program, but cattlemen are finding it profitable to supplement Government aid with enough of

their own funds to purchase fertilizer—mostly lime and phosphate—after land is prepared for planting of grasses.

The story of pasture improvement in just a few south Florida counties during the past 2 years indicates the trend of the day. In Highlands, Hardee, DeSoto, Charlotte, Glades, and Hendry Counties more than 35,000 acres of planted pastures are supporting more and better beef cattle than 10 times that acreage could sustain a few years ago.

Whereas it took from 15 to 20 acres of wood pasture to support 1 head of cattle in the not-so-long-ago, improved pastures planted to carpet, para—pronounced pa-rah—and giant Bermuda grasses now support 3 or more head per acre when pastures are lush. On such pastures, beef animals gain more than a pound a day in good, salable flesh.

They talk in big figures down in south Florida's "cattle country"—ranches of 50,000 acres and more, not just woods lands, but thousands of acres improved, and the work going on unceasingly to convert more land for more cattle. Ranches may be measured by miles—4 along this boundary, 6 the other way. Herds are counted in the thousands, too—4,000 head on this ranch, 3,000 across the boundaries on the next one. The Florida cattleman has none of the contempt of the westerner for "sod busters," and his busy day is a mixture of life in the saddle one day or riding a tractor the next. Florida cowboys, too, may lack the "moving picture" atmosphere, but they are hard-working, hard-riding men—as adept with rope or branding iron as any to be found.

Highlands County is a good example of what is going on in the cattle industry. Under the leadership of County Agent Louis Alsmeyer, almost feverish activity in pasture improvement is under way on dozens of ranches. But neighboring counties likewise are busy. You have to get off the hard road to find out about it, but when you do and listen to successful cattlemen, you get the idea that Florida's beef-cattle industry is destined to be a big factor in the State's progress. And make no mistake about it, when this better beef goes to market, you get meat of outstanding quality—and grade for grade, Florida beef from better pastures measures up with that produced in other States. Florida packers so testify.

P. E. Williams at Davenport has shown what can be done with feeders and with improved stock on improved lands. Bill Abbott, staff writer for the Tampa Tribune, in a recent article appearing in the Tampa Tribune states, in part, the following:

WILD LAND TRANSFORMED

The touring party who rode over more than 100 miles of south Florida prairie saw poor, raw palmetto land of which Florida has millions of acres transformed overnight into grazing country knee deep in grass that makes cattle fatten almost before your eyes.

It was the culmination of a quarter of a century of research and work by the extension division of the University of Florida, the courage of a few pioneer cattlemen and the generous pocketbook of Uncle Sam.

Not only will it give the State a new major industry but it also will provide a new utilization of miles on miles of waste land along with soil conservation.

Incidentally, it will take cattle off Florida highways and put thousands of dollars worth of land back on the tax books.

—

UNIVERSITY FOUND GRASSES

The university got busy to reduce the necessary acreage, and after thousands of experiments found three types of foreign grasses—Para, Bahia, and carpet—that would grow on the sparse sand flats that heretofore produced only palmettos and rattlesnakes.

Then Uncle Sam came along with his New Deal for agriculture. He wanted to conserve the soil in Florida as well as in the Dust Bowl States. He set up complicated administrative machinery that would pay land owners $3 an acre for all property up to one-twelfth of their holdings that they transformed from wild acreage to grassy range land under fence.

At about the same time the university's scientists found that while they could produce abundant grass, it didn't have the required minerals for good beefsteak. So they prescribed a mixture of salt, red oxide of iron, copper sulphate, and cobalt chloride to give the otherwise contented cows their proper vitamins.

TAMPANS TELL OF SUPPORT

Howell T. Lykes and R. J. Binnicker, Tampa businessmen, told how business interests were giving their support, and B. F. Welles, president of the DeSoto National Bank at Arcadia added that Florida bankers were interested, too.

W. F. Ward, superintendent of the Chinsegut Hill experiment station at Brooksville, called it "a dream come true."

"Florida started in the cattle business too early," he explained. "Tick eradication took longer than was expected. But now the tick has been eradicated in most areas, the mineral deficiency has been solved, ranges have been fenced, cattle have been improved, markets have been provided, and we are just beginning.

"Perhaps the sun is rising for the first time on the big landowners. It will put land back on the tax rolls, and everybody will benefit. Nothing offers a greater opportunity in Florida—but it can't be done on an open range."

—

FLORIDA BEEF IMPROVED

Alsmeyer said the improvement in Florida beef had been remarkable, and declared it was now more desirable than so-called "western" meat.

"What we need and what we're working for is a 'Florida' grade," he said, "to bring a premium price just like Florida eggs bring a premium over eggs from other States."

J. Lee Smith, extension agronomist of the university, explained detailed methods of grass planting, and W. E. Stokes, agronomist of the university experiment station, told how they had tried hundreds of grasses before finding the kind adaptable to Florida's wild lands.

Smith said grass planting was becoming general throughout the State, but Highlands County was chosen as a demonstration center because with Alsmeyer's enthusiasm the program had gone farther here.

"But the same thing is taking place in adjoining counties and all over Florida," Smith added.

Stokes explained an acre of "native" wild land would produce about 10 pounds of beef a year whereas planted grass on the same area would add 400 pounds.

"And we haven't stopped yet," he observed. "The university is working all the time to improve and increase beef production."

—

GOVERNMENT HELPS PROGRAM

H. G. Clayton, State administrator of the A. A. A., said the Government had helped to plant more than 150,000 acres in Florida, and in comparison to its area and population Florida had done more than any other State in pasture improvement.

One reason Highlands is leading, said Mrs. Ruth Bass Hylton, county tax collector, is the cooperation the cattlemen are getting from their officials. Taxes on pasture land have been held down to 5 cents an acre, regardless of the improvement.

"And that's all they can afford to pay," said Mrs. Hylton, herself a cattle owner. "It ought to be 3 cents."

She recalled that a delegation of land and cattle owners appeared before the Hillsborough County commission at Tampa recently and asked for a lower assessment so they could go ahead with a similar program.

—

PRODUCTION INCREASED

Albert DeVane who has planted his land in carpet and para grass showed how it had increased beef production.

"It used to be that a 2-year-old yearling would dress about 200 pounds," he said, "and now it is not unusual to see them weigh 450."

He pointed proudly to a stand of para grass that reached to a horse's belly, and informed the crowd that it was only 5 weeks old.

"That shows you what Florida sand will raise," he enthused.

The crowd visited the ranch of J. C. and T. Jesse Durrance, and heard the story of how they bought 100 range cattle off palmetto land for $24 apiece and sold them for $34 each after they were put on grass land for 90 days—$1,000 clear profit in 3 months.

The pasture tourists then went on to the Lykes brothers ranch at Brighton where they saw hundreds of Brahma and Hereford cattle in high grass.

—

LYKES BROTHERS PIONEERS

The Lykes brothers also are pioneers in livestock improvement, and hold that the best breed for Florida is the Braford—a cross of Herefords and Brahmas, the latter with humps on their shoulders, the sacred cattle of India.

But the first thing to do is to build a fence, and then plant grass, which everybody is doing down here.

With the cattle boom coming on they don't talk about acres any more. They talk in sections, and a section is 640 acres, a mile square, but there's plenty of it left yet for better roast beef and good thick, juicy steaks.

Agricultural journals recently have also pointed out the opportunities of the South generally for dairy and that same opportunity holds good for Florida.

Provisions of Legislation Similar to that Embodied in Hatch Bill Should be Extended to State Positions

EXTENSION OF REMARKS

OF

HON. JENNINGS RANDOLPH

OF WEST VIRGINIA

IN THE HOUSE OF REPRESENTATIVES

Friday, August 4, 1939

Mr. RANDOLPH. Mr. Speaker, I have today introduced in the House a companion measure to the Senate bill 282, by Senator NEELY, of West Virginia, which would provide that State employees employed in connection with programs carried on and with the assistance of the Federal Government, be selected in accordance with a nonpolitical civil-service plan.

During my congressional service I have been an active member of the House Civil Service Committee, and on every occasion have worked and voted to extend the merit system. I am authorized by Chairman RAMSPECK, of the Civil Service Committee, to state that he will have that group consider shortly after the first of next year, the bill which I believe will stamp out pernicious political activity in State positions in elections, and will be in line with the recommendation of President Roosevelt on this extension of clean politics, as outlined in his message when he signed the Hatch bill.

The gentleman from Georgia, Congressman RAMSPECK, has introduced legislation on this subject, and he has assured me he will work consistently for the objectives as set forth in his bill and the measure that I have just introduced.

There is, to my mind, no reason why congressional action cannot be taken early next session to expand the fine provisions of the Hatch legislation. The country approves in large measure the favorable vote of a few days ago, and will welcome the inclusion of State positions under safeguards placed in the recent bill.

President Roosevelt and a Third Term

EXTENSION OF REMARKS

OF

HON. JAMES E. MURRAY

OF MONTANA

IN THE SENATE OF THE UNITED STATES

Friday, August 4 (legislative day of Wednesday, August 2), 1939

STATEMENTS OF HON. JOSEPH F. GUFFEY, OF PENNSYLVANIA

Mr. MURRAY. Mr. President, I ask unanimous consent to have printed in the RECORD two statements by the distinguished Senator from Pennsylvania [Mr. GUFFEY] in regard to a third term for President Roosevelt, one released on September 16, 1938, and the other on December 5, 1938.

There being no objection, the statements were ordered to be printed in the RECORD, as follows:

STATEMENT OF SENATOR JOSEPH F. GUFFEY FOR PUBLICATION IN MORNING NEWPAPERS OF SEPTEMBER 16, 1938

Is Roosevelt going to be a candidate for a third term?

I have been asked that question all over Europe and on the boat going and coming.

I imagine that it will be the people rather than the President who will determine whether there shall be a third term for Roosevelt. These people—and I mean all of the people; not just some of the people—gave him an overwhelming mandate in 1932 to salvage the wreckage of the Coolidge-Hoover regime, to so readjust our social and economic system that it shall meet the requirements of humanity, and to save American democracy by making it function.

In 1936 the people gave Roosevelt a mandate of unprecedented magnitude to carry the work so splendidly begun during his first term to a conclusion.

But all the most powerful instrumentalities of reaction have been brought to bear to obstruct him in carrying out the people's mandate; never has any American President been so insanely hated by the overprivileged few, and the people love him all the more because of these enemies he has made. Their hatred makes the issue clear.

Now the people are in dead earnest about the mandate they have given to President Roosevelt. They propose that it shall be carried out, and if as the result of obstruction from reactionary forces this program has not been fully realized before the expiration of the President's term, the people will insist that Roosevelt continue in command until their mandate is carried out.

It is not a question of what the President may want so much as a question of what the people may determine.

The reactionaries, the economic tories, the privileged few, are working day and night to force the renomination of Roosevelt, but without suspecting it.

It is not the mud being thrown at the President that the people are finding interesting, but the character and motives of the mud throwers are making very significant the nature of the anti-Roosevelt crusade.

We are going to preserve democracy by making it function through any adjustments in the machinery that changed conditions may necessitate, and if the people conclude that Roosevelt is better equipped for the task than any other, they and not the politicians will force his renomination.

Much may depend upon the fate of his constructive program during the next 2 years.

On Monday, December 5, 1938, Senator GUFFEY made the following statement:

"Following a campaign of misrepresentation and false promises, the Republican Party on November 8, obtained a new but temporary lease on life from the voters in some States including my own State of Pennsylvania.

"Intoxicated by their unexpected success they now have visions of victory in the Nation in 1940.

"The campaign to again make Wall Street the seat of the Government was launched at the meeting of the Republican National Committee here last week.

"The drive to saddle the cost of relief for the Nation's unemployed wage earners on the backs of the Nation's employed wage earners is also under way.

"The movement to reestablish industrial serfdom and destroy the partnership between labor and capital made possible by liberal Democrats under the leadership of Franklin Roosevelt is gathering momentum.

"Realizing the real objectives of the Republican overlordship that proved it still controls that party by the seating of the Du Pont candidate, ex-Senator Hastings, of Delaware, on the Republican National Executive Committee, the Democratic leadership would be derelict in its duty if it did not take effective steps to make impossible the accomplishment of these Republican aims.

"The 1940 campaign will be the most momentous in the history of the Nation. The issue will be the liberal democracy of Franklin D. Roosevelt versus the camouflaged fascism of powerful financial and industrial interests masquerading under the colors of the Republican Party.

"The one man to justify the Roosevelt record is Roosevelt. Pennsylvania wants him as standard bearer in 1940. Pennsylvania does not want and will have nothing to do with any so-called middle-of-the-road candidates.

"Pennsylvania was, is, and will be for Roosevelt, and Pennsylvania's 72 votes at the next Democratic convention will be cast to make him our standard bearer in 1940."

Senator McKellar's Work for Tennessee

EXTENSION OF REMARKS

OF

HON. TOM STEWART

OF TENNESSEE

IN THE SENATE OF THE UNITED STATES

Friday, August 4 (legislative day of Wednesday, August 2), 1939

ARTICLE IN THE NASHVILLE (TENN.) BANNER, AUGUST 2, 1939

Mr. STEWART. Mr. President, I ask unanimous consent to have printed in the RECORD an article which appeared in

the Nashville (Tenn.) Banner on August 2, 1939, regarding the benefits brought to the State of Tennessee through the work of my colleague, the senior Senator from Tennessee [Mr. McKELLAR].

There being no objection, the article was ordered to be printed in the RECORD, as follows:

[From the Nashville (Tenn.) Banner of August 2, 1939]

SENATOR McKELLAR'S WORK BRINGS MANIFOLD BENEFITS TO TENNESSEE

WASHINGTON, August 2.—As the first session of the Seventy-sixth Congress nears its close, Senator KENNETH McKELLAR, of Tennessee, regards it as perhaps one of the most important in years and productive of beneficial and generally desired legislation.

The session has been of vital interest to Tennessee, owing to the enactment of laws that place on a definite going basis two great projects close to the Senator's heart—the Great Smoky Mountains National Park, to be formally dedicated in September by President Roosevelt; and the Tennessee Valley Authority establishment, which is now taking over the properties of the Tennessee Electric Power Co. to supply Nashville and 35 other communities power at the cheapest rate in this country.

As author of the original act under which the Great Smoky Mountains National Park was created, with its 437,602 acres of hardwood forests growing amid the most enchanting scenery in the world, the Tennessee Senator has battled in season and out for the realization of his dream of a great national park on each side of the Tennessee-North Carolina boundary. When formally taken over by the Government in September, it will have cost more than $12,000,000.

The final sum provided by Congress to acquire 37,000 acres to complete the park area was enacted only during the last Congress. Senator McKELLAR sponsored and secured passage of this bill to appropriate the requisite $734,000 three times before it was finally accepted by the House. That body at one time adjourned the session with little effort having been made to secure enactment of the measure, even though Senator McKELLAR piloted it through the Senate in ample time for House acceptance and Presidential approval.

While Senator GEORGE W. NORRIS, of Nebraska, coauthor with Representative JOHN E. RANKIN, of Mississippi, of the T. V. A. Act, is often referred to as the "Father of the T. V. A.," Senator McKELLAR is "Father of the Idea," upon which the great T. V. A. project has been built and for which Congress has thus far appropriated $266,069,270, including the 1940 appropriation of $35,003,000.

INTRODUCED SHOALS BILL

It was in the spring of 1916 when Europe was locked in the death grapple of the World War, that Senator McKELLAR, then a Member of the House of Congress, foreseeing possible entrance of this country into the sanguinary struggle and conscious of our utter unpreparedness, introduced the original bill to construct at Muscle Shoals the Wilson Dam for the manufacture of nitrate by the affixation process so that by the cooperative use of the rich phosphate deposits in middle Tennessee, the powder supply of this country might be inexhaustible for defense, and the fertilizer supply for farmers might be increased.

A similar measure was sponsored in the Senate by Senator ELLISON D. SMITH, of South Carolina, and it was upon the concept of this legislation that the T. V. A. project was founded—whose directors are now to take over the properties of the Tennessee Electric Power Co. (C. and S. auxiliary) in the $78,600,000 deal, to afford a low-rate yardstick by which the cheapest power in the Americas will flow over thousands of miles of transmission lines in the Tennessee Valley.

Thus, Senator McKELLAR is in reality the originator of the T. V. A.; and during all the years that this original project to improve navigation, flood control, conservation, manufacture of fertilizer and cheap power was delayed, Senator McKELLAR jealously guarded the Wilson Dam until the day when his hopes would be realized.

Having thus protected these properties for a fifth of a century, Senator McKELLAR now sees the world's greatest economic undertaking under way in his and adjoining States; an undertaking that will cost approximately $300,000,000 when completed.

But despite its progress, the T. V. A. has hit breakers in Congress, and three times Senator McKELLAR has saved from the legislative scrap heap the Gilbertsville Dam that is to cost $95,000,000, by amending bills that had reached the upper branch with Gilbertsville eliminated.

With eight of the system of dams already authorized by Congress, except Coulter Shoals, to cost $25,000,000, Senator McKELLAR will redouble his efforts for T. V. A. at the next session in an effort for its inclusion.

When Senator McKELLAR leaves for home next week he will have rounded out approximately 29 years as a Member of the United States Congress; years in which he has dedicated his life to the service of his State and country. Nearly 6 years of this tenure was in the House and the remainder has been in the Senate. The ranking Senator in seniority is WILLIAM E. BORAH, of Idaho, whose services began March 4, 1907; with ELLISON D. SMITH, of South Carolina, second, his service beginning March 4, 1909. Entering the Senate on March 4, 1917, when Woodrow Wilson, a former Tennessean, was President, Senator McKELLAR is thus outranked in point of congressional service only by Senators SHEPPARD, of Texas, and NORRIS, of Nebraska, who also had served in the House. Senator McKELLAR ranks sixth in Senate seniority.

Having served almost 2 years longer than any Senator from Tennessee, Senator McKELLAR has played a leading part in shaping the policy and history of the Nation under five Presidents of various political views and concepts.

When he presented the credentials of TOM STEWART, of Winchester, last January, he had then presented his fifth colleague from the Volunteer State to the great law-making body.

During his almost three decades in Congress, Senator McKELLAR's record has been notable for industry, devotion to duty, and adherence to his high ideals of public service. Leaving the most lucrative law practice in Memphis of any young Tennessee lawyer of his day, Senator McKELLAR's distinguished career is outstanding for advocacy of legislation for the benefit of the great masses of people. Friendly to labor and fair to business and industry, Senator McKELLAR's course in Congress has followed the concept that laws are enacted to contribute to the contentment, happiness, and progress of all the people.

A constant believer in party administration of Government affairs, Senator McKELLAR, during the score of years that he served under Republican Presidents, cooperated with the majority side of the Senate to advance the public interests when measures to that end were proposed; but during all these hectic days of the Democratic Party, he remained a Democrat, not once wavering in his adherence to party platforms and tenets.

INFLUENCE INCREASES

With the advent of the Roosevelt administration Senator McKELLAR's influence increased, and he at once became one of the administration's most trustworthy exponents and leaders in the Senate. Believing that proposed legislation should be bettered before it is condemned, Senator McKELLAR has stood consistently behind Mr. Roosevelt's program, even though he was in some instances criticized in Tennessee for so doing, and he has thus been able to secure untold benefits for Tennessee.

During all his time, not once has Senator McKELLAR lost sight of the interests of his State, and especially his friends. A foe of dishonesty in public service and disloyalty in politics, Senator McKELLAR's course has drawn him into the vortex of Tennessee's internecine politics; but not once has he wavered in his loyalty to and support of his friends and has never failed to show his absolute contempt for disloyalty.

"If loyalty to my friends and showing appreciation of their friendship, if seeing that my State receives its portion of public favors so our people may progress and advance with other sections is 'McKellarism,' as has been charged, I gladly meet the issue," Senator McKELLAR declared today.

"Let the newspaper critics in Tennessee who have contributed nothing to the State's development continue their charge of 'McKellarism,'" continued the distinguished Tennesseean, "I shall meet the issue squarely. If what I have done is 'McKellarism,' I stand for 'McKellarism.'"

As chairman of the powerful Senate Committee on Post Offices and Post Roads, vice chairman of the more powerful Appropriations Committee, and member of the Committees on Civil Service, Library, Rules, Territories and Insular Affairs, Senator McKELLAR is noted for his attendance at their sessions. He is one of the Senate's most active Members.

An able parliamentarian, grounded in every precept of legislative strategy and evolvement, Senator McKELLAR's views—or "McKellarism" as Tennessee critics would have you believe—are included in many measures for the benefit of the public weal.

A review of the CONGRESSIONAL RECORD reveals that Senator McKELLAR has participated in the discussion of more public affairs than any other Senator, with possible exception of Senator WILLIAM H. KING, of Utah, and the late Senator Joe T. Robinson, of Arkansas, who was majority leader.

With a passion for and memory of details as uncanny as it is lasting, Senator McKELLAR's genius for success lies in combining his ability with industry and constant application to his work. No Senator is the author of more bills and resolutions, nor amendments to legislation, than the Tennessee Senator, and none is more successful in achievement. Withal, Tennessee has benefitted bountifully through the efforts of Senator McKELLAR.

He has enthusiastically supported the administration's low-cost housing program under which $15,716,000 has been earmarked for Tennessee, including $2,516,000 for two Nashville projects. By adding amounts already under loan contract, a total of $18,128,000 is arrived at that has been secured through the efforts of Senator McKELLAR to finance construction of 3,934 dwelling units under Tennessee's United States Housing Authority aid program.

ROADS AND FORESTS AIDED

Since the beginning of the present administration, Senator McKELLAR has sponsored in the Senate, legislation under which, from March 1, 1933, to January 1, 1939, Tennessee highways have received $41,878,328 in Federal aid (including $11,900,717 available January 1, 1939); national forests, $4,401,844; national parks, $2,844,320; a total of $49,124,302.

Senator McKELLAR earnestly supported the Home Owners' Loan Act under which 13,763 Tennessee homes were saved from foreclosure by loans made in the sum of $31,662,195. Before the beginning of the lending June 12, 1933, Senator McKELLAR found these Tennessee borrowers, like all H. O. L. C. borrowers, without private credit and the average was 2 and 3 years delinquent in both principal and interest.

As of February 28, 1939, Tennessee borrowers had repaid $6,517,072 or 20.6 percent of the loans. Collections last month were 104.6

percent of billings. In fact 750 Tennessee borrowers have paid in $1,413,318 in full settlement of their accounts, 9,168 are less than 3 months delinquent, meaning that they are not only meeting all current bills but are paying off arrearages. The H. O. L. C. owns about 1,000 homes in Tennessee; has sold 751 others with 90 percent rented. Moreover, $1,076,000 was loaned in Tennessee for reconditioning and repairs; $2,204,678 for payment of tax delinquencies; an epic of home-owners "comeback" and justification of Senator McKELLAR's conviction that the law would be efficacious.

VETERANS GET NEARLY FOUR MILLION

A friend of the war veteran, Senator McKELLAR supported legislation under which the Veterans' Administration distributed $3,738,325.69 for the fiscal years, 1933 through 1938. This includes payments under adjusted service certificates, life insurance accounts, the Adjusted Compensation Act of 1936 and all pensions, but not expenditures on the Johnson City, and other veterans' facilities, nor the new Murfreesboro $1,650,000 hospital secured for the State and now under construction.

In Tennessee there are 13,023 veterans, and last year, veterans, widows, and dependents of veterans were paid $12,967,606 under laws Senator McKELLAR had actively advocated.

As chairman of the Senate Committee on Post Offices and Post Roads and vice chairman of the Appropriations Committee, Senator McKELLAR has obtained Senate approval of 44 new post offices, annexes, and other Federal buildings since March 4, 1933, costing a total of $4,369,892, including $349,660 to remodel and expand the Nashville Federal building.

A stanch advocate of Federal relief for needy and unemployed, Senator McKELLAR has advocated in committee and on the floor of the Senate, since the beginning of the W. P. A. in August 1935, bills under which Tennessee's average of 40,000 unemployed have had work and sustenance. Consequently, to June 1, 1939, $62,131,052 had been spent in the State on employment; the total outlay on actual projects being $58,265,000, including highways, roads, and streets, $25,099,261; public buildings, $3,237,336; recreational facilities, $1,885,258; health and sanitation, $6,568,868, and so on.

SECURES $6,999,219 FOR TENNESSEE

Regarding the Rural Electrification Administration, the handmaid of the T. V. A., Senator McKELLAR voted for and has secured approval of $6,999,219 in allotments for 14 R. E. A. projects that will furnish 37,486 farm families in 16 counties T. V. A. power over 6,250 miles of transmission lines.

Championing the Public Works Administration as one of the most valuable agencies of the administration in making lasting Federal and non-Federal projects, such as schoolhouses, university, and other public buildings possible, Senator McKELLAR has ardently supported all such legislation, under which Federal grants of $64,294.30 were made for Tennessee projects that will cost $142,880.93.

One of the most enthusiastic supporters of the National Youth Administration, headed by Aubrey Williams, a former Tennessean, in the Senate, Senator McKELLAR is gratified that an expenditure of $3,932,424 has been made in Tennessee since the establishment of the N. Y. A. in June 1935. Of this amount, $1,806,754 has been for the student-aid program, $2,125,670 on the N. Y. A. work projects, for out-of-school unemployed youth.

Allotment for the present fiscal year is $1,573,946. Currently a total of 14,652 youth are included in the student-aid program in the State, in or out of school. In June, there were 10,057 out-of-school unemployed Tennessee youth between 18 and 24, certified for N. Y. A. employment by local welfare agencies, awaiting N. Y. A. work, Senator McKELLAR stated today.

An especial interest has always been taken by the Senator in the Federal appropriations to supplement local sums for vocational education, under which program $1,962,361.64 was spent in Tennessee last year, over $100,000 going for trade training.

FARMERS PAID $46,303,515.18

A stanch supporter of the administration's farm program, Senator McKELLAR voted for measures under which $46,303,515.18 has been paid Tennessee farmers under the A. A. A. program in the 1934–39 period, of which $24,091,230.92 was for cotton farmers, $486,810.05 for wheat growers, $6,749,149.54 for corn-hog producers, $6,749,149.54 for tobacco growers, and $4,077,000 for participation in the soil-building program.

The Tennessee farm-security program, which since its inception in 1935 has expended $7,324,573 in the State, has had the support of the senior Senator at all times. The money has been spent—rural rehabilitation loans, $3,569,660; rehabilitation grants, $203,476; resettlement projects, $2,652,744; Cumberland Homesteads, Cumberland County, $2,652,744; farm tenancy loans, $418,228; and the Tennessee farm tenant security project in Carroll, Crockett, Gibson, Haywood, and Madison Counties, $480,465.

Senator McKELLAR has supported to the utmost the soil conservation program in Tennessee, conducted at Knoxville, under which $1,031,669.05 has been spent over the State between 1934 to 1939, inclusive; the cooperative extension work in agriculture and home economics carried on in the State also has caused an expenditure of $4,838 since March 1933.

Aside from this, Senator McKELLAR has supported C. C. C. appropriations, those for the regular and independent establishments, under which Tennessee has secured her full mete of Federal allotments, all of which, of course, the senior Senator is willing for his critics to view as "McKellarism" should they desire.

W. P. A.

EXTENSION OF REMARKS

OF

HON. JAMES H. FAY

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Friday, August 4, 1939

ARTICLE FROM NEW YORK POST, AUGUST 1, 1939

Mr. FAY. Mr. Speaker, under leave to extend my remarks in the RECORD, I wish to include an article from the New York Post of Tuesday, August 1, 1939, entitled "Why Not Keep the Rules?"

[From New York Post, Tuesday, Aug. 1, 1939]

WHY NOT KEEP THE RULES?

It was only humane for Col. F. C. Harrington, W. P. A. Administrator, to suspend the firing of employees from the rolls under the 18 months' purse clause of the new W. P. A. Act; nevertheless, he deserves credit for being alert to the opportunity.

He put through his order stopping the dismissals as soon as the Senate adopted an amendment to the Barkley lending bill, which, if passed in the House, would modify the present arbitrary rule.

Colonel Harrington can go a step further. If the unions are correct in their reading of section 15B of the present W. P. A. Act, he can put an end to the turmoil caused by the abolition of the union scale for building-trades workers. He can restore the scale on existing projects "to protect work already done." The issue is not likely to arise on future projects, limited as they are to investments of not more than $52,000 each.

Everyone in the present situation of turmoil is losing and no one is gaining.

The public is losing because progress on important projects, like North Beach Airport, has been slowed down unnecessarily; the skilled workers are losing because they are sacrificing their daily wages; other W. P. A. workers are losing because the effectiveness of their labor is being diminished.

All this loss came from the sudden reversal of policy in Washington. From the beginning of W. P. A. the prevailing union scale of wages was paid to skilled building-trades workers. The Woodrum Act suddenly took away the scale. Its provisions were applied not only to new projects, but to projects long under construction. If the change was to have been made at all, it should have been applied to future work, not to unfinished jobs. There should, at least, have been some notice. But the rules were changed in the middle of the game.

Union carpenters, bricklayers, lathers, and other skilled workmen who went to work for W. P. A., many on a nonrelief basis, were thunderstruck when they discovered the Government no longer would pay the scale. They quit. Their automatic reaction has been called a strike. Officials of the Central Trades and Labor Council now call it a "stoppage" or "noncooperation." They insist they have no desire to close W. P. A. projects; they haven't called walk-outs on other Government enterprises; they have caused no disorder here.

The whole unnecessary tangle can be straightened out by an order such as stopped the wholesale discharges. Colonel Harrington some weeks ago asked Attorney General Murphy for an interpretation of section 15B. We hope that the Attorney General's opinion will permit Colonel Harrington to act.

The Power of the Purse

EXTENSION OF REMARKS

OF

HON. EARL R. LEWIS

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Friday, August 4, 1939

Mr. LEWIS of Ohio. Mr. Speaker, this has been a historic week in the Congress of the United States and especially in the House of Representatives. Day after day during the session I have seen bills introduced which would, if enacted into law, have changed the constitutional power to control public expenditures from the House of Representatives, where it has been vested during all our life as a Nation under the Constitution, to the executive branch of

the Government, and I, with many others, have wondered how long this process of taking from the representatives of the people the control of the public purse could continue and liberty and a democratic form of government still survive.

As these measures have come up for consideration in the House of Representatives, my mind has gone back to other days when the embattled representatives of the people in our motherland across the sea were fighting, first to wrest from a tyrannical king and later to hold the power over the public purse the right to determine for what purpose, in what manner, and to what amount public funds shall be expended, and as I have thought of those great fights made by our ancestors in the Parliament of old England hundreds of years ago, I have wondered whether the hard-bought liberties which we enjoy as a result of their fights with the King were to be lost in our generation here in the Congress of the United States, and I must confess on many days I have left this Hall with a heavy heart, because I have seen this Congress apparently willingly yielding its judgment to the judgment of the Executive in the matter of appropriations authorizing expenditures far beyond the income of the Federal Treasury, following a pattern of governmental action that could be described no more fittingly than by the term "socialistic." I have wondered when, if ever, the day would come when the representatives of the people in the House of Representatives would use their own judgments in the control of the public purse and restore to the House of Representatives its constitutional function of determining for what purposes, in what manner, and to what amount appropriations should be made.

Last Monday and again on yesterday the House of Representatives found itself for the first time in many sessions and it assumed again its constitutional right and duty to control the public purse in its defeat of the so-called spending-lending bill and of the so-called housing bill—measures that in my judgment were unsound, in that they required vast increases in the public debt, already dangerously high, and unsound because so framed as to evade the law previousy enacted by Congress fixing the public-debt limitation at $45,000,000,000, and unsound because they were not, as claimed for them, self-liquidating, unsound because they would not have restored prosperity nor lifted us out of the depression, as our experience on three separate attempts by this method has demonstrated, unsound, in the case of the housing bill, because the persons whom it professed to help would not have been helped thereby.

Mr. Speaker, the action of this House in rejecting the President's lending-spending bill and his housing bill in my judgment meets with the approval of the people of this country, and a reflection of that approval is accurately portrayed in an editorial in this morning's Washington Post which goes to the heart of the issue involved in the bills I have just mentioned and which I quote as follows:

UNDERNEATH THE REVOLT

While the shattering of the spending program is the most spectacular part of this week's congressional revolt, the real significance of the administration's defeat goes far deeper. More important than the belated turn toward economy, which another Congress might all too easily reverse, is the assertion by the Legislature of its constitutional and fundamental "power of the purse." The moral of that action should and will be understood.

Complete legislative control over appropriations has always been the basic safeguard of democracy against dictatorial executive encroachment. It was the effort of Charles I to make Parliament yield on this issue which led to his overthrow and execution. It was a full appreciation of what the issue involved which made the members of the Constitutional Convention emphasize it so strongly in writing the organic law of the United States.

Article I of the Constitution specifies that "all bills for raising revenue shall originate in the House of Representatives," as the Chamber more subject to popular control. And it further lays down categorically that "no money shall be drawn from the Treasury but (except) in consequence of appropriations made by law." The authors of the Constitution were well aware of the danger that an over-ambitious Executive might in one way or another seek to gain control of the public purse. And they were wisely anxious to raise every possible safeguard against such tendencies.

In very large part the smashing set-back experienced by the administration this week must be attributed to its casual attitude toward this cardinal principle of the American Government.

Time and again Congress has been asked to rubber stamp enormous appropriations, presented so casually as to give the impression that the function of the House in this matter is merely that of a Nazi Reichstag. Time and again Congress has all too willingly complied with—and even exceeded—the appropriations demanded. But soon or late the sense of congressional responsibility and the realization of congressional authority in the matter of the public purse were bound to revive, assuming that the principles of democracy are still alive in this country. And that they are still very much alive was demonstrated this week.

It was, of course, the underlying character of the latest pump-priming scheme which led to the congressional revolt. "There seems no reason," said President Roosevelt in launching this scheme, "why there should not be adopted as a permanent policy of the Government the development and maintenance of a revolving fund fed from the earnings of these Government investments and used to finance new projects at times when there is need of extra stimulus to employment."

What this scheme meant, in plain language, was socialization of credit. It meant that the administration, as a permanent policy, would collect the savings of the country and "invest" them in such undertakings as seemed to it desirable, all this taking place outside the regular Budget and without routing through the Treasury the funds borrowed and lent. It meant, in other words, not merely a further undermining of the normal processes of investment. It meant also a subtle but none the less revolutionary encroachment upon the congressional power of the purse.

The Senate sharply trimmed this so-called spending-lending bill, but left its dangerous underlying idea intact. It was the House, where more than a few Members saw the magnitude of the issue involved, which had the courage to kill the measure outright. Thereby it reestablished its inalienable prerogative. Thereby it has richly earned the national gratitude.

Inevitably the smashing of the administration's scheme of socialized credit has brought down other projects in the ruins. Individually some of these results, such as yesterday's refusal to extend the borrowing power of the U. S. H. A., seem very unfortunate. But in extenuation it must be remembered that in extinguishing a dangerous conflagration firemen frequently cause some regrettable damage.

Congress, and the House in particular, has put a stop, for the present at any rate, to a thoroughgoing socialistic policy which can most easily be forwarded under the insidious mask of deficit-financing. And Congress further has brought the administration up with a sharp bump by such actions as its refusal to restore the "capital impairment" of the Commodity Credit Corporation. Incidentally, that seems a nice example of an undertaking which can speciously be called self-liquidating in advance, while in the upshot it suffers capital impairment of $119,599,918, which Congress is expected automatically to restore by a deficiency bill.

Such reminders of where the power of the purse resides are viewed by Secretary Wallace as "unthinking" and "probably iniquitous." The adjectives are misapplied. Congress never worked more thoughtfully; it never acted with deeper consideration of the Nation's long-range interest, than in the good riddance to bad rubbish accomplished this week.

A Suggestion for District of Columbia Revenue

EXTENSION OF REMARKS

OF

HON. JENNINGS RANDOLPH

OF WEST VIRGINIA

IN THE HOUSE OF REPRESENTATIVES

Friday, August 4, 1939

Mr. RANDOLPH. Mr. Speaker, in recent weeks we have all had ample opportunity to become acquainted with the complex fiscal structure of the District of Columbia. The arguments for the simplification of that structure have produced two schools of thought diametrically opposed to each other. On the one hand, are the advocates of an increased Federal contribution. They are opposed by that group which advocates increased taxation for the residents of the District. Apparently, there is no middle course.

Emerging from the heated arguments are the concrete facts that local government must continue and that such government must be financed. The Congress has committed itself to a policy of definite limitation on the size of the Federal contribution. The alternative, therefore, which is available as a source of revenue to meet the governmental needs of a continually expanding community is taxation.

No one likes taxes. From time immemorial the layers and gatherers of taxes have been unpopular in their communities. But since taxes are necessary and must be raised to carry the benefits of government, the imposition of a specific type of

tax should be considered only when it becomes absolutely essential. I believe that there is no other recourse available for the proper solution of the District's financial problem than to find some source for increased revenue by taxation.

The objects of taxation are numerous, but I believe that the source of revenue must be confined to some object which, by equitable and just means, is shown to be adequate to the objective sought and yet at the same time the users of which are financially able to bear the burden.

After due consideration of these principles, I believe that the fairest means available is the levying of an additional 1-cent sales tax per gallon on gasoline.

I am advised there were 133,842,959 gallons of gasoline sold in the District of Columbia at retail in 1938, which, if a retail sales tax of 1 cent per gallon were levied, would produce $1,338,429.59, and which could be collected with very little administrative expense. The neighboring States of Maryland and Virginia raise a substantial portion of their revenue through such a tax, as do a great many others. including my home State of West Virginia.

I am today introducing legislation which will provide this additional 1-cent gasoline tax in the District of Columbia, and I trust it may be given careful and proper consideration during the next session of Congress.

The Antialien Bill

EXTENSION OF REMARKS
OF
HON. LEE E. GEYER
OF CALIFORNIA
IN THE HOUSE OF REPRESENTATIVES
Friday, August 4, 1939

EDITORIAL FROM PHILADELPHIA RECORD, AUGUST 3, 1939

Mr. GEYER of California. Mr. Speaker, under leave to extend my remarks I wish to insert in the RECORD an editorial from the Philadelphia Record for August 3, 1939:

THE ANTIALIEN BILL STRIKES AT US ALL

The only good thing to be said about the Smith antialien bill, passed by the House of Representatives last week, is that it hasn't much chance of becoming law. The Senate is unlikely to consider it before adjournment.

Even if the House action was only a gesture, a particularly nasty one, the situation is no less serious. What we are concerned about is the challenge to basic American principles and civil liberties.

This bill would be a loaded gun pointed toward aliens, a gun that could easily be turned toward any other group in this country.

On its face, the bill seems unobjectionable. It is wrapped in the flag, in fine patriotic phrases. But we are glad to see our conservative contemporaries discovering as much harm lurking in this omnibus antialien bill as we do. Says the New York Times:

"It is not easy in a measure like the Smith antialien bill * * * to separate those provisions which may be justified as a defense against real dangers from those which may themselves endanger our traditional liberties. But neither the language of some sections of the measure nor the debate on it gives assurance that the bill was dispassionately drawn and considered."

The more conservative New York Herald Tribune goes even further in its condemnation, saying:

"By channeling popular disturbance over Communist and Nazi-Fascist activities into a flag-waving campaign against the alien, a measure like the Smith bill simply reduces the whole movement to the base and stupid level of a Nazi campaign against the Jews."

Certainly we're against the aliens committing the crimes mentioned in the bill, crimes such as carrying weapons unlawfully, violating the State narcotic laws and inciting to mutiny in the Army and Navy.

We're against anybody else committing the same crimes.

We're not in favor of punishing a thief because he's an alien, but because he's a thief.

Right there is the sinister implication of this bill: That aliens are more likely to become criminals than the native born.

We don't believe it. The Wickersham commission report in 1930 and a more recent study in New York show that the crime rate of aliens is about half that expected on the basis of their numbers.

We must not forget that about 1,000,000 aliens living here can't become citizens because of technical flaws in their passports. We musn't forget either that the 5,000,000 aliens in this country have about 6,000,000 children, native-born Americans, who would see their fathers and mothers lumped together as undesirable citizens if this bill should become law.

Worst of all are the symptoms of hysteria on the part of our Congressmen revealed by the antialien bill; the same symptoms of unreasoning hate that caused the stoning of German bakeries during the World War.

We don't want to start off on a Nation-wide alien hunt. Once the hunt for aliens is in full cry, with the hunters wearing cloaks of patriotism, it would be easy to shift the hate toward naturalized citizens, toward racial minorities, toward religious minorities.

We have enemies in this country, but not many of them are aliens. The enemies we have to fear are the native American products of unemployment, sweatshops, slums, and starvation in the midst of plenty.

Let us not waste our time baiting aliens. There is real work to do.

Fighting for the New Deal at Sacramento

EXTENSION OF REMARKS
OF
HON. LEE E. GEYER
OF CALIFORNIA
IN THE HOUSE OF REPRESENTATIVES
Friday, August 4, 1939

ARTICLE BY RALPH C. DILLS, ASSEMBLYMAN, CALIFORNIA SIXTY-NINTH ASSEMBLY DISTRICT FROM THE CALIFORNIA DEMOCRAT

Mr. GEYER of California. Mr. Speaker, I have been watching with interest the procedure in the California State Legislature during the session just passed. I have been struck with the deadly parallel between that body's activities and that of the National Congress.

Assemblyman Ralph C. Dills, who represents the California Sixty-ninth Assembly District, has written a very splendid account of the activities of the California Legislature.

Assemblyman Dills is a young man trained in the field of government. No member of the California State Assembly has made a better record of service to his constituents and the State as a whole than Mr. Dills.

I predict he will before long be called to this House of Representatives to serve his people.

His account follows:

Since my return from the legislature, I have had many occasions to address groups interested in hearing the story of the recent session. I have spoken to service groups, women's clubs, labor unions, political clubs, organizations of the unemployed, farmers, and pension groups. This has given me an opportunity to bring back to those removed from the scene of legislative activity a brief picture of my experiences and of the methods used there in defeating good legislation.

From the start it was obvious that in order to pass any legislation of major importance the fight would be long and difficult while the result would be only a compromise. Inasmuch as the Democrats were in a majority, in name at least, in the assembly, there was a general feeling that the assembly would pass a considerable number of bills designed to carry out the Democratic platform. But it was evident as soon as we began the fight on the budget bill that there was a wide variety of representatives basking in the Democratic limelight. A friend recently classified such representatives into four groups: Liberals, reactionaries, screw balls, and reptiles.

At any rate, judging from the voting record, we find too many so-called Democrats who unfortunately forget that they were elected on the Democratic platform, pledged to a New Deal in California.

Results in the senate were no different from what we had expected. California's Senate traditionally represents a group which in the past has seen fit to support and reflect consistently the interests of well-organized and well-financed special groups.

Everywhere I have spoken I have offered to answer questions and have been pleased at the alertness of California citizens. They have tried diligently to follow the maze of legislative maneuvers, and have invariably asked me why it is that so little was accomplished at the recent session of the legislature. In answering that question, I have attempted to be fair to those who do not agree with me in political thought or who may represent districts which reflect economic and social interests unlike my own. I have genuine respect for those legislators who are honestly conservative in thought and consistent in voting for such principles. Our democracy permits a wide range of thought and opinion. But the most disconcerting and most shameful action of representatives is that of masquerading as liberals at the time of

election and then later making deals and swapping votes with those forces which they promised to oppose.

We find in the assembly men who are both truly liberal and vote that way, as well as those who conscientiously represent conservative districts and vote conservatively. In between these honest differences of opinion is a group of straddling, tightrope walking politicians who can never be depended upon for a vote until after they have received their orders from those interests which have contributed generously to their campaign coffers. In other words, the old adage: "He who pays the fiddler names the tune," applies in legislative halls as well as elsewhere.

Our first real test of liberal Democratic strength came when we began to consider the budget bill. Every honest observer who desired access to information, knew that for the first time in decades we had a Governor who presented to the legislature an honest attempt to include all the money necessary to carry on governmental functions for the biennium. Previous administrations had submitted an 18-month budget instead of a biennial, 24-month, budget. Then these same administrations would come running to the legislature requesting deficiency appropriations to bail them out until the close of the budget period.

This Democratic administration, for instance, had to vote two separate appropriations for the relief of human destitution simply because the Merriam administration was unmindful of its duty and was desirous of hoodwinking the public on the size of its budget. Despite the fact that the Olson budget as originally submitted was but 4 percent greater than the total expenditures of the previous biennium, a well-planned and well-timed attack by the anti-administration press created the false impression that this administration has no regard for the plight of the taxpayer.

The tools of the special interests in the legislature took up this cry and proceeded to weep and wail for the poor farmer or the poor home owner. No one knows better than I the serious difficulties confronted by the average small farmer and property owner. Realizing this problem, I sponsored bills which would have made the life of the aged, the underprivileged, the farmer, the workingman, the independent businessman, and the owner of property a little less difficult. Some of them were passed. Others were defeated by special interests. Hypocritical concern for hard-pressed farmers and home-owners is nothing but a subterfuge used by tax-evading corporations, banks, racing and gambling interests, and exploiters of our natural resources.

It was soon obvious that the move to cut down on the essential functions of our Government, for which money was allocated in the budget was a move on the part of these very interests to thwart passage of tax revenue bills based upon the just ability to pay. This administration did not and would not place any additional burdens upon the farmers, small property owners, or consumers. Such facts, however, were cleverly concealed by the opposition under the guise of economy. Peculiarly enough, those who had in recent months been shouting about balancing the budget were not now anxious to assist in doing this when they realized the Governor and his supporters intended to do it by taxing those who could afford to pay the bill.

Four weeks were consumed in the assembly on the budget bill alone. And yet there were more than 4,800 other measures to be considered.

The control over certain members of the legislature held by the lobbyists of the loan sharks, the gamblers, the Power Trust, the Southern Pacific, the Standard Oil, and other great industrial pressure groups was evidence not only in the budget fight but more clearly in the fight for the Central Valley project. I am told by old-timers at the legislature that for the first time in many sessions these lobbyists had to earn their money, for it was clear to them that Governor Olson and his supporters meant to do a good job of house cleaning. These lobbyists banded together on practically every major piece of legislation, and through their Charlie McCarthys on the floor threw up the most formidable opposition against which a people's government has had to contend.

Working together, they permitted the Central Valley project bill to pass the Senate, much to the surprise of everyone. We soon learned their strategy. For, after passing the legalized bookie bill and the so-called loan-shark bill written by the companies themselves, the lobbyists tried a "squeeze-play" on the Governor. The Governor was offered five votes for his Central Valley bill if he would sign the legalized bookie and the loan company bills.

The fact that the administration lost the Central Valley bill by two votes, and the fact that the Governor vetoed the legalized bookie bill and loan-shark company bill are evidence of his courage and desire to protect the people's interests.

As we enumerate the accomplishments of the past session we must not forget that many times accomplishments can be measured in terms of the prevention of bad legislation, as well as by the passage of good legislation. Thus in the many fields of labor, civil liberties, protection of minority groups, public health, etc., we prevented vicious legislation from being enacted. Even though we did not accomplish any considerable progressive reforms, we at least were able to prevent backward steps.

Everywhere I go I find the people talking in terms of streamlining our State government. I am asked repeatedly what reforms I feel would be both practicable and possible of immediate achievement. I find a healthy response to the suggestion of reapportioning the senatorial districts on the basis of representation according to population. They feel this is a step in the right direction toward more democratic government. Such representation in the State senate existed up to the very recent date of 1926. There is a definite resentment, and rightly so, for the failure of the legislature to call a constitutional convention for the purpose of bringing the government closer to the people. A great number of the people are in thorough accord with Governor Olson's proposal of a one-house legislature, based upon representation according to population.

Certain physical difficulties confronting a legislator can, in my opinion, be remedied. It seems to me that it would be very desirable to limit the number of bills which any one member of the legislature could introduce. Furthermore, I believe there should be a limit on the number of bills introduced to accomplish the same changes. Why should there be 10 or 12 separate fights, as in past sessions, on bills designed to remedy the same problem? There are also too many committees upon which a member must serve. One can see the practical difficulties confronted by those of us who were asked to serve as chairman of one committee and as a member of 7 or 8 others. I believe, for instance, that the committee on education can be given the responsibility of considering measures affecting public schools, libraries, universities, and State colleges, rather than having a committee for each of these 4 fields of public service.

Another reform widely suggested is that of having an annual session of the legislature with adequate time and compensation for the consideration of the problems in a modern, complex society. Businessmen and executives have expressed amazement at the fact that we in the legislature are asked to deal with more than 4,800 bills in 100 legislative days in conjunction with the difficult task of planning a reasonable budget and providing adequate revenue measures to pay the cost of government for a 2-year period. What corporation board of directors would be called upon to consider half-a-billion-dollar expenditure and revenue program for only a few weeks in a 2-year operating period?

Yet, given these physical reforms, there remains ever the problem of the electorate in choosing representatives who possess the independence and courage truly to represent the great majority of California's citizens and to withstand the inhuman pressures exerted upon them by the selfish and special-interest groups. That must be our goal.

How to reach that goal?

The question is more practical than academic.

The great majority of the people in our State, who believe they have been voting for the principles of the New Deal when they vote for Democrats, must be apprised of the true facts. They must be advised against those who simply wear the mask to gather votes and who discard it when their masters call. To accomplish this seeming, simple task will mean even closer cooperation in the Democratic Party. We must name names.

There is no other solution. Pussyfooting and straddling can only serve to perpetuate the present unsavory condition—a condition under which special interests thrive—a condition which postpones, yes, almost precludes, true democracy for our State.

Agriculture and the Reciprocal-Trade Agreements

EXTENSION OF REMARKS

OF

HON. CARL T. CURTIS

OF NEBRASKA

IN THE HOUSE OF REPRESENTATIVES

Friday, August 4, 1939

Mr. CURTIS. Mr. Speaker, I have often wondered what might be the reason for the obvious desire of the New Deal to shift our Nation from its traditional policy of protective tariff to a policy of free trade. I think I now have the answer to that question and an explanation of the feverish negotiation of reciprocal-trade agreements with and among most-favored foreign nations.

The reciprocal trade agreements program has been advertised as an aid to agriculture, which doubtless is in dire need of rehabilitation. It has long been generally recognized that our American farmers sell farm products, both at home and abroad, at low world prices, unprotected from cheap foreign competition, and that they buy industrial goods at high, protected American prices. Such a situation obviously results in bankrupting our farmers.

What to do about it? Raise the price of farm products in the domestic market to a like level of protected American prices of industrial goods? The answer has been negative. The alternative has been surreptitiously to seek to remove gradually the protection from industrial prices and eventually to lower them to the present level of low world prices of products of the farm.

No one could reasonably object to reciprocal-trade agreements entered into with particular foreign countries to permit importation into this country of particular commodities

which we do not produce or of which we produce an insufficient quantity for domestic use, on condition that we might export in exchange to such countries those commodities which they need.

That, however, has not been the sort of reciprocal-trade agreements that have been made. Even if there were no question of price level involved, even if foreign production costs were the same as our own, and even if we should export as much as we import, it seems to have been thought that there is some special virtue in swapping dollars and identical commodities in stimulation of foreign trade. I fail to see the point. If I were in the shipping business, I might view the matter differently.

How has this reciprocal trade agreement policy actually worked out in practice? Has it benefited agriculture? Are our farmers better off than they were in 1934, before this fantastic scheme was launched?

Such is not the case. Our agricultural prices are lower than they were at low tide in 1934. Not only have importations of low-cost commodities pulled down prices in our domestic market, but also imports have increased more rapidly than exports.

Our exports of raw foodstuffs during May of this year were 68 percent less than they were in May of last year, while imports of raw foodstuffs, during the same period, increased 32 percent. In May 1938 our exports of grain, including flour and meal, were 43,000,000 bushels, and in May 1939 were only 16,000,000 bushels. Of corn, we exported in May 1938, 25,000,000 bushels, while in May 1939 we exported only 1,200,000 bushels.

The Anglo-American trade agreement, which went into effect the first of this year, has proven particularly bad for the United States. We made 444 concessions from our import tariff duties, while the United Kingdom made only 156 concessions. During the first 5 months of this year, under that trade agreement, we exported to Britain less than we did in the corresponding period the year before; but Britain, in the same period, increased her exports to the United States $17,000,000 above the former figure. In May 1939, Britain exported to us $15,200,000 of goods and commodities as against $3,600,000 for May 1938.

The sad feature of the matter is that we are importing from Britain, in ever-increasing quantities, both agricultural and industrial low-cost commodities which we also produce, process, and manufacture here. The net result is that we are withdrawing protection from industry and further depressing agriculture at the same time.

It would seem to be the part of wisdom, before we begin to tear down our protection to industry, that we first lift up agricultural prices to the level of American production costs. Then if we feel that our American price structure, as a whole, is too high to enable us to do business with foreign nations we may consider the matter of permitting our prices, both agricultural and industrial alike, to be lowered by means of foreign competition. But agricultural prices must first be raised to a par with industrial prices before we embark on a policy of bringing our American prices down to a level with low world prices.

It is my guess that the American people will never consent to see our American standard of living and our American wage scale permanently pulled down to foreign levels. Free trade may be a beautiful theory, but our people are not going to permit the hands of our economic clock to be turned back or to permit a return to the "horse and buggy" age.

It is said on good authority that 93 percent of our income is derived from sales of our own goods and commodities to our own people. Is it necessary in order to make a friendly gesture of good will to foreign nations that we destroy our entire domestic economy? No foreign nation can justly expect such a sacrifice of our own economic interests. I am sure that no foreign nation would make such a sacrifice to show its good will toward us, nor would we expect any such thing.

This fetish of foreign trade has placed American agriculture under the yoke of foreign bondage. We have freed industry, in a measure, from foreign domination; but we still take our prices of farm products on dictation from Liverpool through the instrumentality of the futures-market ticker tape.

This reciprocal trade agreements program is but an added means of economic bondage. When our farmers come fully to realize that the practice of futures trading automatically fixes a low ceiling over agricultural prices they will arise in their wrath and exterminate the market racketeers who gamble on the fluctuations of low world prices of the products of their farms.

I wish, Mr. Speaker, in conclusion, to say that agricultural tariffs do not protect agricultural prices, for the obvious reason that there is no American price to protect—nothing but world price. Industry has American prices and the American tariff protects those prices so far as reciprocal-trade agreements will permit. In industry there is no futures market ticker tape to fix low world prices for American-made industrial goods. It is urgent that we soon give to agriculture the same kind of a deal that we have long handed out to industry. Otherwise our entire economy will soon collapse.

Farm Security—Arthurdale, W. Va.

EXTENSION OF REMARKS

OF

HON. ANTON J. JOHNSON

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Friday, August 4, 1939

Mr. JOHNSON of Illinois. Mr. Speaker, my opposition to the spending-lending program was influenced from first-hand knowledge of some of the fallacies of the spending program. In view of the fact farm security had been before the House Agricultural Committee, it impelled me to make an extended study of the hoped-for benefits to be derived under such a huge spending-and-lending program as was before the House this week. I am sure that the spotlight should be thrown upon some of these so-called projects, that the public could see for themselves where the taxpayers' money is going.

Particularly the farm-security program draws my attention to Arthurdale, W. Va., which was started as one of the first projects of the Division of Subsistence Homesteads, and now under the operation of Secretary Wallace, Department of Agriculture.

A visit to Arthurdale or to the Elkins, W. Va., homesteads would reveal a most amazing story of misguided objectives. Arthurdale, W. Va., project was planned to give a group of miners, left without work when the nearby coal mines closed down, a chance to obtain adequate income and greater degree of security. Arthurdale contains 1,100 acres about 15 miles south of Morgantown, W. Va., at an elevation of about 2,000 feet and is slightly rolling and very fine farming ground. The idea was to locate each relief family upon about 3 acres of land with a house, combination barn and poultry house, and vegetable cellar. The idea in view was that these people could produce practically all their own food. This project is now under the Farm Security Administration, which has asked another $400,000,000 of the taxpayer.

On a personal visit there, one hears three prominent terms, "homesteaders," "cooperative," and "project." On inquiry from one of the residents you learn from him that each resident is a homesteader, and each homesteader is provided with a modern house of from four to six rooms, each one with his own individual deep well varying from 125 feet to 300 feet, whereas they could have been served with a central water system. These houses all front on paved roadways through the colony. The houses are made of wood and concrete, and there are several beautiful stone houses. The homesteader will inform you that the cooperative is the owner of the whole project. Further information on inquiry reveals that each homesteader has one share in the cooperative, which is governed by a board of

directors. You ask the homesteader how much money he paid into the cooperative, and he tells you "nothing" and that the whole thing is borrowed from the United States Government. The homesteaders, to secure a living, are mostly employed in so-called projects in the community, and a few have gone back to nearby coal mines.

On July 31, 1938, there was already invested in this Arthurdale project a sum of $2,027,000, which includes the homes, barns, land, and community buildings. Since that time there has been added a modern tractor factory of concrete, steel, and glass construction. The "co-op" also owns a farm consisting of 442 acres of land. On investigation one finds that these homesteaders pay from $8.60 a month for the four-room houses up to $14 per month for the six-room houses. Bear in mind that the total cost a year ago was over $2,000,000 and with 165 homesteaders this makes about an average investment of $13,000 per family which comes from the pockets of the taxpayers of the United States.

The farm project is equipped with modern dairy barns containing Louden dairy equipment, steel stanchions, large silos, and modern milk house with steam boiler, 33 head of pure-bred Jersey cattle, tractors, and implements of all kinds. The farm was operated under the direction of a board of directors elected by the co-operatives. Upon investigation I found that this large farm of 442 acres (about half under cultivation) had been a financial loss since its inception about 5 years ago. Although in the literature put out by the Farm Security Administration to the effect that all of the men have had some agricultural experience, the fact remains that the farm suffered a severe loss and was a failure as a co-operative venture.

Information was given me that the past year, up to April of this year, the pay roll on the farm amounted to $870 per month, 12 months in the year, and this did not include the expense of milking the cows. On April 1 of this year the farm was leased to two of the homesteaders for 5 years with all equipment, cattle, and livestock for the sum of $400, not per month, but per year, which is not far from 1 percent per annum on the investment—with no taxes or necessary upkeep expense. The milk is marketed at Morgantown, 16 miles away, at a price of $2.55 per hundredweight for 4 percent milk. There are also so-called projects, such as pewterware and wrought-iron products. Making these are referred to as projects employing homesteaders. These are very small and employment is almost nil when one thinks of it as an industry. The "co-op" owns—on Government-loaned money—an electric vacuum-cleaner factory which had been leased to a private concern and they, in turn, have abandoned the project and this modern steel, brick, and concrete building is now idle. Just this year another modern plant constructed of brick, steel, and concrete, 100 by 300 feet, was constructed on further loans from the Government to the co-op. This has been under operation about 3 months. Parts for tractors are purchased from regular tractor manufacturers and are assembled as a sort of a cross-breed tractor with the trade name of "co-op tractor." Upon inquiry, information was given me that most of these tractors were sold to Canada—which probably goes as a credit on the vast importation of Canadian cattle.

A month ago there were 22 homesteaders employed in this tractor plant. It is inconceivable that any such hybrid tractor could ever compete with the established well-known tractor manufacturers of the United States. It is further inconceivable that any American farmer would care to use or invest his money in an orphan tractor without a reputation behind it. The success of such an industry is apparently doomed to failure.

There is another project which has been operated by the cooperative up until April of this year and that is, a poultry and broiler plant. This was also intended to provide a source of cheap poultry and eggs for the homesteaders, as well as a source of profit in mass production of broilers and eggs, but this too failed as a venture to be operated by the cooperative and it, in turn, was leased about April 1 of this year to two former managers of the poultry project. About a month ago there were on hand about 7,000 broilers near marketable size, and anyone who has ever raised poultry could readily see from the general condition of this project that it too is doomed to absolute failure under present operation.

They also have their own health center in which they have operating rooms for minor and major operations; also nursery schools, and on through high school. They have their own large gymnasium, recreation grounds as well as a cooperative filling station and grocery store.

These homesteaders are apparently contented, because it certainly is a paradise for anyone who has had to struggle on his own initiative, as in this place everything is handed to one. It is interesting to note the constant repetition of the word "homesteader," which causes an older person to think back to the days when the word "homesteader" had a far different meaning, 30 years ago or more, when the homesteader was one who plods alongside of the old covered wagon with a team of oxen or mules, through the western prairies, under all kinds of hardships, and dug his sod-house or made an adobe house from the clay, and suffered the rigors of hard winters. What a change to a homesteader of today who lives in a house such as they do at Arthurdale with every modern convenience, with furnace, hot-water or steam-heated houses.

Another one of the projects is down at a town named Daly, which is near Elkins, W. Va.—the grand success of cooperative socialistic State communities, which is another of the dreams of Tugwell and Mrs. Roosevelt's wonderful idealistic theory, but it, too, has proved after 6 years that it is still dependent upon Government finances. Their large cooperative-operated farms there have also been a failure and the Department of Agriculture has had to send an expert agriculturist to boss these farms. Daly calls it cooperative "association," and on account of internal troubles has undergone the second reorganization in their endeavor to exist.

A large mill was erected there to saw timber and cut into wood pieces for furniture construction. This plant likewise has been leased out to private ownership to operate. Inquiry revealed that one of the big projects ahead of them is to reconstruct and repair these houses (only 6 years old) in this idealistic socialistic community.

At Arthurdale, on questioning some of the homesteaders as to whether their $8.60 to $14 per month, whichever the case may be, is rent or whether it is payments on their homes, they themselves are not clear. One homesteader informed me that they were given to understand 3 years ago that they were to have title to their little miniature farm. He informed me that they promised them they would be given the title, or a contract for a deed, on April 1 this year but nothing has been done, so he guessed they were just paying rent. I have seen comparable houses to some of these stone houses, that would rent for at least $40 per month. Therefore, it is little wonder that the House of Representatives has revolted on the continued spending of money on such projects that never return a cent of principal or interest, and are still an expense to the Government and the taxpayers of the United States.

Will Rogers

EXTENSION OF REMARKS

OF

HON. PHIL FERGUSON

OF OKLAHOMA

IN THE HOUSE OF REPRESENTATIVES

Friday, August 4, 1939

Mr. FERGUSON. Mr. Speaker, I hesitate to add my voice to the chorus that have already heaped deserving praise on the memory of Will Rogers. I never had the pleasure of meeting Will Rogers until the day the statue in his memory was unveiled in the rotunda of the Capitol.

I met him that day, not because of the vivid, living bronze that was unveiled, not because of the glowing tributes, so

well deserved, paid him by Governors and Senators, not because of tributes paid by lifetime cronies and friends, but because I had the pleasure and honor of meeting a wonderful family that survived him.

His wife, his two sons, his daughter, and his sister, charming, capable, friendly people. Through meeting this family I met the real Will Rogers that will live forever in the hearts of every Oklahoman and the hearts of the world.

The Professions and Free Enterprise—Why Physicians; Dentists; Lawyers; Clergymen; Insurance Agents; Architects; Labor Leaders; Business, Small and Large, Should Join Together to Uphold Free Enterprise and Constitutional Democracy and to Fight Collectivism

EXTENSION OF REMARKS

OF

HON. JOSEPH J. O'BRIEN

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Friday, August 4, 1939

ADDRESS BY FRANK GANNETT, JULY 18, 1939

Mr. O'BRIEN. Mr. Speaker, under leave granted to extend my remarks in the RECORD, I include the following address delivered before the annual convention of American Dental Association at Milwaukee, Wis., July 18, 1939, by Frank Gannett, of Rochester, N. Y.:

To you dentists I come to sound a note of warning and to bring a call for action. It is a call to repel assault upon liberty of enterprise, individual initiative and personal dignity—upon qualities which are the foundation of all that we call the American way. It is a call to preserve the principles of freedom of action and thought that made American dentistry what it is today.

Of all professions none has advanced further, by its own efforts, than yours. American dentistry is a generation or more ahead of Europe. It is a magnificent example of what can be done by self-reliance, by private initiative, by voluntary cooperative action outside of Government by those engaged in the same field. Dentists in the United States owe nothing in the development of their profession to governmental paternalism. No tax-supported research, no subsidies, no guidance by leading strings from Washington, improved your science. All that you have, all that you are today, you owe to the pioneers of your great profession, to yourselves, and your associates alone.

Soon you will observe the centennial of the founding of the first dental school in America. A century ago dentistry was a trade or side line, and not a profession. It was a trade beset by ignorance which few men of attainments would enter. Let none of you be ashamed that this was so then.

For it is not so now. What your calling was a century ago makes pronounced the contrast between its condition then and today. It makes your achivement the greater. By the pioneering and struggle of its own leadership, what was once a trade has raised itself to an honored scientific profession. One cannot read the history of dentistry during the last 100 years without being thrilled by the progress that it has made and the demonstration that it gives of what can be achieved under our system of free enterprise.

This is one more example of the American way. Your achievement has been possible because you had the inspired leadership of men such as Chapin Harris and Horace Hayden. Through their work and the cooperation of hundreds of others, dentistry has made its great advances. Each new development, each new improvement in method by one leader was soon made available to help others. The foundation of your progress has rested securely upon a tripod—the dental school, the dental journal, and the dental society—a tripod of education, information, cooperation.

Through these channels new effort was stimulated, new standards set, new information disseminated. It cannot be too often emphasized that dentistry achieved its present professional standards by its own internal efforts. If your profession had been under the fumbling hand of government, controlled locally and nationally by leading strings of politics, would Europe today look to the United States for the latest in dentistry?

Your record makes clear the reason. Progress comes not from centralization and political control, but from opportunity for free initiative. We who have lived under the protection of our Constitution, have taken for granted all these things, much as we do the air we breathe. We are not fully conscious of the meaning of our system of constitutional democracy and free enterprise, until there is the threat that it might be taken from us. When we say, "It can't happen here," we sing ourselves to sleep. But when we say, "It must not happen here," we are awake, alert. Then it won't happen here.

Today freedom of the professions is in jeopardy in America. The medical profession was the first to be placed under check. American medicine has been fighting for its life.

The Wagner national-health-bill hearings are pending in a subcommittee of the Senate. This bill puts the Federal Government into the field of medical care from which it will never retreat. It would use Federal and State funds to set up hospitals, to compete with church and voluntary institutions. It would lay the foundation for a vast system of tax-supported medical care that in the end would drive out of existence private hospitals and throttle the private practice of medicine.

The Wagner bill is not dead. It is reported in Washington that hearings will be continued as a means of propaganda.

The public is being indoctrinated with the thought that not the individual, not the family, but the State is responsible for providing medical service and medical care of all kinds. As a result of this propaganda, sent out by the Federal Government with taxpayers' money, the conviction has been fostered throughout the Nation that the individual should no longer pay for his medical care. Never in the history of medicine has it been so difficult for the doctor to collect what is due him.

You are having a similar experience in the field of dentistry. Many of you no doubt are familiar with the survey among California dentists. Ten years ago 85 percent of them earned $2,000 a year or more; 5 years later more than 50 percent were earning less than $2,000 a year.

You are rightly concerned because millions of Americans receive no dental care. You know the consequences. You also know that the cause of the present difficulty lies in the general economic conditions that prevail throughout the country. When people are prosperous and feel that they can pay, they have their dental work done for themselves and families. When their earnings are low and they are uncertain of the future, dentistry is one of the first things to be put off. You dentists know also that large numbers of people fail to get treatment because of inertia and the tendency of human nature to neglect what appears to be not immediately necessary.

What is the ultimate goal of Government health insurance? What concealed purpose spurs those who advocate it? The frankest answer may be found in Health Insurance, a standard work published by Harper's and written by Dr. Louis Reed. In one sentence Dr. Reed prescribes. I quote, "A system of state medicine, with more available to the entire population, organized along the lines of the public-education system, supported from general governmental revenues, and with the service given by full-time salaried physicians, dentists, and nurses in the employ of Government-controlled hospitals and clinics."

In Russia, in Germany, where such a system of state medicine as the Wagner bill proposes for the United States, was first established, with the physician and the dentist under a politically controlled set-up, all other professions—the clergyman, the lawyer, the engineer, the architect, as well as business itself—have passed under state control.

Why this modern idolatry of the state? Why this readiness to turn all things over to Caesar—hospitals, the care of the sick, and through public taxation? Why continue destruction of local self-government, bribery of States, and pressure for the control of radio and the press? Why divert more huge public funds for propaganda purposes? What justification is there for abolishing personal responsibility for the care of one's aged parents, one's children, one's community, its charities and philanthropies?

With the destruction of the system of free competitive enterprise we shall inevitably lose those precious rights that we now enjoy, freedom of the press, freedom of speech, the right of assembly and trial by jury. That is not only the record of the past—that is the record of our own time. Wherever Government manages the economic life of a people, the liberties and rights of the individual citizen disappear.

How strange that all this has been so successfully sold to the unthinking public by propaganda that some look upon it as a progressive liberal movement. Why do we think that we can solve our problems by turning them over to the kind of men who hang around the courthouse? We need only to see what politics has done with race tracks, dance halls, red-light districts, prize fighting, wrestling, slot machines, road building, municipal supplies.

Why, in the face of what we see in these fields, should we now be willing to turn over to the politician control of medicine and dentistry? If we look at Germany and the totalitarian countries and at England under the panel system where such a program has been carried through, we find medicine and dental services are on a level far below ours. We find also for every doctor at work there is one bureaucrat or record keeper to whom the patient must first go to get permission to have treatment charged against the insurance funds. Over there doctors and dentists spend every week precious hours that should be productive filling out reports and certificates that patients were duly authorized and properly classified to be treated.

But deeper even than these considerations are the personal relationships and confidence that must exist between the dentist, the doctor, and the patient. Basic factors of human nature and human psychology are ignored when third parties are in control of the patient's purse. Witness the unsatisfactory attitude that often develops in the Federal bureau, in industrial and other

organizations where medical care is dispensed free. Even in municipal hospitals and clinics many people are prone to abuse the privilege of treatment from a doctor or a dentist without payment. Doctors and dentists are human. They would react to such abuses and if they became overworked, they might become superficial, careless, casual.

Let us look at the facts. The American people spend for medical care, hospitals, nurses, drugs, and for dental care, approximately $4,000,000,000 a year. Yet they spend for automobile, gasoline, and accessories expenses eight and one-half billion dollars annually; for cigarettes and tobacco, two and one-half billion dollars; for movies, baseball, football, and other amusements, $4,000,000,000; for cosmetics, beauty shops, $1,000,000,000; for liquor, $2,000,000,000. Can a people that has four and one-half dollars to spend for these indispensable luxuries to each $1 required for medical and dental care be in such dire distress as proponents of the Wagner bill proclaim? When we look at health statistics and find the Nation's health better than ever in its history, when we find that we have lower sickness rate and lower death rate than any society has ever enjoyed, we are forced to the conclusion that much of the problem for which they are attempting to legislate is simply the result of a deluge of crocodile-tear propaganda.

Whenever politicians seize power, that seizure has been preceded by the same type of emotional appeal, of smear campaigns, as we have seen in this health propaganda. Let us have a look now at what was accomplished during the 140 years before 1929 under our system of free enterprise and constitutional democracy. Let us look, then, at what this system would accomplish if the depression derangement from which we have suffered were removed.

The American way of life marked the beginning of a new epoch of human history. From less than 2 percent we have grown to 7 percent of the world's population and accumulated 45 percent of the world's wealth. Our system stimulated more new enterprise and invention, gave us a higher standard of living, better housing, more food, greater freedom in our civil, religious, and personal lives than any people in history ever enjoyed.

Look at a few more facts. With 7 percent of the world's population, we have 32 percent of the world's railway mileage, 58 percent of its telephones, 36 percent of its developed water power, and three-quarters of the world's automobiles—enough so that every man, woman, and child under the American flag could step into these cars and ride at the same time, a whole nation on wheels.

In this wonderful development, much of which has taken place under our eyes during the present generation, no Government official or bureaucrat played any part except as tax gatherer to reap a portion of the fruits of private enterprise.

In 1929 this productive machine was stalled, as was the case in every other nation that used gold as its money. The prices and, therefore, the income and buying power of farmers and producers of basic commodities all over the world began to drop. In the United States 55,000,000 of our people, dependent directly or indirectly on farm and other basic commodities—almost one-half of our population—lost their ability to buy and trade. The worst depression that this Nation ever experienced set in with unemployment and other cruel consequences.

Instead of correctly diagnosing the cause of this economic malady, since midsummer of 1933 we have been treating the patient under a false diagnosis which substituted for our system of democracy, concentrated one-man rule; and for our system of free enterprise, managed economy. "Managed economy" is a propaganda phrase that means politician control over the economic and social life of a nation.

While we floundered in the byways, 21 other nations, with 600,000,000 of population, regained the road to prosperity. They have found that the best way out of depression was to preserve and revive free enterprise by establishing conditions under which it could function. These nations recognized the derangement that had occurred in the mechanism by which goods and services are exchanged and they corrected this. Their government policy was not to compete with or curb or control, but to encourage private enterprise.

During the past 4 years these 21 nations had a total cumulative deficit of only three hundred and five millions, while the United States, with but one-quarter as many people, had a $12,000,000,000 deficit—40 times as much. These nations which did not return to managed economy and government spending have had more prosperous agriculture, 2 to 4 times as much building per capita, higher employment, more profitable business. While they prospered and made their economic machine function to full capacity, we have had stifling taxes, mounting debt, and continuing heavy unemployment.

Yet we should be far better off than are they. Our natural resources are enormously greater. We have the most efficient factories, mines, farms, railroads in the world. Nowhere is management so competent and so successful in the use of science to increase productive power. Nowhere in the world is there a body of ambitious workers equal to those in this country. As recent economic studies have proved, our system of productive plants is working at only about 65 percent of its real capacity.

On the century-old curve of increasing production our total annual income today should be $105,000,000,000 instead of its shrunken level of $65,000,000,000—$40,000,000,000 of missing annual income which our private-enterprise system would yield if it were encouraged and permitted to function.

The way to get better dentistry, to get better medicine, to get the more abundant life in every form, is to recover these missing $40,000,000,000 of yearly national income. Think what that would mean. Every farm owner would have $800 a year more to spend. Every nonagricultural gainfully employed worker could enjoy an increase of wages or salary of $1 a day, including Sundays, or $365 a year. Eleven billion dollars more could be distributed to meet increased taxes, rents, to pay normal interest, and to restore dividends. And there would still remain $1,000 a year, without one dollar of burden on the Federal Treasury, to give employment to 10,000,000 now jobless.

The way out for America is to preserve our constitutional democracy and restore our system of free enterprise. Instead of theorists who simply do not understand how to make our system work, we must place control of national policy in the hands of men who understand the heritage of free enterprise and who can make it work to the advantage of our whole people.

We can bring about recovery and prosperity. We had nothing in the prosperous days of the twenties that we haven't today. Our plight is not due to any famine, drought, catastrophe, or any act of God. Our distress is man-made and is due absolutely to our ignorant bungling in handling our affairs.

For 6 years we have been trying to spend ourselves rich, something just as impossible as it is for a drunkard to drink himself sober. We have been trying to create more wealth by producing less on field and in factory. We have been trying to improve our condition by piling up a tax burden which threatens to crush us.

Instead of following this program which has proved a great failure, we should go back to sound economic principles which have made America so great.

Here is a simple program that I would suggest which would immediately benefit everyone, put the millions of unemployed back to work, give purchasing power to all so that they could have the things they want and need. Yes, have health and the best dental treatment.

First of all, confidence must be restored by having a national policy worthy of confidence. Capital and business must have faith in the future. These absurd, silly ideas of unlimited spending and controlling every farm and business from Washington must be chucked into the ashcan.

Second, the farmers' income must be restored to something like the average of the 1920's. Since 1929 there has been a total loss of our farmers' and other raw material producers' normal income of more than $50,000,000,000. That alone accounts for much of our depression. The farmers' income can be raised without restricting production, fixing prices artificially, or by giving money out of the Treasury to the farmers.

We must have a really sound monetary system, an honest dollar of constant purchasing and debt-paying power. This should be done by establishing a monetary authority under mandate of Congress to regulate the value of the dollar so that it will no longer cheat debtor or creditor; so that great depressions and big booms can be controlled by stabilizing the price level of basic commodities.

Third, the people, rich and poor, must have restored to them that great force which has developed our wonderful country—I mean incentive. Every individual, firm and corporation should have a fair chance to make a profit from producing wealth and employing labor. Instead of penalizing those who engage in productive enterprise, we must consider methods of definitely encouraging them.

We must adopt an economy of abundance in place of a program of scarcity. We can have more finished goods at lower prices, in the reach of all, more to eat, to wear, and enjoy, when we take off restrictions, burdens, and artificial regulation.

Fourth, we should promote and establish friendly relations between capital and labor, and adopt means for ending costly strife and strikes. Other countries have found ways to do this. The New Deal, however, has promoted friction, class hatred, and ill-feeling between employer and employee.

To promote better labor relations, more cooperation, more production, we should have more sharing of profits with labor.

Fifth. The expenses of Government—that is, the cost of operating bureaus and departments—must be cut down. Money now spent for relief is only a fraction of the cost of our Government. We must continue to provide relief for the unfortunate. This burden, however, can be rapidly cut down when we have an administration that will give the "go" sign to free enterprise.

Sixth. We should have a long-range plan of useful public works, free from politics, which, efficiently administered, would take up any slack in industrial employment.

Seventh. We should formulate a long-term policy for our international relations, so that the Nation may be kept out of war. The greatest contribution America can make to world peace is to manage our own affairs so well, to make our people so happy and prosperous without getting entangled into the affairs of other nations, that the rest of the world will want to follow our example and adopt our method of government.

If we put in effect a program such as I have outlined, glorious days will return to America. But if we continue along the lines we are now following we are certain ultimately to have a totalitarian state—that is, a state that manages everything and everybody, assumes total control of our lives.

Do we want to organize this Nation for permanent depression? Or do we want a recovery program that will give jobs for all willing workers, that will restore initiative and enterprise, that will

give opportunity for youth, and that will give us back a surging, dynamic America which made this country the hope of the world for a century and a half?

Is it not time for the self-supporting men and women who have built America to unite to protect their rich heritage? These citizens pay their own way. They want with their own efforts to provide for themselves in the evening time of life. They want only a fair field and an equal chance to work. They give value received and also pay for all the bills of government.

They and their forefathers are the creators and builders of our great America. Now, all that they have wrought is threatened. Is it not time for them to rise up and to protect themselves from the pressure groups who would consume the fruit of their toil, corrode their ideals, and finally undermine the value of their savings, their insurance policies, their bank deposits, and leave this country in a chaos that will destroy our constitutional Republic?

Professional men have much to lose. The assault upon the various professions is only part of a general program. Last week Solicitor General Jackson announced to the lawyers that if they did not organize, the Government would step in and take care of the constantly increasing proportion of our people unable to secure legal services. Note his phrase, "an increasing proportion of our people."

The greatest asset of professional men is the opportunity to use their training and their established position under our system of free enterprise. Is it not time for them to make common cause with the leaders of private business which also must function under the free enterprise system? Why not discuss the possibility of such a common front with the physicians, the lawyers, the architects, the clergymen, and the thoughtful workers whose skill is their asset as your skill and professional training is yours; also, with the leaders of business, large and small, in your community? Is it not for these groups to think and work together to restore this country to prosperity?

It is in this cause that I appeal to you that when you go back to your home town you go as crusaders. Our democracy is the greatest heritage that any nation ever possessed. But it will work only if citizens inform themselves and make their voting influence count. Today we face a crisis greater than any in our history, not excepting Lincoln's time. This crisis threatens the fundamental principles of our form of government.

The issues with which we must deal transcend party lines. If we are to regain conditions that will give us hope and satisfaction in the future, that will restore enthusiasm, that will engender anew the initiative and fires of ambition, we must see to it that the country is brought back to the right road of recovery.

Our weapon is the ballot. You dentists occupy positions of leadership in your home communities, in your churches, in your service and fraternal clubs. Others look up to you and are guided by your thinking. You have a great influence if you will but exert it.

Discuss these issues with your family, with your friends, with your business, professional, and social associates. There is nothing more important than the vote that you cast in 1940. It may determine the kind of government that will rule you and your children. It may determine whether we shall have free enterprise and constitutional government or a collectivist toboggan. When you get back home, go yourself and have others go to the precinct captain of your political party, to the county chairman. Write to the State leaders. Tell them that you are concerned over the preservation of free enterprise and democracy, and that in 1940 you will vote only for candidates pledged to restore and uphold these.

We have less than 12 months to educate the country. Do your part. Begin at once, for a great decision lies ahead. Prepare for battle. Fight to save yourselves, your profession, your business, your children; fight to save America.

Training of Civilian Air Pilots

EXTENSION OF REMARKS

OF

HON. JOHN J. DEMPSEY

OF NEW MEXICO

IN THE HOUSE OF REPRESENTATIVES

Friday, August 4, 1939

EDITORIAL FROM THE NEW YORK TIMES

Mr. DEMPSEY. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following editorial from this morning's edition of the New York Times:

[From the New York Times]

A PROMISING BEGINNING

The pet project of Chairman Hinckley and other members of the Civil Aeronautics Authority—the training, through specially set-up courses at university schools, of a large body of civilian pilots—has made an auspicious start. The latest compilation of the training log at the 13 universities first selected shows that 325 out of 330 students already have "scloed" and that 254 already have passed their tests and received their licenses. The rest will be licensed as soon as they have completed their required time. This excellent record is clear indication of the efficiency with which the Authority has laid the groundwork of the program. It was accomplished at a cost of $300 a student.

To carry out the full plan of training, in similar fashion, 15,000 students in some 300 schools throughout the United States, the Authority had requested, with administration approval, a comparatively modest sum. The House Appropriations Committee pruned this on Wednesday by more than half, recommending an appropriation of $3,000,000, which, it said, would be sufficient to train 7,500 pilots, or 50 percent of what the Civil Aeronautics Authority program called for. This amount was voted by the House in the third deficiency bill, which may go before the Senate today. The case against unbridled Government spending cannot be overemphasized. The pilot-training program, however, like expansion of aeronautical research, should not be allowed to suffer through false economy. Not only will it provide an invaluable pool of pilot material for national defense—a vital factor which totalitarian governments, well-equipped mechanically in the air, credibly are reported to lack—but it will provide a fine opportunity for American youth, in both college and high school, to acquire the technique of a modern art and the new liberty of action that comes with wings.

Federal Spending

EXTENSION OF REMARKS

OF

HON. GEORGE H. BENDER

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Friday, August 4, 1939

Mr. BENDER. Mr. Speaker, of every dollar spent by the Federal Government, 39 cents is borrowed money.

Recent Developments in Federal Jurisprudence

EXTENSION OF REMARKS

OF

HON. EMANUEL CELLER

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Friday, August 4, 1939

ARTICLE BY ALEXANDER HOLTZOFF, SPECIAL ASSISTANT TO THE ATTORNEY GENERAL

Mr. CELLER. Mr. Speaker, I am happy to comment upon the fine work being done by Alexander Holtzoff, of the Attorney General's staff, and to insert a speech which he recently delivered on New Tendencies in Federal Jurisprudence. It is instructive and enlightening:

RECENT DEVELOPMENTS IN FEDERAL JURISPRUDENCE—1934–39

One of the principal attributes of the law, is that it must of necessity change, grow, and adjust itself to the varying needs of passing generations. The law, is therefore, always in a state of flux. There are periods during which the changes are slow and almost imperceptible. At other times, the modifications and adjustments come at a pace sufficiently fast to render the development visible to the reflecting observer. The past 5 years have constituted a period of very rapid growth and change in the law. It is, therefore, fitting for the lawyer who is interested in the history of jurisprudence to pause and survey the progress that has been made during the past 5-year period. It is my plan to discuss this subject briefly in respect to the growth of Federal jurisprudence.

It is perhaps the very nature of law to lag behind social and economic developments. The law adjusts itself to changes in our society only after such changes become crystallized. It is indispensable, however, that the lag should not be too great. When there is too long a delay between the advance of our social and economic life and the needed adjustment in our legal system, the law becomes a retarding influence. When such a situation arises, as it

has at times in the past, it becomes indispensable that appropriate changes be effected without undue delay.

For a great many years there had been but few marked and important changes in Federal jurisprudence. The machinery gradually became inadequate. It revolved too slowly and creaked for want of sufficient lubricating oil. It became impotent to respond to the many demands made upon it.

During the past 5 years vast strides were taken and improvements of outstanding importance were made in the Federal judicial system. This is true both of the substantive law, by which the Federal courts are governed, as well as of the procedural aspects of their activities. If the lawyer accustomed to practicing in the Federal courts fell into a Rip Van Winkle sleep 6 years ago, he would find himself today, upon awakening from his slumbers, a stranger in the haunts which he had previously been accustomed to frequent.

On the substantive side of the law the changes are striking. This is true both of criminal and civil law. Conditions have radically changed since the day when Benjamin Franklin undertook the perilous journey from New York to Philadelphia that consumed almost a week's time, and during which he was subjected to numerous inconveniences and discomforts, and even hazards. The high-powered automobile, coupled with our modern systems of communications, has made it possible for dangerous desperadoes who live in one State, to betake themselves to a distant commonwealth for the commission of serious crimes, and then rapidly return to their homes. Such conditions have led to the radical revision of the Federal criminal law that took place in the spring of 1934, when the Congress enacted a series of measures which brought under Federal jurisdiction numerous crimes of which theretofore State courts alone had cognizance. The Federal kidnaping statute, the National Stolen Property Act, the antiracketeering statute, the Federal bank robbery statute, the Federal fugitive felon statute, the National Firearms Act—were all enacted at that time, thereby bringing under the authority of the Federal Government many serious offenses which State and local authorities had found themselves powerless to handle effectively.

The modifications in the substantive law governing the activities of the Federal courts on the civil side during the past 5 years have been equally as important, though less dramatic, than the extensions in the Federal criminal law. For almost a century the Federal courts had been following and applying the principle that on matters of commercial law and general jurisprudence, they may develop doctrines of substantive law independent of those accepted by the State tribunals (*Swift* v. *Tyson*, 16 Pet. 1). The provision of the Judiciary Act of 1789 which enjoined the Federal courts to regard the laws of the several States as rules of decision in trials at common law was construed as being restricted solely to State statutes. The result has been that in many instances a rule of law governing a Federal court in a particular case was entirely different from that followed in the State court, held possibly across the street. Litigants were frequently in a position to choose that tribunal whose law was the more suitable of the two to their interests. The revolutionary decision in Erie Railroad Co. against Tompkins, entirely abrogated this time-honored doctrine which was one of the keystones of the edifice of Federal jurisprudence.

Today the Federal courts decide civil cases other than those involving Federal questions, in accordance with the law of the State by which the case is governed, whether such law is expressed in a statute, or is evolved from the decisions of the courts, and whether the subject matter of the litigation is within the realm of general jurisprudence or commercial law, or within the confines of local matters. A Federal judge remarked several months after this decision of the Supreme Court was rendered, that the decision in Erie Railroad Co. against Tompkins, has, legally speaking, "turned the world upside down." (*Francis* v. *Humphrey*, 25 F. Supp. 1.) This reversal of a century-old doctrine has many important and far-reaching implications. No matter what forum the parties select for the determination of their rights, the rules of law by which such rights are adjudicated are the same.

The changes in the adjective side of Federal jurisprudence during the past 5 years are equally as basic as those in substantive law. This is true only, however, of the civil side of the courts. Since 1789 the Supreme Court has been endowed with the power to regulate equity and admiralty procedure in the district courts. This authority was wisely exercised. The result was the development of a reasonably simple and uniform system of equity and admiralty pleading and practice throughout the Federal judicial system. The Federal courts were, however, trammeled and restricted by the Conformity Act in respect to practice in actions at law. They found themselves required in that field to conform to the pleading, practice, and procedure prevailing in the local tribunals of the States in which they were sitting. In a number of jurisdictions the Federal courts were required to follow common-law pleading in its pristine vigor, and pure and unadorned form. In the code States the Federal courts adopted code pleading. In a still third or intermediate group various forms of modified common-law pleadings were in vogue. Chaos and confusion reigned. It was not until after many years of agitation that the Congress enacted the act of June 19, 1934, which conferred upon the Supreme Court the same rule-making power in respect to actions at law that it had always possessed in regard to suits in equity and admiralty. The sequel of this statute was the promulgation of the Federal Rules of Civil Procedure, which became effective on September 16, 1938, and which introduced a simple and uniform procedure, binding on all Federal courts, in all those civil actions which had theretofore been comprised in the groups known as actions at law or suits in equity. A single form of action, such as is contemplated by the codes, was for the first time introduced into Federal jurisprudence. The distinction between law and equity was abolished, and the differentiations between different types of actions at law were abrogated. Simplicity reigned. Liberality in the manner of joinder of parties and claims and the interposition of counterclaims prevailed. Potent weapons for discovery were introduced with a view to eliminating as far as possible what has aptly been called "the sporting theory of justice." Much laborious and abstruse learning was thrown in the discard.

Contrasted with the revolutionary reform in Federal civil procedure is the archaic criminal procedure by which the Federal courts are still bound. Improvements in this field cannot be made without legislation. Proposals are now pending before both Houses of the Congress to confer on the Supreme Court the same authority to regulate criminal procedure generally that has been conferred upon it in respect to civil procedure, and in respect to criminal appeals. Some progress with this legislation has been attained, and it is hoped that it may be passed during the next session of the Congress.

One important phase of Federal criminal procedure has, however, undergone a vast improvement. I have reference to the treatment of juvenile delinquents. Beginning with the turn of the century, the various States in rapid succession adopted special statutes providing an informal, simple, procedure in dealing with juvenile offenders, with a view to saving them from the brand of the criminal, and making possible the rehabilitation of a youth who had stumbled along his path while still in his formative years. Although 47 States had acted, the Federal Government remained quiescent and continued to try juvenile delinquents in the same manner as adult criminals. In June 1938, however, the Federal Juvenile Delinquency Act was placed upon the statute books. It introduced for the first time the humane innovation of according an informal hearing to juvenile offenders against a Federal statute with a possibility of probation, or commitment to a training school or foster home if probation was not suitable. The pomp and circumstance and the publicity that surrounds a formal criminal trial in open court is no longer required in the case of a juvenile delinquent if both the prosecuting attorney and the juvenile agree to proceed by the informal method. Thus was achieved an important humanitarian reform.

A useful element of flexibility was introduced into the field of civil remedies in 1934 by the Declaratory Judge Act, which conferred jurisdiction on the Federal courts to render declaratory judgment. In this instance also the Federal judicial system had lagged behind many of the States.

Vital innovations were introduced, not only in the field of procedure but also in the structure of the judicial system. Little thought had been given to the fact that although the Constitution created the judiciary as one of the three coordinate branches of the Government, the courts were not implemented with administrative machinery that would assist them in functioning effectively and expeditiously. Each district court, frequently each district judge, was regarded as an independent unit and permitted to function within its own orbit in its own way. Since the courts were not supplied with administrative machinery, the budgetary and fiscal matters relating to the judiciary as a result of unintended development devolved on the Department of Justice. Last week, however, the Congress passed a bill to create an Administrative Office for the United States Courts, which, it is contemplated, will perform a twofold function. First, the Director of the Administrative Office will be charged with the duty of studying the conditions of the dockets and devising ways and means for organizing them and speeding the disposition of litigation. This measure will, therefore, have an important bearing on the ever-present evil of law's delays. Secondly, he will have charge of the budgetary and fiscal matters relating to the courts. Although this law is not a picturesque bit of legislation and has but little dramatic value, it is an important milestone in the growth and development of the Federal judiciary.

Vast changes have been made in dealing with the estates of insolvent persons and corporations. The ingenious contrivance of equity receiverships, which had its fullest growth and development, if not its origin, in the Federal courts, and which was used by them for the purpose of administering the assets of railroads, public utilities, and large industrial and commercial corporations is now out of date. If not entirely obsolete, it is at least obsolescent. With the salutary extension of the Bankruptcy Act to railroad companies and to the reorganization of other classes of corporations, the need for equity receiverships no longer exists.

The extension of the Bankruptcy Act to farmers was regarded by many as a marked innovation and was accompanied by many heart burnings. And yet is there any difference in principle between, according to a railroad corporation what amounts to a moratorium for a number of years through the device of an equity receivership or a proceeding under section 77 of the Bankruptcy Act, and extending similar relief by a statutory provision to a farmer struggling under the heavy burden of a mortgage which the fall in agricultural prices makes it impossible for him to liquidate? Municipal corporations and other local governmental units who, because of radical changes in financial conditions, find themselves confronted with inability to meet their bonded indebtedness are likewise permitted

to enter the portals of the Federal courts to revise and rearrange their debt structure. Many desirable improvements and much commendable simplicity were introduced by the Chandler Act into the bankruptcy system.

We have been troubled in the past by the cumbersome, slow, and expensive procedure of the courts of bankruptcy. Creditors frequently lamented the fact—with a considerable degree of justification—that the cost of administration consumed too great a percentage of the assets and that too long a time elapsed between the date of institution of a bankruptcy proceeding to the date on which final dividends were received. The entire subject is now receiving thorough study by a committee appointed by Attorney General Murphy.

The administration of the bankruptcy law has been accompanied by an exceedingly anomalous feature. A large part of the work of first instance is conducted by judicial officers who are not paid any stated compensation by the Government, but receive their remuneration on a fee basis out of the assets of the estates which they administer.

The fee system of compensating judicial officers is an anachronism and should be thrown into the discard in this field as it has been in many others. This, however, is not the time nor place to discuss the many disadvantages of the prevailing system. They can easily be envisaged by every member of this audience. It was with a view to bringing the administration of the bankruptcy law in line with modern concepts in this regard that Attorney General Murphy has urged the enactment of legislation that would place referees in bankruptcy on a salary basis, thereby increasing the dignity and prestige of the important office which they occupy and eliminating some wide discrepancies in the remuneration of these officials.

The 5-year period has been significant not only for the outstanding improvements in private law, but also for its developments in public law. This is true both of administrative and constitutional law. The administrative process is not a novelty. So far as the Federal Government is concerned, it dates at least as far back as 1886, when the Interstate Commerce Commission was established. During the past few years it has been extended to new agencies. Naturally, the legal profession by the very virtue of its training tends to be conservative, and many of its members have not as yet become accustomed to a frank realization of the proposition that the administrative process must in many respects differ fundamentally from the judicial process. The fact that the judicial process is very much older than modern administrative process by no means necessitates the conclusion that judicial process is more efficient or that it is more likely to attain justice. With the growth of complexities and intricacies of governmental activities, due to the development of modern industrial society, the administrative process must of necessity play a more important role than it has fulfilled heretofore.

I have left until the last the most far-reaching modifications in Federal jurisprudence. I have in mind recent constitutional developments. In dealing with the Constitution, we must ever bear in mind the admonition of Chief Justice Marshall, that "It is a constitution that we are expounding." In other words, the general terms in which the Constitution was intentionally couched may not be properly construed with the precision applied in interpreting and applying a detailed code of laws.

In a speech that I delivered in the fall of 1937 I had occasion to advert to the fact that during the first 60 years of the existence of the Republic, which was a period of great national expansion, not a single act of Congress was declared unconstitutional by the Supreme Court. It was an era of broad construction of Federal powers, permeated by the inspiration of Chief Justice Marshall, who was a farsighted statesman, as well as a profound jurist. During that period a wide scope was accorded to the implied powers of the Congress, and a liberal interpretation was given to its authority over interstate commerce.

There is an ebb and flow in constitutional interpretation, as there is in other affairs of men. The period of broad construction was ended in 1857 with the rendition of the decision in the *Dred Scott* case, which marked a turning point in the development of constitutional law. The succeeding 70 years were characterized by a narrowing of the scope of the commerce clause, and by an extension of constitutional limitations on legislative action. This was especially true of the due-process clause. The result was the thwarting of much social-welfare legislation. The tendency was the opposite to that which prevailed while the influence of John Marshall was still vital. Instead of according a broad scope to governmental powers, the trend of Supreme Court decisions was in the opposite direction.

In the remarks that I made in the fall of 1937, I suggested that another turn in the tide came in the spring of 1937. At that time there seemed to be in the decision of the Supreme Court a reversal of the narrow conception of governmental powers and a welcome reversion to the vital doctrines that prevailed in the early years of the Republic. Over 2 years have elapsed since the tide turned, and that time has perhaps been sufficiently long to justify a suggestion that the constitutional historian of the future may perhaps look upon the year 1937 as marking an epoch-making landmark in the development of constitutional law. The limitations on the commerce clause, which seemed to be somewhat artificial under modern conditions, have been adjusted so that they correspond to realities. This was accomplished largely by a series of decisions dealing with the application of the National Labor Relations Act. Broad construction has been given to the spending power by the decisions upholding the validity of the Social Security Act. The due-process clause was construed so as not to hamper or impede the enactment of social-welfare legislation.

The reciprocal immunity of Federal and State employees against income taxes levied by the other Government on their official salaries was brought to an end. The basis for the immunity had been found in the principle that the Federal and State Governments may not impede or burden the activities of each other. It seems clear that a nondiscriminatory tax levied on all incomes is not an interference with the functions of government, merely because it incidentally reaches Government officers together with all of their fellow citizens. By the same token, a general nondiscriminatory income tax was held not to constitute such a diminution or reduction of salaries of Federal judges as is forbidden by the Constitution, since it is not directed solely or principally against judges.

On the other hand, turning aside from the economic field, we find that the Supreme Court has been meticulous in preserving the civil liberties of the individual in a number of decisions in which it vigorously upheld the basic right of freedom of speech, which is fundamental in a democracy.

Some have bemoaned the decisions of the Supreme Court during the past 2 years as indicating a bewildering lack of consistency. This criticism, however, overlooks the fact that one of the elements of strength in the Constitution is the fact that it speaks in general terms, which must be construed by the Supreme Court to accord with the conditions and the requirements of the times. The law cannot stand still. It cannot become petrified. It must be molded to fit the needs of passing generations. Therein lies one of the glories of the Constitution of the United States and the strength of our democracy.

Civil Liberties

EXTENSION OF REMARKS

OF

HON. CLARE E. HOFFMAN

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Friday, August 4, 1939

Mr. HOFFMAN. Mr. Speaker, the press of the week has carried notices of strikes throughout the country. At Green Mountain Dam, Colo., pickets attempted to keep men who desired to work from their jobs, but for once the tables were turned; those wanting to work organized, called to their aid farmers and ranchers from the surrounding country, who were deputized, and the picket lines were broken; those who would have deprived American citizens of the right to earn their daily bread were once, at least, met by men equally determined to insist upon their right to work. Violence broke out; six men were shot, one was cut; State troops were called, order restored. Those who wanted to strike and picket were permitted to do so; those who wanted to work were told they might follow their inclinations.

Violence flared at Detroit, Mich., in the motor industry, but a new order existed in that State, and while the right of unions to picket is stoutly maintained and adequately protected, the State administration sees to it that those who desire to work have that privilege.

Again at Harlan, Ky., mines were dynamited, the State guards were recalled, and once more peace on the surface, at least, exists. There is no question as to the right of men to join unions, strike, and picket. There should be no question but that granting all these rights other men who desire to work should be permitted to do so. Until that truth is realized and acted upon, there will be no peace in industry.

The American people just will not submit to any organization exercising the absolute right of determining who shall and who shall not work.

It would be well for this country if the Senate Civil Liberties Committee, which in reality is LA FOLLETTE, of Wisconsin, THOMAS of Utah, the former repudiated by his own State, awakens to the situation and ceases its witch hunting and persecution. People the country over are becoming fully aware of what that committee is doing.

An editorial from the Somerset Daily American of August 3, 1939, expresses the opinion of a vast majority of the

editors of the smaller papers throughout the land, of that committee. That editorial is as follows:

CIVIL LIBERTIES

President Roosevelt has asked Congress for an appropriation of $100,000 for financing the nefarious practices of Senator LA FOLLETTE'S hell-dingers, commonly known as the Civil Liberties Committee.

The La Follette crowd has diligently pursued honest men engaged in providing employment for persons incapable of, or unwilling to, employ themselves, so that persons of capacity and capital have refrained from engaging in industrial enterprises that would probably have promoted the general welfare.

The "liberties" in which the La Follette crowd is interested is what in ante New Deal days was known as licenses. Senator LA FOLLETTE desires for labor racketeers the "liberty" of pilfering the pay envelopes of workers, and the practice of such coercion, intimidation, and violence as may contribute to that result.

A mob of 3,000 hoodlums surrounded an important industry in Cleveland a few days ago, assailed honest workers en route to their places of employment, so that nearly half a hundred were taken to hospitals; and then, when police had employed such measures as they found necessary to restore order, complaint was made to the United States attorney in Cleveland that the police had been unduly violent in the methods they employed.

It is an old axiom that persons who come into court must come with clean hands.

One can hardly account a mob of rowdies, intent upon denying to their fellow citizens the right to work, cleanliness of hands, whatever the measures of the police to restrain their rowdyism may have been.

Yet it is to finance the operations of a committee that has done more to incite such violations of civil liberties of American citizens than any other group President Roosevelt asks Congress to appropriate $100,000 of the people's money.

Financing the propagation of hoodlumism is not a proper governmental expenditure.

Hon. Charles J. Colden

MEMORIAL ADDRESS
OF
HON. JOHN M. COSTELLO
OF CALIFORNIA
IN THE HOUSE OF REPRESENTATIVES
Tuesday, May 30, 1939

On the life, character, and public service of Hon. CHARLES J. COLDEN, late a Representative from the State of California

Mr. COSTELLO. Mr. Speaker, it is with a deep feeling of regret that the House has today received word of the passing of our beloved colleague, Hon. CHARLES J. COLDEN, late a Representative from the Seventeenth Congressional District of California. Having served for 6 years in the House, Mr. COLDEN had won the respect and esteem of each of his colleagues, and we therefore sincerely grieve over his loss.

Mr. COLDEN was a native of the State of Illinois, where he was born on August 24, 1870. When but a child of 10, his father removed with the family to Nodaway County in Missouri, where he had purchased a farm. Being an eager student, CHARLES COLDEN worked his own way through college, and upon graduation at the age of 19 entered the teaching profession. After 2 years he was elected the principal of the school in Manilla, Iowa, where he remained for 3 years.

In 1896 Mr. COLDEN located at Parnell, Mo., where he purchased a newspaper and entered this new field of endeavor. Upon the sale of this paper 4 years later, he established the Nodaway Forum, which he edited during the next 7 years. It was at this time that Governor Folk, of Missouri, honored him by naming him a regent of the newly established State Teachers College at Maryville, Mo. Mr. COLDEN liked to look back upon his work as regent as one of the happiest periods of his life, devoted to the training and education of the future teachers of the State of Missouri.

The ensuing 4 years were spent in Kansas City, Mo., where Mr. COLDEN entered the real-estate business, a career which he later followed in California when he removed there in 1912. Locating in San Pedro, Calif., Mr. COLDEN engaged in many civic activities and aided materially in the development and upbuilding of this community, the harbor area for metropolitan Los Angeles. It was because of his sincere interest in community welfare and his eagerness to actively participate in every civic advancement that he readily won the esteem and affection of his fellow townsmen, who will long happily cherish his memory.

Being a direct descendant of Cadwallader Colden, a Lieutenant Governor of colonial New York in the days previous to the Revolution, it is not surprising that Mr. COLDEN naturally turned toward the political field of activity. His father frequently recounted to him his trying experiences as a lad of 17 while serving with the Union Army during the Civil War. The patriotic service of his father was always an inspiration to Mr. COLDEN, and he sought to emulate it by his own public service.

While engaged in the newspaper work, he entered politics by serving for two terms in the State Legislature of Missouri from 1901 to 1904. Again in California, being urged by his friends, he served two terms in the Los Angeles City Council. With an opportunity for greater service, he became a candidate for Congress and was elected in 1932, having served continuously since that time. As an evidence of his attention to his work and his devotion to the strenuous duties of his office, Congressman COLDEN did not miss a single roll call during his service in the House, a truly singular record.

Always a kind husband and indulgent father, Mr. COLDEN leaves his widow and four children to mourn his passing. We join with them in sharing their grief today, for few men have been more highly esteemed or more affectionately respected than he has been in this House. We extend to them our deepest sympathy, knowing that as he never feared to answer roll call we can be assured that he was not afraid to answer to his name when the final roll call was announced for him. He had served faithfully throughout his lifetime, being ever mindful of the family motto, "Fais bien, crains rien"—do right, fear nothing. He had done right and hence had nothing to fear from the roll call. Today we pray that he may enjoy the fruits of his lifelong endeavors and that he may have rest eternal for his immortal soul.

Hon. Charles J. Colden

MEMORIAL ADDRESS
OF
HON. JERRY VOORHIS
OF CALIFORNIA
IN THE HOUSE OF REPRESENTATIVES
Tuesday, May 30, 1939

On the life, character, and public service of Hon. CHARLES J. COLDEN, late a Representative from the State of California

Mr. VOORHIS of California. Mr. Speaker, in the passing of Hon. CHARLES J. COLDEN the House of Representatives has lost one of its most worthy, earnest, and faithful Members, and the people of the Seventeenth District of California have lost one of the most conscientious Representatives any district ever had.

Until his recent illness overtook him Mr. COLDEN had never been absent on a single roll call in all his long career as a Member of the House. Coming here, as I did, as a new Member at the beginning of the Seventy-fifth Congress, I went to Mr. COLDEN a great deal for advice and guidance, and I have never once had reason to believe that he was not right in what he told me.

He was not the kind of man who makes the headlines in the newspapers each day; he never thrust himself forward into the limelight, but when a good cause needed his support he could always be depended on to give it.

He was a Progressive in the best sense of that word, and his devotion to the cause of a suffering humanity ran deep and true.

Many of us will miss him sorely. His place will be hard, indeed, to fill. If the rest of us can leave as good a name and record behind us as CHARLES J. COLDEN did, we need never be ashamed.

Allard H. Gasque

MEMORIAL ADDRESS
OF
HON. ADOLPH J. SABATH
OF ILLINOIS
IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 30, 1939

On the life, character, and public service of Hon. ALLARD H. GASQUE, late a Representative from the State of South Carolina

Mr. SABATH. Mr. Speaker—

When sorrows come, they come not single spies,
But in battalions!

Shakespeare's melancholy and noble lines have come to my mind only too frequently in the last months as death has descended again and again upon the Congress, and especially the House, which has lost about 12 Members since the election of November 1936, while the Senate has lost about 5 Members during the same time.

Only a few days ago I prepared remarks on the life, character, and public service of our late colleague Mr. Peyser; and now, only a few hours after adjournment of the Congress, we have lost Mr. GASQUE.

In the passing of Mr. GASQUE death has removed a very useful, a prominent, and a public-spirited Member of this Chamber and the State of South Carolina has lost a very distinguished and well-beloved son.

Mr. GASQUE entered the Congress at the beginning of the Sixty-eighth Congress, on March 4, 1923, after a good and promising preparation. He was early in life subjected to that refining environment that develops good and able men. He was not accorded opportunity to attend school in youth with freedom of mind from inexorable necessity. He attended the country schools 3 or 4 months each year and worked on a farm during the remainder of the year until 18 years of age. Thereafter he worked on a farm and taught school until he attained the age of 23, when he entered the University of South Carolina, from which he was graduated 4 years later.

It is easily understood why one of his placid mind and manner should become a teacher and educator. He had no relish for the bizarre, the spectacular, the histrionic. Seldom did he speak in the House, but he was active and influential in committee. He was sound in doctrine, able in its application and interpretation—a balanced man in an unbalanced age.

Mr. GASQUE's reasoning and conclusions showed the benefit of his scholastic training and experience. His mind, well disciplined by the sciences, was accurate in dealing with the intricate governmental problems of his mercurial era.

It was always a pleasure to talk with Mr. GASQUE, for he was unfailingly suggestive and ranged widely in his thoughts. The grave courtesy of his manner, which never wavered, had to me a peculiar charm. While he had his firm convictions concerning public questions and policies, yet he was not intolerant. Although he was a churchman, he was not a "wowser." He saw through the eye of reason and not merely through the rose-colored lenses of inflamed emotions. In other words, he was realistic, and never failed to see the forest on account of the trees or the city on account of the houses. To converse with him was a spiritual prophylactic; and he never tried to escape leadership and managerial responsibility. Our departed friend was ever in complete step with the persisting moral standards of his time.

The life of Mr. GASQUE was as upright and blameless in conduct as it was rich in achievement. What could be a richer achievement than to have importantly influenced the lives of thousands of our youths in their formative period, as Mr. GASQUE did during the more than a quarter of a century he engaged in school work? Moreover, he left a favorable impress upon the national legislation of the era in which he served here.

For about 40 years our departed friend stood in the full glare that shines about a man in exalted public office, and through all these years not a gleam fell upon him that was not reflected in undimmed purity from his untarnished soul.

He waged many political battles; he took part in many professional conflicts of first importance; he has filled at least three offices of public and private trust; and yet he bore himself amidst the many temptations that must have surrounded him, as they do every man, so that when he reached the end of this life no man could point to one dishonest deed or a single act of his life born of an unworthy motive.

It is pleasing to record that Mr. GASQUE's life was filled with honors graciously bestowed; that he measured up in fullest stature to their every demand upon him; and yet he bore them, as I have suggested, with that unassuming modesty that was an essential part of his noble nature.

Charles J. Colden

MEMORIAL ADDRESS
OF
HON. MARTIN F. SMITH
OF WASHINGTON
IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 30, 1939

On the life, character, and public service of Hon. CHARLES J. COLDEN, late a Representative from the State of California

Mr. SMITH of Washington. Mr. Speaker, in the passing of CHARLES J. COLDEN the Congress of the United States has lost an able, useful, and industrious Member, and I have lost "for a while" a personal and beloved friend. Our late colleague and many of us were among that rather large number who were called by our people to serve our Nation with President Roosevelt in the national election of 1932. Like myself, Mr. COLDEN represented a district in Congress deeply interested in the development and improvement of rivers and harbors, and we both sought and won membership on the important Committee on Rivers and Harbors and our seats adjoined each other on the committee dais. He had served as member and president of the Los Angeles Harbor Commission and had visited and inspected the leading harbors and waterways of the United States and Europe and was one of the best informed members of our committee. As he was somewhat my senior in years, I often turned to him for counsel and advice and learned to rely upon his sound and mature judgment. He was a native of the State of Illinois, as am I, and we had both migrated to the Golden West, he to the State of California and I to the State of Washington, and we had many interests in common.

CHARLES J. COLDEN led a full, eventful, varied, and colorful life, and had been in turn a student in school and university, teacher and principal, newspaper reporter, editor and publisher, college regent, realtor, public official, city councilman in Los Angeles, and for three terms a Member of the Congress of the United States. He took very seriously the duties and responsibilities of his position as a Member of this body in these trying times and labored incessantly day and night without surcease in the interests of his constituents and the American people as a whole. He often worked in his office until the late hours of the night and made a regular practice of coming to his office on Sundays and holidays. CHARLES J. COLDEN sacrificed his health and his life in the service of his district and his country.

Our departed colleague was a liberal Democrat in the truest meaning of that term and sincerely believed in the social and economic principles of the New Deal. He had faith in the leadership and patriotism of President Roosevelt and was loyal and steadfast in his devotion to the chosen leader of his party and his country. He would have been the last Member to desert and betray his leader, his party, and his country, and he would never have joined their enemies. He was also a God-fearing man and always endeavored to be on the floor promptly at noon when the House convened and prayer was offered by the Chaplain.

Mr. Speaker, when we contemplate the active, busy career of such a man as our departed colleague and others like him in public and private life whom it has been our privilege to know, we are comforted by the words of one of America's greatest thinkers, William James:

I confess that I do not see why the very existence of an invisible world may not in part depend on the personal response which any of us may make to the religious appeal. God himself, in short, may draw vital strength and increase of very being from our fidelity. For my own part, I do not know what the sweat and blood and tragedy of this life may mean, if they mean anything short of this. If this life is not a real fight, in which something is eternally gained for the universe by success, it is no better than a game of private theatricals from which one may withdraw at will. But it feels like a real fight—as if there were something really wild in the universe which we, with all our idealities and faithlessness, are needed to redeem; and first of all to redeem our own hearts from atheisms and fears.

Mr. Speaker, we who remain shall continue to carry on the battle for social justice and righteousness in government in which our colleague fell stricken until we, too, shall be summoned away to join him and that numerous uncounted throng of the servers and lovers of mankind.

Jesus said unto her, "I am the resurrection and the life; he that believeth on Me, though he die, yet shall he live; and whosoever liveth and believeth on Me shall never die."

The Late Charles J. Colden

MEMORIAL ADDRESS

OF

HON. FRANK H. BUCK

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 30, 1939

On the life, character, and public service of Hon. CHARLES J. COLDEN, late a Representative from the State of California

Mr. BUCK. Mr. Speaker, the soul of Hon. CHARLES J. COLDEN, late Representative in Congress from the Seventeenth Congressional District of the State of California, has passed to its final reward.

The House of Representatives has lost one of its hardest-working and most conscientious Members, a man who was respected by every Member of the House, who was known for his never-failing good humor and his ability to cooperate with all of those with whom he served. His place will not be easy to fill.

CHARLES J. COLDEN was elected to the House of Representatives in November 1932 and has been returned to Congress at each election since that time. His actual services in the House began in March 1933, but, with his usual application to any work that he undertook, he came on to Washington during the closing month of the Seventy-second Congress in order to familiarize himself with the procedure of the House. It was then that I first met him. In fact, he was the first new Member of the Seventy-third Congress that I formed an acquaintance with and this acquaintance ripened into an association and a friendship which continued steadfast and unbroken until the day of his death.

He was intensely interested in the work that was of special interest to his district, to the State of California, and to the West generally, but his interest extended also to matters of national importance. The care with which he always worked was recognized by his appointment to the chairmanship of the Committee on the Disposition of Executive Papers, a committee which performs a trying task and one often not sufficiently appreciated by the Members of the House. In addition to these duties he served with distinction on the very important Committees on Merchant Marine and Fisheries and Rivers and Harbors. To these two committees he brought his own experience as a former member and president of the Los Angeles Harbor Commission, and that acquired through a study of the harbors of the world which he had made in a 9 months' trip abroad during 1930. His training in the special subjects covered by these committees was of the greatest value to his associates on the committees and to the Members generally on the floor of the House.

The State of California has lost an able citizen. His constituents, who always had his ear no matter how humble their request, have lost a wise counselor and a friend. His associates in the House will miss not only the good cheer which he radiated but his sage advice.

As one of his friends and associates, I mourn his passing with those who have likewise been associated with him. To his sorrowing family let us extend the sympathy which their hour of grief and sorrow entitles them, but let us bring to them also the consolation that a faithful servant and a devoted husband and father has gone to his just reward.

The American Flag

EXTENSION OF REMARKS

OF

HON. JOSEPH L. PFEIFER

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, August 2, 1939

ADDRESS BY HON. JOSEPH L. PFEIFER, OF NEW YORK, MAY 30, 1939

Mr. PFEIFER. Mr. Speaker, I ask leave to have printed in the RECORD an address by myself at the flag-raising ceremonies at St. Catherine's Hospital Training School for Nurses, Brooklyn, N. Y., on May 30, 1939:

Sister Ildephonse, members of the training school, and friends, today is the official raising of the American flag on the newly dedicated flagpole outside of this great building which is your home while you are in training. Today is also Memorial Day, therefore let us pause for a moment and in silent prayer pay tribute to those who have paid the supreme sacrifice that we the living might still enjoy all those privileges for which our forefathers fought. It is quite fitting that in raising the flag today, we perform a twofold duty.

On June 14, 1777, the Congress of the United States passed a resolution creating an independent flag, one of national union, representing a new constellation among the nations. It falls on us then as the living nation to support that emblem and everything for which it stands.

Nearing the anniversary of that momentous date in our history of the world, it is fitting, therefore, that the people living under the protective shadow of that flag and partaking of the benefits of our Government should be fully informed as to the history of the flag, the significance of the flag, and the proper respect that the flag deserves.

After the Battles of Lexington and Bunker Hill, where a white flag was used, bearing a pine tree with the words "An appeal to heaven" inscribed, a congressional committee headed by Benjamin Franklin visited General Washington near Boston, Mass., to create a colonial flag, national in its tendency, yet not showing complete separation from England. This group decided upon a flag with 13 horizontal stripes, alternate red and white, 7 red and 6 white, making the top and lower stripes red. In the upper left corner of the flag in a blue rectangular field there was a neat combination of crosses of St. George and St. Andrew, a small Union Jack. This expressed the idea of home rule for the Colonies, preserving final allegiance to Great Britain.

St. George's crimson cross of courage at right angles was established as an English flag by King George I, since he so devoutly admired the wonderful exploits of this patron saint, about whom he learned while on a crusade to the Holy Land.

The flag of Scotland was St. Andrew's diagonal cross of pure white representing the purest Christian virtues. These two flags were blended into one when the kingdoms of England and Scotland were united under King James I. Thus these colors commended themselves to the American flag seekers as symbols of valor and virtue to represent the Thirteen Original Colonies.

This American flag (with the blended crosses of St. George and St. Andrew where our white starry-blue union now is) was first hoisted as the great Union flag over the fort at Prospect Hill, Somerville, Mass., on January 1, 1776. General Washington, then in command there, said: "We hoisted the Union flag in compliment to the united colonies and saluted it with 13 guns."

As the Revolutionary struggle developed more desperate and bloody fighting with its consequent bitterness, the idea of complete national independence was born. A flag committee was

formed and met at the home of Betsy Ross, and there our glorious National Star-Spangled Banner was designed.

On June 14, 1777, the Continental Congress resolved that the flag of the 13 united States should be 13 stripes, alternate red and white, and that the union be 13 stars, white in a blue field, representing a new constellation among the nations.

Thus you see that the stripes remained the same, but in place of the blended British crosses, 13 white 5-pointed stars, representing the 13 independent States, were arranged in a circle in the center of the dark blue rectangular field.

The red symbolizes bravery to do and to dare. The moral courage and strength to combat mightily all social, political, and economic evils in peace or war. White signifies purity and innocence. While blue being the background of the American uniform and this color signifies vigilance, perseverance, and justice.

As each new State was admitted to the Union, a new stripe and a new star was added. At one time there were 15 stripes and 15 stars. But with further admission into the Union, Congress added a star for every State but changed the stripes back to the original 13. So today there are the 13 stripes but in the blue union there are now 48 stars for our 48 States. Arranged in 6 horizontal and 8 vertical rows. This makes the cannon salute to the Union given now on July 4, our national birthday, 48 guns, fired at intervals of 10 seconds.

Our flag is the most beautiful patriotic trinity of symbolism in color. The most radiant banner in the world. It speaks to its citizens of American ideals of equality of opportunity and the enjoyment of a happy life with liberty without license, as proclaimed by our Declaration of Independence.

It proclaims under our Federal Constitution the principles of freedom of equality under law, an "indestructible union of indestructible States," honest justice, national tranquillity, intelligent and scientific national defense, and the general welfare as ordained by the American people.

Our flag is the most valiant and virtuous in war, and the most beneficent in peace. It is the most honest banner in the world, and the most humane in a pinnacle of integrity all its own.

May no group, insatiably ambitious, destroy the intrinsic integrity of this fundamental instrument of government framed by conscientious patriots inspired by the most enlightened and liberal constitutional principles ever conceived and the righteous wisdom of the Holy Scriptures.

All loyal Americans should unceasingly combat all unfriendly influences in our midst which seek our ruin. Beware of foreign intrigue and treason masquerading as a false religion. Let not unpatriotic teaching in academic places nor intelligent anarchists, evaders of eternal truth, deceive you. Let us be neither fools nor cowards. Let us by valor and virtue forever stand firm and loyal to God and country.

I ask you all to show respect to our beloved national flag wherever it is flown. Teach all children you come in contact with to love and salute it.

A salute to our national flag should not only express gratitude for its protective privileges, but also loyalty to our beautiful symbol of proper popular liberty under law. If you enjoy blessings under our flag and yet refuse to honor it, you become an undesirable citizen by disloyalty to American laws. Being thus an outlaw you should have no place in these United States of America.

A respectful salute to their flag by the citizens of any country is only a reasonable part of that loyal patriotism which has been commanded by the best civilized nations of all history. This is the only true guide to enlightened mental, spiritual, and political faith and practice.

Let us fondly renew the creed and vital article of the faith and practice of stanch Americanism as we declare: "I believe that it is my duty to my country to love it, to support its Constitution, to obey its laws, to respect its flag, and to defend it against all enemies."

Let us memorize in heart and mind the following pledge of allegiance and be ready to repeat it as occasion requires:

"I pledge allegiance to the flag of the United States of America, and to the Republic for which it stands. One Nation, indivisible, with liberty and justice for all."

RULES AND REGULATIONS GOVERNING THE USE OF THE FLAG

While it is within the province of the War Department to prescribe the rules and regulations governing the use of the flag for observance within the Army, yet it is beyond its province to prescribe any such rules or regulations for the guidance of civilians or to undertake to decide questions concerning this project that are presented by civilians. Representatives of over 63 patriotic organizations, therefore, met in Washington on Flag Day, June 14, 1923, for a conference under the auspices of the National Americanism Commission of the American Legion to draft an authentic code of flag etiquette. The rules adopted by this conference represent the opinion of the patriotic organizations represented at the conference. The flag circular of the War Department was incorporated almost in toto in the conference flag code, which provides:

(1) The flag should be displayed only from sunrise to sunset, or between such hours as may be designated by proper authority. It should be displayed on National and State holidays and on historic and special occasions. The flag should always be hoisted and lowered slowly and ceremoniously.

(2) When carried in a procession with another flag or flags, the flag of the United States should be either on the marching right—that is, the flag's own right—or, when there is a line of other flags, the flag of the United States may be in front of the center of that line.

(3) When displayed with another flag against a wall from crossed staffs, the flag of the United States should be on the right, the flag's own right, and its staff should be in front of the staff of the other flag.

(4) When a number of flags are grouped and displayed from staffs, the flag of the United States should be in the center or at the highest point of the group.

(5) When flags of States or cities or pennants of societies are flown on the same halyard with the flag of the United States, the national flag should always be at the peak. When flown from adjacent staffs the flag of the United States should be hoisted first. No flag or pennant should be placed above or to the right of the flag of the United States.

(6) When flags of two or more nations are displayed they should be flown from separate staffs of the same height and the flags should be of approximately equal size. (International usage forbids the display of the flag of one nation above that of another nation in time of peace.)

(7) When the flag is displayed from a staff projecting horizontally or at an angle from the window sill, balcony, or front of building, the union of the flag should go clear to the head of the staff unless the flag is at half mast.

(8) When the flag of the United States is displayed in a manner other than by being flown from a staff it should be displayed flat, whether indoors or out. When displayed either horizontally or vertically against a wall, the union should be uppermost and to the flag's own right, i. e., to the observer's left. When displayed in a window it should be displayed in the same way, that is, with the union or blue field to the left of the observer in the street. When festoons, rosettes, or drapings of blue, white, and red are desired, bunting should be used, but never the flag.

(9) When displayed over the middle of the street, as between buildings, the flag of the United States should be suspended vertically with the union to the north in an east and west street or to the east in a north and south street.

(10) When used on a speaker's plaform, the flag should be displayed above and behind the speaker. It should never be used to cover the speakers' desk nor to drape over the front of the platform. If flown from a staff it should be on the speaker's right.

(11) When used in unveiling a statue or monument, the flag should not be allowed to fall to the ground but should be carried aloft to wave out, forming a distinctive feature during the remainder of the ceremony.

(12) When flown at half staff, the flag is first hoisted to the peak and then lowered to the half-staff position, but before lowering the flag for the day it is raised again to the peak. On Memorial Day, May 30, the flag is displayed at half staff from sunrise until noon and at full staff from noon until sunset, for the Nation lives and the flag is the symbol of the living Nation.

(13) When used to cover a casket the flag should be placed so that the union is at the head and over the left shoulder. The flag should not be lowered into the grave nor allowed to touch the ground. The casket should be carried foot first.

(14) When the flag is displayed in church, it should be from a staff placed on the congregation's right as they face the clergyman. The service flag, the State flag, or other flag should be at the left of the congregation. If in the chancel, the flag of the United States should be placed on the clergyman's right as he faces the congregation and other flags on his left.

(15) When the flag is in such a condition that it is no longer a fitting emblem for display, it should not be cast aside or used in any way that might be viewed as disrespectful to the national colors, but should be destroyed as a whole, privately, preferably by burning or by some other method in harmony with the reverence and respect we owe to the emblem representing our country.

What cautions should one observe with respect to the flag?

(1) Do not permit disrespect to be shown to the flag of the United States.

(2) Do not dip the flag of the United States to any person or any thing. The regimental color, State flag, organization or institutional flag will render this honor.

(2) Do not display the flag of the United States with the Union down except as a signal of distress.

(4) Do not place any other flag or pennant above or to the right of the flag of the United States.

(5) Do not let the flag of the United States touch the ground or trail in the water.

(6) Do not place any object or emblem of any kind on or above the flag of the United States.

(7) Do not use the flag as drapery in any form whatever. Use bunting of blue, white, and red.

(8) Do not fasten the flag in such manner as will permit it to be easily torn.

(9) Do not drape the flag over the hood, top, sides, or back of a vehicle or of a railroad train or boat. When the flag is displayed on a motor car the staff should be affixed firmly to the chassis or clamped to the radiator cap.

(10) Do not display the flag on a float in a parade except from a staff.

(11) Do not use the flag as a covering for a ceiling.

(12) Do not use the flag as a portion of a costume or of an athletic uniform. Do not embroider it upon cushions or handkerchiefs or print it upon paper napkins or boxes.

(13) Do not put lettering of any kind upon the flag.

(14) Do not use the flag in any form of advertising nor fasten an advertising sign to a pole from which the flag of the United States is flying.

(15) Do not display, use, or store the flag in such a manner as will permit it to be easily soiled or damaged.

What is the proper use of bunting?

Bunting of the national colors should be used for covering a speaker's desk, draping over the front of a platform, and for decoration in general. Bunting should be arranged with the blue above, the white in the middle, and the red below.

What is the proper salute to the flag?

During the ceremony of hoisting or lowering the flag or when the flag is passing in a parade or in a review, all persons present should face the flag, stand at attention, and salute. Those present in uniform should render the right-hand salute. When not in uniform men should remove the headdress with the right hand and hold it at the left shoulder. Women should salute by placing the right hand over the heart. The salute to the flag in the moving column is rendered at the moment the flag passes.

When the national anthem is played those present in uniform should salute at the first note of the anthem, retaining this position until the last note of the anthem. When not in uniform men should remove the headdress and hold it as in the salute to the flag. Women should render the salute as to the flag. When there is no flag displayed all should face toward the music.

What is the proper salute when giving the pledge to the flag? Standing with the right hand over the heart, all present repeat together the pledge: "I pledge allegiance to the flag of the United States of America and to the Republic for which it stands, one Nation indivisible, with liberty and justice for all." At the words "to the flag" the right hand is extended, palm upward, toward the flag, and this position is held until the end, when the hand, after the words "justice for all," is dropped to the side. This pledge to the flag is commonly given in schools and full respect should be given by adults by merely standing at attention when the pledge is being given, men removing the headdress. Persons in uniform should give the right-hand salute.

THE NATIONAL ANTHEM

(By Francis Scott Key)

Oh! say, can you see by the dawn's early light
What so proudly we hail'd at the twilight's last gleaming?
Whose broad stripes and bright stars, thro' the perilous fight
O'er the ramparts we watch'd, were so gallantly streaming?
And the rockets' red glare, the bombs bursting in air,
Gave proof thro' the night that our flag was still there.
Oh! say, does that Star-Spangled Banner yet wave
O'er the land of the free and the home of the brave?

On the shore, dimly seen thro' the mist of the deep,
Where the foe's haughty host in dread silence reposes,
What is that which the breeze, o'er the towering steep,
As it fitfully blows, half conceals, half discloses,
Now it catches the gleam of the morning's first beam,
In full glory reflected, now shines on the stream—
'Tis the Star-Spangled Banner; oh! long may it wave
O'er the land of the free and the home of the brave.

Oh! thus be it ever when free men shall stand
Between their loved homes and the war's desolation;
Blest with vict'ry and peace, may the Heav'n-rescued land
Praise the Pow'r that hath made and preserve us a Nation.
Then conquer we must, when our cause it is just,
And this be our motto, "In God is our trust."
And the Star-Spangled Banner in triumph shall wave
O'er the land of the free and the home of the brave.

Labor Relations Board

EXTENSION OF REMARKS

OF

HON. C. ARTHUR ANDERSON

OF MISSOURI

IN THE HOUSE OF REPRESENTATIVES

Friday, August 4, 1939

Mr. ANDERSON of Missouri. Mr. Speaker, one of my colleagues from my own State of Missouri, Mr. WOOD, has taken it upon himself to circulate throughout my district reprints of certain testimony that I gave recently before the House Labor Committee, in an attempt to prejudice the voters of my district against me. I, therefore, feel that I owe it to the people of my district and to the people of the Nation generally to invite an even closer scrutiny of my testimony, and, especially, to the words of my colleague.

Let me give you the background. Last January I introduced a bill calling for amendments to the Wagner Act and in the course of time I was asked to testify in support of my bill before the Labor Committee, of which the gentleman from Missouri [Mr. WOOD] is a member. During my testimony the gentleman from Missouri [Mr. WOOD] interrogated me at some length regarding my charge that the Labor Relations Board ordered the Douglas Aircraft Co. to rehire a German alien with back pay in spite of the fact that the Air Corps Act specifically prohibits the employment of aliens upon military aircraft.

The following testimony on pages 219 to 222 of the official transcript of the House Labor Committee should be interesting to every American. It should be especially interesting to the members of the American Legion and the Veterans of Foreign Wars—men who have fought and bled for their country. As a past commander in the American Legion and an active member of the Veterans of Foreign Wars, I wish to call this to the attention of my buddies. What possible motive can a Member of Congress have to not only condone but openly approve the action of the Labor Board in ordering a German alien to be employed in making airplanes for our Army? I think the voters will decide that question.

Mr. ANDERSON. According to your contention, then, you uphold the Labor Board in sending this alien back and these convicted men back to work on these bombers?

Mr. WOOD. To that extent I uphold the action of any board who has to do with the administration of this law, or any other board that may be selected to administer this law. They would have no right to investigate as to the criminal character of any employees in a plant. And with that as an excuse, to give the employer the right to discriminate against them, or to use those employees to hamper the organization of unions and hamper the normal progress of an organization.

I wonder what you think about the Douglas Aircraft Co. Do you think it is proper for them to have employed these aliens prior to this difficulty?

Mr. ANDERSON. I just said "no"; they were wrong.

Mr. WOOD. Do you not think that the Wagner Labor Relations Board has performed quite an important function in revealing the fact that the Douglas Aircraft Co., that is charged with the responsibility of constructing airplanes for our Army, that has a contract with the Government to build bombers for our Air Corps, were employing enemy aliens in the construction of those bombers? You are blaming the Board instead of the Douglas Aircraft Co.

Mr. ANDERSON. May I answer that question now?

Mr. WOOD. Yes.

Mr. ANDERSON. I say this, that as an American body, this Board, as American citizens, should not have ordered the rehiring of these aliens, these men who were convicted of felonies, to go back and work on those planes. And I also tell you, for your information, that the Labor Board did not bring out that information. It was the attorneys for the Douglas Aircraft Co. that brought it out. And despite the fact that it was brought out, the Labor Board ordered them rehired to work on bombing planes.

Mr. WOOD. Do you not think that the Military Affairs Committee would be performing quite an important service if they drafted and introduced a bill providing that no person, firm, or corporation, engaged in the manufacture of munitions of war for this Government, shall employ either hardened criminals or aliens?

Mr. ANDERSON. I think the Defense Act sets that out.

Mr. WOOD. That is the remedy, is it not?

Mr. ANDERSON. They cannot hire any of them. And despite the fact that the law was violated, the Board ordered them to be rehired.

Mr. WOOD. You say further on in your statement here:

"The Douglas Co. attempted to follow out the Air Corps' instructions and were cited by the Labor Board because they insisted on a bond to insure the good faith of each individual worker."

Mr. ANDERSON. Yes.

Mr. WOOD. Do you not think that is a reflection on a man's citizenship, when he accepts employment with an employer and has to give a bond?

Mr. ANDERSON. I think anybody working on a Government plane should give a bond.

Mr. WOOD. To insure the good faith of his performance?

Mr. ANDERSON. I do not think that is any reflection on his citizenship. I think any man working in a plant manufacturing bombers, or a munitions plant, should give a bond. I think it is imperative in the interest of the defense of this country.

Mr. WOOD. You think they should give a bond?

Mr. ANDERSON. Yes.

Mr. WOOD. You do not think we ought to do anything about the Douglas Aircraft Co. employing aliens?

Mr. ANDERSON. I have said that the Defense Act sets that out; and when they ordered them discharged under the Defense Act, the Board ordered them rehired. What are a few bombers to the Board?

Restoring County Taxes

EXTENSION OF REMARKS
OF
HON. HERRON PEARSON
OF TENNESSEE
IN THE HOUSE OF REPRESENTATIVES
Thursday, August 3, 1939

Mr. PEARSON. Mr. Speaker, one of the most important and puzzling problems to be solved by this or future Congresses is that of the replacement or restoration of tax losses brought about through the purchase by the Federal Government of real and personal properties located in every State of the Union. These properties have always been assessed for local tax purposes and upon title being transferred to the United States they immediately become tax-exempt. The loss of this revenue has resulted in throwing out of balance the budget of hundreds of counties, cities, and school districts and even States have felt the effect of the losses.

There is hardly a State in the Union in which the Federal Government does not own parks, homestead projects, resettlement areas, camps, forts, Army posts, reservoirs, dam sites, or recreational areas, not to mention post offices and lands acquired by the lending agencies of the Government. The proportion of Government ownership of such properties is increasing at an alarming rate, and every succeeding purchase is reflected in the increase of tax rates in counties where the reduction in tax aggregates and revenues must be provided for.

My State and specifically several counties in my district are keenly interested in this problem, because experience is teaching them that it is a serious one. In two of these counties the Government has purchased over 40,000 acres of land for park and recreational purposes, and while the intrinsic value of the lands was not great, the tax revenue which they afforded was appreciable and is hard to replace.

Possibly the most serious loss has come about through the overflow of fine bottom lands in connection with the program of the Tennessee Valley Authority. These lands constitute the reservoirs created by the erection of dams on the Tennessee River. They were high-priced productive areas, bought at an average cost of over $50 per acre, and represented a considerable part of the tax revenues in the counties where they were located. They now belong to the Authority and are not subject to taxation. These revenues must be restored either by increasing the tax rate, reducing county expenditures, or by requiring the Tennessee Valley Authority to pay to the counties the lost revenue.

I have a plan by which most of this revenue can be restored without loss or cost to the Federal Government, and if adopted will go a long way toward relieving all of these counties of their tax problem so far as lands are concerned. It will not take care of loss of revenue brought about through the purchase of utility plants and equipment by Tennessee Valley Authority.

On January 18, 1939, I introduced a bill (H. R. 2741) which seeks to take care of all counties affected by this program, and I hope it will be considered by the Congress.

I want to make a brief explanation of the provisions of this act.

When T. V. A. was created in 1933, section 13 of the basic act provided that 5 percent of the gross proceeds of power generated at certain dams should be paid to the State of Tennessee. During the year 1938 T. V. A. received from sale of power in Tennessee nearly two and one-half million dollars, and during the year 1939, after the properties of Tennessee Electric Power Co. are acquired, this income from power sales, on which the 5 percent is to be paid, will be vastly increased.

The bill which I have introduced provides that instead of paying the State of Tennessee the entire 5 percent, one-half, or 2½ percent, shall be paid to and distributed among the counties in which lands have been acquired by Tennessee Valley Authority until said 2½ percent equals the amount of taxes which the counties would have received on the lands. Should this amount be insufficient to pay all of said tax losses, the total amount is to be prorated among the counties in proportion to the loss of each in tax revenues. The remaining 2½ percent is to be paid to the State. This plan will give to the State only one-half of what it now receives, but will help the counties which are not able to restore their lost revenues. The loss to the State will be comparatively small, but the aid to the counties will be very material.

Under this proposed plan the Federal Government pays no more than it is now obligated to pay. It is simply a reallocation of the funds which under existing law is now paid exclusively to the State.

There has recently been introduced by Senator NORRIS a bill which authorizes the Tennessee Valley Authority to pay a more liberal percentage of gross sales of power to the State and it in turn shall redistribute a part of said funds to the counties affected. This method would likewise go a long way toward assisting the counties, and I have no particular preference for one method or another so long as we busy ourselves in solving this vexing problem.

Senator NORRIS' bill states that "it is the intention of Congress that each State shall redistribute said payments to counties affected," and this language I do not approve. I think the act should state that unless the States by suitable legislation provide for a division of this money among the counties affected, no part of it shall be paid to the State. This will protect the counties and they are the ones we are seeking to aid. If the Norris bill is considered I shall offer an amendment along this line.

In connection with these questions we might also begin to think about making provision for those whose property values and businesses have been detrimentally affected by Government ownership of property. There are thousands of citizens who are affected in this manner.

I am calling the attention of the Congress to the matter at this time in the hope that all Members who are interested will give the question some thought and study between now and the reconvening of the next Congress in January, and will cooperate with those of us who are looking for a fair and satisfactory solution.

H. R. 7389, Providing for the Presentation of a Medal to Rev. Francis X. Quinn in Recognition of His Valor

EXTENSION OF REMARKS
OF
HON. MICHAEL J. KENNEDY
OF NEW YORK
IN THE HOUSE OF REPRESENTATIVES
Friday, August 4, 1939

ARTICLE FROM THE NEW YORK SUN OF AUGUST 1, 1939

Mr. MICHAEL J. KENNEDY. Mr. Speaker, ladies and gentlemen of the House, it is with great pleasure that I express to the entire membership my appreciation for its consideration and passage of my bill (H. R. 7389) awarding to Rev. Francis X. Quinn a gold medal for the valor and heroism displayed on the morning of April 2, 1939, in saving the lives of two persons threatened by a desperate, hardened criminal. It is fitting that this heroic act by this good priest should be appropriately recognized by the Congress, and I am indeed very happy to not only express my own appreciation to the membership, but also the appreciation of the Reverend Father Francis X. Quinn, the recipient of the

medal, as expressed in the New York Sun of August 1, 1939, which is as follows:

HONOR PLEASES FATHER QUINN—HEROIC CURATE HEARS OF VOTE TO GRANT HIM MEDAL

The Reverend Francis Xavier Quinn, curate at the Church of the Guardian Angel, better known as the Sailors Church, Tenth Avenue and Twenty-first Street, expressed his surprise and delight today that the House of Representatives had passed and sent to the Senate for action a bill awarding him a gold medal for saving two lives last April. The bill was introduced by Representative MICHAEL J. KENNEDY, of New York.

Father Quinn, solidly built, dark-haired, and 39 years old, was in the church on April 2, when word came to him that a gunman pursued by the police after a robbery had broken into an apartment and was holding the elderly man and woman who occupied it as hostages against the police following him. The police got the gunman, whose name was John Naumo, to agree to talk to a priest, then sent for Father Quinn.

After some discussion, he entered the apartment of Merton A. Nicholas, assistant treasurer of the Missionary Education Movement of the Methodist Book Concern, at 301 West Twenty-second Street. Naumo was using Nicholas as a shield and had placed Mrs. Nicholas behind him, where he could shoot her if things broke badly.

Father Quinn talked to him for three-quarters of an hour, found that Naumo was afraid that the police would beat him up, talked him out of this, persuaded him to hand over his gun, then gave the police the sign to capture him, which they did. Naumo is in Sing Sing, serving a 20- to 40-year term.

He told a reporter for the Sun today that he hoped that he never would have to do another job like that, though he would if the occasion arose. Any priest would, he said. When he entered the apartment he fully expected to be shot. Dealing constantly with seamen, Father Quinn falls unconsciously into the waterfront vernacular at times and he turned to it now.

"I thought at first I was going to be plugged," he said frankly. "But, after 15 minutes of talking, I began to think I had him. I knew it when he asked for a smoke and I tossed over my cigarettes and matches. I talked about his home and his parents and, after 45 minutes, he held out his gun, butt end first, and I took it. He'd been scared to death the cops would 'give him his lumps.' I told him not to be foolish, that the cops would treat him all right. And they did. I saw him when he was in the Tombs and he said they'd treated him swell. I was mighty glad when he handed me that gun and when the cops, who had been sneaking onto the fire escape, came in.

"I was thankful to get out alive, and the grace of God was instrumental in making it possible."

Father Quinn said that he had been informed by Mr. KENNEDY of his bill, but that he never had expected it to pass. He thought it would be buried in committee and considers it a very high honor that it received a favorable vote.

The Cut-Over Nation

EXTENSION OF REMARKS

OF

HON. PAUL W. SHAFER

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Friday, August 4, 1939

EDITORIAL FROM THE BATTLE CREEK (MICH.) ENQUIRER AND NEWS

Mr. SHAFER of Michigan. Mr. Speaker, under permission to extend by remarks, I wish to include an editorial from the Battle Creek (Mich.) Enquirer and News:

THE CUT-OVER NATION

The National Resources Committee has been surveying the situation in the cut-over timberlands of northern Michigan, Wisconsin, and Minnesota. It is a sorry sight and the facts are even sorrier, but one wonders if the National Resources Committee has confined itself to the broad view of the country's problems or simply looked in the one place and found the one thing.

Mr. Roosevelt comments in connection with the survey that Government expenditures "have enabled these people to survive, but could not provide a satisfactory, permanent solution to their problem." It is self-evident that this is so, but it is so no less in the North than in the South, East, and West.

The suggestion of the committee is that long-term loans should be provided these destitute residents of the barrens left by timber removal, the loans to go to those who are living where successful farming could be carried on. The others, the committee feels, should be relocated.

Mr. Roosevelt says, and many will agree, that relief payments "do not provide a permanent solution." If that is true of the timber country, it is true elsewhere in the Nation. Relief is only a stopgap.

Certainly the same problem and the same question arises in every city, town, and hamlet in the Nation. Relief is no solution for the out-of-work workman; nor can he be moved and relocated, as Tugwell sought to move the drought victims before the rains came again to the West.

If the problem of what comes after relief is to be met by Government loaning and relocating, then it is too staggering a problem for the imagination to calculate.

There could be a resettlement, however, and a simple one at that. It would follow the call of industry for help in the wake of an authentic, well-founded business recovery. The young men of the North, the South, the East, and the West would resettle themselves and their families and the old folks.

It might be true then that a sympathetic nation could find for the stranded minority some better solution of their problems than relief.

The United States Housing Act

EXTENSION OF REMARKS

OF

HON. JOHN M. HOUSTON

OF KANSAS

IN THE HOUSE OF REPRESENTATIVES

Friday, August 4, 1939

Mr. HOUSTON. Mr. Speaker, the United States Housing Authority was set up to clear slums and to provide decent housing for low-income families, and with that objective in mind I supported the United States Housing Act of 1937 and the amendments thereto, but I am not in sympathy with the provisions of S. 591 to further amend the act of 1937 and am voting against this resolution to consider it.

The proponents of this bill say that the proposed gross subsidy of $73,000,000 will actually make possible low rents not on $1,600,000,000 but on $2,220,000,000 worth of housing; that it will enable rents in the 51 P. W. A. housing projects costing $123,000,000 to be brought down to the means of low-income families; that this gross annual subsidy will at present interest rates be reduced to a net subsidy of about $50,000,000 by an annual profit on the Government's total loans; that the bill adds nothing to the 1940 Budget or the national debt; that the funds previously made available are all committed and earmarking requests from all over the country far exceed $800,000,000; and that a rural housing program would be initiated for ill-housed farm and other rural families.

Those who can see no good whatsoever in the bill say it will cost the Government $4,380,000,000 over a period of 60 years; that no part of the rent collected in these projects will ever find its way to the Federal Treasury; that municipalities pay no part of the cost of the projects; that it is not a low-cost housing proposition as the average has been $4,893 per family unit and when all interest charges are paid the units will have cost an average of $10,000; that no record is available that the people heretofore housed in the slums have been placed in the new buildings; that the rural section of the bill would be more costly than the providing of homes for farmers under the Farm Security Administration; and that the Housing Authority would build a house on a small tract of land and rent it to the farmer for 60 years after the farmer deeded the land to the Authority although he would never own the home.

It is my opinion that both proponents and opponents have in turn exaggerated the benefits and the disadvantages, but it is my belief it will be far better that study be made of the possibility of inducing idle private capital, which has been estimated at $7,000,000,000, to enter into this housing problem and provide the funds for construction of projects in both city and rural districts so as to bring about the needed stimulation in the building industry and provide employment.

The United States Housing Act requires enabling legislation by the various States and, up to this time, the legisla-

ture of the State of Kansas has not adopted the required legislation, and no one can say that it ever will. Consequently, no direct benefits to the people of my State can be derived at this time, with the possible exception of those in rural areas through the Department of Agriculture. The Farm Security Administration should now provide that relief.

If the Congress erred in passing the act of 1937 and subsequent amendments, we should admit the error and refrain from making another of the same kind. The title of the act, "To provide financial assistance to the State and political subdivisions thereof for the elimination of unsafe and insanitary housing conditions, for the eradication of slums, for the provision of decent, safe, and sanitary dwellings for families of low income, and for the reduction of unemployment and the stimulation of business activity * * *" constitutes laudable objectives, but it is my belief that the actual operations under the act have fallen far short of our anticipation; and we should not launch this new and ambitious plan until we have had an opportunity to survey that which has been accomplished and perfect our future building plans so that those things which we want done will actually be fulfilled and at a minimum of expense to the taxpayer.

Proper housing and environment for city and rural residents is a problem of greatest importance, and so are the problems of payment for the program, the use of private capital to accomplish the desired result, and the assurance that the people whom we are trying to aid will receive the values which we want them to have and to which they are justly entitled.

Mr. Speaker, I am with reluctance voting against the resolution. But it is my honest and sincere belief that the bill should not be rushed through the House during the few remaining days of this session and that we will be in much better position during the next session to formulate a housing program that will more nearly bring about our objectives and be subject to less criticism.

New Products Developed Seen As Recovery Basis

EXTENSION OF REMARKS
OF
HON. IVOR D. FENTON
OF PENNSYLVANIA
IN THE HOUSE OF REPRESENTATIVES
Friday, August 4, 1939

BUSINESS RECOVERY BUILT ON NEW PRODUCTS FROM INDUSTRIAL RESEARCH LABORATORIES—THE SCIENCE OF SYNTHETICS, THROUGH WHICH NEW SUBSTANCES ARE BROUGHT INTO BEING FROM COAL, MILK, COTTON, WOOD, FROM WATER AND THE ELEMENTS OF THE AIR, SEEMS TO BROADEN WITH EACH FORWARD STEP

Mr. FENTON. Mr. Speaker, under leave to extend my remarks, I wish to insert in the Appendix of the RECORD an article that appeared in the Oregon Daily Journal.

[From the Oregon Daily Journal]

NEW YORK.—Alfred P. Sloan, Jr., chairman of the General Motors Corporation, today pictured business recovery built on new products from industrial research laboratories.

The essential elements exist, he said, for "a broad and sound upturn in economic activity, with an accompanying promotion of new job opportunities."

Released in advance from a forthcoming quarterly report to stockholders, Sloan's comments included:

"In air transport it is apparent that we are just now entering upon an era of vast opportunity and growth.

Transoceanic mail and passenger flying has already achieved the status of routine schedules, carrying new social and commercial benefits to peoples everywhere.

"To the youth of today 'wings over the earth' spell opportunity unparalleled.

"Railroad transportation, too, is moving rapidly into new ground. From research have come new Diesel-powered locomotives to speed up service and reduce costs. Improved types of roadbed, the increased use of air conditioning in passenger trains, high-speed, light-weight equipment, traffic control systems, permitting faster freight schedules, studies in fuel economy, and many other developments indicate a bright future for the railroad—the backbone of our transportation system.

"In no field of industrial research has greater progress been made during the depression years than in chemistry. The science of synthetics, through which new substances are brought into being from coal, milk, cotton, wood, from water and the elements of the air, seems to broaden with each forward step.

"Plastics, a growing family of chemically created materials, are finding hundreds of new uses in industry and the home, promoting job opportunities all along the line from the raw material to the sale of the finished product."

Comment on District of Columbia Legislation

EXTENSION OF REMARKS
OF
HON. JENNINGS RANDOLPH
OF WEST VIRGINIA
IN THE HOUSE OF REPRESENTATIVES
Friday, August 4, 1939

Mr. RANDOLPH. Mr. Speaker, in the closing hours of every session of Congress the activities of both the House of Representatives and the Senate are attended by the inevitable confusion of legislative effort. A great many measures are passed by both Houses; but since the spotlight of publicity is focused largely on the major pieces of legislation, the so-called minor measures escape notice, and the ultimate fate of such measures becomes obscured in the rush of business incident to adjournment.

BILLS HAVE MERIT

Because of this fact and because some of these measures are deserving of better legislative memorials, I wish at this time to note with sincere regret the Presidential veto of three bills concerning the District of Columbia which originated in this body. I refer to H. R. 3314, entitled "A bill to provide shorter hours of duty for members of the Fire Department of the District of Columbia"; H. R. 5137, entitled "A bill to prohibit the purchase of beer on credit by retailers of the District of Columbia"; and H. R. 6834, entitled "A bill authorizing the Commissioners of the District of Columbia to settle claims and suits of the District of Columbia."

The Commissioners for the District of Columbia generally gave their approval. Each of these bills received a full, fair, and impartial consideration in your Committee for the District of Columbia, and in the conviction that they were of a beneficial nature for local government, all three were favorably reported with the recommendation that they pass. The Senate Committee on the District of Columbia likewise gave its O. K. before bringing the measures to the attention of that body. The House and the Senate concurred in the recommendation, and but for the veto of the President, each of these bills would have become a part of the body of local law. Worth while purposes were sought in passing these bills, and an extended consideration of each of them resulted in the belief that much good would flow from their enactment.

OTHER CITIES ARE LISTED

In view of an almost universal sentiment for a 40-hour week expressed by enactment of the national wage and hour law, and in view of the general use of 39 hours as the standard for the workweek in the executive departments of the Government, your committee was of the opinion that a 60-hour week for firemen in the District of Columbia was eminently reasonable. I might state that such a workweek for firemen, or even shorter, is in effect in New York, Chicago, Philadelphia, and practically every large city in the United States. It would seem only right and proper that such legislation be enacted for the Nation's Capital.

With regard to H. R. 6834, the committee was of the opinion that power to settle claims of the District of Columbia should logically be vested in the most responsible officers of

the local government. We assumed that, by virtue of their office, such officers would at all times have the interest of the District at heart, and that this additional authority would expedite the settlement of claims which would otherwise prove too litigious or too expensive. Moreover, the plan of reorganization for the government of the District of Columbia specifically provides for such an item, and in this light the veto of the bill is difficult to understand.

The purpose of H. R. 5137 was not that the Government should act as a collection agency for wholesalers of beer, but rather that the conduct of this business, affected as it is with a public interest, should be adequately safeguarded to the extent that only financially responsible retailers should serve the public with a commodity, the distribution of which might possibly be open to abuse through extension of excessive credit. Approximately 17 States have legislation of this type, including Virginia, West Virginia, Pennsylvania, and Ohio, and most recently Arkansas.

PURPOSE TO AID DISTRICT

I think it peculiarly appropriate that this explanation of the purposes of these bills be publicly stated again at this time. The path of legislation for the District of Columbia is, at best, never smooth. Throughout the entire session the Committee for the District of Columbia has devoted its utmost in time and energy to the formulation and advocacy of reasonable laws for the District whose legislative welfare is committed to its care. It is disappointing, therefore, that its efforts should be negatived by Presidential vetoes at the end of a session, particularly marked by an unusual struggle for the enactment of District of Columbia legislation.

Status and Prospects of War Referendum Bill

EXTENSION OF REMARKS
OF
HON. LOUIS LUDLOW
OF INDIANA
IN THE HOUSE OF REPRESENTATIVES

Friday, August 4, 1939

Mr. LUDLOW. Mr. Speaker, at the present time in my home city, Indianapolis, there is intense agitation over the question as to whether the city shall purchase the water plant that supplies water to our citizens. One of our great Indianapolis newspapers is suggesting that the way to decide the question honestly, and with due regard to the rights of all, is by a referendum, when the citizens will have an opportunity to express themselves.

I believe in the referendum principle but I would like to see it applied to the higher and more important things of life. It seems to me a ridiculous travesty that while our people can vote on the election of a constable or the purchase of a water plant, they have nothing to say as to the most important and tragic of all decisions—the decision that means the breaking up of family ties, the sundering of heartstrings, and the hurling of our fine young men into the bloody chasm of foreign wars. How can we ever explain such inconsistency? What reason is there in right and justice that our democracy should stop at the water's edge? If our democracy means anything at all, it should apply not only in our domestic concerns but in our foreign relations; in the question of sending our youth into mass killings in foreign countries; in the vital decisions which are to determine whether we are to remain a free and independent Nation or whether we are to become a satellite of certain great powers that would use us for their own ends.

Surely if our democracy has any vitality and meaning whatsoever, it should apply in such cases of transcendent importance, as well as in such relatively minor and insignificant things as the purchase of a water plant.

Those of us who are engaged in the struggle to extend the frontiers of democracy by giving the common people a broader control over our foreign affairs are not faint of heart. With no lack of modesty, but with a confidence born of the faith that is within us, we declare that the fight to give the people a right to vote on participation in foreign wars has only begun.

On account of my activity in behalf of a constitutional amendment that would give the American people a right to vote on proposals to participate in foreign wars, and because my name has become to a considerable extent associated with that proposal throughout the country, I believe it is a privilege I can rightfully claim, if indeed it is not a duty enjoined upon me, to make a report on the status and prospects of the proposed war referendum amendment at the close of the first session of the Seventy-sixth Congress.

On January 10, 1939, I reintroduced my war referendum resolution containing the principle of the original resolution first introduced by me in Congress in 1935. In the process of time the resolution has been revised to conform to sound, constructive criticism and in the form in which it is now pending, as introduced by me in January last, the resolution reads as follows:

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled (two-thirds of each House concurring therein), That the following article is proposed as an amendment to the Constitution of the United States, which shall be valid to all intents and purposes as a part of the Constitution when ratified by conventions in three-fourths of the States as provided in the Constitution:

"ARTICLE —

"SECTION 1. Except in case of invasion by armed forces, actual or immediately threatened by an approaching military expedition, or attack upon the United States or its Territorial possessions, or by any non-American nation against any country in the Western Hemisphere, the people shall have the sole power by a national referendum to declare war or to engage in warfare overseas. Congress, when it deems a national crisis to exist in conformance with this article, shall by concurrent resolution refer the question to the people.

"SEC. 2. Congress shall by law provide for the enforcement of this section.

"SEC. 3. This article shall become operative when ratified as an amendment to the Constitution by conventions in the several States, as provided in the Constitution."

It will be observed that the constitutional amendment proposed in this resolution would not in any way, shape, or degree interfere with our national defense. In case of attack on the United States or any other country in the Western Hemisphere, the referendum would not apply. Our responsibility under the Monroe Doctrine is fully recognized by the resolution. A referendum would not be possible under this resolution except to decide whether or not we shall order our boys overseas to fight in foreign wars. It is my contention and the contention of others who think as I do that when it comes to determining whether or not it is the best policy to send our young men—the flower of our manhood—to be slaughtered in foreign lands those who have to suffer and if need be to die and to bear the awful burdens and costs and griefs of war should have something to say about it. That the American people as a whole think so, too, is shown by the fact that four carefully conducted Gallup polls have indicated an enormous majority to be in favor of my proposal. It seems to be such a fair proposal, so much in harmony with the principles of equality and justice on which this great Nation was founded, that I sometimes wonder how anyone can oppose it.

On its introduction this resolution was sent to the Committee on the Judiciary, that being the committee to which all questions relating to constitutional amendments are referred.

The committee has taken no action of any kind on the proposition. During the four and a half years my war referendum proposal in its various forms has been before the Committee on the Judiciary that committee has bottled it up very successfully. The committee has decided that it deserves asphyxiation without benefit of clergy. The able chairman of the committee, my good friend Judge HATTON SUMNERS, usually so kind and jovial and benevolent, has not had the faintest semblance of a smile for this favorite child of my dreams.

On the fifteenth day of March last, availing myself of my rights under the parliamentary rules of the House, I filed at the Clerk's desk a discharge petition to bring this resolution out of the Committee on the Judiciary and before the House for debate and a vote. Mrs. Roosevelt, in her very interesting

article on my proposal, published earlier this year in the Liberty magazine, said that she would be willing to have the resolution debated, and that, I am sure, is the general attitude of fair-minded women and men throughout the country.

A proposal that holds the heart interest of so many millions of people certainly is entitled to a better fate than strangulation in committee. It should be brought out under a rule granting the fullest latitude of debate and amendment, and should then be voted up or down on its merits. No other method of disposing of this great, vital question will ever satisfy the American people.

Forty-seven members of the House, representing about 12,000,000 Americans, have signed the discharge petition to secure consideration and a vote on this measure. Under the rules of the House the discharge petition will not become effective unless or until it is signed by 218 Members, a majority of the House.

It is interesting to trace the progress that has been made in promoting this legislation in the upper branch of Congress.

On Sunday, January 9, 1938, the steering committee for the war referendum met in my office in the House Office Building and agreed on a revision of the then pending Ludlow war-referendum resolution, which was read in the House of Representatives the next day by the gentleman from New York, Representative HAMILTON FISH, the ranking minority member of the Committee on Foreign Affairs. That revision represented the composite judgment of members of the steering committee as to how the text of the resolution might be improved.

Personally, I gave my approval to this revision, as did every member of the steering committee. In principle, it did not change the proposal, but it did go further than the original in respect to placing adequate safeguards around the Monroe Doctrine by providing that if any country in the Western Hemisphere is attacked by any non-American nation the referendum will not be invoked. The text of the resolution presented to the House on January 10, 1938, by the supporters of this peace amendment was as follows:

SECTION 1. Except in case of attack by armed forces, actual or immediately threatened, upon the United States or its territorial possessions or by any non-American nation against any country in the Western Hemisphere, the people shall have the sole power by, a national referendum, to declare war or to engage in warfare overseas. Congress, when it deems a national crisis to exist in conformance with this article, shall, by concurrent resolution, refer the question to the people.

SEC. 2. Congress shall by law provide for the enforcement of this section.

SEC. 3. This article shall become operative when ratified as an amendment to the Constitution by conventions in the several States, as provided in the Constitution.

Later in the year 1938, 12 United States Senators adopted the exact text of the resolution, as quoted above, and without changing a word, syllable, or punctuation mark, introduced it in the upper branch of Congress under their joint sponsorship.

The Seventy-fifth Congress expired without the approval of my resolution by either branch of Congress. The so-called Ludlow amendment was still languishing in the House Committee on the Judiciary when the gavels pounded out adjournment, giving it the coup de grace. In the Senate there had been no committee action on the jointly sponsored duplicate of the Ludlow House joint resolution.

The Seventy-sixth Congress opened last January with dark prospects for the war referendum, due to the uncompromising opposition of the national administration and the terrific beating the proposal had received from powerful newspapers.

The administration wants no strings tied to its authority in emergencies that may lead to war.

For this point of view I have no criticism, although I do not for one moment agree that the people have no right to say whether or not their sons shall be sent into bloody wars overseas arising as a result of boundary disputes and blood feuds among nations that have been warring for a thousand years and that will be warring a thousand years after all of us are dead and gone. This, I think, presents a case where the principal and not the agent should decide. The agent is a little group in Washington. The principal is the 130,000,000 people who comprise the American Nation—the people who have to do the suffering and pay the costs of war.

I repeat that I have no criticism of the administration's viewpoint, because I believe its position is honest, though wholly untenable and violative of fundamental American rights. But I cannot find it in my heart to be quite so charitable toward the great newspapers that have poured their vitriol on my proposal. Their motivation is not so altruistic.

Every newspaper that is controlled by the international financiers, every newspaper that is allied with the munitions traffic and with the ungodly profiteers who would not hesitate to make merchandise out of human blood, is hell-bent against allowing the people to have anything to say about sending our boys into the slaughter pens of foreign countries.

Notwithstanding the handicaps and the forbidding prospect, the other body of Congress has made definite headway in the Seventy-sixth Congress in promoting the war referendum. On February 28 last 12 United States Senators joined in reintroducing the identical Ludlow war referendum resolution that was read to the House on January 10, 1938. The 12 Senators who joined in the sponsorship of the measure were LA FOLLETTE, of Wisconsin; BONE, of Washington; CAPPER, of Kansas; CLARK of Idaho; CLARK of Missouri; DONAHEY, of Ohio; FRAZIER, of North Dakota; LUNDEEN, of Minnesota; MURRAY, of Montana; NYE, of North Dakota; SHIPSTEAD, of Minnesota; and WHEELER, of Montana.

Hearings on this measure were conducted for 21 days, beginning on May 10 and ending on May 31 last, before a subcommittee of the Senate Committee on the Judiciary composed of Senator HATCH, of New Mexico, chairman; Senator MILLER, of Arkansas; Senator BORAH, of Idaho, and Senator WILEY, of Wisconsin. Proponents and opponents of the resolution presented their arguments ably and exhaustively. The printed hearings are now available to all who desire to read them.

The subcommittee put the decision up to the full committee, which divided on the proposition, six standing for a favorable report on the resolution and eight for an unfavorable report. To relieve the impasse it was agreed to report the resolution to the Senate "without recommendation" and it is now on the Senate calendar awaiting the action of the other branch.

The difference in viewpoints of great minds on this proposition is reflected in the opposite attitudes of Chairman SUMNERS, of the House Judiciary Committee and Chairman ASHURST, of the Senate Judiciary Committee, both of whom are scholars and students of constitutional affairs. Mr. SUMNERS has bitterly contested the idea of a popular referendum on foreign wars. Senator ASHURST, who heads the Senate Judiciary group, voted to report the resolution favorably, and his office advises me that he will vote for its enactment if it reaches a show-down in the Senate.

Senator BORAH, of Idaho, former chairman of the Foreign Relations Committee of the Senate, also voted to report the resolution favorably—a rather vivid contrast with the attitude of his successor as chairman of the Foreign Relations Committee, Senator PITTMAN, who has always been opposed to it. Other Senators of the Judiciary Committee who voted to report the measure favorably were VAN NUYS, of Indiana; LOGAN, of Kentucky; O'MAHONEY, of Wyoming; and MILLER, of Arkansas. All of these are able men and profound students of public affairs.

The next regular session of the Seventy-sixth Congress will open on January 3 next, with a good deal of the war-referendum ground already plowed and harrowed. I shall hope at the next session to complete my war-referendum-discharge petition, which is officially known as discharge petition No. 4 of the Seventy-sixth Congress. I hope that as many Members as possible will sign that petition at the present session, for the more signatures we obtain now the more formidable will be our appeal when Congress reconvenes.

When January comes the Senate war-referendum resolution will be awaiting action on the Senate Calendar. There are prospects of very interesting and important developments in respect to this resolution at the next session of the Congress.

T. V. A.

EXTENSION OF REMARKS
OF
HON. FOREST A. HARNESS
OF INDIANA
IN THE HOUSE OF REPRESENTATIVES
Friday, August 4, 1939

Mr. HARNESS. Mr. Speaker, I owe all of you, but most specifically my esteemed colleague the gentleman from Mississippi [Mr. RANKIN], an apology. On July 14 in speaking for restrictions upon the New Deal's Soviet Frankenstein T. V. A., I referred to the gentleman from Mississippi [Mr. RANKIN] as a self-deluded gold-brick salesman; but that seems to be my no means his major attainment. He is, among other things, a clever comedian.

To those of you who think Jack Benny or Fred Allen is funny, I commend the efforts of my colleague appearing on pages 3752–3753 of the Appendix of the CONGRESSIONAL RECORD. Note there the flashing wit by which he devastates my appeal of July 14 for the serious consideration of the social, political, and economic problems created by T. V. A.

I then asked what is to happen to the coal industry in and around the T. V. A. area, as Mr. RANKIN'S pet monstrosity of State socialism usurps the market for five and three-fourths million tons of coal. I asked what the loss of revenue will mean to the railroads formerly transporting that coal, and what is in the future for the thousands of coal miners and railroad men whose jobs will be destroyed.

I wanted to know how the State of Tennessee and its political subdivisions are to make up the three and one-half million dollars in tax revenues which were lost upon the sale of those Tennessee utility properties, and who will repay the annual loss at the Treasury for the one and one-fourth million dollars which those companies annually paid in Federal taxes.

I particularly would like to know whether the seriously affected counties in Tennessee, Georgia, and Alabama are actually to be destroyed as political units, or whether Congress will be expected to underwrite their defaulted bond issues and adopt them as public wards at the taxpayers' expense. Previously I said that as much as 40 percent of the taxable valuation in some counties is being destroyed by T. V. A. Since that time I am informed that the losses in some instances actually run as high as 60 or 70 percent.

Since the answer is footless levity, we may presume that the solution of these grave problems will follow the customary addled New Deal pattern. We will be expected to buy our way out of each succeeding jam as it develops, just as we have finished paying out sixty-five and one-half million dollars more of the taxpayers' money to reimburse the owners of the Tennessee utility companies whose properties T. V. A. has destroyed and confiscated. If we destroy the coal industry or the railroads, just send the taxpayers the bill. If that puts a few hundred thousand more citizens on relief, just hike the relief appropriations. If we destroy several counties in the Tennessee Valley, let the rest of the country assume their obligations and pay their way in the future.

The gentleman from Mississippi [Mr. RANKIN] is, as usual, confused when he speaks of T. V. A. distributing its blessings in the rural sections of the Tennessee Valley. T. V. A. is merely the device. We in Congress are the disbursing agents, and the people of Indiana and other parts of the country are on the paying end of another gigantic New Deal charity enterprise.

The gentleman from Mississippi [Mr. RANKIN] is even confused as to the principal recipients. The little fellows and the underprivileged are getting a few crumbs, it is true; but the real gravy is going to the biggest kind of big business, the Aluminum Corporation of America, Monsanto Chemical Co., and Victor Chemical Corporation, who are buying T. V. A. power much cheaper than they can generate it right in their own plants.

The gentleman from Mississippi [Mr. RANKIN] also completely sidesteps the question of honesty in T. V. A. accounting methods. In fact no new dealer yet has had a word of defense to offer for the fact that the General Accounting Office has challenged some 18,000 different items on the record.

The gentleman from Mississippi [Mr. RANKIN] praises these so-called benevolences, and infers that only under T. V. A. are such things possible. But we have managed to do away with a few wash boards, kerosene lamps, and other forms of drudgery and inconvenience in Indiana. In fact, we have built more miles of rural power lines in Indiana alone than has been built in the entire T. V. A. area, which is easily three times the size of our State. There is this significant difference: My people and the people of other regions outside the Tennessee Valley are paying the freight for every development in that area. But I am proud and happy to say that in Indiana we are paying for our improvements with our own money. We have not found it necessary, and I hope we never will find it necessary to ask any one else to contribute to our well-being.

I am moved to confess an increasing interest in, and respect for my esteemed colleague, despite the fact that he has the New Deal faults of not being able to get his feet on the ground and recognize a hard fact when he meets it face to face. He is doing his best to show me that if you can just be funny enough, you can avoid the laws of arithmetic and economics. He has also taught me, a brash newcomer to these Halls, some amazing things about the acoustic properties of our Capitol Buildings. I simply did not realize, until the gentleman from Mississippi [Mr. RANKIN] demonstrated it to me, that laughter and applause flowing from an imaginative pen in his office in suite 358 of the old House Office Building could be so amazingly amplified without the benefit of our microphones here on the floor that they could be made to resound through this Chamber and record themselves in the CONGRESSIONAL RECORD, as they did in this instance.

That is, I admit, a neat trick. It is almost as good, in fact, as some of the New Deal hocus-pocus that goes on in the operation of the T. V. A.

Philippine Planters Should Get Their Fair Share of Profits Reaped by Foreign Sugar Interests

EXTENSION OF REMARKS
OF
HON. JOHN G. ALEXANDER
OF MINNESOTA
IN THE HOUSE OF REPRESENTATIVES
Friday, August 4, 1939

ARTICLE BY PORFIRIO U. SEVILLA, PUBLISHER

Mr. ALEXANDER. Mr. Speaker, in view of our own interest in the matter as an important part of our daily food, and also in view of the fact that the welfare of the Philippine Commonwealth is largely dependent upon the sugar industry, I deem it only right that we should give some consideration to that factor of the Philippine economy.

In the following article Mr. Porfirio U. Sevilla, publisher of the Philippine-American Advocate, fighting for the Filipino planters, comprising 25,000 planters with a million laborers and their families behind them, has pointed out that it is only just and proper that the Congress of the United States give to these people the rights enjoyed by and protected for the citizens of the United States. Since the sugar industry of the

islands is so closely integrated with that of the mainland, it is only proper that the administration should look into these facts, and that it should draw up from the plan in the article below some plan that will be of benefit to the Filipino planters and laborers of the medium and the small independent sugar centrals.

Under leave to extend my remarks, I submit for your consideration a statement made by Porfirio U. Sevilla, prominent publisher, which is based on his close contact with his own people and his studies of their problems:

REVOLUTION OR SQUARE DEAL FOR THE PHILIPPINE SUGAR PLANTERS

(By Porfirio U. Sevilla, Publisher)

Unless the Congress and the President of the United States move speedily to investigate the clouds hanging over the sugar industry of the Philippines, as over the sugar industry of the United States, and protect the planters against monopolists, the great sugar industry of the Philippines may end in a revolt or else starvation for thousands of families.

The present dictatorship, in which monopoly married to a political machine threatens the economic and even the political rights of one of the greatest industries in the Pacific, must be placed under the flag and Constitution and the administration of the United States without delay, if the Philippines are to be saved from widespread popular revolt.

It is the old story of Spanish domination, today as 40 years ago.

It is the old history of Spanish domination which the world has witnessed in Mexico.

Think of this, you who descended from the patriots of the American Revolution of 1776:

Ninety percent of our soil fitted for agriculture is owned and controlled by the same Spanish landlords or their corporate heirs, who dominated our soil through the nineteenth century until the shot fired by Admiral Dewey in 1898.

More than 90 percent of our sugar industry is a monopoly in Spanish or other foreign lands who grind the labor of the Filipino down to the pittance of 15 to 30 cents for the long day's toil.

The Philippine government, controlled by Spanish landlords and industrial monopoly, exercising executive, legislative, and judiciary powers, dominates the people and maintains a system of feudalism worthy of the Dark Ages.

And such conditions as these perpetuated under the American flag and Constitution, conditions said to be less humane than under fascism in Italy, nazi-ism in Germany, or even communism in Russia. Indeed, you have to go back to the history of Spanish dictatorship in Mexico, two generations ago, in order to find a true picture of the Spanish landlord regime which today is crushing the sugar-growing industry of the Philippines.

What is the remedy?—you ask.

It is very simple—so plain and simple that any American citizen (except a sugar monopolist or landlord agent) can see the remedy by opening his eyes long enough to read this brief text.

1. Let Congress amend existing acts so as to give the sugar industry of the Philippines the same protection of wholesome laws that are enjoyed by the farmers and small industries of the United States.

2. Let the United States see that there is installed in the Philippines a sugar administration that recognizes the rights of Filipinos on a basis of equality with other citizens under the American flag.

3. Let the President of the United States and the Congress of the United States take control of our lives and liberty, our industries and our homes, from the ruthless grasp of a Spanish dictatorship and a Spanish monopoly, and give the 16,000,000 Filipino men, women, and children the same enlightened and humane government that elsewhere prevails under American administration.

4. Save the people of the Philippines from a ruthless grasp far less humane and far less just, than that from which American patriots rebelled 150 years ago. Take the heel of the Spanish conqueror and his political agents from off our necks. Save us from the Quezon Spanish monopoly. Save us from the serfdom of Spanish landlords. Save us from the political machine which grinds our industry.

SUGAR INDUSTRY

The sugar industry in the Philippine Islands is operated between the mills and the planters. There are three classifications of centrals—the big ones, the medium, and the small.

The biggest centrals are controlled by Spaniards and foreigners, namely, the Elizaldes, Tabacalera, Ossorrio, and Soriano interests. The medium and the small ones are owned by a few small independent native Filipinos with the support of the Philippine planters.

SPANISH CONTROL

There are at least 20 sugar centrals in the islands, 13 of these being controlled by Spanish foreign interests.

The sugar administrator of the Philippine Islands, under the Jones-Costigan Act as embodied under the constitution of the Philippine Islands, should exercise a proportional allocation of interest between the sugar centrals and the planters according to the classification of the centrals. We propose a schedule of 65 percent for the planter and 35 percent for the centrals in those classified as "big" centrals; the planters share in the medium class should be 60 percent and the centrals 40 percent, and of the small class—a 50–50 basis. This schedule would greatly enhance the security of the native Philippine planter and also insure a greater share of the profits being kept in the islands.

Today the United States Treasury reports that it holds $82,573,000 to the credit of the Philippines. Today the excise taxes on coconut oil and the sugar excise taxes together yield something like $25,000,000 to the credit of the Filipino people. Listen to our plea—do not deliver these millions (nearly $100,000,000) to the dictatorship and its monopolists! Held to the credit of the Filipino people, let these millions go to the Filipino planters by such measures as may be deemed by the President of the United States and the Congress most just to all.

These millions should never be delivered over to a Spanish monopoly and its political agents to further strengthen their strangle-hold on the sons of the soil. Planned by a beneficent United States Government for the future welfare of an independent and hard-working people, let these funds go where they justly should go—for the salvation of the people and their industry.

According to the Honorable FRED L. CRAWFORD in a speech before the House regarding bill H. R. 7096, Representative CRAWFORD charged Manuel L. Quezon, President of the Commonwealth of the Philippines, of misusing these funds in such a manner as not provided by act of Congress, which is aimed to benefit the Philippine economy until Philippine independence is granted, particularly for the Philippine industry—the Filipino planters. Representative CRAWFORD said:

"Under the Philippine Independence Act and other acts since approved we had up to June 30 1939, made available some $82,573,000 for the Philippine treasury. We are providing for the Philippine treasury on the coconut-oil excise tax and the sugar excise tax, in round figures, from twenty-two to twenty-seven million dollars annually. If you will read the bill carefully you will find language to the effect that when this money is made available over there they shall use it for the purpose of entrenching Philippine economy to meet world conditions after they have received their independence. When Dr. Sayre was before the committee—and he was the only witness we heard and, of course, he supported the bill—I asked him for certain figures, and a statement covering certain acts taken by the Philippine Legislature looking to the disposition of these funds. If you want an eye opener, read the extension of remarks where I shall include this statement I hold, furnished me by the State Department, and which I received directly from Mr. Jacobs. Read what is being done with this excise-tax fund. Then make up your mind as to whether or not the funds are being used for the purpose of constructively recasting Philippine economy to meet conditions after independence is granted.

"Mr. Speaker, I ask unanimous consent to insert the statement in the RECORD at this point.

"The SPEAKER. Without objection, it is so ordered.

"There was no objection.

Disposition of the coconut-oil excise tax funds by the Philippine authorities

1. To replenish "the current surplus of the general fund proper by transferring thereto from the coconut-oil excise tax the sum of ₱26,840,000, which is the total of the extraordinary appropriations that have been authorized from the general fund proper," from President Quezon's budget message, dated Oct. 30, 1937, page 5, Philippine budget for 1938	₱26,840,000.00
2. Subscriptions to the stock of the Manila Railroad (owned by the Philippine Government) and restoration and replacement of sinking-fund investment in the Manila Railroad Co. and in Philippine Railway Co. bonds, as indicated in the seventh endorsement, dated Dec. 3, 1937, by the President of the Philippines on Philippine Act No. 3116, in the fifth and sixth endorsements, dated Dec. 16, 1937, on Philippine Act No. 3227, and in the monthly report of the auditor general of the Philippines for January 1938	3,369,522.50
3. For the construction, reconstruction, improvement, alteration, repair, extension, and/or completion of elementary-school buildings in the Philippines, Commonwealth Act No. 240, approved Dec. 8, 1937, pp. 377–407 of Official Gazette, dated Feb. 19, 1938	5,050,000.00
4. Annual grant to the city of Manila for the construction of public improvements, Commonwealth Act No. 242, shown as "payable from the coconut-oil excise-tax fund" in the monthly report of the Philippine auditor general for January 1938	1,000,000.00
5. Various items relating to reforestation, division of public lands, research activities, and public health, General Appropriation Act for 1938, No. 245, approved Dec. 17, 1937, sec. 6, p. 631, Official Gazette, dated Mar. 3, 1938	1,037,748.00
6. Appropriation for acquisition of home sites in large landed estates, Commonwealth Act No. 260, approved Apr. 18, 1938, p. 1267, Official Gazette, dated May 21, 1938	2,000,000.00

Disposition of the coconut-oil excise tax funds by the Philippine authorities—Continued

7. Various items relating to reforestation, survey of public lands, research activities, and public health, General Appropriation Act for 1939, No. 300, sec. 5, approved June 9, 1938, pp. 3319–3442, Official Gazette, dated Dec. 17, 1938	₱1,035,925.00
8. Reforestation and afforestation, Commonwealth Act No. 304, approved June 9, 1938, pp. 2426–2427, Official Gazette, dated Sept. 20 1938	1,000,000.00
9. Certain public works, consisting chiefly of the construction of public buildings, drainage, and sanitation for the city of Manila, national and city roads, flood control, sea-protection works, bridges, etc., Commonwealth Act No. 330, approved June 18, 1938, pp. 2533–2585, Official Gazette, dated Sept. 29, 1938	88,688,100.00
10. For reimbursement of amount appropriated under Act No. 3932, passed Nov. 29, 1932, from irrigation bond funds under Act No. 2940, approved Aug. 23, 1938, by Commonwealth Act No. 369, p. 2909, Official Gazette, dated Nov. 1, 1938	4,800,000.00
11. For leasing landed estates, Commonwealth Act No. 378, approved Aug. 23, 1938, p. 2982, Official Gazette, dated Nov. 8, 1938	1,500,000.00
12. Revolving fund for loans to provinces, municipalities, and cities, for building markets and waterworks, Commonwealth Act No. 403, approved Sept. 13, 1938, p. 2163, Official Gazette, dated Nov. 26, 1938	10,000,000.00
13. For an agronomical survey of the Philippines, Commonwealth Act No. 418, approved May 22, 1939[1]	250,00.00
14. To provide for reforestation and afforestation, Commonwealth Act No. 436, approved May 31, 1939[1]	1,000,000.00
15. To provide for the transfer of the University of the Philippines to a site outside the city of Manila, Commonwealth Act No. 442, approved June 3, 1939	17,500,000.00
Total	[2] 165,071,295.50

[1] In all cases where there are no citations to the Official Gazette, the source of information has been some report of the United States High Commissioner to the Philippine Islands. Printed copies of the Official Gazette have only been received up to June 13, 1939.

[2] Copies of the acts passed by the National Assembly in 1939 have not been received so that it is impossible to prepare an accurate list of all those appropriations the payment of which might be authorized out of the excise-tax proceeds.

Although the total amount of the excise-tax proceeds known to have been appropriated is approximately ₱165,000,000, or $82,500,000, the actual amount which the Philippine authorities have had set up in demand deposits in the United States to cover these appropriations is only ₱76,000,000, or $38,000,000, out of total collections from August 1934 through June 30, 1939, available for remittance to the commonwealth government, amounting to ₱165,147,931.40, or $82,573,965.70. The actual amount spent, therefore, does not exceed $38,000,000 and must be less than this, as some of these demand deposits and all of the time deposits are still in the United States.

"Mr. CRAWFORD. Mr. Speaker, I am further advised by Mr. Jacobs, of the State Department, that, roughly, $3,000,000 have been loaned to the National Development Co. of Manila for the purchase of the steamship *Mayon* from the Dollar Steamship Co. representatives and two sugar refineries located in the city of Manila. If this be true, it is certainly in order to assume that these Government-owned refineries will in the future compete with the fields and mills owned by the people here in the United States. These are additional reasons for a thorough inquiry into the use of all of these funds."

NOTE.—A peso (₱) is equal to about 50 cents of American money.

Mr. Sevilla continues:

Let me ask you—you who sit in the Congress of the United States—was it not your distinct aim, both in the Jones-Costigan Act and in the Tydings-McDuffie Act, to give us an administration in the interests of the entire sugar industry, the planter as well as the industrial monopoly? Did you not aim to protect our people? Was it ever your will to deliver us, bound hand and foot, to a monopoly entrenched in dictatorial political power?

Has it not been always your aim, first and last, to do for the Philippines and the Filipino workmen and small industries absolute justice and final liberty?

And that is all we ask today—namely, to carry out the humane policy that has characterized your 40 years of American administration, and pursue that policy to the end; not to preach justice and liberty and then desert us to our oppressors, but to practice justice and insure liberty, and at the same time preserve one of our greatest industries from demolition.

It is your right, it is your duty up to July 4, 1946, to carry your principles of humane government into practice. Do it in your own way, of course. Do it in the way you are now doing in the United States is all we have to suggest. If you have better plans than are here suggested, a simpler way of securing justice and fair administration, we shall be only too happy to cooperate.

It seems such a plain and simple thing—to perhaps authorize your great Department of Agriculture to extend its protective arm for our salvation—that we are suggesting that. One word granting such authority to the Department of Agriculture—and the rest is a plain road to a just end.

This is our prayer: Continue to the end of the chapter the high aims that have marked your career in the Philippines for the past 40 years. Adapt your policy, outlined in your congressional acts of many years, to meet present conditions and future development. And, finally, save a great industry and a patriotic people from conditions paralleled only in the feudal regime of the Mexican-Spanish dictatorship of generations past.

We look to you—our sugar industry looks to you—our workers look to you—our landless people look to you for true independence from our oppressors, as your fathers looked to the flag of independence for salvation in the days now long gone by. And—act immediately!

Investigate the Jefferson National Expansion Memorial in St. Louis and Save $30,000,000

EXTENSION OF REMARKS

OF

HON. WILLIAM P. LAMBERTSON

OF KANSAS

IN THE HOUSE OF REPRESENTATIVES

Friday, August 4, 1939

Mr. LAMBERTSON. Mr. Speaker, this Congress, before it adjourns, should authorize an investigation to be made into the unlawful spending of $6,750,000 appropriated for relief, work relief, and the building of useful projects, which was diverted by Executive order for a huge real-estate unloading scheme in St. Louis, known as the Jefferson National Expansion Memorial.

Congress has never directly or indirectly appropriated one cent toward this project. As the Members all know, St. Louis now has a beautiful memorial to Thomas Jefferson. A second memorial will be an ambiguity, and, make no mistake, its building will be interpreted as a political maneuver to hold together the tottering forces of Democracy in St. Louis.

Mr. Speaker, I again repeat, after 4 years of careful study and after consulting with those who are most familiar with this promotional scheme, in my opinion, the use of $6,750,000 of Federal relief funds for this memorial monstrosity is illegal because:

(1) Congress has never appropriated that particular money for that particular memorial.

(2) The President was without power to allocate relief funds from the act of 1935, as he expressly tried to do, namely for the objects and purposes of the Historic Sites Act, and could use it only for relief and work relief on useful public projects not provided for by any specific act.

(3) Congress has not only not made any appropriation for the objects and purposes of the Historic Sites Act, but expressly provided in the act itself that no indebtedness should be incurred to bind the United States, and, still later, in April of this year, refused to reappropriate the $6,750,000 to the purposes of that act, so even assuming that the money was lawfully allocated to such purpose in the first instance, this action by Congress evidences the purpose and intent that the funds, should, and they did, therefore lapse on June 30, 1939, as an unused appropriation.

(4) The payment of the bulk of the money into the registry of the court in St. Louis will not avail, because, so long as it remains in the custody and under control of any Federal agency, it has not been expended.

(5) There has been no executed contract for the purchase of the land because, as expressly recited in the condemnation statute under which the National Park Service is proceeding, there has been no money "specifically appropriated" for the purpose of building a memorial in St. Louis—the money was appropriated for relief and work relief on useful public projects—projects not contemplated by the Historic Sites Act, to which the President has, in the face of the Attorney General's adverse opinion, attempted to apply the fund.

Mr. Speaker, dozens of St. Louis businessmen are now being literally driven out of business by the progressive efforts of the National Park Service to build this memorial solely on the flimsy legal authority of a questionable Executive order.

I have previously mentioned the fact that if this memorial is allowed to go unchallenged, then we may some day expect an Executive order designating the eastern bank of the Hudson River, an historic site, and may some day be called on to wreck and destroy all the buildings on lower Manhattan Island for the purpose of relieving the bankers and real-estate promoters of New York City, who after hundreds of years of peaceful occupancy, may want to unload their holdings onto the Federal Government.

Mr. Speaker, in my judgment, we should investigate this memorial now. The job could be delegated to the committee now investigating the Works Progress Administration. In connection with this investigation we ought to also investigate other matters in St. Louis and Missouri to discover why after spending millions of dollars in this State, the people are in need of more relief today than they were several years ago. The building of this memorial will drive many employers out of business and further complicate the relief situation, in St. Louis particularly.

Let us not be blinded to facts—those in St. Louis who clamor for meat and bread are being tossed a stone instead.

You Pay the Bill

EXTENSION OF REMARKS

OF

HON. FRANK O. HORTON

OF WYOMING

IN THE HOUSE OF REPRESENTATIVES

Friday, August 4, 1939

Mr. HORTON. Mr. Speaker, latest figures reveal that there are more than 25,000,000 people on relief of one kind or other. This means that out of every five people, four of them are not only paying their own way but the way of an additional person as well.

There are more than 10,000,000 willing workers out of jobs.

The national debt will at the end of the present fiscal year approach $45,000,000,000—forty-five thousand million dollars, if you prefer. A special group of brilliant New Deal spenders has been appointed to devise new methods of taxation so as to get more money for the spenders.

It is high time we ask ourselves who is going to pay the taxes that must be collected in order to not only retire the national debt but provide the more than a billion dollars per year interest on the national debt, to say nothing of the ten billion or more required for Government running expenses each year.

President Roosevelt says "taxes are paid in the sweat of every man who labors because they are a burden on production and are paid through production." Someone has figured out that if a patch was put on a pair of overalls for every tax that the overall had to pay there would be more than 100 patches. The workers wear the overalls so the workers pay the taxes. If that is so, then every Wyoming citizen can well afford to study, and study carefully, the following table because it shows what part of the national debt each property owner owes. The table is broken down into counties and also a few cities. If any individual wants to know exactly what he owes just look up the old tax receipt and do a little figuring and you will find yourself plenty discouraged.

	Population	Assessed valuation for 1938	National debt on per capita basis	Percent of assessed value	Share of New Deal debt on per capita basis	Percent of assessed valuation
Wyoming	225,565	$328,257,340	$81,654,530	25	$43,308,480	13.2
Albany	12,041	23,145,848	4,358,842	19	2,311,872	10
Big Horn	11,222	11,856,121	4,062,364	34.4	2,154,624	18
Campbell	6,720	8,439,240	2,432,640	29	1,290,290	15.4
Carbon	11,391	25,741,908	4,123,542	16	2,287,072	8.9
Converse	7,145	15,486,520	2,636,490	17	1,371,840	9
Crook	5,333	4,999,347	1,930,546	38.6	1,023,936	20
Fremont	10,490	12,399,160	3,797,380	30.8	2,014,080	16
Goshen	11,754	13,858,047	4,356,948	31.6	2,256,768	16.3
Hot Springs	5,476	6,862,276	1,982,312	28.9	1,051,392	15.3
Johnson	4,816	6,581,732	1,743,392	26.5	924,672	14
Laramie	26,845	31,273,239	9,717,890	31	5,154,240	16.4
Lincoln	10,894	12,828,476	3,945,800	30.8	2,092,800	16.3
Natrona	24,272	32,809,605	8,786,464	26.7	4,660,224	14.2
Niobrara	4,723	9,549,835	1,709,726	17.9	907,816	9.5
Park	8,207	11,339,873	2,970,934	26.2	1,575,744	14
Platte	9,695	12,601,218	3,409,590	27	1,861,440	14.8
Sheridan	16,875	19,619,795	6,108,750	31	3,240,000	16.5
Sublette	1,944	4,478,779	735,728	16	373,248	8.3
Sweetwater	18,165	37,075,445	6,575,730	17.7	3,487,680	9.3
Teton	2,003	2,416,133	761,086	31.7	384,576	16
Uinta	6,572	12,519,034	2,389,064	19.1	1,261,824	10
Washakie	4,109	6,030,435	1,487,458	24.7	788,928	13.1
Weston	4,673	6,345,274	1,691,626	27	877,216	14

(Tax assessment figures furnished by Board of Equalization of the State of Wyoming). 1930 census figures taken on National, State, county, and city population. United States population: 122,775,046.

National debt, according to President Roosevelt's Budget figures, will on June 30, 1940, or at the end of present fiscal year, be $44,457,845,210.

Per capita of national debt on 1930 census basis will, at the end of fiscal year ending June 30, 1940, for which we are now appropriating, be $362.

Per capita of New Deal debt incurred since Mar. 4, 1933, will, on June 30, 1940, be $192.

Wyoming

	Population	National debt on per capita basis	Share of New Deal debt on per capita basis
Cheyenne	17,361	$6,284,682	$3,333,312
Casper	16,619	6,016,078	3,190,848
Sheridan	8,536	3,090,032	1,638,912
Laramie	8,609	3,116,458	1,651,928
Rock Springs	8,440	3,055,280	1,620,480
Evanston	3,075	1,113,150	590,400
Green River	2,589	937,218	497,088
Rawlings	4,868	1,762,216	934,656

The Pine Flat Project and the Kings Canyon National Park—the Charges of the Oppositionists Are Answered, Their Motives Explored—Secretary Ickes Answers Representative Elliott

EXTENSION OF REMARKS

OF

HON. BERTRAND W. GEARHART

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Friday, August 4, 1939

RADIO ADDRESS BY HON. HAROLD L. ICKES

Mr. GEARHART. Mr. Speaker, the unanimous consent of the membership having been given, I hand to the Public Printer for inclusion in the CONGRESSIONAL RECORD a copy of an address which was delivered by the Honorable Harold L. Ickes, Secretary of the Interior, by electrical transcription

over the facilities of the Fresno (Calif.) Bee Radio Station KMJ last May.

Mr. Ickes' address follows:

My purpose in this brief talk is to tell the people of California, and especially of the San Joaquin Valley, just what has developed in the past few weeks regarding two subjects in which they are greatly interested—the bills in Congress for the John Muir-Kings Canyon National Park and for the Pine Flat Dam. It is a complex story, but an interesting one, and I shall tell it as simply and clearly as possible.

As most of you know, Congressman GEARHART, of Fresno, introduced two bills on these subjects. One authorizes an irrigation, flood control, and power dam at Pine Flat, in the Kings River foothills, with supplementary power dams farther up the river The other bill is to establish a national park in the Kings Canyon wilderness, above the irrigation and power project, and it also provides for the preservation in the proposed park of the Redwood Mountain Sequoia Grove.

As Secretary of the Interior, I have appeared before the Committee on the Public Lands, to urge the passage of the bill for the John Muir-Kings Canyon National Park, and I have also appeared before the Committee on Irrigation and Reclamation to urge the passage of the Pine Flat bill.

The Public Lands Committee is expected to act within a few days on the national park bill. The Committee on Irrigation and Reclamation is also ready, I believe, to act on the Pine Flat bill, but it has been asked not to do so by the officers of the Kings River Water Association. As Pine Flat is their project, no action is likely to be taken without their approval, so the bill is being held up until they ask the committee to go ahead.

It is chiefly on this account that I am speaking to the people of the San Joaquin Valley, because I believe that the supporters of the Pine Flat bill have been misled by a skillful propaganda organization, whose object is to defeat the whole Pine Flat project. There is danger that they will succeed. The propaganda campaign apparently comes from private power interests, which want to block the public power development recommended by the Bureau of Reclamation at Pine Flat and on the North Fork of the Kings River. Congressman GEARHART'S Pine Flat bill authorizes this project. It is easy to see why the private power interests are against it. The Bureau of Reclamation estimates that if the Pine Flat project goes through, it will be possible to sell electric power to the farmers at the San Joaquin Valley for about one-half the rate now charged by private utilities. Naturally the private power interests do not relish this prospect, because they are now getting a dollar for every 50 cents' worth of electricity.

The private power lobbyists working against Pine Flat are operating along two lines. They recognize that the two Gearhart bills are closely interrelated, and they believe that if they can defeat the national park bill, this will result in the defeat of the Pine Flat bill by driving a wedge between the supporters of the two bills. So the open attack of the power lobby has been against the national park.

In the second place, those private power propagandists have spread a report in the San Joaquin Valley that if the farmers would drop the Pine Flat bill, they would be able to get an irrigation dam for nothing from the Army engineers, by calling it a flood-control dam. The truth is, as the Chief of the Army Engineers has made clear in a letter, no matter who builds the dam at Pine Flat, the costs will be distributed in the same manner. The value of the dam for flood control will be paid by the Federal Government, and the value for irrigation will be charged to those who benefit from that irrigation. The Federal Government will also assume all of the cost of the power project that can be paid for through the sale of electric power. For this expense the Federal Government will reimburse itself by the sale of power.

The only effect of circulating a report that the Army engineers will build the whole dam at Federal cost is to cause confusion and delay, and jeopardize the entire project. I believe that this is the purpose of those who are circulating the reports.

It is apparent that the private power lobby has succeeded, temporarily at least, in causing confusion among supporters of the Pine Flat Dam, and the bill is being held up in a committee of Congress on that account. The other part of the propaganda campaign—to use the John Muir-Kings Canyon National Park bill as a weapon against the Pine Flat bill—appears to have failed completely. The principal effect of the propaganda campaign against the park has been to show up the propagandists.

A most important point to keep in mind about these two bills is that, although they are closely interrelated, they are not interdependent. They are interrelated because, taken together, they provide a plan for the use and protection of the entire Kings River watershed. Also, they reconcile the views of two groups of fine California citizens who approach the question from different angles, one chiefly interested in irrigation and power, the other chiefly interested in preserving the wilderness.

When I testified in support of these two bills before committees of Congress, I said that I favored both of them, but that I supported each one on its own merits. I hoped that both of them would pass, but I was for either of them no matter what happened to the other. It may be recalled that, in response to a question, I said at a conference in Fresno on February 14 that, regardless of the park bill, I would support the Pine Flat bill on its merits. I deny absolutely the false report, circulated by opponents of these two bills, that I have agreed to support the Pine Flat bill in exchange for support of the park bill.

It was the circulation of this false report that first convinced me that the campaign against the park bill was also a move against Pine Flat. The actual effect of such a story, if the Congress believed it, would be to destroy the chance of a dam at Pine Flat, because the implication is—and it is a false implication—that I was recommending a $25,000,000 dam on some other basis than the merits of the proposition. The man most active in circulating this report of a trade has been Congressman ELLIOTT, of California.

Now I want to tell you about the nature of the opposition to these two bills. When the national-park bill came before the Public Lands Committee it became apparent that one member of the committee—1 out of 21—was intensely hostile to it. I refer again to Congressman ELLIOTT. It also became apparent that the park bill was being opposed by a very powerful, well-organized, well-financed lobbying and propaganda organization. At its head was the professional lobbyist Charles G. Dunwoody, whose connection with any lobbying campaign is prima facie evidence that some big commercial interests are in the background. The interesting information came to me today that Lobbyist Dunwoody, the exposure of whose activities and sinister connections has made his position in Washington untenable, has been recalled to California, where he is trying to operate on the Board of Supervisors of the City and County of San Francisco.

It was a mystery—it mystified the Public Lands Committee—that a mere proposal to transfer a high mountain wilderness from the national forest to the national-park system should have such a powerful lobby working against it, especially as the transfer was endorsed both by the Department of Agriculture, which now administers the land, and by the Department of the Interior.

What, then, was the purpose of the propaganda machine? Why was Dunwoody heading the hostile organization? What commercial interest was he representing?

The mystery was solved when it became evident that private power interests were fighting the national park in order to defeat Pine Flat. Everything that had been perplexing before now became clear.

For instance, one of the most puzzling features of the hearing on the park bill had been a sudden shift of position by the opponents of the park. They started out by arguing that the Kings Canyon country ought to remain in the national forest in order to preserve wilderness conditions. That argument was a weak one, because the Gearhart bills contained provisions which made it a wilderness national park, and the argument became weaker still when the Chief of the Forest Service, Mr. Silcox, took the stand and advocated the creation of a park.

Then, without any warning, the park opponents completely abandoned the wilderness idea. Lobbyist Dunwoody took the stand and argued for a water-power development throughout the park area, with power dams on the Middle and South Forks of the Kings River clear to the top of the Sierras. He said that these two forks of the Kings River had the power potentialities of a Boulder Dam, and that this power should not be bottled up in a national park.

Such an argument, coming from Mr. Dunwoody, was "phony" right on the face of it. Private power companies had made entries on the Middle and South Forks of Kings River years earlier, but had abandoned them because they found the cost of development to be excessive. The city of Los Angeles also had made entries and abandoned them for the same reason. Since the private power companies and municipalities had abandoned this field, any argument for power development in it must be an argument for development by the Federal Government. So here was Lobbyist Dunwoody, whose affiliations and predilections made him an enemy of public power, trying to promote a public power program in the park area that was to rival Boulder Dam. It just didn't make sense. If Lobbyist Dunwoody was interested in cheap power for the farmers, why didn't he say something about Pine Flat and the North Fork, where it was possible to get cheap power?

The next witness was John C. Beebe, an engineer of the Federal Power Commission, who also talked about power development on the South and Middle Forks of the Kings River, basing his argument on what is known as the Randell report. As the Randell report is recognized by hydraulic engineers to be a joke, that didn't make sense either, until it was found that Mr. Beebe had only been with the Power Commission 1 month, and before that time had been active in a group in San Francisco that was engaged in propaganda against the John Muir-Kings Canyon Park. Mr. Beebe also was strangely silent about Pine Flat and the North Fork.

In order that you may understand the nature of this strategy more clearly, I want to say a few words about the so-called Randell report. In 1929 the Federal Power Commission sent an engineer named Randell to make a report on water storage in the Kings River, in relation to the national-park proposal. Mr. Randell made a 7-day pack-horse trip in the lower part of Kings Canyon, where the city of Los Angeles had studied a power development and found it infeasible. He then made a 1-day airplane flight over the high mountain wilderness, where there are hundreds of little lakes at an elevation of about 11,000 feet. Looking down from the airplane, he decided that these lakes could be dammed for storage, the water in the creeks and rivers could be diverted into tunnels, and the result would be a power project rivaling Boulder Dam. He may have been airsick, but he further decided that this was to be done in a high, rugged, inaccessible mountain wilderness, 50 miles from the nearest roads.

How was the work to be done? Mr. Randell had flown high over country in an airplane and he had the answer. The construction materials would be carried in by pack horse.

I am telling you the literal truth. The Randell report proposed to build a $132,000,000 power project—other engineers say that it would cost $250,000,000—by pack horse, carrying materials over mountain passes 12,000 feet high, in a region where the snowfall is 30 feet, and the entire field study for this program in a mountain wilderness of 600 square miles consisted of a 1-day flight in an airplane.

The Randell report lacks only one thing to make it complete. It technically should recommend that the construction job be turned over to Walter Disney's new team of Goofy and Wilbur.

There is not a hydraulic engineer in the United States who takes the Randell report seriously, yet it was seriously presented as an argument against the creation of a national park. Why?

Dunwoody, Beebe, and Elliott said nothing of the fact that Randell's figures on the cost of power, even with the costs grossly understated, showed that pack-horse power developed in this wilderness would cost from 40 to 60 percent more than on the North Fork and at Pine Flat. Why were they silent about this?

In fact, they did not mention Pine Flat and the North Fork at all. If they wanted to secure cheap power for San Joaquin Valley farmers, why did they brush the cobwebs off of this hoary pipe dream of a pack-horse power project that was based on a 1-day airplane flight over the wilderness? Why didn't they say something for the feasible power project that we are trying to get under way on the easily accessible North Fork, where it is actually possible to get cheap power and plenty of it?

I won't say why they did it, but what they did perfectly suited the purposes of the private power propagandists who are trying to defeat the park bill in order to kill off Pine Flat. They even claimed that this could be done without injuring the wilderness, although in fact the plan called for diverting all running water into tunnels. The creeks and rivers would be dry.

That was the situation up to 10 days ago, and Lobbyist Dunwoody was riding pretty high, because, even if the park bill seemed to be going ahead, the Kings River Water Association had been misled into stopping the progress of the Pine Flat bill. But Mr. Dunwoody isn't feeling so chipper today. So far as he is concerned, this is now a dark and gloomy world, and he helped to make it so. After his disastrous major offensive in Washington, he is reduced to mere bushwhacking in California.

I don't know how much you have heard about the part Dunwoody played in Congressman ELLIOTT'S now famous attempt to entrap Congressman GEARHART in the deal involving the now famous $100 check.

Let me summarize that affair. A public-spirited California woman, Mrs. Achilles, of Morgan Hill, after reading a pamphlet issued by the Sierra Club, decided to send Congressman GEARHART a check for $100 to help pay the expenses in connection with the John Muir-Kings Canyon National Park bill. By accident, she placed this check, and a letter to Mr. GEARHART, in an envelope addressed to Congressman ELLIOTT, to whom she was also writing. Mr. ELLIOTT photostated the check, asked the Federal Bureau of Investigation to watch for the cashing of it, and then had it remailed to Mr. GEARHART from San Jose, California. When Mr. GEARHART received the check, he did not cash it, but returned it at once to Mrs. Achilles, suggesting that she send it to some public organization supporting the park.

A few days later, Members of Congress came to Mr. GEARHART and said that Mr. ELLIOTT was exhibiting this photostat and boasting that he had set the Federal Bureau of Investigation on Mr. GEARHART'S trail. At Mr. GEARHART'S request, former Congressman Free, of California, visited Mrs. Achilles, taking with him the envelope in which Mr. GEARHART had received the check. Mrs. Achilles said firmly that she had never seen the envelope before. It was a typewritten envelope, and she had no typewriter. She said that the check had been returned to her by Mr. GEARHART without it having been cashed.

Mr. GEARHART decided to let the matter drop, because only a few Members of Congress knew of it, and he assumed it would go no further. Two weeks later he learned that Congressman ELLIOTT had gone to California where he had exhibited the photostat of the check at meetings attended by residents of both his own and Congressman GEARHART'S congressional districts, and that rumors of corruption had spread all over the San Joaquin district.

Thus forced to act, Congressman GEARHART obtained affidavits, letters, and telegrams showing what had taken place. Then he rose to a question of personal privilege on the floor of the House of Representatives and exposed the entire plot.

Congressman ELLIOTT was given 40 minutes to defend himself. He admitted everything except one charge. He denied that he had sent the check back to California to be remailed. Other Members of Congress then began to hammer at him with questions. If he didn't send the check back to California, how did it get there? At last the truth came out. He had given the check to Lobbyist Charles G. Dunwoody, in accordance with a plan to send it to San Jose, Calif., to be remailed to GEARHART.

I have read in the California newspapers that Lobbyist Dunwoody was greatly disturbed and shocked at this disclosure. He didn't see why Mr. ELLIOTT had brought his name into it. To be sure, Mr. ELLIOTT had handed him a letter, addressed to Mr. GEARHART, with the request that he send it to San Jose, Calif., to be mailed. But Mr. Dunwoody didn't know what was in the letter. He just sent it as an accommodation. This innocent professional lobbyist pretended that he did not know what it was all about. He often did such things for California Congressmen, and in this instance his complacence had been imposed upon. To which the answer is, Oh yeah?

It is my opinion that Dunwoody helped concoct this plot against GEARHART from the beginning. I think that he was more responsible for it than Congressman ELLIOTT. I'll tell you why I think so. When I appeared as a witness before the Public Lands Committee, on the John Muir-King's Canyon Park bill, Dunwoody was sitting at ELLIOTT'S right elbow, just back of his chair. When ELLIOTT started to cross-examine me, Dunwoody began handing him slips of paper. ELLIOTT would read questions to me from these slips of paper. The same thing happened when other witnesses were on the stand. For 2 weeks Lobbyist Dunwoody sat close to Congressman ELLIOTT, handing him questions to be asked in the cross-examination of witnesses.

When Messrs. Boone and Kaupke, of the Kings River Water Association, came to Washington, Dunwoody practically took charge of them. As nearly as I have been able to find out, the present unhappy state of the Pine Flat bill is due chiefly to three men—Dunwoody and Elliott in Washington and a man named Schmeiser in California. Between them, they have deluded and misled Messrs. Boone and Kaupke, of the Kings River Water Association, for whose honesty of purpose I have the highest respect.

I read a story in the Fresno Bee, quoting one of Mr. Schmeiser's associates as saying that "Congressman ELLIOTT has the Pine Flat bill pretty well boxed up." I do not think that it was Mr. ELLIOTT who boxed up the Pine Flat bill, because, so far as I can see, he has merely done what Dunwoody told him to do.

It is on this account that I welcome the downfall of Dunwoody. His part in the entrapment plot against Congressman GEARHART has ended his usefulness—if a lobbyist of his type can be said to have any usefulness—in Washington, and I suspect that his record of stupidities and failures in Washington will not make him very useful as an under-cover worker in California.

My hope is that the revelation of what these enemies of the Gearhart bills have done, and realization of the tricks to which they have resorted, will open the eyes of the people of the San Joaquin Valley to the danger in the kind of propaganda that the enemies of Pine Flat are trying to put over. I am not worrying about the national-park bill, because the friends of the park are working for it and the opposition is discredited. So too, the opposition to Pine Flat is discredited, but the friends of Pine Flat in California are not working for it.

I am told that the Kings River Water Association wants the Pine Flat bill delayed until the Army engineers make their report on flood control. They hope that this report, which they expect in June, will make flood control so important that the Pine Flat bill can be revised or a new bill introduced.

My opinion is that the principal effect of waiting for that report will be to prevent action on Pine Flat at the present session of Congress. The Army engineers' report will simply determine how much of the cost of the dam will be paid by the War Department for flood-control purposes. The Pine Flat bill is already worded to authorize such a payment, leaving the amount to be determined by the Army engineers. No matter how large an amount the Army engineers may recommend, the wording of the bill will remain the same, because the flood-control provision is an elastic one to cover any amount that the War Department may suggest.

The people who are interested in the Pine Flat project should realize that a bill which is held in committee until June without having passed either House is in a very bad position for enactment into law at that particular session. And if committee action depends on an outside report whose date is uncertain, it is in a still worse position. The last information I have is that the Army engineers will report in July. If the Pine Flat bill is held back that long, there wont be a chance to get it through at this session.

Since there is no necessity for such delay, and since the delay results from the advice of a private power lobby seeking to kill the bill, I wonder if it is not time for the supporters of Pine Flat to do some hard thinking. I am anxious to see the Pine Flat bill passed at this session so that it will be possible to ask for an appropriation next winter.

Perhaps it is not generally understood that to put through a project of this kind, it is necessary to do it in two separate acts of legislation—first, a bill authorizing the project, then a bill appropriating the money. It is practically impossible to get both authorization and money at the same session of Congress, because this is contrary to the policies of the Director of the Budget. If you let the Pine Flat authorization go over until 1940, the appropriation will then go over until 1941, and who knows what the policies of the Government will be in 1941? If you are lucky you may have a public-works program in operation into which Pine Flat will fit perfectly. If you are not lucky, you may have a rigid curtailment of public works and an administration hostile to public-power projects.

I urge the people of the San Joaquin Valley not to delay on Pine Flat, but to go forward with this legislation in step with the bill for the John Muir-King's Canyon National Park. Do not listen to the advice of enemies who have no purpose other than to wreck both of the Gearhart bills, and whose particular desire is to wreck the one dealing with Pine Flat.

A Sixty-two-Billion-Dollar Debt

EXTENSION OF REMARKS

OF

HON. CHARLES A. PLUMLEY

OF VERMONT

IN THE HOUSE OF REPRESENTATIVES

Friday, August 4, 1939

Mr. PLUMLEY. Mr. Speaker, those of us who voted against the spending-lending and the housing bills, did so deliberately, and for a compelling reason.

Aware of the fact that the reckless fiscal policies of the New Deal have not only failed, but fallen far short of providing promised economic recovery, and seriously withal, impaired and prejudiced our financial standing; refusing further to wink at, approve, or sanction any further pump-priming operations by the Executive, however honeyed the pill presented or what the label; rejecting the fallacious theory that a depressed Nation can spend itself ino a state of prosperity with borrowed money; satisfied that the grave problems of unemployment and destitution can be solved only by a return to sound fiscal policies and the freeing of private business from oppression and governmental competition and restrictive regulation; convinced by our experience of the last 6 years that the time has come to stop chasing the New Deal will-o'-the-wisp of nonperformance and broken promises and failure to accomplish; those of us so minded, dedicating ourselves again and anew, undertook to save what is left of, and to maintain, sustain, and re-establish financial solvency, free enterprise, and individual liberty here and now, or there and then, voted as we did.

Do not be misled or misinformed. We who voted against the consideration of the housing bill, on both sides of the aisle, did so convinced that we were confronted by a greater emergency than any question of loaning the taxpayers' money for housing per se. We were sure that we were confronted by the question as to whether or not the financial integrity of this country should be maintained. We were cognizant of the fact that the spending-lending program had reached the dead line, with a possible $60,000,000,000 debt, or more, as of next June, staring us in the face. We came to our senses—none too soon—and realized that on us rested a tremendous responsibility, if we were to avert the catastrophe of a completely ravished and emptied Federal Treasury, with consequent bankruptcy, repudiation, or ruination by inflation. We voted to save our country and our self-respect, by putting an end to the spending-lending and loaning program, which has been followed fatuously for 6 years.

THE HATCH BILL

The people should know by this time that all statements emanating from the White House must be taken with two grains of salt. Not satisfied with damning by faint praise the Hatch bill, previous to signing it—which we are authoritatively advised he had no intention of doing until practically forced so to do by public sentiment—the President breaks all precedents, and—since he could no longer control the legislative branch—undertakes to act as a judge. He usurps the functions of the judiciary, and he writes a long, but in no sense learned, would-be judicial disquisition on the Hatch bill, as a statement; not a veto message, but indirectly and obviously as such, since he tells everybody the bill is not worth the paper on which it is written; but he is for it, he says, and it was begotten of him, he says, and he is the proud parent of a child he calls a moron.

The fact is, the President to the contrary notwithstanding, the bill will do what it was intended to do. It is constitutional, and it is susceptible of enforcement. It has teeth in it, as those who may try to defy its provisions will learn to their sorrow.

THE SPENDING-LENDING BILL

With respect to the spending and lending bill, he says he will "tell the people what Congress has done." We hope he will. The people are "fed up" with the New Deal bologna. They need a new type of vitamin, and it has been furnished them, as the President will discover, despite his fanatical advisers to the contrary notwithstanding.

BUSINESS REGAINS CONFIDENCE

Business is beginning to do more than have a "breathing spell." It is reviving and coming to think about eating three square meals. His Under Secretary of the Treasury yesterday said so. He was optimistic now that Congress has once more commenced to function and to assert itself.

THE HOUSING BILL PROGRAM

If the program scheduled in the housing bill had become a law, it would have cost the taxpayers of the country an amount so staggering as to be almost beyond comprehension. The cost would have been met by 60 annual payments of $73,000,000 a year, or $4,380,000,000. Can you count in billions?

We are already committed to an annual payment of $28,000,000 a year for 60 years, and to this would have been added by the proposed law a payment of an additional $45,000,000 a year, for the same period. Just think of it.

NOT SELF-LIQUIDATING

Not a single cent from any project would ever be returned to the Government. The program was absolutely in no sense self-liquidating. Seventy-three million dollars a year for 60 years. It was called a slum-clearance program, but the evidence disclosed it to be a fact that not a single family from any abolished slum area has been re-housed in any project. So one may go on to analyze the bill, and to point out the fallacies, but this is unnecessary. No such emergency existed as could possibly require the passage of this bill at this session in its present form; on the other hand, there did exist an emergency which involved the continuance and perpetuity of this Government and its financial security. As with the lending-spending bill, so with this bill, we had reached the dead line.

A $62,000,000,000 DEBT

If the lending-spending bill had been enacted, this country would have reached as of June 30th next an indebtedness of $62,000,000,000 in round numbers, or $17,000,000,000 more than and over the debt limit.

The housing bill would have cost the Federal Government at the very minimum $2,700,000,000. We add the $28,000,000 authorized by the existing law, and the $45,000,000 authorized in this bill, a total of $73,000,000, and this you must multiply by 60, if this bill had been enacted; and you will have a cost of $4,380,000,000 without taking into consideration the interest which will accrue.

That is the money side of the picture. That is the taxpayer's burden.

THE TAXPAYER PAYS THE BILL

It should be noticed by every taxpayer that the Government pays the entire bill and the municipalities get the buildings and the local units get the rent. He is the Government!

NOT A LOW-COST HOUSING PROJECT

It is not a low-cost housing program. Each $4,893 family unit will cost the Government an average of over $10,000. The evidence shows one project cost $6,710 per family unit—a project which never pays one penny to the Government, and it will cost in that project before we pay ourselves back the sum of $14,000 per family unit. And this sort of financing was projected as a program for 60 years at a cost to the taxpayers so tremendous as to practically empty the United States Treasury.

SOCIALISM RUN WILD

Mr. LUCE, of Massachusetts, called attention to the fact that to indulge in this program was to plunge us into the midst of an activity than which there is nothing more socialistic, namely, to tax the people of the country in order that one-third of them may live in homes that they would not otherwise occupy. "This may or may not be the wise thing for us to do," he said, "but it is important for us to stop, look, and listen and no great harm will come from postponing this measure until the opening of the next Congress."

"A BAREFACED FRAUD"

The public should understand that the rule was called up with no expectation that it would be adopted, or, if adopted, with no idea at all that the bill could possibly pass. As was stated by Mr. Cox, of Georgia, the rule was called up for the purpose of being defeated in order that some gentlemen might have a talking point.

To press for the adoption of the rule in face of certain defeat is a vain and foolish thing to do—

He said—

In my opinion, the bill is infinitely less meritorious than the lending bill that the House refused to consider several days ago. Gentlemen who were heard by the Rules Committee took the position that the whole bill is nothing less than a barefaced fraud and the statements made in support of this allegation were most persuasive.

It is a fact that the rule was called up against the advice of the leaders, but on the insistence of the President that a record should be made, and one was made, and one which will stand. The statement made by Mr. GORE, who charged the United States Housing Authority with disseminating reprehensible, deceptive, misleading propaganda, is unanswerable in view of the evidence he produced in support thereof.

AN INSIDIOUS MASK FOR SOCIALIZED CREDIT

The truth is that both the spending-lending and the housing bill as drawn, under the insidious mask of deficit financing, were the forerunners of the establishment of a thoroughgoing socialistic policy in furtherance of the administration's scheme of socialized credit. This was the issue, the magnitude of which was comprehended by those who had the courage to vote their convictions to reestablish the inalienable prerogatives of the House and to give notice to the world that the principles of democracy are still alive in this country.

Members of the House who voted "no" intended to serve notice upon the Executive that they proposed to retain control over appropriations and to safeguard democracy against the dictatorial executive encroachment involved in both the spending-lending and the housing bill.

It was a return, of course, to economy, which is essential and necessary, and emergent, but back of that and beyond it and more important is the fact that it was the assertion of Congress of its constitutional and fundamental rights and prerogatives.

A SUBTLE ATTEMPT AT ASSASSINATION

It called the attention of the taxpayers, as well as that of the Executive, to the fact that the Constitution provides that all bills for raising revenue shall originate in the House of Representatives, and that no money shall be drawn from the Treasury but in consequence of appropriations made by law. For some time the Congress has recognized the inclination of the administration to regard this cardinal principle as unimportant, if not surplusage. Congress realized when the President said, "There seems no reason why there should not be adopted as a permanent policy of the Government the development and maintenance of a revolving fund, fed from the earnings of these Government investments and used to finance new projects at times when there is need of extra stimulus to employment," he meant that the administration would collect the savings of the country and invest them in such undertakings as seemed to it desirable, outside the regular Budget, outside congressional appropriation, and without routing through the Treasury the funds borrowed and lent. Congress recognized in this a subtle, but nonetheless revolutionary and dictatorial encroachment upon its power of the purse, specifically provided for in the Constitution. The only thing to do was to kill the measure outright.

An editorial writer in the Post takes occasion to say in substance that Congress never worked more thoughtfully, it never acted with deeper consideration of the Nation's long-range interest, than in the "good riddance to bad rubbish" accomplished this week.

THE FUNDAMENTAL POWER OF THE PURSE

More important than the belated return toward economy which another Congress might all too easily reverse is the assertion by the Legislature of its constitutional and fundamental power of the purse. The moral of that action should and will be understood.

Reciprocal-Trade Agreements

EXTENSION OF REMARKS

OF

HON. ALBERT G. RUTHERFORD

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Friday, August 4, 1939

LETTER FROM THE HONORABLE RICHARD P. BROWN, SECRETARY OF COMMERCE IN THE STATE OF PENNSYLVANIA

Mr. RUTHERFORD. Mr. Speaker, the following letter, which I received from the Honorable Richard P. Brown, secretary of commerce in the State of Pennsylvania, should furnish the proponents of the reciprocal-trade agreements some food for thought. Of course, the throwing out of employment of some 5,000 persons in Pennsylvania may not mean much to those who favor these trade agreements but it means a lot to workers and stockholders of the companies affected. This is just one instance but there are thousands of similar instances all over this country and when they are added all together they amount to considerable. As I have said time and time again, these reciprocal-trade agreements simply give employment to the people living in foreign countries and deprive our own workers of a job. How long are we going to keep this nonsensical system going? It is time that every trade agreement was rescinded so that the American worker and farmer can have the advantage of the American markets. You who believe in trade agreements read the following letter and then tell me how the Canadian trade agreement benefits the people of Pennsylvania:

COMMONWEALTH OF PENNSYLVANIA,
DEPARTMENT OF COMMERCE,
Harrisburg, August 3, 1939.

Hon. ALBERT G. RUTHERFORD,
House Office Building, Washington, D. C.

DEAR MR. RUTHERFORD: Pennsylvania has a number of zinc smelting and refining plants, including those in Bucks, Carbon, Northampton, Philadelphia, and Washington Counties. They provide direct employment to approximately 5,000 persons.

Continued operation of certain of these plants is jeopardized by the 20-percent reduction in the import duty on zinc resulting from the Canadian trade agreement of last November. Prompt action by the Federal Government in restoring the tariff to its former level can avert impending closings.

Vigorous protests, in which the Commonwealth of Pennsylvania joined, have been made to the State Department because of the reduction. As a result, I understand a hearing has been scheduled for September 18.

For reasons cited in this letter, it is urgent that the hearing be held before August 25 and be followed by prompt action to restore the previous tariff rates. Your immediate and energetic cooperation to induce the Federal administration to advance the hearing and revise the zinc duties upward will aid in conserving Pennsylvania industry and employment.

The smelter of the American Zinc & Chemical Co., after 25 years of operation at Langeloth, Washington County, is scheduled to close August 25, when its present stock of ore is exhausted. Unfavorable competitive conditions and depressed prices caused by sharply rising imports of slab zinc are reasons cited for closing. The smelter employs 543 persons. Its coal mine, which closed 2 weeks ago, employed 262 persons.

There is a possibility, I am informed, that this plant may continue in operation if it has reasonable cause to believe before August 25 that the zinc duties will be restored to the rates in effect before last November. Because of the great cost in rebuilding furnaces, a plant is more likely to continue operation, if it can, than to reopen if it has been closed. For that reason, if this plant is to be saved, it appears any indication of changed Federal policy on zinc tariffs must come before August 25; and that is unlikely if the hearing is not held until September 18.

The adverse effect of the trade agreement upon the Langeloth plant is not an isolated instance. Another Pennsylvania plant has been operating at only 50 percent capacity for several months. Some plants west of the Mississippi River, I am informed, also have curtailed their output sharply. Plants in West Virginia and Illinois have closed or indicated their intention to do so.

The trade agreement signed last November 17 cut the import duty $7 a ton on zinc slabs and $6 a ton on ore.

The price of zinc, which had been 5.05 cents a pound the day before the agreement was signed, dropped to 4.70 cents the day after it was signed, and recently has averaged about 4.5 cents. The drop in price of slabs has been about $11 a ton since the tariff reduction was imposed.

Imports of smelted zinc have been three to five times as high since the tariff was reduced. In the first 5 months of this year imports totaled 10,815 tons, or almost 50 percent more than for the 12 months of 1938. If imports continue at the same rate, the 1939 total will be about 25,000 tons of slabs, compared to 7,486 tons in 1938.

Closing of a smelting plant affects more employes than those on the plant's immediate pay roll. For instance, each month the Langeloth plant uses 7,000 tons of bituminous coal, 1,600 tons of coke and anthracite, and 600 tons of fireclay. Transportation industries move thousands of tons of ore, fuel, and supplies to the smelter, and many tons of zinc slabs away. A closed plant has no need for any of these supplies or services, and many men outside the smelting industry itself feel the pinch of unemployment whenever a smelter closes.

For reasons such as these any act by you which helps keep our industries producing aids your home community, your State, and the Nation as a whole. Let me urge you to join in asking Secretary of State Hull to speed hearings and reveal intention to restore the previous zinc duties before the Langeloth smelter or any other operating plant is forced to close because of the advantage the reduced tariff gives to foreign competitors.

Sincerely yours,

RICHARD P. BROWN, *Secretary.*

William F. Kopp

EXTENSION OF REMARKS
OF
HON. THOMAS E. MARTIN
OF IOWA
IN THE HOUSE OF REPRESENTATIVES

Friday, August 4, 1939

Mr. MARTIN of Iowa. Mr. Speaker, as this session of Congress draws to a close, I wish to call the attention of the House to the passing on August 24, 1938, of Hon. William F. Kopp, who represented the First Iowa District in the Sixty-seventh to Seventy-second Congresses. Mr. Kopp enjoyed a long and distinguished public career and served long and well and with great distinction on many different, important committees, notably Flood Control, Labor, and Pensions.

His parents came down to Iowa out of Wisconsin after the Civil War days, his father a veteran of the Civil War serving in a Wisconsin regiment. Mr. Kopp graduated from Iowa Wesleyan University and from the College of Law of the State University of Iowa.

He was early marked for distinguished service for his State and Nation. He was a distinguished follower of the famous Lincoln; and not only did he have a large picture of Lincoln on the wall of his study, on which picture was an affectionate greeting from Mary Lincoln to Mrs. Kopp's father, but also phrases of the immortal Lincoln were framed and placed in his study throughout the years. The writings and political philosophies of the martyred Lincoln were in the possession of Mr. Kopp's mind.

It is a well-known principle of education that one tends toward the likeness of the person or the philosophies of his contemplation. A careful study of the life of William F. Kopp would reveal the deep influence of Abraham Lincoln, who was his ideal statesman.

After serving in the House of Representatives of the State of Iowa, the major honor of Mr. Kopp's life was his election to the United States House of Representatives in 1920, where for 12 rich, productive years he served well the constituency of the First District of Iowa. The story of his 12 years of service in the Nation's Capital is not only written in the CONGRESSIONAL RECORD but is stamped upon the lives of the countless thousands whose needs he served to the limit of his ability and for whose welfare he gave himself in constant devotion. During his service in the House of Representatives he became one of the most trusted of this august body.

The most severe test which can be applied to a man in high position is whether the people in humble walks of life have access to his ear and heart and trust him with their deepest troubles. It was inevitable that Mr. Kopp's counsel and service should be outstanding in every year of his active life to the people of every station. Whenever a cause which seemed just and true to him needed a champion, he never counted the cost, and gave himself freely to what seemed to him to be the highest and the best.

There is no one in this presence today who will deny his exceeding patriotism to his country and his honorable and faithful service to his constituency throughout his long public life of service.

The Hatch Bill

EXTENSION OF REMARKS
OF
HON. J. WILL TAYLOR
OF TENNESSEE
IN THE HOUSE OF REPRESENTATIVES

Friday, August 4, 1939

LETTER FROM HON. JOHN J. O'CONNOR, OF NEW YORK, TO ARTHUR KROCK, OF THE NEW YORK TIMES

Mr. TAYLOR of Tennessee. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following letter written by former Representative John J. O'Connor, of New York, to Mr. Arthur Krock, of the New York Times:

WASHINGTON, D. C., *August 3, 1939.*

Mr. ARTHUR KROCK,
New York Times, Times Building, New York City.

DEAR MR. KROCK: Your column in today's New York Times, headed "The President's Hatch Bill Reservations," is most interesting to a lawyer.

You characterize as "carping" the criticism of the President "for publicly interpreting the Hatch bill," designed to take politics out of relief, etc.

You come to this conclusion "in view of fixed judicial procedure in reviewing acts of Congress," and you go on to cite "fixed judicial procedure," saying, "when a court reviews an act of Congress it looks into the intent of Congress as well as into the text of the law." So far you are correct, if the language of the act is ambiguous or equivocal, if not, the court is bound by the four corners of the act.

You then go on to say "It—the court—examines the debates."

In *Duplex Printing Press Co.* v. *Deering* (254 U. S. 443), Mr. Justice Pitney said, at page 474:

"By repeated decisions of this court it has come to be well established that the debates in Congress expressive of the views and motives of individual Members are not a safe guide, and hence may not be resorted to, in ascertaining the meaning and purpose of the law-making body," citing a number of cases.

You continue that the court will examine the "committee reports to determine what Congress meant by a disputed phrase or sentence." In this statement you are correct, provided only that the meaning of the statute is doubtful or obscure. This was held in *Duplex Printing Press Co.* v. *Deering,* supra, and approved in *Railroad Commission* v. *Chicago, B. & Q. R. Co.* (257 U. S. 563), where at page 589, Mr. Chief Justice Taft said, "Committee reports and explanatory statements of members in charge made in presenting a bill for passage have been held to be a legitimate aid to the interpretation of a statute where the language is doubtful or obscure"—citing cases—"But when, taking the act as a whole, the effect of the language used is clear to the Court, extraneous aid like this cannot control the interpretation." Citing cases—"Such aids are only admissible to solve doubt, and not to create it."

A most extraordinary statement made by you is that if a dispute arose as to the real meaning of the Hatch bill, "the President's record (meaning his message accompanying the approval of the bill with the deliberate attempt to interpret it, seriatim) would be evidence that the author meant no such limitations, that it was signed in the contrary belief, and passed by the Attorney General in the same belief. That evidence would be competent."

It will surely come as a distinct surprise to all lawyers experienced in such matters that the belief of the President or the Attorney General or the author, Senator HATCH, as to what the law meant will have any influence whatever on any court.

The law "speaks for itself." No court would go outside the precise language of the law to interpret it unless the language was ambiguous, and then the only resort would be to committee reports and "explanatory statements of Members in charge" of the bill. Of course, these backgrounds are never binding on the court if the language of the act is not obscure. This is so well settled it is elementary.

No court would pay any attention whatever to the "President's public interpretation of the act."

No court would pay any heed to what the Attorney General thought the bill "meant" when he "passed" on it orally to the President after Congress had passed the bill.

No court would inquire of the author of the bill as to his "belief" or his "intent" as to what the act "meant," except his explanatory statements in the Senate if he was in charge of the bill.

Please be assured that while I comment on your juridical conclusions I have the highest respect for your outstanding editorial and reportorial ability.

Sincerely yours,

JOHN O'CONNOR,
Former Member of Congress.

Resolutions of the Washington State Grange

EXTENSION OF REMARKS
OF
HON. KNUTE HILL
OF WASHINGTON
IN THE HOUSE OF REPRESENTATIVES
Friday, August 4, 1939

RESOLUTIONS PASSED BY THE WASHINGTON STATE GRANGE AT THEIR GOLDEN JUBILEE CONVENTION

Mr. HILL. Mr. Speaker, under leave to extend my remarks, I wish to present here for the consideration of the House resolutions which were adopted at the golden jubilee convention of the Washington State Grange held at Vancouver, Wash., June 13 to 16, and which I was privileged to attend.

Past lecturer of the Virginia State Grange wrote a letter recently to State Master Ervin E. King, of the Washington State Grange, from which I quote:

No other State Grange has the program that you have, and no other is as determined and as informed and as active in behalf of its membership and American agriculture as the Washington State Grange. If every other State Grange had the sound leadership and desire to serve agriculture and the order as you folks have, agriculture would be in a much better position today, and the future would be bright indeed. I congratulate you and your people on the greatest State-wide farm organization in the world.

Fraternally yours,

JAMES H. ROGERS,
Past Lecturer, Virginia State Grange.

As past State lecturer of the Washington State Grange, I heartily concur in this estimate of my home State Grange, and a study of the following resolutions will convince all readers of the truth of his statements.

ASKING EXTENSION OF TIME, AMORTIZING LAND BANK COMMISSIONER LOANS

Whereas the Land Bank Commissioner loans were set up on a 10-year repayment basis and due to the low returns of farm crops a large percent of these loans are becoming delinquent; and

Whereas there is at the present time a bill before both the Senate and the House of Representatives (S. 1675; H. R. 173) amortizing these loans over a period of not less than 20 years: Therefore be it

Resolved by the Washington State Grange, That we urge our Representatives in Congress to work for such legislation to the end that all should have relief from these heavy repayment charges.

FEDERAL USE OF BUTTER IN FEDERAL INSTITUTIONS

Whereas there is a large surplus of butter in Washington; and

Whereas the sale of this butter would greatly assist the dairymen in solving their financial difficulties; and

Whereas there is no substitute for the vital food elements contained in butter: Therefore be it further

Resolved, That the Washington State Grange go on record as petitioning the Federal Government to purchase butter for use in all Federal institutions in our State.

F. S. A. FINANCING APPLE GROWERS

Whereas we are highly appreciative of the work done by the local Farm Security Administration in their efforts toward financing the fruit district; and

Whereas we are in complete sympathy with their policy of insisting on debt adjustment down to a reasonable indebtedness per acre before considering the issuance of any production-finance money; and

Whereas we believe that this type of production finance is the most feasible and satisfactory type yet introduced into the district: Therefore be it

Resolved, That the Washington State Grange ask our congressional delegation and the Farm Security Administration to make available sufficient funds to expand to a point where all growers whose past record as orchardists show them to be honest and able to take good care of orchards, and are located on orchards having good soil, plenty of water, good varieties, free from frost, and other unusual financial hazards, be financed; provided, those growers so financed agree among themselves and with the financing agency on a sensible, cooperative marketing program.

SPRAY RESIDUE—CALLING A HEARING

Whereas the Federal Food, Drug and Cosmetic Act, passed June 25, 1938, does not become effective with regard to spray residue until the Secretary of Agriculture calls a hearing; and

Whereas this law is more favorable to apple growers than the law now in effect: Therefore be it

Resolved by the Washington State Grange, That we request the Secretary of Agriculture to call a hearing at the earliest possible date to be held in this State of Washington to determine proper regulations governing the use of lead arsenate and fluorine sprays on apples and pears; be it further

Resolved, That the State Grange use its influence to help the apple growers of the State to secure such a hearing.

OPPOSING LIBERALIZATION OF IMMIGRATION LAWS

Whereas millions of American citizens are out of work, compelled to accept aid from some form of Government relief because there are not enough jobs to go around;

Whereas we understand that many foreign people are entering the United States under the guise of being refugees from other countries by the simple means of having some American citizen or group of American citizens vouch for the refugee's support while in the United States, thereby causing the sponsor of such refugees to discharge American employees and fill the jobs with refugees, placing the American workers on the relief rolls:

Resolved, That we are opposed to any liberalization of the immigration laws—

1. Allowing an increase in the quota of immigrants from any country;

2. Extending the time limit of visiting permits indefinitely:

Resolved, That no refugee from any country be allowed to enter the United States in any way other than through the regular immigration offices and under the regular immigration laws, whether any American citizens or group of American citizens vouch for the support of the refugee or not.

FALSE ADVERTISING OF LIQUOR AND CIGARETTES

Whereas the youth of our Nation is being subjected to an enormous amount of false and misleading advertising through the press and the radio relative to the merits of alcoholic beverages and cigarettes; and

Whereas it is a well-known fact that infinitely more harm than good are the results of the use of these narcotics and the States cannot adequately regulate or prohibit the advertising of liquor or cigarettes as long as Congress permits such advertising through the medium of interstate commerce: Therefore be it

Resolved, By the Washington State Grange, that we most earnestly urge Congress to pass such laws as will effectively prohibit false and misleading advertising of liquor and cigarettes through the press and the radio.

GOVERNMENT HOSPITAL SYSTEM

Whereas the present hospital systems in the United States are run primarily for the purpose of profit, and the majority of the people cannot pay for proper hospital treatment, care, and medical consultation; and

Whereas because of this, thousands of people suffer sickness, lack of care, and proper advice, and thousands die every year on account of this system of profit first and the people last; and

Whereas as long as the public must depend upon private hospitals and upon medical schools and medical associations running our public hospitals, this cruel and inhuman system will continue to take needless toll of human lives; and

Whereas, under a system of cooperative hospitals owned and controlled by the people of a district, medical attention and hospitalization would be made available to all at a minimum cost.

Whereas the American Medical Association has continuously and vigorously used every method in opposing the establishment of cooperative medical and hospital facilities: Therefore be it

Resolved, That the Washington State Grange urgently request and petition Congress to do everything in their power financially and otherwise to engender and establish cooperative medical hospital facilities; and be it further

Resolved, That the Congress of the United States investigate the alleged violation of the antitrust laws by the American Medical Association of the United States of America.

TO GIVE ADDITIONAL POWER TO THE FEDERAL POWER COMMISSION

Whereas in the recent power campaign in this State last summer and fall, the private utilities made it a practice to cover part of their expenditures by the setting up of "phony" organizations;

Whereas the private power companies sometimes used threats of intimidation and boycott to influence certain persons;

Whereas State officials are without adequate power to act as oftentimes the records necessary may be in another State, and the organization directing the campaign may be outside the State;

Whereas the F. T. C. has in the past had such authority to interfere under such circumstances, but which authority expired in 1936;

Whereas the F. T. C. found many of the allegations above cited to be true in the past; and

Whereas public interest and public morals require that there be some Federal agency with sufficient power to cope with these situations: Therefore, be it

Resolved, By the Washington State Grange that the Congress of the United States be asked to pass an act giving the F. T. C. authority to interfere where great amounts of money are being spent in campaigns against public ownership, especially in excess of what is a reasonable amount, and where threats of any kind are used to intimidate voters.

REFERENDUM ON WAR

Be it resolved, That the Washington State Grange go on record as favoring a law that would compel a majority vote of all the eligible voters of the United States before this country could enter into an armed conflict on foreign soil. This law would not affect a conflict in protection of our own Nation.

TAKE PROFITS OUT OF WAR

Whereas Senator BONE, of Washington, has introduced a bill to take the profits out of war: Therefore be it

Resolved, That we go on record as favoring such a bill.

OPPOSE LOWER DUTY ON JAPANESE EGGS

Whereas the new trade treaty allows Japanese eggs to enter this country, especially at Hawaiian ports, at 5 cents per dozen instead of at 10 cents per dozen as heretofore; and

Whereas this is an injury to the poultry industry, one of the largest industries of our State and country: Be it

Resolved, That the Washington State Grange go on record as opposed to this part of the treaty.

J. D. ROSS MEMORIAL

Whereas the late J. D. Ross has long been a leader in the fight for public ownership of power facilities in the Northwest; and

Whereas it is proper and fitting that his memory be perpetuated as a shining example for others to follow; and

Whereas this can best be done by permanently affixing his name to some of the projects he advanced: Therefore be it

Resolved, That the Washington State Grange request our congressional delegation, the Secretary of the Interior, and the Bonneville administrator to designate the park at the Ampere substation as the J. D. Ross Memorial Park.

ADMINISTRATOR OF BONNEVILLE PROJECT

Whereas Mr. Frank A. Banks, chief engineer in charge of the construction of the Grand Coulee Dam, has been appointed acting administrator of the Bonneville project, and has administered its affairs in the best interests of the people of the Northwest; and

Whereas such appointment was made, and the same was accepted by Mr. Banks only for a short time pending the appointment of a permanent administrator, and the magnitude of the Grand Coulee Dam development requires that Mr. Banks, after a permanent administrator has been selected, return to the discharge of his supervisory duties at the Grand Coulee Dam; and

Whereas it has been reported in the public press that the selection of a permanent administrator of the Bonneville project shortly will be made; and

Whereas the selection of such an administrator is of vital concern to all public-utility districts; and

Whereas Mr. Llewellyn Evans, who for many years was superintendent of Tacoma City Light, and now is electrical engineer for the Tennessee Valley Authority, is familiar with the problems of the Northwest and by reason of his ability and many years' experience is thoroughly qualified to perform the duties of permanent administrator of the Bonneville project: Now, therefore, it is

Resolved, That the Washington State Grange recommends Llewellyn Evans and requests that the Honorable Harold L. Ickes duly consider Mr. Evans for the position of administrator of the Bonneville project; it is further

Resolved, That copies of this resolution be forwarded to all Senators and Congressmen of the States of Washington, Oregon, Idaho, and Montana.

FEDERAL FINANCING OF PUBLIC-UTILITY DISTRICTS

Whereas the Federal Government is constructing large electrical generating facilities such as the Coulee and Bonneville Dams, and is building transmission lines for the purpose of bringing this electrical energy to the different sections of the State; and

Whereas the State of Washington has provided by law that districts may be formed for the purpose of distributing electrical power to the people; and

Whereas the Federal Government has loaned money to these districts for the purpose of constructing R. E. A. lines and engaging in the electric business; and

Whereas it will be necessary that the public-utility districts purchase private utilities in order to facilitate an economic distribution of this electricity; and

Whereas the purchase of these private facilities by public-utilities districts will be of mutual interest and benefit to the Federal program of electrical generation; and

Whereas the Federal Government could finance the purchase of these private utilities by the public-utility districts on a long-term basis at a low rate of interest: Now, therefore, be it

Resolved, That the Washington State Grange goes on record as favoring Federal loans to public-utility districts for the purchase and acquisition of privately owned facilities; and be it further

Resolved, That a copy of this resolution be sent to the Senators and Representatives in Congress of the State of Washington, and that we urge them to aid us in securing such loans.

EXTENDING TIME FOR P. U. D. POWER

Whereas the act of Congress that established Bonneville Dam power development provided that 50 percent of such power should be reserved for rural communities until January 1, 1941; and

Whereas certain power organizations that have refused to serve the rural people except at exorbitant price rates and prohibitive construction costs, are now seeking to gain control of the entire output of Bonneville; and

Whereas such control would be detrimental to the best interests of the general public, as power districts of R. E. A. projects would be at the mercy of mercenary corporations for their supply of power. As for example, the lowest rate for contract to R. E. A. by Washington water power is $52.50 per kilowatt-year while the Bonneville rate is $14.50 per kilowatt-year or a difference of $38 per kilowatt-year; and

Whereas the power companies have sorely neglected the rural districts and forced many a farmer to strain his eyes by an old coal-oil lamp. Then after searching a dimly lighted page for an upward trend in the wheat market discovers an advertisement telling of the wonderful investment he can make in Pacific Power & Light bonds: Therefore be it

Resolved by the Washington State Grange, That we urge our Congressmen and also Frank A. Banks, asking that the 50 percent of power be reserved at least until January 1, 1943.

Shall America Purge Garner or Lewis?

EXTENSION OF REMARKS

OF

HON. FRANK C. OSMERS, JR.

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Friday, August 4, 1939

EDITORIAL FROM THE BERGEN (N. J.) EVENING RECORD, JULY 31, 1939

Mr. OSMERS. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following editorial from the Bergen Evening Record of July 31, 1939:

SHALL AMERICA PURGE GARNER OR LEWIS?

John L. Lewis, president of America's not too American C. I. O., has probably kicked Vice President JOHN N. GARNER right into the 1940 Democratic Presidential nomination if not the Presidency of the world's only remaining democracy. Lewis asserted that GARNER is an evil old man who plays poker and drinks whisky. Maybe he does, but if so, he has lots of company in the land of the free and the home of the brave. There are about 30,000,000 Americans who do likewise and who will not be entirely unsympathetic to evil old JACK GARNER in the defense of his and their private enjoyment.

As to the mortal sin of whisky drinking, Lincoln perhaps provided the best answer when he told the reformer who complained about General Grant's whisky drinking to ascertain the brand so he could send a barrel to each of his other generals, who unlike Grant were conspicuous by their failures instead of their successes. But the poker-playing charge needs Mr. Lewis' elaboration. If "CACTUS JACK" GARNER habitually draws two cards to a flush or a straight he certainly merits Lewis' condemnation, and the writer will gladly furnish him transportation from Washington to Hackensack to contest with him in a quarter-limit game. But if Mr. GARNER is a normal in-and-outer like the other 30,000,000 American poker fans, the answer to Mr. Lewis must be, "Oh, piffle!"

But the highlight of Lewis' personal attack on GARNER is as follows: "GARNER'S knife is searching, searching for the quivering, pulsating heart of labor." The American electorate has been treated to many tear-jerking, rabble-rousing effusions of political demagogues since Bryan's Cross of Gold, Crown of Thorns masterpiece 40 years ago, but it hasn't heard anything since to even tie that Lewis maudlinism. So, as Al Smith would say, let's look at the record to see who and what is this John L. Lewis and also this evil old man GARNER.

JOHN NANCE GARNER, now Vice President of the United States, has spent practically all of his adult life in public office. As a result he has been exposed during that time to the pitiless glare of publicity. If there were anything crooked about him publicly or privately, it would long since have been disclosed. He is a southern Democrat who has consistently preached and practiced a sound Americanism which relies on the retention of this Nation's time-tested elective, legislative, and juridical processes; the preservation of its Constitution and its orderly amendment procedure to meet the changing needs of a progressive people; and freedom of thought, speech, and the press, which are vital concomitants of the self-government of our revered Lincoln.

He disagreed in 1937 with his party's titular head when President Roosevelt, in the full flush of a record-breaking popular victory, planned to short circuit the Constitution by packing the United States Supreme Court with political stooges. That bitter contest was the turning point in Roosevelt's brilliant career, and the radicals who wanted to take a short cut to reach an ephemeral goal lost the first of a long series of battles. GARNER, the conservatives, and national sanity won, and they have been winning battle after battle ever since. The Vice President and his personal party followers in the Congress have been a courageous check against the extreme radicalism of the President's followers. Even his Republican opponents in Congress admit this, and that is commendation indeed in American politics. But in his battle to preserve not the Roosevelt American way but the real American way GARNER interfered with the political and economic joyride of John L. Lewis and his C. I. O., which had contributed $500,000 to the 1936 Roosevelt campaign fund. The President paid that political debt to Lewis and his communistic C. I. O. in a not too American way, but GARNER determined that the permanent American way is delineated and bordered by a hardy perennial called the Constitution. So much for this evil old man GARNER.

John L. Lewis, now president of a powerful rump labor movement that is honeycombed with communism and doctrines that are subversive of time-tested American ideals and institutions, was until 4 years ago the head of a coal miners' union affiliated with the A. F. of L. Greedy for power, and not finding it attainable in the powerful international founded on the sound labor principles of the great Samuel Gompers, Lewis broke away and founded his radical C. I. O. His master stroke for power and pelf came in 1936 when he contributed $500,000 of his miners' union blood money—it is just that, for many of his miners are dependent on public charity while he sits in his impressive Washington office building and lives very comfortably on part of the weekly take of C. I. O. labor dues—to support the reelection of President Roosevelt. He won that $500,000 union-funds bet in November 1936 and started collecting on it in the following spring.

The record of the C. I. O. outrages of 1937 seems too recent to require detailed repetition here. Suffice to say that President Roosevelt, who was the beneficiary of Lewis' political support, made no official attempt to stop them, nor did Lewis. Both of them sat passively in their powerful positions while their followers defied most of the laws on the statute books. Roosevelt can disclaim responsibility for permitting those outrages on the basis of States' rights and responsibilities; but Lewis cannot, because he was in absolute control of C. I. O. and its communistic agents. On the doorstep of the arrogant John L. Lewis must therefore be laid the responsibility for C. I. O.'s record of the murder of helpless citizens who wanted to exercise their constitutional right to work for a living when and for whom they pleased, its bombing of industrial plants to coerce employers, its interstate transportation of armed mobs to defy local law-enforcement authorities, and last but not least its stoppage of the delivery of the United States mails with the sequential condonement of that precedent-shattering outlawry by a subordinate of the Roosevelt administration. There stands the necessarily abbreviated record of Mr. Lewis and his communistic C. I. O.

And so if John L. Lewis and his communistic cohorts "will be against GARNER when he seeks the Presidency in 1940" the American people will cheerfully accept the challenge. Nothing will please the electorate more than an opportunity to purge Mr. Lewis and his Communists, not in the secret Russian way with bullets, but in the public American way with ballots. After that, Lewis and his agitators can retire to their cells, form a circle, and purge themselves—all in the good old Russian way.

JOHN BORG, *Publisher.*

W. P. A. Employment

EXTENSION OF REMARKS
OF
HON. GEORGE W. GILLIE
OF INDIANA
IN THE HOUSE OF REPRESENTATIVES
Friday, August 4, 1939

Mr. GILLIE. Mr. Speaker, since the enactment of the W. P. A. appropriation bill the latter part of June, I have taken occasion to inquire into the circumstances of a number of cases in my district where faithful and capable workers in the W. P. A. have been laid off for a 30-day period. I find that great hardship has resulted, not only to the workers themselves but also to their dependents. Under the present law, they cannot be restored to duty until 30 days after their removal, and/or until they have received recertification as to their eligibility.

I have found that the officials of the W. P. A., in their honest endeavor to hold to the intent of the lawmakers, have not had it in their thought to let these lay-offs be certified again, because, as they think, to recertify them would frustrate the purpose to establish rotation among the workers.

The more I investigate these cases, the more firmly I am convinced that this provision of the law should be changed. I find that a measure to take care of this injustice is sponsored in the Senate, and when it comes up for a vote in this body, I am going to support it. I believe that a majority of my colleagues will vote for it also. In this new measure, there will be a provision to restore the "prevailing clause" for projects under the W. P. A. I am glad to join my colleagues to change the law so that further injustices will not be perpetrated.

Reciprocal-Trade Treaties

EXTENSION OF REMARKS
OF
HON. FRANK CROWTHER
OF NEW YORK
IN THE HOUSE OF REPRESENTATIVES
Friday, August 4, 1939

ARTICLE BY MILLARD D. BROWN

Mr. CROWTHER. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following article by Millard D. Brown:

[From the August issue of Sphere]

HULL AND CHAOS

(By Millard D. Brown, president, Continental Mills, Inc.)

Despite the enforced limitation of our productive operations to a subnormal schedule, we are importing more and more farm produce and manufactured products. A steady whittling down of our tariff barriers is widening the gates to an influx of imports from low labor paying countries—needless imports which are contributing to American unemployment, impoverishing American consumer buying power, and imperiling the American standard of living.

If we are to cope with the flood of foreign competition that is being swelled inordinately by the reciprocal-trade treaties, we will be obliged to lower wages, and the American standard of living may be reduced to the foreign standard of subsistence.

THE TRADE PARADOX

In other words, actual operation of the so-called reciprocity pacts establishes the fact that while American products are purchased abroad not because they are cheaper but because they are better, imported products are exploited here not because they are better but because they are cheaper.

Does anyone really believe that we can be prosperous, or even continue as a government of free people, if our living standards are reduced to the levels of Italy, Japan, or other so-called favored nations under the reciprocal-trade pacts?

While we are jeopardizing the chances of employment for our workers, the Congress has enacted the wage and hour law, which puts a floor under wages and a ceiling on hours. As a consequence, the action of this law tends to make it impossible for employers to meet low-wage foreign competition in an endeavor to keep their workers employed.

Is it any wonder many Americans believe that the once conservative Democratic Party has fallen into the hands of men who are purposely sabotaging our American system? Events of the last 6 years certainly point that way.

The 1934 amendment to the (Smoot-Hawley) Tariff Act of 1930 authorized the President to enter into foreign-trade agreements "as a means of assisting in the present emergency in restoring the American standard of living, in overcoming domestic unemployment, and the present economic depression," etc.

The consummation of this legislation has not accomplished the purposes for which it was intended. Like many other recent acts of Congress, it has even defeated these purposes.

Under this amendment there are three ways to proceed, only one of which will, however, accomplish the results enumerated above:

First, the Hull agreement plan, with its "most favored nation" treatment.

Second, the Hull plan, but with quotas on various competitive imports.

Third, agreements using our needed imports as a basis of trade.

The first method is the easiest to pursue, and one that would naturally appeal to a lifelong free-trader and to those theorists who have had no practical experience and therefore cannot think the scheme through to its final results.

How or why the State Department selects certain farm and industrial products to be favored for export trade and certain others to be penalized, that the favored ones might prosper more, remains a mystery. The Department maintains that its object is to make the farmer more prosperous.

If this is so, why all the cuts in duty on farm products? Why should we favor the export of citrus fruits, or California prunes, over Maine potatoes, Texas onions, or Wisconsin dairy products? If the State Department is endeavoring to reduce our surplus of wheat and cotton, why is Mr. Wallace (Agriculture) arranging barter agreements on these two products?

FAILURE OF RECIPROCITY

Is it because the trade-agreement program is not successful? If it were successful in relieving the farmer, why the necessity of increased appropriations to farmers each year? The fact is that the workers on the farm and in industry are losing out by the Hull treaties.

The history of lumber, dairy products, certain meat products, table glass and pottery, paper, zinc, chemicals, certain electrical apparatus, lace manufacturing, and wool textiles all bear witness to the result.

The Department of Commerce recently reported figures of our foreign trade for April 1939, compared with April 1938. Analysis of these figures shows that exports to trade-agreement countries declined in 1939 about 12 percent, including war materials exported. At the same time, our imports from trade-agreement countries increased nearly 20 percent. Our exports to non-trade-agreement countries declined nearly 20 percent, while our imports increased more than 14 percent.

It takes some little time to get the real effects of trade treaties, such as those negotiated by Mr. Hull. The record proves that in spite of the large increases in exports of war materials such as aircraft, motortrucks, scrap iron, pig iron, etc., our imports are gradually increasing and our exports are gradually decreasing.

Under the favored-nation treatment of Mr. Hull's program, all concessions in duties to trade-agreement countries are also extended to all other countries with the exception of Germany.

CHEAP-LABOR COMPETITION

In Italy, wages are less than one-fifth, and in Japan less than one-tenth of those in the United States, yet their products carry the same duty as imports from the United Kingdom, where wages are one-third of those here. How can any duties, set to equalize the difference in cost of production between England and America, protect American workmen from competition with Japanese and Chinese labor?

The stock argument in favor of the Hull brand of reciprocal treaties is that the increased purchasing power of those who benefit by these agreements will create an increased demand for the products on which duties have been cut, and therefore all will be prosperous. Absurd as the idea may be, it is, nevertheless, believed by many people. No practical person would ever make such a statement.

Does any sane person expect the employees of the favored industries to spend any of their increased earnings (assuming that they have any) in paying a higher price for American hams when they can buy Polish ham cheaper? Will they pay for an American-made overcoat $5 more than they would for one made in England, with an "imported" label in it? Will their wives prefer American lace at double the cost of French lace? Will they buy American dairy products when Canadian dairy products are cheaper? The answer is shown in the decline of exports and increase of imports in 1939 over 1938.

Some years ago an economist named List said, "Free-trade is an idealism not to be engaged in until the people with whom you trade have the same living standards as your own, otherwise they will tear you down to their level."

Mr. Hull's treaties are near the free-trade level. They are not "reciprocal" treaties in any sense. "Reciprocity" in international trade means "that relation or policy as to trade between two countries, under which special advantages are granted by each to the other." Because of Mr. Hull's "favored nation" treatment, his treaties are multilateral, and not reciprocal at all.

The second course the State Department could have pursued in carrying out the objectives of Congress would have been to use the method they have already adopted, but with quota restrictions attached to various competing products on which concessions have been granted. Such agreements would have been more difficult, and would have taken more time to consummate. They would, however, have had the advantage of at least saving some domestic business for the employment of our own people.

QUOTA PROTECTION

A quota on lace from France and other countries would have saved the lace industry of the United States, which is now practically extinct. It would also have provided some occupation for the 20,000 hand-embroidery workers of Puerto Rico who are now idle. The quota would also have the advantage of limiting the imports of all competing products from low-wage-standard Asiatic countries.

While this second method has much more to recommend it than the first, if it were adopted our American living standards would not be retained, nor would our domestic unemployment problem be solved.

The third method would be the hardest one to pursue, but it has the advantage of preserving our living standards and providing a better chance to decrease unemployment. In this method we would base our foreign trade and tariff policies on what we need to acquire, rather than on what we wish to sell.

We would approach the subject of what is desirable and necessary to import as the first and most important consideration. Our second consideration, then, is how can we obtain these imports through agreements and gain exports by supplying other countries with the things they need and desire?

Those things that are not produced in America which we need and can use fall into four general classes:

First, those mineral, forest, and agricultural products that are necessary for industry.

Second, agricultural products that are used for food.

Third, a multitude of special products and manufactured articles, such as patented and copyrighted articles, special machines, Oriental rugs, works of art, and other luxury items.

Fourth, a long list of products of various kinds on which our production is inadequate to our domestic demand. The importation of these should be limited by quotas.

EXPANSION OF EXPORTS

In a recent address, Mr. Howard, of the National Foreign Trade Council, said, "Expansion of our exports must wait upon and can only be a byproduct of a great increase in production of goods and services for domestic purposes." A truer statement of our situation has never been made.

Reciprocal-trade treaties based on the needs of our domestic economy would not reduce the employment of our workers nor the demand for domestic products.

Our foreign trade has never been greater than about 7 percent of our total production of movable goods. In 1935 this total amounted to about $33,000,000,000. Exports that year amounted to nearly $2,500,000,000.

If reciprocal treaties bring us imports of competitive goods so as to cut our domestic production 2 percent or $660,000,000, it would require an increase in exports of 30 percent to make up for our loss.

To put it another way, for every 2-percent reduction in domestic production, we must increase our foreign trade 30 percent to keep our present depressed economy where it now is.

It should be evident to everyone that the 93 percent, which is our domestic trade, should be preserved above all else.

CONCESSIONS

Will Rogers once said that we have never lost a war nor won a conference. This is equally true of our trade agreement conferences. A few instances will perhaps illustrate the point. Compare the concessions given by the United Kingdom to us and the concessions which we in turn gave them:

	United Kingdom gave us—	We gave United Kingdom—
Rates reduced	156	444
Rates bound	127	63
Rates bound free	25	60
Rates Empire preference	4	0

Equally interesting is a comparison of reductions of duties given by each:

	Rates	
	United Kingdom reduced to us	We gave United Kingdom
100 percent	6	0
50 percent	9	121
40 to 49 percent	6	68
30 to 39 percent	15	92
20 to 29 percent	98	74
10 to 19 percent	7	45
Below 10 percent	0	10
Indeterminate	15	34
	156	444

Sir John Simon, British Chancelor of the Exchequer, before negotiations of their treaty with us, said: "The British Government will not set its hand to a trade agreement with the United States that is detrimental to our trade." He certainly knew what he was talking about.

Our State Department is open to severe criticism because of its methods in negotiating these treaties. Formal negotiations on the British agreement began 3 weeks before the public hearings opened.

The trade advisers and economists of the United Kingdom were in Washington when these hearings began. What they had to say and the arguments advanced by them were not made available to the American interests concerned. Our interested parties were not invited to attend the preliminary mapping out of the concessions to be discussed.

PERFUNCTORY HEARINGS

The British advisers attended the public hearings and, of course, were well prepared to combat in private the contentions that our American interests made in public. The hearings given our farm, industrial, and labor leaders were so perfunctory, and apparently so boring to our officials in charge, that everyone in attendance felt the stage was already set and their efforts were futile. The announcement of the final agreement only confirmed our worst fears.

That the State Department does not protect our interests after agreements are in effect also is very evident.

Among the items in the Belgian agreement, on which they gave us a reduction in duties, was California prunes. Shortly after the treaty was in effect, the Belgians decided that California prunes were not prunes at all, but confection. So they changed their classification accordingly, and American prunes imported into Belgium now take a much higher duty, and cannot be sold there profitably. The State Department has done nothing about it.

Just before the French agreement was negotiated, the French Government raised duties on most imports. Mr. Hull came forth with a public denunciation of countries that raised duties in preparation for giving concessions, and stated he would not deal with them. Nevertheless, he did.

One provision of the agreement gave our State Department the right to take further action on the agreement if the rates of exchange suffered a serious decline.

At the signing of the French agreement the franc was worth about 6.65 cents. Today the franc is worth 2.65 cents. As a consequence the American lace industry is running less than 10 percent of capacity. Imports have increased in many instances 2,000 and 3,000 percent. Appeals have been made to the Committee for Reciprocity Information, without result.

It is indeed a very serious matter for America when one or even a few bureaucrats can decree the death of any established industry and the unemployment of its workers without the right of appeal.

We should buy in America the things that America produces and is capable of producing. If we do not buy in America we cannot sell in America; if we do not sell in America, where can we find a market for our products? Surely not in countries with low-living standards.

Import what we must, by all means, but let us not bring here a single thing that keeps a foreign workman busy and an American workman idle.

An Invisible Mortgage on Your Farm

EXTENSION OF REMARKS

OF

HON. JOSHUA L. JOHNS

OF WISCONSIN

IN THE HOUSE OF REPRESENTATIVES

Friday, August 4, 1939

Mr. JOHNS. Mr. Speaker, for the 10-year period from 1927 to 1937 there was a yearly average of 342,524,000 acres of land that was cultivated in the United States. During the past 6 years the public debt has increased approximately $20,000,000,000.

The rural people of the country represent about 25 percent of the population. As the rural population also represents about 40 percent of the buying power there is not any doubt in the minds of most farmers that they must pay either directly or indirectly their share of the taxes to pay this increased debt which will represent in round figures about $5,000,000,000.

If anything should happen to the country and the stocks and bonds, which represent the investment in industry, should be wiped out by inflation, real estate would have to stand a large burden of the taxes to take care of these obligations. It is the history of taxation that when you cannot reach enough money to pay taxes on incomes and personal property, then real estate always suffers. This represents an "invisible mortgage" of approximately $15 per acre on every crop acre of our land which will have to be repaid if the credit of the Government is to be maintained. Every time the Government increases the public debt another billion dollars this means that approximately $2.90 per acre is added to the burden of the farmer if his real estate should ever have to carry the whole load. It is something that every farmer should think about seriously if our public debt is further increased.

Housing Conditions in the Baltimore Area

EXTENSION OF REMARKS

OF

HON. THOMAS D'ALESANDRO, JR.

OF MARYLAND

IN THE HOUSE OF REPRESENTATIVES

Friday, August 4, 1939

Mr. D'ALESANDRO. Mr. Speaker, 2 years ago the Congress of the United States enacted legislation which was designed to assist in a program of slum eradication and to provide better housing for a number of our citizens. Today we are considering an amendment of that legislation whereby its benefits may be enlarged and extended to numerous other persons in this country.

Those of us who represent congressional districts that lie either entirely or partially within the confines of large cities would like to speak of the beauties of our districts, of modern, well-kept, well-appointed homes, of the blessing of health and happiness visited upon our constituents, of their healthy children, and of the numerous playgrounds and recreational centers for their enjoyment. But, unfortunately, that privilege is denied us. It is my duty to paint a different picture, and the statements that I shall make with reference to conditions in my home city of Baltimore will undoubtedly reflect identical conditions in other large cities of this Nation.

Baltimore is one of the oldest cities in this country, and many of its houses, especially those in the areas occupied by persons of low income, have suffered the extreme ravages of time. In 1934 a survey was made of the housing conditions in Baltimore, and the result of that study proved astounding even to us who had, we thought, knowledge of conditions in the city. In the investigation of substandard areas of the city it was found that there were 23,059 houses which, unheated, rent for 82 cents per room per week, or approximately $3.55 per room per month, occupied by 25,549 families, or approximately 100,183 persons. Thirty and forty-three one-hundredths percent of these houses were two-story units; 18.25 percent were two-and-one-half-story units; 49.79 percent were three-story units; and the balance composed of houses which contained upward of seven stories. Seventeen and five one-hundredths percent of these houses were designated as good; 40 percent as indifferent; and 41.5 percent as bad. When these houses were studied with reference to cellar conditions, it was found that 10.85 percent of the cellars were wet; 13.25 percent were without cellars; and 75.90 percent were dry. With reference to plumbing, 29.38 percent were designated as good; 36.22 percent as indifferent; and 34.17 percent as bad, with 0.23 percent without plumbing facilities of any kind. The study also showed that there were 15,205 baths in these houses, or one bath to 11.09 rooms, or 6.58 persons. There were 30,045 toilets, or one toilet to 5.61 rooms, or every 3.33 persons. It was concluded in that survey that 65 percent of the houses in these substandard areas, or houses occupied by approximately 60,000 persons, were substandard.

Without a program such as that instituted by the United States Housing Authority in the city of Baltimore, 60,000 citizens of Baltimore would have been permanently doomed to spend their lives in blighted areas. While during the last 10 years the reports of the city engineers of Baltimore show

that 6,957 houses were built over and above those demolished, it has been calculated that only 8.9 percent of that number were available for rental by low-income groups and then at monthly rental of $10 per room per month without heat. If the residents of the substandard areas were able to pay such rent, which I know is contrary to fact, we see that the construction by private interests is not easing the situation. The reason, if I may follow the thought further, for the unavailability of newly constructed homes to persons of low-income status is that most of the newly constructed dwelling units are erected for immediate sale rather than for rent. Although there are no statistics available to show the average earnings of the residents in these substandard areas, it is logical to assume that a substantial majority are small-wage earners with their sole livelihood contained in a weekly envelope, and therefore financially unable to enter into any arrangement for the purchase of homes. Again, there is a slight possibility that the owners of these substandard homes, who are operators and interested solely in the yield, will repair and modernize them other than on a level barely fit for human habitation.

Today seven sites have been selected in Baltimore city for slum clearance and erection of housing. Today, 3,762 families, or approximately 15,000 persons, will be afforded modern, comfortable, clean places of habitation. What, may I ask, is the future of approximately 45,000 other citizens in Baltimore who will be denied these benefits?

Mr. Speaker, while I would not, for one moment, besmirch or question the loyalty and Americanism of those persons in Baltimore or in other cities who are denied what we consider the ordinary privileges of a decent life, I would suggest, nevertheless, that we are permitting fertile fields to exist for the development of ideas and ideals which are antagonistic to our system of government and our democratic institutions. America was not founded, I want to believe, with the idea that those on one side of the railroad track shall possess the decencies of life and those on the other side be denied them.

The program, as it is now being carried on in Baltimore, has a particular feature which appeals to me and, undoubtedly will appeal to many of you. In the years that I served in the legislative councils of my city and State I fought constantly to secure playgrounds and recreational centers for those underprivileged children who reside in areas such as we are now attempting to abolish. The plans for the construction of seven sites in Baltimore include playgrounds which will be available not only to the children who reside in these areas but also to those children who reside in adjoining areas and neighborhoods.

The destiny of our country lies with the future generations. In recognizing that fact, it is our duty, and one that we cannot shirk, to see that our children receive an education, a proper home training, and opportunities for healthy, normal development. The children in these seven areas in Baltimore will not come home to overcrowded, dark, gloomy, unsanitary homes, but to homes in which light and air—unfortunately strangers to many of them—will ever be present. Instead of being driven to the streets and to unwholesome companions, these children will be afforded both a pleasant home life and ample playgrounds and recreational opportunities. I would not contend that this legislation will remedy all of the difficulties for any community, but at least it is a step in the right direction.

By your failure to support this amendment you denied to many people of this country privileges which are rightfully theirs. Although the housing resolution (S. 591) was defeated yesterday, it is my sincere hope that this legislation will come before the House as soon as we reconvene in January 1940 and that the Members will right the wrong that was committed yesterday by a vote of 191 to 170. I am proud that I supported this legislation to help the underprivileged people of America.

Martial and Habeas Corpus Proceedings

EXTENSION OF REMARKS

OF

HON. JAMES J. DAVIS

OF PENNSYLVANIA

IN THE SENATE OF THE UNITED STATES

Friday, August 4 (legislative day of Wednesday, August 2), 1939

ARTICLE BY HON. JOHN H. HATCHER, ASSOCIATE JUSTICE OF THE WEST VIRGINIA COURT OF APPEALS

Mr. DAVIS. Mr. President, I have conferred with the Joint Committee on Printing, and I desire now to ask unanimous consent to have printed in the RECORD an article by Hon. John H. Hatcher, associate justice of the West Virginia Court of Appeals, published in the May issue of the American Bar Association Journal, the article being entitled "Martial Law and Habeas Corpus Proceedings; Extent of War Power in Emergency."

There being no objection the article was ordered to be printed in the RECORD, as follows:

[From the May issue of the American Bar Association Journal]

MARTIAL LAW AND HABEAS CORPUS: EXTENT OF WAR POWER IN EMERGENCY

Confusion on the subject and some of the reasons therefor—Not removed by ex parte Merryman and ex parte Milligan—Unfounded assumptions in opinion in first case—Contemporary opinion that article I, section 9, is not an exclusive grant of all power over habeas corpus to Congress but a specific restriction on the power of that body to have courts suspend the writ—Criticisms of opinion in Milligan case—All-embracing character of war power wherever an emergency of war arises, etc.

(By Hon. John H. Hatcher, associate justice of West Virginia Court of Appeals)

An investigator is astonished at the confusion enveloping this subject. The literature thereon abounds with divergent statements and is not even free from inaccurate quotations. Much of the confusion of English precedents on martial law is due to their failure to distinguish between its use in time of peace and time of war. Some of the confusion is due to the several definitions of the term. For example, Sir Thomas Smith, an early writer on the Government of England, said martial law was the arbitrary will of the King in war; while a century later, Sir Matthew Hale, the legal commentator, said martial law was the law imposed by the King's marshal for "the government, order, and discipline in an army." Some of the modern confusion has arisen from failure to distinguish between the terms "military law," "military government," and "martial law." Military law, technically, is a legislative code of rules and articles of war. Military government, technically, is the control imposed by the military command over conquered or disorganized territory. Infractions of military law and of military government may be tried by military commissions, sometimes called courts martial; but neither military law nor military government is martial law, as technically defined. The latter has no code of laws, but is simply the exercise of military discretion in time of war.

The essence of martial law is said to be suspension of the writ of habeas corpus. The confusion on the latter is but little less than that on martial law. This writ did not issue from the mists of primitive common law fully panoplied as many writers have assumed. On the contrary, the writ passed through a long transition period just as did other legal writs. The learned Edward Jenks has a clear conviction that the original use of this writ was "not to get people out of prison, but to put them in it." Jenks, Story of Habeas Corpus (18 Law Q. Rev., 65). Even after the writ was molded to test only the legality of a commitment, several centuries passed before the writ was granted to persons committed by the royal order. And this was finally accomplished, not by expansion of the common law (as some controversialists have asserted), but by specific acts of Parliament in the seventeenth century. In this country further confusion regarding the writ has arisen from the provision of the National Constitution, article I, section 9, that "the privilege of the writ of habeas corpus shall not be suspended unless when in cases of rebellion or invasion the public safety may require it." Some writers of national prominence have construed this provision to be a delegation of power to Congress (see Pomeroy's Constitutional Law, sec. 707). Other writers equally prominent have construed the provison to be a limitation of congressional power (see Halleck's International Law, p. 503). The division of comment on martial law and habeas corpus caused Attor-

ney General Cushing, in 1857, to complain that the commentators were all at sea. The interim decisions have left commentation still at sea, particularly the leading Federal decisions of ex parte Merryman and ex parte Milligan.

EX PARTE MERRYMAN, TANEY'S CIRCUIT COURT DECISIONS, 246

Merryman, a resident of Maryland, was arrested May 25, 1861, under a military order and taken to Fort McHenry. Upon his petition, Chief Justice Taney issued a writ of habeas corpus on May 26, directed to General Cadwalader, the commander of the fort, and returnable at 11 o'clock the next day. At that hour, the general's return was filed, stating, in effect, that Merryman had been arrested under order of Major General Keim, of the United States Army, and brought to Fort McHenry, charged with "various acts of treason, and with being publicly associated with and holding a commission as lieutenant in a company having in their possession arms belonging to the United States and avowing his purpose of armed hostility against the Government." The return further stated that General Cadwalader was informed the charges could be "clearly established"; that he was authorized by the President in such cases to suspend the writ of habeas corpus for the public safety; that he realized this power was "a high and delicate trust" which he had been enjoined to exercise "with judgment and discretion," and suggested that he be not embarrassed by any "unnecessary want of confidence." The return then requested that further action be postponed until the general could receive instructions from the President, when a further return would be made.

This request was disregarded by the Chief Justice, who forthwith issued an attachment for contempt against General Cadwalader because he had not produced Merryman. The marshal was unable to execute the attachment. Whereupon the Chief Justice filed an opinion which was promptly pronounced "unanswerable" by the Supreme Court of Wisconsin (*In re Kemp*, 16 Wis. 382, 391), and which has been approved by a number of other courts.

An initial impression of Justice Taney's course in the Merryman case is that he was precipitate. There is a presumption, honored in all courts, that official conduct is in line of official duty (*Martin* v. *Mott*, 12 Wheat. (U. S.) 33). It would seem that this presumption should have been accorded the military officers responsible for Merryman's detention until General Cadwalader could have communicated with the President, and made the further return promised.

One's attention is next arrested by the variance of the facts stated in the opinion from the facts in the record. And one is surprised that, despite General Cadwalader's declared realization that his authority was "a high and delicate trust" to be executed with "judgment and discretion," the opinion treats the case as one in which the military power proposed to usurp judicial authority at will "upon any pretext or under any circumstances." That unwarranted approach to the case forecasts the extreme legal propositions advanced by the opinion. Its chief pronouncement is that under article I, section 9 of the Constitution, no suspension (or disregard) whatever of habeas corpus is lawful unless authorized by Congress. This holding is based on the theory that the right of suspension is an exclusive grant of congressional power. The opinion quotes two American authorities, Story and Marshall. The quotation from Story postulates merely that Congress is the sole judge of the exigency warranting the suspension referred to in the Constitution, but makes no attempt to define the suspension. The quotation from Marshall (*Ex parte Bollman*, 4 Cranch. 101) relates specifically to the Congressional Judiciary Act of 1789, and not to article I, section 9, of the Constitution. The opinion does not discuss the colonial background of the section, does not regard the plain language of the section, and does not consider the comments thereon of the Constitution makers. These omissions are due perhaps to the stated assumption that the construction adopted in the opinion had been theretofore given by everyone, particularly (as the opinion states), by "every jurist and statesman" in the Congress which considered suspending the writ in connection with the Burr conspiracy. My research does not find substance for the assumption.

The colonists demanded the privilege of habeas corpus as Enlishmen, and it was usually accorded them, though in some instances the colonial governors were recalcitrant. "Now and then," upon complaint by a governor that the Americans were becoming "a factious and turbulent people, with heads turned by queer political crotchets," the King's Privy Council would instruct the governors to suspend the writ. (Fiske, The American Revolution, vol. 1, p. 2.) That was done in times of peace, was solely for purposes of discipline, and was without legal justification. Wherefore those suspensions were resented by the colonists. But the annals show that they acquiesced in violations of the writ in times of war. During the Revolutionary War the American officers disregarded the writ at will, and the records of the Continental Congress, to which several personal protests were made, disclose no congressional action against the practice. On the contrary, in 1778 that body specifically approved the refusal of General Smallwood to honor a writ issued by the chief justice of Delaware.

Madison's notes on the Constitutional Convention contain only two comments on this section, one by Judge John Rutledge, of South Carolina, and one by James Wilson, of Pennsylvania, both outstanding delegates. Rutledge was for declaring the writ inviolate on the ground that a suspension would never be necessary "at the same time through all the States." This remark is not comprehensible except upon the one hypothesis, that Rutledge understood the proposed suspension to be Nation-wide. Wilson merely "doubted whether in any case a suspension could be necessary, as the discretion now exists with judges, in most important cases, to keep in gaol or admit to bail." Prisoners gaoled and subject to bail at judicial discretion were civil, not military, prisoners. The latter were ordinarily detained in prison camps, not subject to bail at all, and held or released at the discretion of the commanding officer. So it is apparent that Wilson understood the section to apply to civil arrests. This understanding was in no wise strained, because, on occasion, civil officials had been given legislative authority to disregard the writ.

For example, in May 1781 the Virginia Assembly empowered the Governor to have arrested and confined, without benefit of habeas corpus, any person he had good cause to suspect of disloyalty. Thus the only recorded construction of this section within the convention itself is that it related to a Nation-wide suspension of the writ as to civil arrests. Governor Randolph, of Virginia, himself a framer of the Constitution, in a speech to the Virginia convention which ratified the Constitution, associated the section with civil arrests, saying, "I contend that by virtue of the power given to Congress to regulate courts, they could suspend the writ of habeas corpus. This is therefore an exception to that power." (3 Elliot's Debates 464.)[1] Before the same convention, Mr. Nicholas, Mr. Grayson, and Mr. Henry, and before a like convention in Massachusetts, Judge Sumner also construed the section to be a retraint on congressional power, and that construction was questioned by none. (3 Elliot's Debates, pp. 102, 449, 461; and 2 Elliot's Debates, pp. 108–109.) The Merryman opinion does not name the jurists and statesmen in Congress who discussed the Burr conspiracy, but in the Annals of the Congress, 1807, wherein it was discussed.

I find only two constructions of the provision, to wit, those by Representatives Broom and Campbell, both of whom said that the provision was a restriction of congressional power. (Annals 9th Cong., 2d sess., pp. 503 and 540.)[2] The phrasing of the Constitution was done by masters of the English language. It is not consistent with their skill that an exclusive grant of power should have been expressed in negative words alone. If the sententious language of the section be given its ordinary meaning, then the construction of Randolph and his contemporaries is patently correct. The "shall not" of the section can mean naught but prohibition, and standing alone would be absolute; but to the "shall not" the public emergency is an exception. That the section was thought necessary at all implies the conception of the framers, that Congress, through another provision of the Constitution, had been given a power over habeas corpus. I see no reason to controvert Governor Randolph's position that such power was an incident of the congressional power to regulate the Federal courts. The framers knew that in wartime Congress could not foresee the necessity of most military arrests, and that the imperative need of quick and sometimes secret military action in such cases could not await congressional investigation.

Unless it be taken that the framers were unmindful of this knowledge; unless it can be demonstrated that Rutledge, Wilson, and Randolph did not speak the understanding of their fellows, then the section was designed to be not an exclusive grant of all power over habeas corpus to Congress, as the Merryman opinion holds, but a specific restriction on congressional power to have the courts suspend the writ; and the section has no bearing on the occasional or local disregard of the writ by a military commander. I submit with deference, that no opinion on this subject is "unanswerable" which does not answer Rutledge, Wilson, and Randolph.

The Merryman opinion attempts to correlate the status of the writ under the Federal Government with that of the writ under the common and the statutory laws of England. This attempt overlooks the fact that such laws were not adopted by the Constitution and could not bind the Federal Government in any manner. The opinion deduces from commentaries on the English Government that only Parliament could suspend the writ of habeas corpus in England, and reasons accordingly that only Congress could suspend it in the United States.

The opinion overlooks the repeated declarations of the Constitution makers that our situation was entirely different from that in England and that "the British Government cannot be our model" (5 Elliot's Debates, pp. 137, 141, 153, 165, 168, 188, 234). A power may not be accredited to Congress because Parliament has it, but only if the Constitution delegates it. Neither

[1] Senator Wall, of New Jersey, quoted Governor Randolph as saying to the convention, June 10, 1788, that the writ could be suspended here only by "the legislature * * * never by the Executive." Congressional Globe, 1862–63, 1462. That quotation is not sustained by the official record of the Governor's remarks. See 3 Elliot's Debates, 203.

[2] Representative Campbell said: "This provision evidently relates to Congress, and was intended to prevent that body from suspending by law the writ of habeas corpus except in cases stated, and has no relation whatever to the act of an individual in refusing to obey the writ. Such refusal or disobedience would not certainly suspend the privilege of the writ, and must be considered in the same point of view as the violation of any other public law made to protect the liberty of the citizen."

is congressional power expanded by the common law, for "* * * the United States, as a Federal Government, has no common law * * *" (*U. S.* v. *Worrall*, 2 Dallas, 384, 394. Accord: *Ex parte Bollman*, 4 Cranch, 93–4). Pursuing the unwarranted analogy to the English Government, the Merryman opinion charges that if the President may suspend the writ, then the Constitution has conferred on him more regal and absolute powers than England had entrusted to its Crown. That charge also fails, because at the time our Constitution was formed and prior thereto even to the days of the conqueror, the right of the Crown, as the supreme military commander, to administer martial law in time of national danger, if necessary, had been consistently recognized. In 1565, Sir Thomas Smith, in his Commonwealth of England, wrote: "In wartime and in the field the prince hath also absolute power, so that his word is a law." This same power was recognized in the celebrated Ship Money case in 1637 by judges and lawyers alike, the able St. John, though opposing the Crown, saying: "* * * it must needs be granted that in this business of defense, the suprema potestas is inherent in his Majesty, as part of his crown and kingly dignity."

Furthermore, Parliament, which alone speaks with finality for England, in three separate acts near the date of the Constitution, to wit, 39 George III, chapter 11; 43 George III, chapter 117; and 3 and 4 William IV, chapter 4, referred to this power as the "acknowledged prerogative" and as the "undoubted prerogative" of the Crown.

The Merryman opinion brushes aside any possible argument in favor of the Government's right to suspend the writ even "for self-defense in time of tumult and danger," on the ground that the Government is one of delegated powers only, and such a power is not granted. The opinion treats the President as Commander in Chief of our military forces merely "from necessity and the nature of his duties," and concedes no military right to arrest a civilian "except in aid of the judicial authority and subject to its control." And the opinion would exalt constitutional guaranties of personal rights and property, including trial by jury, above the necessities of war. The opinion thus ignores the express constitutional provisions which authorize the Government to wage war and which make the President the Commander in Chief of the Army and the Navy of the United States.

The opinion takes no account of the common thought among all nations from the dawn of history that in times of peril the conservation of the nation may demand "the sacrifice of the legal rights of a few," and may not only justify but compel the temporary abandonment of civil procedure (Hallam, Const. Hist. of England, 240). This thought is based on the first law of nature, the right of self-preservation. Whatever is necessary to preserve that right is lawful. A conflict between hostile nations is a struggle for self-preservation, wherein civil rights may lawfully be disregarded. "Inter arma, silent leges," said Cicero. Whatever else their disagreement, those two great antagonists, Jefferson and Hamilton, concurred in this: That the impulse of self-preservation, whether individual or national, surmounted all civil laws, and that the duty to save the country when in danger was a greater duty than that to respect property or personal rights (Jefferson's Comp. Works, vol. 5, p. 542; The Federalist, No. XXIII). Unnoticed by the Merryman opinion is "an unbroken sequence" of English decisions from the earliest Year Books down to the formation of our Constitution, upholding the right of the Crown in time of war forthwith to occupy fields, raze houses, impress civilians, make precautionary arrests, sequester noncombatants, and even execute hostile subjects if the exigency admitted no delay (H. Erle Richards, Martial Law, 18 Law Q. Rev., on p. 136). "Flagrante bello," said the court of the King's Bench in 1776, "the common law has never interfered with the Army" (*Barwis* v. *Keppel*, 2 K. B. 314, 318).[3]

The framers of our Constitution were familiar with ancient history, and with the English decisions. Most of the framers, including their presiding officer, General Washington, had taken an active part in the recent war with England. In that war they had seen their armies, following the English custom, occupy, use, or destroy private property as the apparent necessity demanded; they had seen loyal civilian population subjected to military control; some had seen their officers disregard civil process, including writs of habeas corpus; and some had been with General Washington at Tarrytown where he asserted authority to hang the civilian, Joshua Hett Smith, immediately, as a traitor, and stated that nothing could save him but a candid confession of his connection with the André affair. The lawfulness of those means was not questioned, and since the framers placed no specific limitation on the war power, they must have expected it to employ those same means in defending the Government of the United States. If those means override the other constitutional provisions, the framers must have so intended; and those means themselves become the law of the land, and are due process under the Constitution. This doctrine is neither original nor novel. It was stated without controversion in 1628 by Serjeant Ashley in the great English parliamentary debates which preceded the preparation of the Petition of Right, as follows:

"The martial law, though not to be used in times of peace * * * yet in times of invasion, or other times of hostility when an army-royal is in the field, and offenses are committed, which require speedy reformation, and cannot expect the solemnity of legal trials; then such imprisonment, execution, or other justice done by the law-martial is warrantable, for it is then the law of the land, and is "jus gentium" (the law of the nations) * * *" 3 State Trials, page 149. This doctrine was specifically applied to our Constitution in *McCulloch* v. *Maryland* (4 Wheat. (U. S.) 316, 409, 419) wherein the Court said, "the Government, which has a right to do an act, and has imposed on it the duty of performing that act, must according to the dictates of reason, be allowed to select the means; * * * That any means adapted to the end, any means which tended directly to the execution of the constitutional powers of the Government, were in themselves constitutional."

The bane of inaccuracy did not escape several commentators on the Merryman case. Mr. Tucker, in his work on the Constitution, section 318, says: "The President never acted in the matter so as to release Merryman." Mr. Bailey, in his work on Habeas Corpus, section 110, follows Tucker. According to these authors, Merryman, unreleased, still is waiting, still is waiting. War of the Rebellion, Official Records, series 2, volume 2, page 226, shows that Merryman was "transferred to civil authority" sometime (date not given) prior to February 17, 1862. The usually reliable Warren, in his work on The Supreme Court, volume 3, page 96, after referring to the storm of public criticism which met the Merryman opinion, says that 4 years later it was "strongly upheld" in the majority opinion of the Milligan case. "Never," says Mr. Warren, "did a fearless judge receive a more swift or more complete vindication." The unvarnished truth is, the facts in the two cases are dissimilar; the principles necessarily involved in the two cases are not the same; the Milligan opinion does not mention the Merryman case at all, and is so inconsistent and inaccurate that what vindication, if any, the opinion affords Chief Justice Taney is tenuous indeed.

EX PARTE MILLIGAN (1866, 4 WALL. U. S. 2)

Milligan, a citizen of Indiana, charged with conspiracy and insurrection against the Government of the United States, was tried and sentenced in 1864 by a military commission appointed by the President under express congressional authority. The Supreme Court, upon habeas corpus, held unanimously that the commission had no jurisdiction over Milligan. The holding itself is not here questioned, but the opinion of the Court, written by Associate Justice Davis, made some majority pronouncements on martial law which (only) are seriously questioned.[4] The Davis opinion says:

"No doctrine, involving more pernicious consequences was ever invented by the wit of man than that any of its (the Constitution's) provisions can be suspended during any of the great exigencies of government." Standing alone, that declaration would support Taney, but later the Davis opinion, after referring to the fact that in every war, certain measures deemed necessary by the Government, would be opposed by some citizens, makes this entirely inconsistent admission: "In the emergency of the times, an immediate public investigation according to law may not be possible; and yet the peril to the country may be too imminent to suffer such persons to go at large. Unquestionably, there is then an exigency which demands that the Government, if it should see fit in the exercise of a proper discretion to make arrests, should not be required to produce the persons arrested in answer to a writ of habeas corpus."

The Davis opinion, calmly ignoring this admission, then says: "Martial rule can never exist where the courts are open and in the proper and unobstructed exercise of their jurisdiction." This test of martial law is patently incomplete, since it does not provide further that the courts should be competent "to avert threatened danger" and "to punish with adequate promptitude and certainty the guilty conspirators" (opinion of Chief Justice Chase). Indubitably, the acid test must be, Can the courts handle the emergency? The Davis opinion continues: "Martial law cannot arise from a threatened invasion. * * * It is also confined to the locality of actual war." These prescriptions are myopic. A hostile army on our border "might necessitate extraordinary measures * * * although no hostile force had crossed the line" (Hare, Am. Const. Law, p. 965; accord, Willoughby, Const. of U. S., sec. 1051). Excepting military defeat, few acts impair military morale more than persistent civilian attempts to prevent enlistments, procure desertions, weaken confidence, and inform the enemy. These treasonous acts may be in places far from and unaffected outwardly by actual warfare. But since civil procedure is not suited to deal effectively with such acts, the military commander must have and must exercise the power to suppress them, no matter where occurring. "There may be a state of war at any place where aid and comfort can be effectually given to the enemy,

[3] Accordant pronouncements were later made by English Lord Chancellors in *Ex parte Marais* (1901 A. C. 109, 115); *Tilonko* v. *Atty. Gen'l* (1907 A. C. 93, 95).

[4] Mr. Warren wrote in 1919, American Law Review, vol. 53, "It is evident that some of the expressions of Davis, J., in *Ex parte Milligan* (Mr. Warren's 'complete vindication' of Taney, Ch. J.) were loosely and probably inaccurately used." And how!

The celebrated phrase of the Davis opinion, "The Constitution of the United States is a law for rulers and people, equally in war and in peace," was preceded by that of Senator Saulsbury before the Senate, January 8, 1863, "* * * that Constitution which was made for all times—for peace as well as war."

having regard to the modern conditions of warfare and means of communication." (Frederick Pollock, What Is Martial Law? 18 Law Q. Rev., p. 157.)

The Constitution should be construed as a whole, and all provisions harmonized if possible. But where a general power is plainly conferred for a vital purpose, such as the power to wage war, any provision which would limit the power must be equally vital. The occasional preservation of personal or property rights is not comparable to the preservation of the Nation. This statement bears not the faintest implication that the military power may act wantonly. Martial rule is justified as well as limited by the emergency. Justification may be absolute today and wanting tomorrow, if the exigency has terminated. Every military act in violation of civil rights may later be judged civilly by the apparent necessity for it, and the actor held accountable by the civil law for any unwarranted invasion of personal or property rights. Even after 20 years, the English Colonial Governor Wall was not only brought to judgment, but was hanged for his ruthless administration of martial law following an insurrection.[5]

During the War of 1812, General Jackson placed New Orleans under martial law, and banished Dominick A. Hall, a Federal judge who issued a writ of habeas corpus for a military prisoner. When civil authority was restored, Hall imposed a fine on Jackson of $1,000 for alleged contempt, which the latter paid. (Money to reimburse Jackson for the fine was immediately raised in New Orleans by popular subscription; but he, with princely gesture, had the money given to the families of soldiers who had fallen in defense of the city. In 1844 Congress repaid him the fine with interest.)

The Davis opinion is surprisingly inadvertent in its precedential quotations. The opinion states that in reversing the attainder of Thomas, Earl of Lancaster, 1327, the English Parliament adjudged that in time of peace no man should be tried for any offense except by the King's courts, and "that regularly when the King's courts are open it is a time of peace in judgment of law." Neither the Latin copy of that judgment in Hale's Pleas of the Crown, chapter 26, nor its English translation in One Howell's State Trials, page 39, et seq., contains the quotation, in form or substance. It is true that in later years a legal saying arose in England that a place where the courts were open should be regarded as a place of peace. But in medieval times the military disturbances were usually limited to the localities occupied by armed forces, and elsewhere orderly civil procedure was not interrupted. The yardstick of peace in those times is too short for measurement now, since increased facilities of communication and locomotion now extend the disturbances of war to places remote from armed camps (Cyril Dodd, The Case of Marias, 18 Law Q. Rev., on p. 147).

The Davis opinion is equally inattentive in stating that during the celebrated parliamentary debate concerning the trial of the missionary, John Smith, by a military tribunal in British Guiana, Lord Brougham and Sir James MacKintosh said: "When the laws can act, every other mode of punishing supposed crimes is itself an enormous crime." This quotation is attempted from a speech of Sir James, but is not correct. He unequivocally defended martial rule in case of necessity, and, following that defense, said, not "When the laws can act," but "As soon as the laws can act," etc. Lord Brougham also conceded that in case of invasion or rebellion, "when there is no time for the slow and cumbrous proceedings of the civil law," martial law was justifiable. And while both of those statesmen did denounce the trial, they did not speak for England, as the House of Commons, which did so speak, confirmed the trial. (See briefs of counsel, 4 Wall., 53–55 and 99.)

The Davis opinion continues remiss in declaring that our Revolutionary fathers characterized the proclamation of martial law at Boston by General Gage as an "attempt to supersede the course of the common law, and instead thereof to publish and order the use of martial law." The quotation was evidently attempted from a declaration of the Continental Congress. Here is what the records show. On June 12, 1775, General Gage, claiming authority from the Royal Charter of Massachusetts, and stating that "justice cannot be administered by the common law of the land, the course whereof has for a long time past been violently impeded and wholly interrupted," proclaimed martial law "for so long as the present unhappy occasion shall necessarily require."[6] A committee was at once appointed by the Massachusetts Provincial Congress to consider "the late extraordinary proclamation" of General Gage. The report of the committee was filed June 16, 1775, and denied neither his claim of authority nor his statement that the common law was not being administered. The matter was taken up then by the Continental Congress, which, on July 6, 1775, issued a declaration, reciting merely that General Gage, by proclamation, "proceeds (not 'attempts') to supersede the course of the common law," etc., but not controverting his statement that the course of the common law had been impeded and interrupted. Assuming that his statement was correct, because not challenged by those representative bodies, there should be no serious doubt of his lawful right to impose martial law. (See fourth series American Archives, vol. 2, pp. 970, 1416, 1868.)

The Davis opinion is finally inexact in saying: "The Virginia Assembly also denounced a similar measure on the part of Governor Dunmore 'as an assumed power, which the King himself cannot exercise; because it annuls the law of the land and introduces the most execrable of all systems, martial law.'" Henning's Statutes at Large of the Virginia Assembly contain no such denouncement. What the opinion evidently referred to is a "declaration" by a convention of Virginia delegates on December 13, 1775, since the declaration does contain the phrases quoted, though widely separated and in no sense connected by the word "because" or any other word. The declaration did execrate martial law, but did so hypothetically. In a different connection entirely, the declaration did reprobate Lord Dunmore's attempt, as the declaration charged, to employ martial law in violation of the "constitution" (charter) of Virginia, and against loyal subjects of the King of England, in order "to intimidate the good people of this colony into a compliance with his (Dunmore's) arbitrary will." And this it was—the use of martial law arbitrarily—that the declaration said the King himself could not do. (See fourth series, American Archives, vol. 4, p. 82.) Upon the allegations of the declaration, the Dunmore proclamation was clearly unjustified, but the sentiments of the declaration do not warrant the realinement of its phrases as was done in the Davis quotation.

In conclusion, I submit diferentially: In this world of arms, constitutional civil rights will endure only if protected by arms. The constitutional authority of the United States Government to wage war, being unrestricted, implies the full use of the war power. That power is the power of necessity, than which none is greater. What necessity requires, it justifies. Wherefore, not only upon the actual theater of war, but wherever an emergency of war arises, the violation of every civil constitutional right impeding the war power is justified if necessary. At peace, civil law should be absolute; at war, martial rule, wherever necessary, must be absolute.

[5] The Attorney General (later, Lord Ellenborough) said to the jury concerning Wall, that if the circumstances disclosed a reasonable degree of necessity for his conduct, "God forbid that a hair of his head should be touched."

[6] General Gage was the regularly appointed Governor of Massachusetts, and he referred to this provision in the charter: "And wee doe by these presents * * * Ordaine that the Governor shall have full power * * * to use and exercise the law martial in time of actual * * * Rebellion as occasion shall necessarily require. * * *"

Home Owners' Loan Corporation and Home Loan Banks

EXTENSION OF REMARKS

OF

HON. HARRY FLOOD BYRD

OF VIRGINIA

IN THE SENATE OF THE UNITED STATES

Friday, August 4 (legislative day of Wednesday, August 2), 1939

STATEMENT BY HON. HARRY FLOOD BYRD, OF VIRGINIA

Mr. BYRD. Mr. President, I ask unanimous consent to have printed in the Appendix of the RECORD a statement by myself relative to the Home Owners' Loan Corporation and home-loan banks.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

Discussing the so-called spending bill on the floor of the Senate last week, I made certain statements relative to the Home Owners' Loan Corporation and home-loan banks, component parts of the Home Loan Bank Board, which appeared on page 10011 of the CONGRESSIONAL RECORD of July 26, 1939. To those statements Mr. T. D. Webb, vice chairman of the Board has taken exception through means of a letter addressed to the Honorable ALBEN W. BARKLEY which was printed in the CONGRESSIONAL RECORD of yesterday, August 3, 1939.

I wish merely to say that the facts and figures given in my remarks are accurate, according to the Government's own records, and that I had no intention of voicing statements that might be misleading as Mr. Webb interpreted them. I made no complaint against the operations of the institutions for which he speaks, but simply used the Home Owners' Loan Corporation as an example to show losses that might easily and justifiably be expected to result from the type of loans contemplated under the bill then pending.

Since Mr. Webb, as an official of the Home Loan Bank Board has taken exception to my statement, it should be noted that he does not deny that the capital stock of the home-loan banks and the Home Owners' Loan Corporation represents $325,000,000. That was my statement, and in order to make the record doubly

clear I wish here to submit to the Senate and have printed as a part of my present remarks the following official Government statements of the matter:

Home Owners' Loan Corporation (as of Mar. 31, 1938), created by 48 Stat. 129, as amended by Public, No. 178, 73d Cong., and Public, No. 76, 74th Cong.

Obligations (including capital)	Authorized	Issued and outstanding	Owned by	Guaranteed by United States
Stock	$200,000,000	$200,000,000	Secretary of Treasury for United States.	
Debentures, Bonds, Notes	Not to exceed $4,750,000,000 outstanding at one time.	2,938,078,050	Various	(1).

1 3 percent series A 1944–52, 2¾ percent series B 1939–49, 2¼ percent series G 1942–44 guaranteed as to principal and interest by the United States.
4 percent bonds of the corporation due June 1, 1951 (called June 1, 1935), were guaranteed by the United States as to interest.

The Federal home-loan banks (12) (as of Apr. 30, 1938) created by the act of July 22, 1932 (47 Stat. 726)

Obligations (including capital)	Authorized	Issued and outstanding	Owned by	Guaranteed by United States
Stock	Not less than $5,000,000 for each bank.	$160,580,150	1 $124,741,000 2 35,839,150	
Debentures, Bonds, Notes	Indefinite	76,500,000		No.

1 U. S. Government.
2 Members of Federal Home Loan Bank System.

The Secretary of the Treasury is authorized to purchase stock of the Federal home-loan banks in an amount not to exceed $125,000,000. Any institution admitted to membership is required to subscribe for stock in the bank of which it intends to become a member in an amount equal to 1 percent of the total unpaid principal of its home-mortgage loans, but not less than $500. Each Federal home-loan bank shall have power subject to the approval of the Board to borrow money, to give security therefor, and to pay interest thereon, and to issue bonds and debentures having such maturities as may be determined by the Board, secured by the transfer of eligible obligations of borrowing institutions on advances made by the bank to borrowing institutions and by the deposit of home mortgages. The Federal home-loan banks shall be jointly and severally liable for the payment when due of all bonds and debentures and all notes and other obligations issued by any Federal home-loan bank. All obligations of Federal home-loan banks shall plainly state that such obligations are not obligations of the United States and are not guaranteed by the United States.

Taking the Sixth Annual Report of the Federal Home Loan Bank Board as the source of my information, I cited that as of June 30, 1938, more than a year ago, the Home Owners' Loan Corporation had authorized 152,262 foreclosures on properties on which it had made loans—an average of more than 3,000 in every State in the Union. As of that date the Corporation had actually repossessed 75,127 properties, or an average of upward of 1,600 properties in each State. In other words about half of the properties upon which foreclosures have been authorized have actually been repossessed, and of those repossessed more than 50 percent were not at that time rented.

Upon the record I based the prediction that the ultimate loss of the Home Owners' Loan Corporation would certainly equal or may exceed the combined capital stock of both the Home Owners' Loan Corporation and the home-loan banks.

All of Mr. Webb's persuasive argument to the contrary, such is my prediction today, as it was last week. Like so many other lending agencies of the Government, the Home Owners' Loan Corporation has no official appraisal of its assets upon which to forecast its ultimate financial success or failure. Virtually all of them claim they are making money for the Government in one way or another. They may be. On the other hand so far as is actually known, and, moreover, so far as can be learned, they may be in that unhealthy category of the Commodity Credit Corporation, about which we have so discouragingly learned.

In an effort to learn something of these lending agencies—comprising, as they do, a sort of fourth branch of the Government, about which the Government itself and the public generally knows and is able to learn so little—the Senate at this session has provided for an appraisal of assets of these agencies, and, for the first time, we are promised a complete, accurate statement of their financial status. I hope the information will be forthcoming.

I repeat for emphasis, I was not complaining about the operations of Mr. Webb's agencies or any other agency of the Government. I fully understand their purposes and difficulties. I may say that the Home Owners' Loan organization has met with much ability many difficult situations, and losses on such operations are to be expected. I merely cited the conditions and facts in an effort to show what was to be expected as a result of the lending proposals then under consideration.

Dissolution of Borden's and National Dairies

EXTENSION OF REMARKS
OF
HON. FRANCIS D. CULKIN
OF NEW YORK
IN THE HOUSE OF REPRESENTATIVES
Friday, August 4, 1939

PETITION TO ATTORNEY GENERAL TO DISSOLVE BORDEN'S AND NATIONAL DAIRIES INTO THEIR CONSTITUENT PARTS

Mr. CULKIN. Mr. Speaker, on Friday, August 4, 1939, in company with my colleagues—CLYDE H. SMITH, of Maine; B. J. GEHRMANN, of Wisconsin; STEPHEN BOLLES, of Wisconsin; JAMES C. OLIVER, of Maine; WILLIAM LEMKE, of North Dakota; MERLIN HULL, of Wisconsin; FRANK B. KEEFE, of Wisconsin; and R. B. BUCKLER, of Minnesota—I went to the Attorney General's office and presented a petition requesting appropriate legal action be taken for the dissolution of Borden's and National Dairies into their constituent parts. All of the gentlemen above named believe that the present lowly condition of the dairyman is due to a Nation-wide monopoly which exists in the dairy-marketing field. They further believe that no solution of this situation is possible until such time as these monopolies are removed by legal action.

Attorney General Murphy and Mr. Thurman Arnold, in charge of antitrust prosecution, received us very courteously, and we had a full and fair discussion of the issues. The Attorney General assured us that he was in sympathy with us and that the matter would have the attention of his office.

We have made an appointment with Mr. Arnold for Monday, August 7, and will go over that matter in detail with him at that time. We invite the attention of the House to the grievous situation nationally of the 3,000,000 dairymen and their 9,000,000 dependents, and we will keep the Members fully advised of the developments in the situation.

Pursuant to the permission of the House, I append hereto the petition hereinabove described:

REQUEST TO THE PRESIDENT AND TO THE ATTORNEY GENERAL OF THE UNITED STATES TO CAUSE LEGAL PROCEEDINGS TO BE INSTITUTED AGAINST THE NATIONAL DAIRY PRODUCTS CORPORATION AND THE BORDEN CO., OF NEW YORK, TO END ABUSES AND MONOPOLISTIC PRACTICES INCIDENT TO THEIR MONOPOLISTIC POWERS

We, the undersigned, Members of the Congress of the United States from congressional districts vitally affected by the depressed condition of the dairy industry, respectfully petition the President and the Attorney General of the United States to cause to be instituted legal proceedings directed against the National Dairy Products Corporation and the Borden Co., of New York, with specific prayers directed to relief from specific wrongs and monopolistic abuses as follows, to wit:

(1) A decree for the dissolution of said corporations into their original local constituent parts and subsidiaries, with provision for the administration of said parts and subsidiaries by local directors and officials not related to or connected with any holding, directing, or any other company;

(2) That during the pendency of such proceedings and thereafter all individuals, officers, or employers of any master or controlling corporation, or any individual or officer now connected with the administration of said corporations, be enjoined from issuing directions or instructions to any of said subsidiary or local corporations or associations, or from instructing or directing the same as to practices to be followed, as to prices to be paid or charged, as to policies to be pursued, or as to any other procedure which looks to a unified administration of said subsidiaries from a central office, or an administration that is repugnant to the freest possible operation of said subsidiaries by their local members or duly elected officers;

(3) That pending such proceedings and following upon said decree, each and every plant, corporation, or agency possessed by said defendant corporations or operated by them for the purpose of purifying or pasteurizing milk shall be divorced from and operated independently of any plants, corporations, or associations engaged in the manufacture of dairy products, in the distribution of fluid milk or cream or other products, or in any form of processing, mar-

keting, or selling products which issue through said pasteurization plant or health agency, it being the purpose of this section to confine the operations of said pasteurization plant to the purification of milk and milk products, for which said pasteurization plants were designed and intended, and to divorce them from that power of controlling prices and distribution which inheres in the control of the access of milk to market;

(4) That pending said order of dissolution and thereafter, every plant owned, operated, or controlled by said defendant corporation shall be required to receive, pasteurize, and deliver milk at a fixed and reasonable cost for said testing, pasteurization, and bottling, to any and all persons or corporations who may present raw milk to said pasteurization plants for such purification, said charges to be in the nature of "custom" or "tolling" charges at cost plus a reasonable profit for the rendering of this service to the public, it being the purpose of this provision to limit the operation of said purification agencies to the sanitary purposes for which they were created, to provide for the free flow of milk from producer to consumer and to disassociate said health agencies from any power to control the price paid the farmer, the price charged the consumer, or other monopolistic control over said commodity;

(5) That, pending the outcome of this suit, said corporations be required to file a monthly statement with the Clerk of the Court in which said proceeding is pending and with the Clerk of every town and city in which its subsidiaries operate, a monthly statement verified under oath by the chief accountant and the treasurer thereof, which statement shall exhibit the amount of milk received by each of said pasteurization plants or other plants of said corporations, the States from which said milk has been received, the uses to which said milk has been put, the prices paid the farmer for said milk according to said classification, the actual cost of hauling, cooling, and other services, and the charges made producing farmers therefor, and such other information as will disclose the methods of classification and use of milk.

Said defendant corporations shall be further required to provide any organization of producing farmers or any association through which milk is delivered or which represents producing farmers, copies of said monthly reports showing the receipt of milk, its disposition, and the payments to the farmers therefor.

(6) During the pendency of said proceedings said corporations shall be enjoined—

(a) From exercising any influence over or conspiring with any bottle changes, truckmen's union, or other organizations or agencies for the prevention of competition or the exclusion of competitive dealers of milk and dairy products from the areas served by subsidiaries of said corporations;

(b) From entering into any agreement of any nature or description, or from using any powers of coercion to establish and maintain a uniform price for fluid milk or cream or other dairy products within the areas served by them; and

(c) From participating in any associations, institutes, or other agencies for establishing, fixing, and maintaining prices, for determining uses, for coercing farmers as to the use or disposal of their milk, or for any other acts designed to establish and maintain a price-fixing power over any other persons or corporations within the industry;

(d) It is the purpose of said proceedings to end by orders of the court, including preliminary injunctions, the abuses, monopoly powers, and destructive influences now exercised by said corporations over 12,000,000 people on the farm dependent upon the dairy industry and 70,000,000 urban consumers who rely upon milk as a necessary item of food.

Dated: Washington, D. C., August 3, 1939.

Signature and congressional district: Francis D. Culkin, Thirty-second District, New York; Clyde H. Smith, Second District, Maine; B. J. Gehrmann, Tenth District, Wisconsin; Stephen Bolles, First District, Wisconsin; James C. Oliver, First District, Maine; William Lemke, North Dakota, at large; Merlin Hull, Ninth District, Wisconsin; Frank B. Keefe, Sixth District, Wisconsin; Walter M. Pierce, Second District, Oregon; R. T. Buckler, Ninth District, Minnesota.

Hon. Robert Low Bacon

MEMORIAL ADDRESS
OF
HON. RICHARD B. WIGGLESWORTH
OF MASSACHUSETTS
IN THE HOUSE OF REPRESENTATIVES
Tuesday, May 30, 1939

On the life, character, and public service of Hon. ROBERT LOW BACON, late a Representative from the State of New York

Mr. WIGGLESWORTH. Mr. Speaker, the untimely death of Hon. ROBERT LOW BACON has brought to a close an outstanding life-long record of service to both State and Nation, a life true to the high traditions of the family to which he belonged.

The son of a distinguished father who had served both as Ambassador to France and as Secretary of State, he was himself destined to serve his country with distinction both in time of war and in time of peace. His military record included service as a first lieutenant of Field Artillery on the Mexican border in 1916, service as a major of Field Artillery during the World War, and service thereafter as a lieutenant colonel and colonel of Field Artillery in the Officers' Reserve Corps. For his contribution during the World War, he was awarded a Distinguished Service Medal. His record in time of peace included service in the Treasury Department, service as a member of the Republican State Committee, service as a delegate to Republican State and National Conventions, and service for 16 years in the National House of Representatives, with membership on the Committee on Appropriations, the Committee on Education, and other important committees of the House.

I knew BOB BACON in college days. I knew him as a warm friend throughout the remainder of his life. I shared in many of the experiences which life brought to him. I served with him for 8 years on the Appropriations Committee of the House.

Mr. Speaker, BOB BACON gave of himself unsparingly to the service of America. By his character, his ability, and his generosity of spirit, he commanded the respect of all and the affection of a host of friends in all walks of life. Death has deprived America of a devoted and distinguished public servant. It has deprived those close to him of a friend who cannot be replaced.

Cigar Makers' International Union

EXTENSION OF REMARKS
OF
HON. J. HARDIN PETERSON
OF FLORIDA
IN THE HOUSE OF REPRESENTATIVES
Friday, August 4, 1939

LETTER FROM MANUEL GARCIA, JR., CIGAR MAKERS' INTERNATIONAL UNION

Mr. PETERSON of Florida. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following letter:

JOINT ADVISORY BOARD, CIGAR MAKERS' INTERNATIONAL UNION OF AMERICA,
Tampa, Fla., February 25, 1939.

Hon. J. HARDIN PETERSON,
House Office Building, Washington, D. C.

HONORABLE SIR: Please be good enough to extend to all of Florida's Representatives in the House the felicitations of the 7,000 organized cigar workers of the American Federation of Labor, represented by this board, for their patriotic action in voting for the Guam item in the naval appropriations bill in the House.

We consider that a vote against was surrender to interests hostile to America, a retreat unworthy of the Representatives of a democratic and peace-loving people.

We are proud of your vote and that of the other Representatives from Florida in support of the President's foreign policy, which is a policy of peace precisely because it does not capitulate to blackmailers, treaty breakers, and aggressors.

Very sincerely,
MANUEL GARCIA, JR.,
President of the Board.

The Preservation of American Democracy

EXTENSION OF REMARKS
OF
HON. WILLIAM H. KING
OF UTAH
IN THE SENATE OF THE UNITED STATES
Tuesday, August 1, 1939

ADDRESS BY COL. O. R. McGUIRE

Mr. KING. Mr. President, I ask unanimous consent to have printed in the RECORD an address on the subject of

the preservation of American democracy, delivered by Col. O. R. McGuire, chairman of the committee of administrative law, American Bar Association, on July 1, 1939, at Saranac Lake, N. Y., before the New York State Bar Association, dealing with Senate bill 915 and House bill 6234.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

Gentlemen of the bench and bar of New York State, when we posit an inquiry as to whether democracy shall be preserved, there arises the further inquiry as to what precisely do we mean when we use the word "democracy"? Certain it is that we do not mean the condition of governmental affairs which prevailed in the present territory of New York, some three centuries ago, when doughty old Governor Stuyvesant, in denying an appeal, advised the sentenced defendants that: "If I were persuaded that you would divulge your sentences, I would have hanged you at once on the highest tree in New Netherlands"; or when he openly declared on another occasion that: "If anyone during my administration shall appeal, I will make him a foot shorter and send the pieces to Holland and let him appeal that way"; or again when he said that, "It were treason to petition against one's magistrates, whether there was cause or not." Doubtless it would have been much more satisfactory to Peter Stuyvesant if the Dutch statutes had been such that no appeal could have been taken from his decisions! He was far ahead of his times!

It is equally certain that by "democracy" we do not mean that condition of affairs prevailing in this same territory a century later when Peter Zenger was tried before the Lord Chief Justice of New York for criminal libel because he printed a statement that the liberties of the people were precarious and were likely to be brought into slavery if some past proceedings of the Governor of New York were not amended. The "day star of the American Revolution," Andrew Hamilton, in pleading in his eightieth year before His Majesty's Lord Chief Justice on behalf of Zenger, stated that no man in the least "acquainted with history or with law can be ignorant of the specious pretence which have often been made by men in power to introduce arbitrary rule and destroy the liberties of a free people." But what is meant by "democracy" was known to the Lion of the Rocky Mountains, Senator WILLIAM E. BORAH, when he stated that: "All lovers of liberty and all believers in a constitutional democracy must revere the name of Andrew Hamilton," and placed in the CONGRESSIONAL RECORD the inscription on a tablet erected in the Law Building of the New York County Lawyers' Association in commemoration of the voluntary services rendered by Hamilton in his defense of Zenger and at the same time placed in the RECORD the eloquent address delivered by Harry Weinberger at the unveiling wherein it was stated:

"Like threads of gold and silver running through the history of the human race are the stories of the struggles for liberty—liberty which has lifted the human race from its knees to its feet, from its feet to its wings, and made the people at times as nature intended them to be—free men and free women."

As the mother and son could not exist without God, so freedom and liberty could not exist without justice—and justice exists only in lands of far horizons, where the spirits of men are free. Moses searched for justice atop Mount Sinai; justice is the greatest earthly concern of men; and justice is their hope in life eternal. The Maker of the universe, worshiped alike by the Christian, Jew, and Moslem, is conceived to be the epitome of justice, ruling by love; and it is significant that the philosophies of ancient Greece—which were molded by the ancient Romans into an administrative absolutism—were the philosophies of pagans, molded by pagans into a legal system. They knew not a merciful God of justice, and their philosophy, which is to say their law, was a law of force—the law of the sword and the burning fagot—and we dare not overlook the fact that the existence and worship of Lord God eternal are today denied by some modern despots. There was no freedom or liberty for the individual under such a system of ancient law and none today in these European countries whose basic law is that of the ancient civil law—the countries which, too, have their Neros.

Democracy is of the spirit. It is based on the worth and dignity of the individual. In a democratic government the chief aim is the maximum of individual self-direction and the minimum of compulsion by officialdom. Means and ends are conjoined in the concept of freedom—freedom of thought, so that truth may prevail; freedom of occupation, so that careers may be open to talent; freedom of self-government, so that no one may be compelled against his will unless the outward manifestations of that will are such that they injure others. The democratic ways of life are based upon the conviction that in the long run the common interests can be better served by relying upon persuasion rather than upon appeals to force. When governments cease to rely upon persuasion and education and make their appeal to force to secure obedience to the laws, such governments cease to be democratic and become despotisms and tyrannies, or, to use a modern phrase, "totalitarian states."

Therefore when I posited the question at the outset whether democracy shall be preserved, I am really putting to you the issue whether we in America shall preserve the most advanced form of government known to man—a form of government in which the spirits of men are free—or whether we shall permit ourselves to slip back into the most primitive form of government, such as that which prevailed in this State 300 years ago when Peter Stuyvesant's will was law or which prevailed 200 years ago when Hamilton defended Zenger for criticizing a corrupt and tyrannical government—and such as that which prevails today in practically all of the world except that part which is ruled under common-law traditions. I have no doubt that each of you—no matter what may be the racial stock from which you came—would answer in reply to the abstract question that we must by all means preserve democracy, but an answer to the abstract question is not sufficient. The important question is, Where do you stand today and what are you going to do in the fight which is raging from Maine to California against the attempt of a very small minority of our people to fasten upon us that same system of administrative absolutism which was sired by the ancient Greeks and which was nursed into life by the ancient Romans—and upon the arguments that even though the courts are competent to determine issues between individuals, they are not competent to determine issues between the governors and the governed; that the administration of the laws of organized society, that is, of governments, requires the services of "experts"—when there is daily evidence before our eyes that these "experts" are politicians in office for comparatively short periods of time and some of whom do not cease to be politicians while they are in office; that instead of trying to maintain our traditional system of checks and balances in the administration of the law, we should strive for a system under which all administrators are philosophers and all philosophers are administrators—a sort of Chinese form of government where the administrative officers must pass examinations in the classics of the Chinese; and that the tempo of modern government is such that we had better undergo the mistakes and tyrannies of the administrators than to establish machinery of government under which "the regulators may be regulated"—to use the fine phrase of that great New Yorker and member of this bar, the late Elihu Root.

I think it fair to assume that if many men among us today had lived in the days of Peter Stuyvesant they would have advised their clients to pay the fines and suffer imprisonment rather than incur the anger of that old despot; that if they had been called upon to advise Zenger, they would have told him to pay his fine and go to jail rather than fight an arbitrary Governor; that they would have advised Thomas Jefferson that he was indulging in moonshine dreams when he penned the greatest indictment against arbitrary administrative power ever filed in the recorded history of mankind; that they would have advised George Washington to remain at home and cultivate his acres instead of spending 7 long and arduous years as leader of the Continental armies; that they would have advised Aaron Burr and Blennerhasset to plead guilty and go to the penitentiary when arraigned on a charge of constructive treason; and that they would have joined with the copperheads in traducing Abraham Lincoln for attempting to preserve the Union. They certainly would not have been found under the banner of Ethan Allen when he and his followers dared the land speculators of New York—holding grants from the administrative officers of the colonial government of this State issued in defiance of the rules and orders of their superior administrative officers in England—to come and take their homes.

I shall not take your time today to demonstrate that the complexities of modern life are such that vast powers of regulation and control must be vested in government to the end that the greedy and avaricious may not ride booted and spurred over the masses of mankind. I have done that elsewhere, though I may observe that throughout our history ruthlessness and humane dealing have run side by side; in almost equal degree we have exhibited the temper of conformity and of revolt—whether in clearing forests or exterminating the Indians, whether in building railroads or in rigging the market in order to wreck these railroads; whether in establishing free schools or imposing restraints on the freedom of teaching; whether applauding the value of temperance or encouraging the bootlegger. The fact is that the ruthlessness of the buccaneers in charge of the railroads begat the Interstate Commerce Commission; the avariciousness and falsehoods of the manufacturers and distributors of goods begat the Federal Trade Commission; the disdainful and robber-baron attitude of some financial houses on Wall Street begat the Securities and Exchange Commission; the greed and unfair practices combined with the stupidity of broadcasters begat the Radio Commission, now the Federal Communications Commission; and that the misbranding of food, drugs, and cosmetics begat the Pure Food and Drug Administration. There are many other boards, agencies, and officials resulting from similar causes, and in each instance the men who fostered the laws bringing the buccaneers under legal control were more concerned in seeing that the governed were controlled than in seeing that the governors were controlled. We thus have a vast bureaucracy, numbering more than 1,200,000 individuals and reaching into the factories and industries of a continent. One of the single agencies of government—and there are nearly 100 of them—decided more cases in a year than all of the Federal courts combined during the same period, and another such agency, one of the smallest, had more

appeals from its intradepartmental field boards than all of the Federal courts combined during the same period.

It is obviously impossible today for the existing courts to try these cases de novo on the law and the facts, the courts ignoring the work done in the administrative agencies and proceeding anew as in trials between private parties. This was substantially the procedure for the first hundred years of our national history when the courts worked out, on the basis of their general jurisdiction, as stated in the Judiciary Act of 1789, and as amended from time to time, common-law procedure for reviewing on both the law and the facts the acts of collectors of internal revenue and of customs in collecting the taxes necessary to support the comparatively simple governments of these days; when the courts worked out on the basis of the same common-law traditions jurisdiction to review administrative action in seizing vessels on the high seas; in seizing property on the claim that the United States was entitled to priority in the proceeds of such property; in holding private property under color of right, even upon orders of the highest authority; in refusing to carry out the ministerial duties under statutes; in refusing to deliver commissions to public officers; and in various other and sundry governmental activities of the Federal Government during the first century of our national existence. In three instances there were statutes conferring such jurisdiction—one a general statute authorizing the courts to hear and determine de novo claims under foreign patents to lands in the Louisiana and Florida Territories; a second a statute authorized the court to review on the administrative record claims arising under Spanish and Mexican grants in the California Territory; and a third authorized suits for trial de novo against the United States in the Court of Claims in limited classes of actions.

In all of these various classes of cases arising during the first 100 years of our national history, with the exception of the mandamus cases in the District of Columbia courts, the courts claimed and exercised the jurisdiction to review the administrative decisions on both the law and the facts in evidence, though as early as the Swartwout case in 1836 the Supreme Court had to answer the contention made on behalf of the administrative agency that it had no jurisdiction to maintain a suit against a Federal officer acting pursuant to orders of his superior officer. The Court said that—

"The construction of the law is open to both parties, and each is presumed to know it. Any instructions from the Treasury could not change the law or affect the rights of the parties."

In the Lee case, involving the right of the heirs of General Lee to regain possession of the Arlington estate, then in the hands of Federal officers, the Supreme Court held that ejectment would lie against such officers and in answer to the contention on their behalf that for the Court to interfere would result in undue interference with the administration of the laws—some administrators now call it "hamstringing" the administration—Mr. Justice Miller pointed out that tyranny would otherwise result and that—

"The evils supposed to grow out of the possible interference of the judiciary with the exercise of the powers of government essential to some of its most important operations will be seen to be small indeed compared to this evil, and much diminished, if they do not wholly disappear, upon a recurrence of a few considerations.

"One of these, of no little significance, is that during the existence of the Government for nearly a century over the present Constitution, with this principle and practice under it well established, no injury from it has come to that Government. During this time at least two wars, so serious as to call into exercise all the powers and all of the resources of the Government, have been conducted to a successful issue. One of these was a great civil war such as the world has seldom known, which strained the powers of the National Government to their utmost tension * * * yet no improper interference with the exercise of that authority was permitted or attempted by the courts. * * * The slightest consideration of the nature, the character, the organization, and the power of these courts will dispel any fear of serious injury to the Government at their hands."

There should be read in connection with this opinion by Mr. Justice Miller the equally famous and important opinion by Mr. Justice Davis for the Court in the Milligan case, where there was struck down, I hope for all time, just such administrative military boards to try and sentence to death civilians outside of military operations as have been successfully used in our day in some European countries for the same purpose; where, indeed, "the dangers to human liberty are frightful to contemplate," to use a phrase of the Court in the Milligan case.

The point I desire to impress upon you at this time is that for approximately a century the courts exercised jurisdiction to develop practices and procedures whereby they judicially reviewed—either upon the administrative record as in the California Land Commission cases, or in trials de novo—both the law and the facts of the principal classes of administrative decisions affecting the rights of persons and property. But with the end of the nineteenth and the commencement of the twentieth century, within the past 50 years and more particularly since 1912, the courts have been denied jurisdiction to so review administrative decisions arising under many regulatory statutes enacted since 1912. This has been accomplished by prescribing that the review shall be limited to questions of law or approximately that, by requiring the courts to accept the administrative findings of fact if supported by evidence and by failing to require the administrative agencies to digest and analyze the evidence in written findings of facts and written decisions thereon so that the courts could readily determine whether a full and fair hearing had been granted and whether the findings of facts were supported by substantial evidence. You will remember that the Supreme Court a short time ago had to return the Morgan case to the trial court for evidence as to the character of the administrative hearing which had been accorded. Notwithstanding the Morgan case has been four times before the Supreme Court, the Court has been unable to date to secure enough facts to enable it to determine whether the rates fixed by the administrative agency are fair and reasonable and you may be sure that both the taxpayers and the ultimate consumers of packing-house products will have to pay the expenses of this extended litigation.

An outstanding student of administrative law, who is not without distinguished service as an administrator has recently stated that while progressive American thought had long recognized the need for dealing with many complex problems of modern society through administrative agencies:

"* * * it was not supposed that the purpose of the development was in any sense to subject individuals to arbitrary governmental power, or to deprive them of their constitutional and statutory rights. On the contrary, when those who opposed administrative regulation urged as an argument against it that it would inevitably lead to arbitrary power, the reply was made by those who favored the development that it was not intended to have such a result, but that it would be surrounded with adequate safeguards to insure the protection of legal and constitutional rights."

The American Bar Association's administrative law bill is designed to provide adequate safeguards so as to insure the protection of the statutory and constitutional rights of the individual; to provide for more effective supervision over subordinate administrative officials; and to prescribe the procedure which must be followed by administrative agencies if they are unable to administer the law through informal negotiations with the affected individuals and concerns. That is to say, the bill does not attempt to change or modify in any manner the substantive law of any administrative agency of the Federal Government. The bill is solely concerned with the adjective or procedural aspects of administering the statutes and seeks to remove those statutory restrictions against judicial review of administrative decisions of the regulatory agencies which have been placed in the statutes from time to time as the respective agencies were created, since the beginning of the present century. At the same time, the bill seeks to make uniform the scope of judicial reviews of all decisions of administrative agencies covered thereby—to the end that the time and energies of the courts may be released from much drudgery in connection with the older activities of the Federal Government—as to which the law is well settled—so that such saved time and energy of the courts may be used in extending a broader discretionary review to the controversies arising in the administration of the regulatory and control statutes. The uniform review formula for all classes of administrative decisions is found in section 5 of the respective Senate and House bills, as follows:

"Any decision of any agency or independent agency shall be set aside if it is made to appear to the satisfaction of the court (1) that the findings of fact are clearly erroneous; or (2) that the findings of fact are not supported by substantial evidence; or (3) that the decision is not supported by the findings of fact; or (4) that the decision was issued without due notice and a reasonable opportunity having been afforded the aggrieved party for a full and fair hearing; or (5) that the decision is beyond the jurisdiction of the agency or independent agency, as the case may be; or (6) that the decision infringes the Constitution or statutes of the United States; or (7) that the decision is otherwise contrary to law."

Further this bill contemplates that the boasted expertness of administrative agencies shall be brought to the assistance of the reviewing courts and shall be used to speed up the administration of the laws in the following manner: (1) These agencies are to be required to issue rules interpreting and filling in the details of the statutes which they are required to administer. Such interpretation will be a guide to, but not controlling on the courts in arriving at the proper interpretation of the statutes. The rules must be issued after public notice and public hearing, if requested; thus giving the individuals who may be affected by the rules the same opportunity they now have in being heard by committees of the Congress when considering statutes implementing any provision of the Constitution. The individual is to be protected if he acts in accordance with such rules until the end of a 30-day period after publication of notice of the recision or invalidity of the rule. The citizen required to take action under a statute will thus be able to know what the head of the administrative agency may think

the statute means, the service of the rule in this connection being in the nature of an advisory opinion or a declaratory judgment. As a further protection to labor and business organizations, the bill provides that within 30 days after the rule has been issued and published in the Federal Register any person may petition the United States Court of Appeals for the District of Columbia to review the rule and determine whether it is in accordance with the Constitution and the statute. The reasonableness of the rule is not to be subject to judicial review as is now the situation with respect to certain administrative rules and orders issued by some of the New York regulatory agencies. In addition to all this, there is preserved the existing right to have a rule tested out in the merits of any case as it comes before the courts in the regular manner.

As a further aid to the reviewing courts and as a guaranty that quasi-judicial matters will be handled carefully and thoroughly in the administrative agencies, the bill provides that in the single-headed agencies an appeal from an administrative officer must be referred to a three-man intra-agency board for a hearing with all of the traditional safeguards as to the summoning of witnesses, cross-examination, representation by counsel, etc., as obtains in the Federal courts. Where the agency is a multiple-headed one and the board or commission does not itself hear the case in accordance with the procedure I have stated, the case must be heard by an examiner in accordance with such procedure and if counsel for both parties cannot agree as to the order to be entered or decision made, the examiner is required to formulate his findings of facts and written decisions or order which are to be placed before the board or commission for oral arguments. The board or commission is then required to make its findings of facts and decision or order.

Thus, in either event—whether the case is in a single-headed agency or in a multiple-headed one—and cannot be adjusted to the satisfaction of all concerned, a formal administrative hearing is provided in the single-headed agencies where there is now no procedure for same and the formal hearings now available in most multiple-headed agencies are made uniform insofar as the practice and procedure are concerned. In each instance the agencies are required to write out formal findings of facts and a formal decision or order and it will be the fault of the courts if these agencies are not required to write such findings of facts and opinions as will fully digest and analyze the facts in evidence and the law applicable thereto. Thus the courts will have what they do not now have in most instances, an administrative interpretation in the form of rules of the statutes being administered and records uniformly made of all transactions in the hearing of concrete controversies, together with the administrative written analysis of the evidence in the form of findings of facts as well as statements of the law believed to be applicable thereto.

All this is contemplated instead of the existing procedure of dumping upon the courts a written record of thousands of pages of testimony and documents, much of which is irrelevant and immaterial to the issue involved, accompanied by a statement prepared by the agency concerned which does not digest and analyze the evidence. It has been openly charged that in some instances counsel for the agencies deliberately encumber the record with irrelevant material so as to make the cost of printing such that the individual cannot appeal. The Fifth Circuit Court of Appeals has counteracted that action by requiring the printing by each side of that part of the record, one upon which counsel for that side relies.

A number of beneficial results will follow from this procedure. First, the courts will be able to adjudge and determine whether there is substantial evidence to support the findings, whether the decision is supported by the findings and is not otherwise clearly erroneous, and whether the various other tests which I have just read to you from the bill have been met; second, the court can and should have the benefit of all research, investigations, and studies made by the administrative agency of the problem involved, together with such countervailing studies, etc., as the aggrieved individual may make; and, third, the character and fairness of the administrative officials handling the case in and before the administrative agencies necessarily must be improved so as to avoid frequent court reversals.

Such, in brief outline, is the American Bar Association's administrative law bill. You will appreciate that I have not the time today to discuss it in detail. However, the report of my committee, the bill itself, and the Senate Judiciary Committee report are available for your study and I would suggest that, if you have not done so, you should obtain and study these documents—not only because of the importance of the Federal bill to you as lawyers and citizens but because of the assistance you may obtain therefrom in reaching some solution of your own acute administrative law problem. While I cannot take the time to contrast your proposed solution of last year in the judiciary article submitted by your constitutional convention to the voters of the State, and the terms of the American Bar bill, I would suggest that we are proposing to meet the situation by statute rather than by a constitutional amendment; that we are attemping to improve the administration of the laws by requiring the implementation of the statutes and prescribing the procedure to be followed in the exercise of the quasi-judicial power; and that we return to the discretion of the courts the issue in each case whether they shall review the facts in evidence.

It will interest you to know that to date the Senate Judiciary Committee, composed of Democrats and Republicans, has unanimously reported the bill with recommendation that it be enacted into law. It has been approved to date by the board of governors and by the house of delegates of the American Bar Association; by the State bar associations of California, Colorado, Illinois, Iowa, Kansas, Nebraska, Ohio, and Oregon; the city bar associations of Boston, Chicago (in principle), Cleveland, Dallas, Philadelphia, Phoenix, Erie County or Buffalo, New York, and St. Louis; by various large and powerful business and labor groups; and by the committee on administrative law of the National Association of Women Lawyers.

It will also interest you to know that to date the bill has been disapproved by the National Lawyers' Guild; by the Federal Bar Association, composed of Government attorneys in the employment of these agencies; and by the committee on administrative law of the City Bar Association of New York, conjointly with another committee of the same association on Federal legislation. For sake of brevity, I shall refer to the latter report as the Dulles report, Mr. John Foster Dulles, of the Wall Street firm of Sullivan & Cromwell, being the chairman of that committee on administrative law, and having offices, as well as several members of his committee, within a few doors of the offices of Mr. Garey, of my committee. For some reason, as to which I am not advised, this report of May 2, 1939, shares, with a report of the same committee disagreeing with the New York Constitutional Convention's judiciary article, the honor of not having been submitted to the searching debate of and to the vote of the members of the New York City Bar Association.

In general, the report follows the views which Mr. Dulles had earlier stated in an address delivered on January 14, 1939, under the joint auspices of the Harvard Law School and the Bar Association of the City of Boston. I have heretofore called your attention to the fact that this Boston City Bar Association had approved the bill, the approval taking place during the interim between the date of Mr. Dulles' address to that association and the date his report was released and publicized by the National Lawyers' Guild. It may be for that reason that his report has not been permitted to undergo the hazards of an open debate in the New York City Bar Association and a vote of its membership. I may mention in this connection that the Boston City Bar Association had before it a series of lectures delivered by Dean Landis, of the Harvard Law School, which had been printed in book form shortly before Mr. Dulles delivered his address expressing similar views, but the Boston Bar evidently preferred to be guided by the contrary views of former Dean Roscoe Pound, of the Harvard Law School, who both wrote a monumental report in 1938 for my committee and appeared before the Senate Judiciary Committee and testified in support of the administrative law bill. Incidentally, this address was delivered and distributed after the administrative law bill had been before the American Bar Association since the autumn of 1936, had been debated in September 1937 in Kansas City, and again in 1938 at Cleveland, and had been approved on January 7 to 10, 1939, in Chicago by the board of Governors and by the house of delegates. During the meanwhile published appeals were made in the Journal of the American Bar Association and in the Journal of the American Judicature Society for the suggestions, comments, and criticisms of the legal profession—appeals which did not elicit any response whatsoever from either Mr. Dulles or any member of his committee, and this notwithstanding, as I have stated, that the offices of these men are but a few doors removed from those of a very valued member of my committee, who is not here today because he has been engaged on the Pacific coast for more than a month in the trial of a controversy before one of these administrative agencies. However, do not misunderstand me. I concede that these men are perfectly within their rights in failing to even attempt to make any contributions to the formulation of any proposal to stem the existing drift into administrative absolutism—to use a phrase of the Senate Judiciary Committee in reporting the bill—and in leveling what is evidently intended to be destructive criticism at the work of others who have laid aside their personal affairs in attempting to render a service toward the regainment and continuation of our constitutional form of government.

Answering a similar criticism before the Georgia Bar Association a few weeks ago, when I had the honor to be present, United States Circuit Judge Joseph C. Hutcheson, Jr., of the Fifth Circuit Court of Appeals said:

"What I want to reply to is the statement that Professor Sellers made which I think tends to obscure this whole question of administrative action and administrative review, because either it is not understood by those who put it forward or it is not understood by me. I do not know which. I refer to his statement that he cannot agree to any sort of review of administrative orders, which would in any way hamper or limit the regulatory acts of these bodies. Professor Sellers is correct in saying that their purpose is regulatory, and he is correct in saying that in the interest of public policy the regulatory body ought to have free sway—but always within constitutional limits and constitutional provisions.

"My objection to Professor Sellers' statement is that he seems to think that there is a necessary conflict between regulatory power and the rights of man. I say there is no such necessary conflict because as soon as such a conflict arises regulation has ceased and tyranny has begun. I think you have chosen the wrong word, if that is your point. I stand no less for regulation than you do.

"We have to have regulatory bodies, but why do we have to have regulatory bodies which are not constrained by some rule of procedure, under which the man sought to be regulated, who, under the system of government which we have in this country, has the same rights as the Government and to my mind bigger rights, can have the right to be heard in accordance with definite procedure. I say, if a board or commission cannot regulate him without depriving him of his rights, then the board is an illegal board, because the Constitution does not permit such a board to function.

"The Government has rights; individuals have rights; regulatory bodies have rights; and regulatory bodies have to be formed to enable the Government to control the governed, but something has to be done in the interest of the governed to force the Government to control itself, and I do not believe that any regulatory body, whose regulation is interfered with by legitimate rules can be said to be hampered under our Constitution.

"I am for any bill of the State or Federal Government which gives the men who are to be regulated the right to some say so before the boards as to the regulation."

But taking up some of the specific objections in the Dulles report within the limited time at my disposal, I may mention that it commences in the best Schopenhauer manner by stating the extreme reluctance of the members of the committee to disagree with the bill (and I quote) "particularly as we are in complete sympathy with many of the objectives of the framers of the bill." I am sure that you will appreciate that, in this respect at least, these are: "Yet; but" statements—to borrow a characterization in another connection which not so long ago came thundering to us across the invisible air lanes. The "yes, but" part of this report is that:

"* * * detailed legislation, if it would be sound, should not attempt to apply an identical technique to the innumerable agencies and departments which are made subject to the bill. Rather, it should deal with the particular problems arising in each agency or department."

Can you not almost hear Lord Coke and the black-letter lawyers of his day in these two sentences? Did not Lord Coke and his legal contemporaries believe that without a writ there was no right and that they had to frame a particular form of writ for each and every different class of actions which might be brought and was it not precisely this attitude of mind in the England of that day which gave rise to the separate equity and admiralty courts in that country? Was it not that same state of mind which led to separate rules of procedure in the Federal courts for approximately a century and a half in law and equity cases—a distinction which New York abolished in 1848—and even to separate law and equity courts in some of the States? However we in America never went so far as to take the position of the Norman conquerors of England that without a writ there was no right. We now know that we may, and that we have established uniform rules of trial and appellate procedure for both law and equity actions—uniform rules which must be applied in courts of equal jurisdiction over the entire field of judicial action conferred upon such courts in a territory of 3,000,000 square miles and handling more and varied causes of action than were even dreamed of by the black-letter lawyers of two, three, and four centuries ago!

Mr. Justice Frankfurter well stated that rules of procedure are basic and fundamental and are requisite for the preservation of some of the most precious values of civilization. Separate Federal administrative agencies administer but one or two or other small number of related statutes dealing with a single or closely related subject matter. If you will read the administrative law bill you will see that it deals with such fundamental questions of procedure as the right to summon witnesses, the right of cross-examination, the subpenaing of documents, the right of the individual to be confronted with the evidence or confidential reports gathered after ex parte investigations, the right to have all of the transactions in the hearings go into the record for the purpose of showing the bias, ineptness, and ignorance—if you please—of some of the men who conduct such hearings, the right to have an opportunity to argue the case on briefs or orally, and the right to have written findings of fact and written decisions or orders. As it is now, there are no such rights which can be enforced in or before many of the Government departments and agencies, with the result that lobbying activities constitute a profession in Washington, and a few lawyers think that they must wine and dine Government representatives in order to have open a back door to what they believe are the inner sanctums. They refer to this under the more euphonious term of "conferences." I hold that public business is and should be public, so that our people may know at all times exactly how the wheels go round. Those agencies of government where that should not happen because of international or other reasons have been exempted in toto from the bill. I do not say that all the exemptions were granted for that reason, but I do say that the agencies where secrecy should prevail have been exempted. There is a very general suspicion abroad in the United States that there are small groups here and there who do not want the people to know how the wheels go round; that these groups would much rather operate in "conferences" and seek to control the agencies of government, in the last analysis, by political or group pressure.

No honest and informed Government official could possibly object to such a regularized and standardized procedure for the exercise of quasi-judicial functions, as subject thereto he has all possible freedom under the Constitution and constitutional limitations. No dishonest official—or one bearing a sword instead of scales, to use a phrase of Raymond Moley—should have more freedom of action than would be allowed under this bill. In the exercise of the quasi-legislative power the officials are merely required to give public notice in the Federal Register and hold a public hearing, if requested before the time expires for the hearing. They may ignore all of the testimony and issue the rule, subject always to a judicial review to see that they have complied with the terms of the Constitution and statutes. Some of the Federal agencies are now required to give public notice and hold public hearings before rules may be issued, and the rules when issued are subject to judicial review. What is more, a number of agencies in various States, including your own State of New York, are required to follow such procedure.

I think it is obvious that if the Congress may hold public hearings before the enactment of statutes implementing the Constitution, with such statutes subject to judicial test on the grounds that they are unconstitutional, and if some Federal and many State agencies may issue rules implementing the statutes and subject to judicial test, there can be no reasonable basis for any conclusion that all Federal agencies may not do so—and that there is any more reason for establishing separate and often conflicting procedures for each separate agency than there existed reason for refusing a right without a writ and for having separate and distinct rules for law and equity actions.

I am aware that the Dulles committee have stated minutiae of substantive authority of various agencies, principally the Securities and Exchange Commission in support of the position that each agency should be dealt with separately, but we might likewise state minutiae of trials at law and at equity—involving the whole gamut of human activities—as to why there should be a separate writ for each class of rights and why there could be no uniformity of rules of practice in law and equity cases; but no one today would take such a statement seriously. I predict that in 10 years' time no one will take the similar arguments of the Dulles report on this point any more seriously.

Further, the Dulles report states that—

"We consider that three basic principles embodied in the present bill are inconsistent with the proper functioning of many of the agencies subject to it. They are:

"1. The provision that all rules and regulations of the administrative agencies shall be issued only after public hearings.

"2. The provisions for an immediate judicial review of all rules and regulations by proceedings in the nature of a suit for a declaratory judgment.

"3. The provision for intra-agency and judicial review of any decision, act, or failure to act on the part of any officer or employee of an administrative agency by any person aggrieved thereby."

Much of the objections stated in these three points have been answered in what I have just stated, and as my time is drawing short, I must necessarily summarize the answers to these objections. Basically, the exercise of the rule-making power implementing the terms of statutes is the exercise of legislative power. The Congress requires bills which are introduced to be printed. These bills are available to proponents and opponents of the proposed legislation. Publicity is given thereto by newspapers and on the floor of the particular House of Congress. The bills are referred to committees, public announcements are made as to the time and place of hearing; witnesses may testify and produce documents, and they are subject to questioning by the committee members or by counsel for the committees. Finally, the bill is reported to the calendar of the respective Chambers, and there it may be subjected to searching debate. This is so much a part of our legislative procedure that it might well be considered as protected by the Constitution itself. Now, in the language I have quoted to you from Judge Hutcheson's remarks before the Georgia State Bar Association, can you think of one sound reason to deny the man who is to be regulated by a board or other Federal agency the right to have some say-so as to that regulation?

If the individual is entitled to, or permitted by a practice of a century and a half to be heard by a congressional committee when the whole of the legislative power is being exercised, is there a valid reason why he may not be heard by an administrative agency in the exercise of a mere fraction of the legislative power? And what is more, have a look at a great majority of these Federal officials and employees as described by the Attorney General of the United States in his recent address at Asbury Park when he said (and I quote him) that, "The ancient practice of passing out Government jobs in payment of political debts and cease * * *." A large percentage of public jobs has been and is today controlled by machine politics and special interest groups * * * we must

abandon the idea that Government pay roll is a legitimate field for charity and benevolences toward special groups and persons who lack qualifications for public service"; and that—

"The opposition of these groups—special-interest groups—together with public ignorance of much of the inefficiency, graft, and waste resulting from the spoils system, has been enough to undermine virtually every effort to establish and enforce sound personnel management in government."

Now, this is the Attorney General of the United States, not the Dulles report; and the best possible way to eliminate these evils is to establish such a procedure as is provided in the administrative law bill, which will show up inefficiency. However, I pass over without discussion the fact that these men, however capable, are not all-wise, and that they could profit by a formal exchange of views with those who are to be regulated or controlled in their labor or economic activities. I likewise pass over the fact that by such interpretation of the statutes the citizen may know beforehand what his governors may think the statute does mean, and the further fact that with such required interpretation the courts will have before them when they come to decide concrete issues the administrative view as to the meaning of the statutes, which the court may refuse to accept, as they now do, if unsound.

Then, again, this Dulles report objects to the provisions in the bill for an immediate judicial review of all rules and regulations—if deemed necessary or desirable by an interested party—by proceedings in the nature of a suit for a declaratory judgment. The report calmly ignores the provisions in many State statutes, including statutes of the State of New York, for such judicial reviews of rules or orders implementing labor-standard statutes, for instance; and while the report speaks pontifically of reviews in vacuo, it fails to mention that since the 1937 report of my committee the Congress has provided for just that procedure in the Copeland Pure Food, Drugs, and Cosmetic Act and in the Civil Aviation Authority Act—the two principal regulatory statutes enacted since that date. The administration of one is vested in the Department of Agriculture, and the other is vested in a newly created independent agency, and both have had no difficulty in complying therewith, and, so far as I know, not a single petition has been filed requesting a court review of any of these regulations. Dean Pound, in his testimony before the Senate Judiciary Committee, referred to this provision of the bill as being in the nature of preventive litigation. He warmly commended it as being somewhat in accord with the theory of preventive medicine. By some organization representing a large number of members, or by some individual testing such a regulation in the courts before it is placed in operation, much litigation may be prevented. Time and time again cases have been fought to the Supreme Court of the United States based on regulations which were ultimately determined to be contrary to law, and a host of other individuals similarly affected had to take their cases to the courts to prevent the running of the statute of limitations. President Roosevelt rightly complained, and so did business interests, that it took more than 2 years to find out whether the regulations of the Secretary of Agriculture were invalid in their attempt to lay a processing tax. The regulations were not held invalid until after literally millions of dollars had been collected from the people and expended—through no fault whatever of the courts but through defects in procedure. Obviously, a short-cut remedy should be provided for such cases, and any suggestion that the courts would be flooded with such petitions is not correct. In the first place, the average individual would not be interested in testing such a regulation unless it should become involved in the merits of some case for or against the Government to which such individual is a party.

It costs money to pay for the printing of petitions and briefs. The remedy will generally be availed of by large organizations representing labor and business groups, and the jurisdiction for such immediate review has been limited to the Court of Appeals for the District of Columbia, a court which has a bifurcated jurisdiction by virtue of the fact that it is both a common-law court and a constitutional court. The principal business and labor groups are today represented at the seat of government, and they are on constant watch to protect the interests of their members.

Such a proceeding is not unlike that to which lawyers long have been accustomed in the filing of a bill to enjoin the enforcement of some statute, State or Federal, believed to be unconstitutional, but generally today the courts refuse to grant such relief if there is a plain and adequate remedy at law. Similar procedure was long used to test out the rules and regulations of labor unions, and the kaleidoscope of affairs has so turned that today labor unions have their grievances against Federal administrative agencies. They may use such procedure as we have provided to test the rules issued by various labor regulatory agencies of government. The individual laborer cannot test such rules, and American organized labor is determined that it will not be enslaved to the extent it is enslaved under administrative absolutisms in foreign lands. I am in thorough sympathy with labor in this determination.

I have heretofore mentioned the matter of the objection in the Dulles report to the procedure for the hearing and determination of administrative appeals and for judicial reviews thereof. I shall simply add that with the Treasury Department, for instance, 1 of nearly 100 agencies of government, determining better than 603,000 controversies, while all of the courts, both constitutional and legislative, determined but one-hundred-and-forty-one-thousand-odd during a corresponding period, it is obviously impossible to have these cases tried de novo in the Federal courts. One comparatively small agency of government, the Department of Labor, had more intra-agency appeals than all of the United States circuit courts of appeals during a corresponding period. Some method must be provided in the administrative agencies themselves to screen and sift out the more serious controversies. As a matter of fact, in an attempt to do so, many of these agencies now have what are in effect three-man boards for that purpose, and there are a few statutory intra-agency boards. The statutory intra-agency boards, such as the Board of Processing Tax Appeals in the Treasury Department, has jurisdiction to subpena witnesses and documents, hear examination and cross-examination of witnesses, and in general to build a record as in a trial court. However, the intra-agency boards created by rule or order of the head of department or agency have no such authority.

It is physically impossible for the head of any agency to become acquainted with but a fraction of the employees of such agency and he cannot have more than the faintest idea of the great bulk of work pending from time to time in his department or agency. Your famous fellow New Yorker, until he established a residence in Iowa, testified before a Senate committee that he did not know his subordinates in the field were "playing politics with human misery." Some were inclined to disbelieve him. However, if you will give but a moment's consideration to the vast organization he had under him, I think you will be more inclined to believe that he spoke the unvarnished truth. Three employees are generally assigned to approve and pass upon controversies before a Government department or other agency, because with three acting it is much harder for mistakes to be made and much more difficult for pressure groups and lobbyists to bring about a scandal in the agency. Such "check and double check," in the language of Amos and Andy, constitutes protection to the head of the agency and to the public.

Employees in the field—and by that I mean away from the seat of government—are not generally given authority to make final decisions against an individual and their decisions against the Government are usually checked and counterchecked by their superior administrative officers, and if they involve the expenditure of money, a further check is given by the Comptroller General of the United States as to debits against appropriated moneys and by the Commissioner of Internal Revenue as to debits for the refund of taxes. Where the citizen is aggrieved by the field officer or other subordinate's decision, act, or failure to act the general procedure now is for the individual to appeal to the head of the department or agency concerned. In the single-headed agencies the proceeding is wholly ex parte and is usually determined by subordinates in the single-headed agencies, but in the case of multiple-headed agencies the individual may usually obtain a hearing before the board or commission on appeal from the action of the trial examiner or other subordinate.

Obviously the head of the agency or those acting for him ought to have a complete record of the facts—a record prepared with all the care of a proceeding de novo in the courts and the individual ought to be heard. The record being necessary for a proper disposition of the administrative appeal, time and expense are saved by having the judicial review on that record, with sufficient jurisdiction in the courts to see that the findings of fact are supported by the evidence; that the findings support the conclusions; that the conclusions are in accord with the law; and that a full and fair administrative hearing has been accorded to the aggrieved individual. Finally, if the administrative officers do not agree with their own boards as to the interpretation of the law, they should apply to the Congress for a change in the statutes rather than to force the individual to undergo the time and expense of judicial proceedings until some court has interpreted the statutes as the administrative officers think they ought to be interpreted.

Gentlemen, I must close—not because the subject has been exhausted or that I have fully answered the objections stated in the Dulles report but because I dare not trespass further upon your time and patience. In closing, I revert as I commenced to that period of your State history when you undoubtedly had a tyrannical government and I commend to your consideration the ringing words of Andrew Hamilton across more than 200 years of history as he stated to the jury in the Zenger case that:

"Power may justly be compared to a great river; while kept within its bounds, it is both beautiful and useful, but when it overflows its banks, it is then too impetuous to be stemmed; it bears down all before it, and brings desolation and destruction wherever it comes. If then, this be the nature of power, let us at least do our duty, and, like wise men who value freedom, use our utmost care to support liberty, the only bulwark against lawless power, which, in all ages, has sacrificed to its wild lust and boundless ambition the blood of the best men that ever lived."

Also to remind you that Gov. William Kieft, of New York, fined a merchant of this State for giving a written notice of his intention to appeal from a decree of confiscation and condemned that merchant to imprisonment until the fine was paid, the conduct of the merchant being of "dangerous consequences to the supreme authority of this land's magistracy." Who said that it can't again happen here and entirely within the letter of the Constitution through continuing to limit and restrict the jurisdiction of the courts to review administrative action, whether quasi-legislative or quasi-judicial in character?

The South—Economic Problem No. 1

EXTENSION OF REMARKS

OF

HON. JOSIAH W. BAILEY

OF NORTH CAROLINA

IN THE SENATE OF THE UNITED STATES

Saturday, August 5 (legislative day of Wednesday, August 2), 1939

ADDRESSES BY THE PRESIDENT OF THE UNIVERSITY OF NORTH CAROLINA AND HON. JOSIAH W. BAILEY, OF NORTH CAROLINA, AND ADDITIONAL STATEMENTS

Mr. BAILEY. Mr. President, I ask unanimous consent to have printed in the RECORD a discussion of the South as economic problem No. 1, contained in two brief addresses, one by President Graham, of the University of North Carolina, and the other by myself, and also some additional data by way of supporting statements.

There being no objection, the matter referred to was ordered to be printed in the RECORD, as follows:

THE SOUTH IN THE NATION

(Ten-minute talk for the Town Hall of the Air, Chapel Hill, N. C., March 30, 1939)

(By Dr. Frank P. Graham, president, University of North Carolina)

In a discussion of the economic handicaps of the southern people in their struggles toward a fairer society it is needful at the outset to remind ourselves of a great southern heritage as a spiritual resource for transforming "the Nation's economic problem No. 1" into a basic hope for the whole Nation. In the South we find the first English child born in the New World, the first English settlement overseas, the first representative assembly in the Western Hemisphere, the first legally established haven of religious tolerance, the first colonial resolution for American independence, the first three State universities founded in the United States, the first of which to open its doors provides the platform for this Town Hall forum of freedom tonight.

In the South was born George Washington, Father of our Country; Patrick Henry, eloquent voice of liberty and revolution; Thomas Jefferson, author of the Declaration of Independence; James Madison, chief framer of the Constitution; John Marshall, its basic interpreter; James Monroe, promulgator of the American doctrine of the two hemispheres; Jefferson, Jackson, and Lincoln, chief founders of democracy in America; Lee, preeminent soldier and stainless example of American reunion; Booker T. Washington, "American Moses of a modern Israel"; and Woodrow Wilson, the world's major prophet of international cooperation.

The southern people, despite all their faults and failures, have heroically risen from the ruins of war and reconstruction and, despite a great tradition, find themselves under severe economic handicaps which constitute in 1939 a national economic problem. The economic analysis of the South, based on University Institute studies, the reports of the President's Committee on Education, and the National Emergency Council, reveals major groups of assets and liabilities. In the South is one-half of the land with 6 months between the killing frosts, two-thirds of the area with more than a 40-inch annual rainfall, abundant resources of oil, natural gas, coal, iron, limestone, and water power, 40 percent of the Nation's forests, more than a third of the Nation's good farming land, one-half of its marble output, 97 percent of the phosphorus, and 99 percent of the sulfur. The South leads the world in the production of cotton, tobacco, and naval stores.

Yet the Southern States, with these abundant resources and a population more than 97 percent native-born, have the most eroded soils, the poorest housing and health record, the least organization of labor, the most tenants and sharecroppers, the lowest wages and purchasing power, the highest interest rates, the highest illiteracy, the least per capita book circulation, and the lowest proportion of students in high school and college. This section, with 28 percent of the population, receives only 9 percent of the Nation's income, pays 60 percent of the country's fertilizer bill, educates 33 percent of the Nation's children, pays only 12 percent of the national income tax, has less than 11 percent of the bank deposits and has less than $1,000,000,000 of the Nation's more than twenty-eight billions of insurance assets. All these facts indicate a large absentee ownership of the resources and capital which control the economic destiny of the southern people. The total endowment of all the colleges and universities in 13 Southern States does not equal the endowment of two great New England universities. This fact with other factors make for a too large southern export of brains and leadership and contributes to that stream of wealth constantly flowing away from the South.

The southern people are a strong, wealth-producing people but are a weak, wealth-retaining people. The rich topsoil stored up to the value of billions of dollars during millions of years is annually washed wastefully away to the sea. The hundreds of millions of agricultural and industrial wealth whose origin and production are in the South are siphoned away to the great financial centers. The tariff structure, by which the southern and other agricultural people have to buy their manufactured products in a highly protected national market and sell their agricultural products in the comparatively open markets of the world, lifts wealth out of the South. The freight-rate structure, with its high differential against southern farmers, manufacturers, and merchants, draws wealth away from the South. The industrial-financial structure pyramids capital whose great peaks of wealth and power rise far beyond the southern region. The population structure, with its very large proportion of southern school children, constitutes an economic overload for the South, and yet, if justly accounted for, can become one of the chief hopes of the Nation.

We wish to emphasize one basic answer to the southern national problem which is essentially both a rural and an educational problem. We would meet this problem in the interests of rural America in general and of the South and West in particular. Over half of the American States are rural States. Any step which advances the interests of both rural America and public education, advances the well-being of all interests, all sections, and all people. Let us look at the case for the South, for rural America, and for more equal educational opportunity of all the children in all the States.

In 1930 the farm people in the United States obtained 9 percent of the Nation's income and yet supported 31 percent of the Nation's children. Southeastern farm people with approximately 4,250,000 children received 2 percent of the national income while Northeastern nonfarm people with approximately 8,500,000 children received 42 percent of the national income. A higher tax rate is required to provide less than $30 per child invested in the public schools in three States than is required to provide more than the $120 per child in the three other States. In the States with the least economic ability the people pay the highest tax rate for the education of their children on the lowest plane in the Nation.

An economic, social, and cultural lag in any part of the country is an economic, social, and cultural damage to all parts of the country. Forty percent of the young people, 10 to 20 years old on farms in 1920 were in urban areas at the end of the decade. Sixty percent of this net migration was from southern rural areas. The region with less than a third of the population has more than 50 percent of the excess of births over deaths in the Nation. A large proportion of the children who in their nonproductive years are supported and educated by rural people become in their economically creative years the producers in the vital industries and the citizens of the urban communities. The quality of the education in these rural areas is a matter of vital concern to the industries, the cities, and the people of the whole country. Economic inability and educational overload coincide in the same rural and sectional areas to fix educational inequality and to impair the foundations of our national democracy. Just as within the States children in rural localities can have a fairer educational opportunity only through State aid to the localities, so children in the rural States can have a more equal educational opportunity only through Federal aid to the States.

The Federal Government is the only agency which can redress this economic and educational imbalance between the metropolitan areas of the greatest concentration of wealth in proportion to children and the rural areas of the greatest concentration of children and the least proportion of wealth. Three-fourths of the cost of public education is carried by taxation of property chiefly local. For the most part taxation of agricultural property is taxation of the people on the farms where the tax is imposed. It cannot readily be shifted. Taxation of financial and industrial wealth, to an increasing extent in our integrated national industrial society, is shifted to the consumers of the whole Nation. Since all sections, all resources, and all the people combine to produce the wealth concentrated in the great centers and since all the people as consumers help pay the taxes on this wealth, it is just that a little bit of the income from this wealth as Federal aid to public education should go back to the States whence it came and where are now the largest proportion of children whose equality and quality of education determine the future of democracy in America.

With democracy in retreat in many parts of the world, may America give a lift to the democratic hopes of the forgotten millions with a new declaration for equitable and democratic Federal supplements to public education under State control in the American way for the fairer chance and more equal opportunity of all the children in the Southern States and of all the children in the United States. With more equal opportunity for their children, the Southern people will have a fairer chance in the house of their fathers to play a larger creative part in the great adventure of making a more prosperous, freer, and nobler America.

NOTE

It is suggested that the discussion might be aided by a definition of "the South." If, for example, we exclude from consideration the Southeastern States of Maryland, Virginia, and North Carolina, the border States of Kentucky and Tennessee, and the Southwestern State of Texas, quite a case may be made as to economic conditions in the cotton States in which the population of Negroes is

comparatively excessive. But the problem would be more local than national.

In this connection it is interesting to consider that on March 30, 1939, the President, speaking at Auburn, Ala., stressed conditions in "the lower South," and said of the South as a whole that it was entirely able to finance its industrial progress.

IS THE SOUTH THE NATION'S ECONOMIC PROBLEM NO. 1?

(An address to Carolina Political Union, University of North Carolina, March 30, 1939, by JOSIAH W. BAILEY, United States Senator)

I. What is alleged as the basis of the statement that the South is the Nation's No. 1 economic problem?

The President says it is the problem of low industrial wages and low family consumer income in the South as compared with other regions.

What are the facts?

First. In the report relied on by the President, the National Emergency Council declares: "During the year 1933 the percentage of wages to the value added by manufacture was 60.8 in five States in New England as against 55.5 in five Southern States." So what? And why go back to 1933?

The standard of ratio of wages to value added by manufacture is correct; but the comparison is manifestly unsound and misleading. It proves nothing. We must compare all the Southern States with all the others as of most recent dates—not five unnamed Southern States with five unnamed New England States as of 1933. The fact is, the southern textiles pay in wages 64.4 percent of the value added by manufacture. The national average is 62.2.

All industrial workers in the South are paid within 1 percentage point of the national average paid in wages of the value added by manufacture. The South's ratio is 37.9; the national ratio is 38.7. Compare North Carolina with New York City. We pay 40.2, New York pays 30.5. One might say that New York City is the Nation's economic problem No. 1, if current logic is to be accepted.

Second. But it is contended that consumer family income in the South is so far below the national standard that it constitutes the South the Nation's economic problem No. 1. What are the facts?

Here is the 1938 statement of the President's National Resources Committee on consumer incomes on average income per family: National average, $1,612 per year; southern average, $1,326; difference, $286.

Does that difference (17 percent) constitute the South the Nation's economic problem No. 1? We fall below the group of Mountain States by only $37, below the national average by only $286. And we offset the small deficiency by lower taxes, short winters, abundant gardens, smaller fuel bills, lower rents. There is a further significant factor, in that the W. P. A. pays workers $600 per year in the North compared with $360 per year in the South, and the income data is for all families. And remember, $16,000,000,000 have been distributed on this basis since June 1933. Southern real income is obviously not less than the national average and probably above it. And it is nearly twice the income received by one-third of the Nation.

And this notwithstanding we have a population of 2,500,000 Negro workers, unskilled, notably low-wealth producers, competing with all other unskilled workers.

It is granted that wages in certain trades peculiar to certain localities in the North are higher, in the manufacture of automobiles, steel products, finished goods, for example, and that this plus Federal aid has lifted the general money wage level in the North above the southern level. But is it proposed that the South go into those types of production? By no means; the contention is that we must pay in textile industries wages equal to wages paid in the manufacture of automobiles, machines, machine tools, finished goods. Wages are in direct ratio to wealth produced, and a worker in fibers is never paid as is a worker in steel or automobiles. There is need of more of such industries in the South, and as they come they will pay wages commensurate with the value added by manufacture as the textiles do.

The whole theory is blown up not only by the data as to wages and income, but by simple facts of current record. Federal relief expenditure is more than twice per capita in the North and West than in the South. Pennsylvania, with 9,000,000 population, gets more relief money than 11 Southern States with 29,000,000 population. New York State gets more than 13 Southern States. Expenditures per family per State in 8 States exceed $200 per year; but in no Southern State do relief expenditures amount to $100 per family. No Southern State received the equal per family of the national average in W. P. A., P. W. A., and C. C. C. payments. Only 3 Southern States received the equal per family of the national average in A. A. A. payments. The South has withstood the long depression better than any other section, as shown by every chart of trade and industry from 1929 until now, and it has received less of Federal aid in every activity. It could not have done so without relatively superior economic conditions.

The South has not only the highest birth rate, but its death rate is lower than the national average. The 1937 figures are: Death rate in the South, 10.8 per thousand; for the United States, 11.2. And death rates are related to poverty.

Such are the facts exploding the theory of the South as the Nation's economic problem No. 1 as founded upon comparisons of wages and income. (All figures are derived from official sources and may be verified.)

II. There is no Nation's problem here except the problem of a just national policy. All else—and that, too, I think, is for southern men and women. What is that problem?

The national policy for 80 years has favored other regions and been adverse to the South. Freight rates have long been higher in and into southern territory than in and into northern—an internal tariff for the North and against the South. The Federal Government subsidized great railroad systems from the West to the North—and not a mile in the South or to the South. There were billions in pensions to Union soldiers, none to the South. Immense sums have been spent developing canals, rivers and harbors, and ports serving the North—comparatively small sums in the South. The Congress has maintained an external tariff policy frankly contrived to aid northern industry at the expense of the South. Only two American farm products are taxed by the Federal Government; both are southern crops: One, tobacco, from which as converted into cigarettes the Federal Government takes $1 per pound; the other, cotton, the oil produced by the seed of which is taxed at rates intended to be prohibitive when converted into food—not to mention so-called cotton and tobacco control taxes—the only crop-production taxes in the Republic. Mr. Secretary Wallace says that Federal curtailment of the cotton crop was equivalent to providing a market for 150,000,000 bushels of western corn; that is, $90,000,000 contributed in the midst of the depression by southern cotton farmers to western corn producers. Consider the section of the Farm Control Act intended to deprive southern farmers of Federal benefits if they increase production in grain, livestock, dairy products, or poultry and eggs for market. Consider the American trade agreement in which concessions are made to Canada at the expense of southern pine. Consider the trade agreement with the United Kingdom, in which concessions were obtained for western wheat, but none for southern cotton or southern tobacco—upon which latter England continues to impose $2.50 per pound. Concessions for the North and West, burdens for the South. And recent public policy has accelerated the loss of the foreign market for our cotton. We may be pardoned for being impatient of advices from Federal authorities until they give us justice.

III. There is a southern task, and it is largely the task of getting, after 80 years, a square deal in the national policy. That is to be had only by political ultimatum plus the will to exact it.

With a determined national policy against us since 1870, southern men and women have increased southern property values from $5,000,000,000 to $70,000,000,000—1,400 percent—20 percent a year net gain in wealth for 70 consecutive years, after paying all living expenses and a great share of the Federal taxes. Amongst other things southerners are paying annually $500,000,000 in life-insurance premiums. With the national policy against us, our population has multiplied by 3, our wealth by 14. And now they tell us we are the Nation's problem child. Bankrupted by war, razed to the earth by reconstruction, and throttled ever since by an adverse national policy, the progress of the South under the circumstances proclaims its advantages and the capacity of the southern people.

IV. It must be considered that the South is agricultural, and therefore improvement of the status must be directed to farmer prosperity. The essence here is that the farmer's purchasing power cannot be improved so long as there is gross disparity between prices he receives and prices he pays. Here I present the adverse consequences to a great agricultural region of ever-increasing costs of government reflected in taxes and a national policy of elevating industrial wage levels by law, by taxation, and by coercion under administrative favor. Each factor increases prices paid by farmers and tends to reduce their real income. It amounts to price fixing, without protection to the farmers either when buying or when selling.

It is agreed that 2,000,000 cotton farmers are receiving inadequate rewards for their cotton. National policy has required them to sell in a free world market and buy in a protected home market, and at long last under national policy they see their foreign market vanishing, and they are turning to the production of foods for the domestic market. It is a shift of great import not only to the South but to food producers in the North and Middle West. It portends good rather than evil for the South, tending to establish the family-sized farm and reduce tenancy. As to the capacity of southern farmers, consider that under adverse national policy they increased the annual value of their crops from $600,000,000 in 1870 to $3,300,000,000 in 1937.

It is not contended that the South has no problems. It is agreed that there are great and desirable advances to be made. But it denied that upon the facts southern problems and needs constitute in any aspect the Nation's No. 1 economic problem. And it is contended that southern people have proved under most adverse conditions their capacity to attend to their affairs. Federal interference once destroyed us. Federal handicaps have held us back for 80 years. Remove them and the South under southern leadership will show the way to all the country.

V. Finally, agreeing that there is an economic problem peculiar to the South, can it be regarded as the Nation's No. 1 economic problem?

How about the problem of inducing return to the investment by private persons of $12,000,000,000 annually in private enterprise?

How about the problem of returning 11,000,000 persons to normal employment—by far the most of them in the North in ratio to population?

How about the problem of lifting the national real income to $90,000,000,000?

How about the problem of adjusting the relations of employer and employee?

How about the problem of restoring equilibrium in our international trade?

How about the problem of 40,000,000 Americans drawing money from public treasuries—by far the most of them in the North in ratio to population?

Is it contended that solution of the problem of the South will solve those great problems—or is primary to their solution? If so, the people of the United States are far better off than anyone has thought them to be these 9 years.

DATA FILED BY HON. JOSEPH W. BAILEY, OF NORTH CAROLINA, WITH FOREGOING ADDRESS

Year 1935 (figures in millions)

All manufacturers in—	
A. United States (p. 11, 1938 Blue Book of Southern Progress):	
Value of products	$45,760
Cost of materials	26,263
Value added by manufacturing (100 percent)	19,497
Wages were (38.7 percent)	7,545
B. South (p. 11, 1938 Blue Book of Southern Progress):	
Value of products	8,632
Cost of materials	5,411
Value added by manufacturing (100 percent)	3,221
Wages were (37.9 percent)	1,222
C. North Carolina (p. 11, 1938 Blue Book of Southern Progress):	
Value of products	1,112
Cost of materials	734
Value added by manufacturing (100 percent)	378
Wages were (40.2 percent)	152
D. New York City (World Almanac, 1938, p. 511):	
Value of products	3,666
Cost of materials	1,756
Value added by manufacturing (100 percent)	1,910
Wages were (30.5 percent)	582
Cotton-goods manufacturers in—	
A. United States (p. 16, 1938 Blue Book of Southern Progress):	
Value of products	1,031
Cost of materials	627
Value added by manufacturing (100 percent)	404
Wages were (61.4 percent)	248
B. South (p. 16, 1938 Blue Book of Southern Progress):	
Value of products	721
Cost of materials	460
Value added by manufacturing (100 percent)	261
Wages were (64.4 percent)	168
C. North Carolina (p. 16, 1938 Blue Book of Southern Progress):	
Value of products	234
Cost of materials	144
Value added by manufacturing (100 percent)	90
Wages were (62.2 percent)	56

TABLE 1.—*Population of the South, by color: 1930, 1870, and 1860*

	White population			Negro population		
	1930	1870	1860	1930	1870	1860
The South [1]	27,114,272	7,672,710	6,882,621	9,196,907	4,454,613	4,061,168
Maryland	1,354,170	605,497	515,918	276,379	175,391	171,131
Virginia [2]	1,770,405	712,089	1,047,299	650,165	512,841	548,907
West Virginia	1,613,934	424,033	----------	114,893	17,980	----------
North Carolina	2,234,948	678,470	629,942	918,647	391,650	361,522
South Carolina	944,040	289,667	291,300	793,681	415,814	412,320
Georgia	1,836,974	638,926	591,550	1,071,125	545,142	465,698
Florida	1,035,205	96,057	77,746	431,828	91,689	62,677
Kentucky	2,388,364	1,098,692	919,484	226,040	222,210	236,167
Tennessee	2,138,619	936,119	826,722	477,646	322,331	283,019
Alabama	1,700,775	521,384	526,271	944,834	475,510	437,770
Mississippi	996,856	382,896	353,899	1,009,718	444,201	437,404
Arkansas	1,374,906	362,115	324,143	478,463	122,169	111,259
Louisiana	1,318,160	362,065	357,456	776,326	364,210	350,373
Oklahoma [3]	2,123,424	----------	----------	172,198	----------	----------
Texas	4,283,491	564,700	420,891	854,964	253,475	182,921

[1] South Atlantic Division, East South Central Division, and West South Central Division.
[2] Includes population of West Virginia for 1860.
[3] Not a State in 1860 and 1870.

TABLE 2.—*Death rates (number per 1,000 estimated population) in selected areas: 1907–37* [1]

Year	Southern States	United States
1937	10.8	11.2
1936	11.3	11.5
1935	10.5	10.9
1934	10.7	11.0
1933	10.2	10.7
1932	10.5	10.9
1931	10.9	11.1
1930	11.5	11.3
1929	12.0	11.9
1928	12.1	12.1
1927	11.5	11.4
1926	12.6	12.3
1925	12.0	11.8
1924	12.1	11.7
1923	12.2	12.2
1922	11.4	11.7
1921	11.5	11.6
1920	12.8	13.0
1919	13.1	12.9
1918	17.9	18.1
1917	14.2	14.3
1916	13.9	14.0
1915	13.9	13.6
1914	14.0	13.6
1913	14.2	14.1
1912	14.1	13.9
1911	14.5	14.2
1910	16.7	15.0
1909	16.2	14.4
1908	16.5	14.8
1907	17.2	16.0

[1] Statistics for States included in the death registration area. The number of States in the death registration area included 15 States in 1907, and 48 States since 1933. The Southern States included in the death registration area in 1907 were Maryland, Delaware, and the District of Columbia. By 1916 Virginia, Kentucky, North Carolina, and South Carolina were added. All Southern States are included since 1933.

TABLE 3.—*Assessed valuation of all property subject to the general property tax in Southern States for 1860, 1870, and 1932*

	1860	1870		1932
		Current basis	Gold basis	
Maryland	$297,135,238	$423,834,918	$339,067,934	$2,761,586,000
Virginia	657,021,336	365,439,917	292,351,934	2,353,629,000
West Virginia	----------	140,538,273	112,430,619	1,877,968,000
North Carolina	292,297,602	130,378,622	104,302,898	2,830,758,000
South Carolina	489,319,128	183,913,337	147,130,670	407,909,000
Georgia	618,232,387	227,219,519	181,775,615	1,267,790,000
Florida	68,929,685	32,480,843	25,984,674	520,454,000
Kentucky	528,212,693	409,544,294	327,635,435	[1] 3,059,586,000
Tennessee	382,495,200	253,782,161	203,025,729	1,663,892,000
Alabama	432,198,762	155,582,595	124,466,076	1,210,876,000
Mississippi	509,472,912	177,278,890	141,823,112	692,655,000
Arkansas	180,211,330	94,528,843	75,623,075	554,835,000
Louisiana	435,787,265	253,371,890	202,697,512	1,666,140,000
Oklahoma	----------	----------	----------	1,753,601,000
Texas	267,792,335	149,732,929	119,786,343	4,241,683,000
Total	5,159,105,873	2,997,627,031	2,398,101,626	26,863,362,000

[1] Includes $933,464,630 intangible personal property taxed for State purposes only

Department of Commerce, Bureau of the Census, Washington.

DEPARTMENT OF COMMERCE,
BUREAU OF THE CENSUS,
Washington, March 14, 1939.

Hon. JOSIAH W. BAILEY,
United States Senate, Washington, D. C.

MY DEAR SENATOR: In response to your telephone request of March 11 for additional comparative statistics for the South in 1870 and the present, I am enclosing tables giving figures for industrial pay rolls, number of industrial workers, insurance premiums, total taxable wealth, and investment in industry. Not all of the data are available for the dates requested, but in each case the nearest dates to 1870 and the present for which data can be obtained are included.

Table 1 shows the number of wage earners and the amount of wages paid in manufacturing industries in 1870 and in 1937. The figures for 1870 include hand and neighborhood trades, while those for 1937 exclude hand and neighborhood trades as well as other manufacturing establishments with a value of products of less than $5,000. This exclusion is of relatively small importance in its effect on the total figure, perhaps amounting to 10 percent of the total number of wage earners and of the total wages paid.

Table 2 shows the amount paid in life-insurance premiums, by States, for 1895 and for 1937. The figures are not available by States for years earlier than 1895.

Table 3 shows the estimated total taxable wealth in the South in 1870 and in 1922. In my last letter I supplied you with statistics on assessed valuations for 1870 and for 1932, but without

showing the estimated true values of these properties since such estimates are not available for 1932. However, you may be interested in the figures for 1922 which are available, and included in table 3. The estimates are rough. The figures for 1870 are shown on both a currency and a gold basis.

Table 4 shows the investment in manufacturing industries in 1889 and in 1919. These are the earliest and latest dates for which reasonably comparable statistics on investments in industry are available. Satisfactory statistics on capital invested have never been collected, and these statistics are of doubtful value. It will be better to place greater emphasis on the growth in the number of wage earners and wages paid than on these statistics of investments in industry. More recent data on investments in industry are available from the Bureau of Internal Revenue reports, but these are incomparable with the Census statistics.

The tabulation below shows the total horsepower of prime movers and electric motors (driven by purchased energy) in the South and in the entire United States for 1870 and for 1929. These figures, together with those for wage earners and wages paid, provide a better picture of the growth of industry than do the available statistics on investments in manufacturing industry.

Total horsepower of prime movers and of electric motors (driven by purchased energy)

	Southern States	United States
1870	364,342	2,346,142
1929	8,066,924	42,931,061

I shall be glad to have the opportunity to serve you further.

Very truly yours,

W. L. AUSTIN, *Director.*

TABLE 1.—*Wage earners and wages paid in manufacturing in Southern States, and in the United States, 1870 and 1937*

State	1870		1937	
	Number of hands employed	Wages	Wage earners (average for year)	Wages
Maryland	44,860	$12,682,817	145,932	$156,995,227
Virginia	26,974	5,343,099	132,643	112,773,796
West Virginia	11,672	4,322,164	83,464	102,511,473
North Carolina	13,622	2,195,711	258,771	189,265,474
South Carolina	8,141	1,543,715	129,749	91,791,692
Georgia	17,871	4,844,508	159,496	110,501,344
Florida	2,749	989,592	52,005	36,501,359
Kentucky	30,636	9,444,524	68,998	66,248,664
Tennessee	19,412	5,290,630	135,073	109,247,514
Alabama	8,248	2,227,968	120,301	96,058,401
Mississippi	5,941	1,547,428	46,040	26,383,931
Arkansas	3,206	673,963	37,280	24,734,112
Louisiana	30,071	4,593,470	76,057	60,203,023
Oklahoma			29,551	34,390,477
Texas	7,927	1,787,835	129,501	132,505,115
Total for South	231,330	57,587,424	1,604,861	1,350,111,602
United States total	2,053,996	775,584,343	8,569,578	10,112,808,089

1870 data includes data for all establishments, including neighborhood and hand trades reporting a value of products over $500.

1937 data is for establishments reporting a value of products over $5,000 and does not include neighborhood or hand trades.

TABLE 2.—*Life-insurance premiums in Southern States, 1895 and 1937*

State	Premiums received during 1895	Premiums received during 1937
Maryland	$3,182,722	$53,958,166
Virginia	2,228,686	44,601,577
West Virginia	651,341	27,348,982
North Carolina	1,233,548	41,384,428
South Carolina	864,215	20,565,882
Georgia	2,502,418	41,023,114
Florida	535,682	27,527,681
Kentucky	3,788,502	34,866,801
Tennessee	1,564,780	48,264,957
Alabama	1,037,508	25,728,636
Mississippi	670,535	14,359,202
Arkansas	762,407	14,272,536
Louisiana	1,998,668	29,375,413
Oklahoma	24,507	29,367,732
Texas	3,307,089	79,632,571
Total for the South	24,352,608	532,277,678

Source: The Insurance Year Book of the Spectator Co., for 1896 and for 1938.

TABLE 3.—*Value of all taxable wealth in the Southern States and in the United States, 1870 and 1922*

State	1870		1922
	Currency basis	Gold basis	
Maryland	$644,000,000	$515,000,000	$3,742,000,000
Virginia	410,000,000	328,000,000	4,542,000,000
West Virginia	191,000,000	153,000,000	4,446,000,000
North Carolina	261,000,000	209,000,000	4,381,000,000
South Carolina	208,000,000	167,000,000	2,289,000,000
Georgia	268,000,000	215,000,000	3,726,000,000
Florida	44,000,000	35,000,000	2,329,000,000
Kentucky	604,000,000	483,000,000	3,401,000,000
Tennessee	498,000,000	399,000,000	3,975,000,000
Alabama	202,000,000	161,000,000	2,891,000,000
Mississippi	209,000,000	167,000,000	2,081,000,000
Arkansas	156,000,000	125,000,000	2,520,000,000
Louisiana	323,000,000	259,000,000	3,237,000,000
Oklahoma			3,627,000,000
Texas	159,000,000	127,000,000	9,453,000,000
Total for the South	4,177,000,000	3,343,000,000	56,640,000,000
United States, total	30,069,000,000	24,055,000,000	300,298,000,000

1937 fire-insurance premiums paid by residents in the South

Alabama	$4,544,349
Arkansas	3,672,435
Florida	6,062,998
Georgia	6,256,207
Kentucky	6,625,841
Mississippi	4,005,688
Louisiana	5,435,937
North Carolina	7,112,562
Oklahoma	4,538,471
South Carolina	3,128,551
Tennessee	6,272,577
Texas	14,308,834
Virginia	5,984,074
Total	77,948,524

Based on figures contained in Premiums and Losses, which was published in 1938 by the National Board of Fire Underwriters, 85 John Street, New York, N. Y.

TABLE 4.—*Capital in manufacturing industries in the Southern States in 1889 and in 1919*

State	1889	1919
Maryland	$119,667,316	$619,606,983
Virginia	63,456,799	463,644,498
West Virginia	28,118,030	339,189,678
North Carolina	32,745,995	669,144,096
South Carolina	29,276,261	374,537,636
Georgia	56,921,580	448,700,194
Florida	11,110,304	206,293,570
Kentucky	79,811,980	276,535,395
Tennessee	51,475,092	410,203,443
Alabama	46,122,571	455,592,733
Mississippi	14,896,884	154,117,337
Arkansas	14,971,614	138,817,974
Louisiana	34,754,121	462,209,057
Oklahoma	95,519	277,034,318
Texas	46,815,181	585,776,451
Total for the South	630,249,247	5,881,403,363
United States total	6,525,156,486	44,466,593,771

TABLE 5.—*Value of agricultural products in the South, 1929 and 1869*

	1929 [1]	1869 [2]
The South	$3,850,801,772	$604,846,190
Maryland	106,830,723	28,275,142
Virginia	224,610,630	41,419,841
West Virginia	83,044,658	18,703,754
North Carolina	312,070,990	46,276,752
South Carolina	164,289,928	33,527,522
Georgia	278,870,692	64,312,182
Florida	110,754,624	7,127,797
Kentucky	239,846,885	69,981,899
Tennessee	255,224,035	69,178,278
Alabama	251,997,166	54,017,868
Mississippi	314,366,305	58,510,362
Arkansas	253,605,050	32,561,359
Louisiana	172,885,803	41,605,298
Oklahoma	317,985,495	
Texas	764,418,788	39,348,136

[1] Does not include the value of domestic animals sold or slaughtered (not estimated for 1929), or the value, of turkeys, ducks, and geese raised.

[2] Has been reduced to gold basis. Includes betterments and additions to stock.

TABLE 4.—*Value of farm property for the Southern States, censuses of agriculture, 1850 to 1935, by color of farm operator*

[Data not available where figures are not shown]

Item	Jan. 1, 1935	Apr. 1, 1930	Jan. 1, 1925	Jan. 1, 1920	Apr. 1, 1910
Value of farm property		$14,562,731,023	$13,254,462,412	$18,174,401,285	$8,972,126,889
White operators				15,547,541,463	7,855,485,313
Colored operators				2,626,859,822	1,116,641,576
Value of farm land and buildings	$8,736,858,459	12,343,593,204	11,539,207,263	15,156,654,907	7,353,431,195
White operators	7,948,456,037	10,950,488,263	10,243,397,759	12,928,803,200	6,453,298,861
Colored operators	788,402,422	1,393,104,941	1,295,809,504	2,227,851,617	900,132,334
Value of farm buildings		3,074,587,112	2,553,648,100	2,831,772,156	1,427,156,126
White operators		2,736,241,884		2,451,526,481	1,264,655,914
Colored operators		338,345,228		380,245,675	162,500,212
Value of farm dwellings		2,007,765,236			
White operators		1,755,082,483			
Colored operators		252,682,753			
Value of implements and machinery		696,740,267	572,054,228	771,144,533	293,289,857
White operators		636,550,030		680,756,446	259,512,739
Colored operators		60,190,237		90,388,087	33,777,118
Value of farm land alone		9,269,006,092	8,985,558,163	12,324,882,751	5,926,275,069
White operators		8,214,246,379		10,477,276,809	5,188,642,947
Colored operators		1,054,759,713		1,847,605,942	737,632,122
Value of livestock		1,522,397,552	1,143,200,921	2,246,601,845	1,325,405,837
White operators				1,937,981,727	1,142,673,713
Colored operators				308,620,118	182,732,124

Item	June 1, 1900	June 1, 1890	June 1, 1880	June 1, 1870	June 1, 1860	June 1, 1850
Value of farm property	$4,269,854,719	[1] $3,223,917,187	[1] $2,343,453,640	[2] $1,647,810,603	$2,879,492,615	$1,351,466,636
White operators	3,781,805,483					
Colored operators	488,049,236					
Value of farm land and buildings	3,279,021,509	2,575,342,268	1,873,329,846	1,288,694,870	2,322,594,749	1,056,154,56
White operators	2,898,740,541					
Colored operators	380,280,968					
Value of farm buildings	717,261,560					
White operators	647,699,318					
Colored operators	69,562,242					
Value of implements and machinery	180,011,175	94,787,790	77,400,731	49,872,840	95,328,829	61,404,320
White operators	161,424,950					
Colored operators	18,586,225					
Value of farm land alone	2,561,759,949					
White operators	2,251,041,223					
Colored operators	310,718,726					
Value of livestock	810,822,035	[1] 553,787,129	[1] 392,723,063	309,242,893	461,569,037	233,907,750
White operators	721,639,992					
Colored operators	89,182,043					

[1] Including estimated value of range animals.
[2] Has been reduced to gold basis. Includes betterments and additions to stock.

"White farm operators" includes Mexicans and Hindus.
"Colored farm operators" includes Negroes, Indians, Chinese, Japanese, and all other nonwhite races.

Special manufacturing industries

[National Industrial Conference Board]

Industry	December 1938	
	Average weekly earnings	Average hourly earnings
		Cents
Industries manufacturing luxury articles:		
Structural and ornamental metal work	$27.18	72.7
Radios and phonographs	22.62	58.2
Automobiles	33.15	92.4
Jewelry	24.11	59.2
Silverware and plated ware	28.07	65.0
Pottery	23.56	63.1
Industries manufacturing necessities:		
Cotton goods	14.13	38.4
Cotton small wares	18.46	47.7
Woolen and worsted goods	19.80	52.4
Clothing, men's	18.39	58.7
Clothing, women's	18.88	51.8
Shirts and collars	14.00	39.6
Boots and shoes	17.11	50.0
Canning and preserving	16.55	48.1
Flour	24.42	59.7
Slaughtering and meat packing	27.68	68.2
Cottonseed—oil, cake, and meal	12.76	29.0
Soap	28.80	74.5
Rubber boots and shoes	23.17	59.7

In this connection consider the following from the University of Virginia news letter:

"INDUSTRIAL WAGES

"In 1935 Southern industries employed 14.5 percent of the total number of industrial wage earners of the United States but paid them only 9.7 percent of the total wages. In the same year the average Southern industrial worker received an income of $687 while the national average for industrial employment was $1,022, a difference of $335.

"In the opinion of the writers, this difference between the income of the average Southern industrial worker and the national average is due largely to the nature of the labor supply and the kinds of industries that have developed in the South for the purpose of availing themselves of this supply of cheap labor. Unfortunately for the South, the leading industries in the region are those which are always and everywhere characterized by low wages. The most important single manufacturing industry now located in the South is that of manufacturing various kinds of textiles. In 1938 this industry gave employment to 320,000 Southern workers. The textile industry is closely followed by the cigarette, lumber, and furniture industries, employing an aggregate of about 250,000 workers. In 1935 the average weekly industrial wage for all industries in the United States was $21, while the average weekly wage in the cotton textile industry for the country was $13, lumbering $16, furniture $17, and cigarette manufacturing $13.97. It should also be pointed out that these industries employ a large percentage of women workers."

DEPARTMENT OF AGRICULTURE,
Washington, D. C., March 21, 1939.

Hon. JOSIAH W. BAILEY,
United States Senate.

DEAR SENATOR BAILEY: We have your letter of March 13 requesting data as to the number of persons engaged in agriculture in the South and their income, and the number of persons engaged in agriculture in the entire country and their income.

We are enclosing a table showing the number of persons employed on farms, gross farm income, and gross farm income per employed person in the South and in the United States as a whole for the year 1937. Data are also shown for the three southern geographical regions commonly used by the Bureau of the Census. The data on employment include family and hired labor. Gross farm income includes cash income from farm marketings, farm value of products retained for consumption, and Government payments to farmers.

Sincerely yours,

H. A. WALLACE, *Secretary.*

Annual average of number of persons employed on farms on first of each month,[1] gross farm income, and gross farm income per employed person, South and United States, 1937

Region	Number of persons employed on farms [2]	Gross farm income [3]	Gross farm income per person employed on farms
South Atlantic [4]	$2,135,000	$1,237,712,000	580
East South Central [5]	1,794,000	853,798,000	476
West South Central [6]	1,867,000	1,258,341,000	674
Total South	5,796,000	3,349,851,000	578
United States	10,830,000	10,003,166,000	924

[1] Observe that per employee farm income is based on number of persons employed on farms "on first of each month." This gives a false impression when comparison is made with other regions since a very large number of persons are employed on Southern farms for only a short time—picking cotton or chopping cotton—employment extending in each instance over a few weeks. The number of regularly employed farm workers in the South is fully 1,000,000 less than 5,796,000 as reported.

[2] Includes family and hired labor.

[3] Includes Government payments.

[4] South Atlantic region includes Delaware, Maryland, Virginia, West Virginia, North Carolina, South Carolina, Georgia, and Florida.

[5] East South Central region includes Kentucky, Tennessee, Alabama, and Mississippi.

[6] West South Central region includes Arkansas, Louisiana, Oklahoma, and Texas.

Bureau of Agricultural Economics.

FEDERAL BENEFITS

No Southern State has received the equal of the national average in dollars per family of Federal expenditures for W. P. A., C. C. C., and P. W. A. (See National Industrial Conference Board report, Road Map of Industry No. 165, chart 2. Address 247 Park Avenue, New York.)

Only two Southern States, Texas and Oklahoma, have received the equal of the national average in dollars per farm operator from the A. A. A. program and Farm Security Administration. (See National Industrial Conference Board report, Road Map of Industry No. 165, chart 3. Address 247 Park Avenue, New York.)

[From the Atlanta Constitution of April 8, 1938]

WAGES AND EARNING CAPACITY

Peter Molyneaux, editor of the Texas Weekly, points out that, although the average wage of industrial workers in the South is lower than that of similar workers in the North, the southern manufacturer pays out in wages a larger proportion of his manufacturing income than does the manufacturer of the North.

For the purpose of this comparison, records of 11 Southern States are compared with a group of 4 States in the North. The Southern States are Georgia, Virginia, North Carolina, South Carolina, Florida, Alabama, Tennessee, Kentucky, Mississippi, Arkansas, and Louisiana. The four Northern States are New York, Pennsylvania, Ohio, and Michigan.

In the Southern States, out of net income—that is, proceeds of sales of products after deducting the cost of raw material—the manufacturer pays $39.45 of every $100 in wages. In the Northern States only $32.17 of each $100 goes for wages. Yet the wages of the southern worker are lower than those of his northern brother. Why?

The answer is simple. It is because of the predominance in the South of industries which add much less to the value of the raw material, by processing, than is added in the North. Added to this is the fact that there is a larger investment of capital per worker in the North, thus increasing the worker's productive power.

Mr. Molyneaux points out that in the four Northern States the total value of manufactured products, annually, is $6,674 per worker. Of this, $3,095 represents cost of raw materials, leaving $3,579 for all other costs, including wages.

In the 11 Southern States the value of manufactured products, annually, is $4,568 per worker, of which $2,827 represents costs of raw materials, leaving only $1,741 for all other costs, including wages.

With an income per worker less than half that of the northern manufacturers, it is beyond reason to expect the South's industry to pay wages equalling those of the North.

Yet the South, as stated, pays a much larger proportion of its industrial earnings to its workers, despite the fact that the scales of pay are lower. If it were not for the savings made in other ways, due to climate, lower overhead, and other costs, it would be impossible for southern industry to continue to operate.

That any mandatory increase of wages, drawing southern pay nearer to the level of the North, is the way to cure the situation is self-evidently mistaken.

The only certain road to higher wages in the South is by increase in capital investment, thus making possible a larger creation of wealth by every worker. If the income is increased, the past record assures that the southern workers will get their full share of that increase.

Mandatory increase of pay scales, without increase of income, can only result in reduction of operations and the laying off of a large proportion of the workers now employed. Which is the road to further business depression, to increased burdens of relief, and to a mounting total of unemployed, despairing people.

[From The Nation's No. 1 Economic Opportunity, by Mr. George C. Biggers, of the Atlanta Journal]

GROWTH OF THE SOUTH

"To cite a few examples of the growth the South is making," says the 1938 edition of the Blue Book of Southern Progress, the following will be of interest:

"Southern banking during 1937 showed an increase in growth on a percentage basis, double that of the country as a whole. Aggregate resources of southern banks increased nearly $400,000,000, 5 percent more than the year preceding, while the resources of the banks of the entire country increased only 2½ percent. Bank clearings increased 14 percent in the South, while the United States increase was but 8 percent.

"In manufacturing, the value of output last year in the South reached the enormous total of approximately $10,500,000,000. More than $223,000,000 was invested in new industrial plants. The value of manufactured products in the year 1935, which is the latest year for which comparable figures are available, was $8,632,000,000. The increase was nearly $2,000,000,000 or almost 25 percent.

"These reports, on which the 1935 census was based, came from 34,143 manufacturing establishments which paid out one and one-fourth billion dollars in wages to one and one-half million employees, and also paid out $5,411,000,000 for the materials, fuel, and purchased power used in their manufacturing process.

"The output of iron ore mined in the South grew from 4,217,859 tons in 1936 to 6,414,000 tons in 1937. The value of the ore shipped increased from $6,945,731 in 1936 to $10,802,000 in 1937.

"Cash farm income increased over $300,000,000 in the Southern States in 1937 beyond the amount received in 1936, while for the United States as a whole cash farm income declined nearly $800,000,000.

"Eighty-seven percent of the cotton used in all American mills is consumed in the South by textile establishments. Since 1922 this territory has shown an increase of 2,500,000 spindles, which now have reached the total of 18,913,455. The rest of the country's reported installed spindles total 8,069,000.

"The South has more than 70 percent of the rayon-manufacturing capacity of the country.

"The assessed value of taxable property in the Southern States has risen from $13,033,000,000 in 1910 to $29,203,000,000 in 1937.

"Since 1900, when the value of the South's mineral production was only slightly more than 10 percent of the country's total, it has risen to almost 50 percent. The value in 1936, for which preliminary figures are now available, was $1,739,431,000.

"The South produced 47 percent of the country's output of coal, excluding Pennsylvania's anthracite. It produced the entire output of the country's bauxite; and 66 percent of the petroleum output of the United States comes from the South, while practically all the carbon black from natural gas and phosphate rock produced in the country in 1937 came from the Southern States.

"Regarded as an agricultural area, the value of the South's manufactured products is two and one-half times of its agricultural products.

"While cotton is the leading crop, the South is no longer giving virtually all of its attention agriculturally to cotton. The cash farm income from 17,709,000 bales received last year was $645,325,000, while the total cash farm income of the South during the same period was $2,851,052,000, so that cotton, while the principal crop, represents less than 25 percent of the income the South derives from agriculture."

The Southern States Industrial Council, with headquarters in Nashville, addressed a communication to Mr. Lowell Mellett, director of the National Emergency Council taking that body to task on some of the statements in the report. Some of them might be worth repeating here.

For instance, Mr. Fitzgerald Hall, president of the Southern States Industrial Council, asks: "Why were not the facts brought out which were made available in recent studies of Consumer Purchases by the United States Department of Agriculture, giving a comparison of family income by occupation in 140 villages in the United States? In these studies it was found that the median annual income of nonrelief white families was more in the Southeast than in most of the other sections of the country. In 15 Georgia and South Carolina villages the annual income was $1,309; in 18 North Carolina and Mississippi villages it was $1,764, as compared with $1,447 for 14 Vermont and Massachusetts villages; $1,075 for 19 Illinois and Iowa villages; $1,167 for 13 villages in Pennsylvania and Ohio, and $1,208 for 14 villages in Michigan and Wisconsin."

The report made public by the National Emergency Council refers briefly to the manufacture of cottonseed products, which it says reached a value in 1928 of $265,247,000, but confined its references to tobacco, iron, and coal in two comments, viz: "The manufacture of cigarettes has become important in Virginia and North Carolina" and "the iron and steel industries are important in Alabama." The Blue Book says that the value of cigarettes and other manufactured tobaccos sold in 1937 was $697,623,415, that iron ore mined aggregated 4,217,859 tons in 1936 and 6,414,000 tons in 1937, and that 47 percent of the bituminous coal mined in this country in 1937 came from the South.

There is one more phase of the South's resources and its latest industrial development that we want to bring out. That is our forests and the rapid influx of paper mills. The National Emergency Council report says of the forest-products industries:

"The use of the southern forests for many purposes has constantly grown. In January 1938 the South had 38 pulp mills either built or being built, with a total investment estimated at some $200,000,000. Many new uses have been found for this pulp, such as the manufacture of building boards, rayon staple fiber, wrapping paper, and quite recently newsprint paper. As the United States is the largest consumer of wood pulp in the world, the development of this industry in the South is significant."

The Blue Book backs this up as follows:

"The rapid development that has come about in the manufacture of pulp and paper from southern pine has created a source of income of great value to the farmer. Pine of a size necessary for the purpose can be grown (from seedlings) in 10 years or less, and the mills located in various States, while owning large timber acreage, afford a ready market for pine timber at paying prices to farmers over a wide area.

"More than $100,000,000 has been invested in the last 2 years in mills to use pine wood for the manufacture of paper and pulp."

[From the Greensboro (N. C.) Daily News]

HOME BUILDING IN THE SOUTH

WASHINGTON.—The South is building houses at a greater rate than any other section of the United States, according to the Federal Home Loan Bank Review, which, in its April issue, discusses construction trends.

"We are now experiencing a revival in home building," says the Review, "but the rate of this recovery varies greatly in different parts of the country. In the South, for example, home building is moving much faster relatively than in the Northeast.

"The North Central States occupy a place intermediate between the Northeast and the South, but the South is building new houses at a greater rate than any other part of the United States."

BABSON SAYS SOUTH HOLDS BRIGHT FUTURE IN NATION

(By Roger W. Babson)

SAVANNAH, GA., 1939.—The South is making huge progress each year. The fastest-growing States in the Union are nearly all in the South. Texas, Florida, Louisiana, the Carolinas are boosting their populations about three times as fast as the North. Literally hundreds of communities that were unheard of 10 years ago are thriving towns today. Every one of the chief cities in the United States whose populations have doubled since 1920 is below the Mason and Dixon's line.

The story of the South's industrial growth is even more sensational. More than half the new factory development of the entire country in recent years has been down here. Today, Dixie has over 25 percent of the manufacturing establishments of the United States. And they keep mushrooming up everywhere. Northern concerns continue to flow toward the Gulf, while entirely new industries are springing up all across the South. Reasonable labor costs, savings in fuel, nearness to raw materials, cheap power, low taxes, and water transportation are among the big sales points in the South's spectacular growth.

Latest new industry is newsprint. The first mill is under construction in Texas. It may be the forerunner of a southward trek of northern and Canadian newsprint mills. Slash pine is the raw material. It grows three times as fast as northern spruces. Other branches of the paper industry—particularly kraft—are going strong in Dixie. The southern chemical business is growing by leaps and bounds. Textile mills continue to multiply. Seventy percent of our rayon output comes from the South. The center of the booming petroleum business is in the Southwest.

The end of the so-called basing-point price system for steel should help all southern industry. Once it was just as cheap to buy a ton of Pittsburgh-made steel delivered at Birmingham as it was to buy a ton of Birmingham-made steel. Now the ton of southern steel is cheaper. Hence foundries, forges, stamping mills, and other metal fabricators that have concentrated around northern steel towns will find it advantageous to have branch factories near the southern steel industry. All winter, Birmingham steel mills were much busier than those in the North.

Present freight rates are unfair to the South. Smash up these rates and the products of southern factories and farms can be laid down at northern doors at a real saving to consumers. If we believe in a gradual lowering of world trade barriers, we ought to eliminate such barriers within our own borders. Present freight-rate differentials amount to a tariff on southern products. The biggest boon to the South now would be the changing of these rates.

The problem which has plagued Dixie for years—dependence on one crop—is on its way to solution. Diversification of farms is speeding up. Low feed costs are stimulating livestock raising and dairy farming. Meanwhile, the chemists are finding industrial uses for new crops such as soybeans, tung trees, and sweet potatoes, and for older crops such as cotton, tobacco, and peanuts. Hence, while King Cotton is a mighty sick man, the southern agricultural outlook is very bright.

Among the South's greatest assets are her water-power resources. The T. V. A. development is a great thing. If it is administered wisely and fairly, the huge power surplus should be completely utilized. Air-conditioning has played a big part in recent southern growth and, stimulated by cheap power, will continue to do so. We hear much about low wages in Dixie. People overlook the fact, however, that living costs in the South are very cheap. A house costing $5,000 to build in New England can be put up in the South for about $3,500 and can be heated for about $50 per year less. Food, particularly farm produce, sells for a song. After lower living costs are considered, southern wages are not too far out of line.

Certainly, if I were a young man I would come down here in the South to "seek my fortune." We need more trained men here. Why stay in New York, Philadelphia, or Boston and starve when you can come down here where you can live comfortably and where you are really needed? Today, for instance, 9 of the 18 States which are rated as excellent business territories on my sales map are in the South. Get in on the ground floor of this southern growth just as your forefathers got in on the ground floor of the industrial growth of the West. Recentralization of industry through the industrial use of farm products is on the way. What better spot in the world for it than here in the sunny South?

[From the Charlotte (N. C.) Observer]

AN OPEN LETTER TO THE PRESIDENT OF THE UNITED STATES

North Carolina is one of those nine States thus charged as being within an area which constitutes "the Nation's No. 1 economic problem."

Whatever may be the conditions prevailing in the other eight of these nine States, which, in the judgment of the members of your National Emergency Council, may have justified the opprobrious term, the Observer insists that North Carolina does not belong in that category; that its social and economic status does not justify the unenviable title which it has been forced to share from your administration; and that, therefore, this State should be officially exempted from this general charge.

The Observer further feels, Mr. President, that a fair and honest detailed study of the actual facts relating to social and economic conditions prevailing in North Carolina would clearly be convincing that this Commonwealth is justified in noting an exception to your ruling that it belongs among the notoriously backward and unsocial States of the American Union.

It would be to present to the point of tedium the full bill of particulars upon which North Carolina asks to be exonerated at your hands of this charge made by your National Emergency Council, but there are a few basic and convincing points which stand out as being sufficient to mention by way of defense.

Consider, Mr. President, if you will, the value of a single crop in North Carolina, that of tobacco.

In 40 of the 100 counties of our State there has been produced this season 600,000,000 pounds of this commodity.

Those 600,000,000 pounds have been sold at an average of 25 cents the pound.

The value of this one crop this year is, therefore, $150,000,000.

That equals, Mr. President, in value to the farmer-producers of tobacco in North Carolina a sum equivalent to the value of the entire cotton crop sold this year in the empire of Texas.

More than that, the value of this one crop of tobacco in 1938 in North Carolina is equivalent to one-third of the total value of the total wheat crop of America, and wheat, as you know, is a national crop.

The 900,000,000 bushels of wheat which the whole of America made this year sold for 50 cents the bushel, or a total of $450,000,000, whereas the 600,000,000 pounds of tobacco which the one State of North Carolina produced this year yielded a value of $150,000,000—a third of the value of the national wheat crop.

More than that, North Carolina industries took this North Carolina tobacco from the farmers of North Carolina and manufactured from it finished products valued at between $600,000,000 and $700,000,000.

And, as you, of course, know, Mr. President, the Federal Government over which you preside, received in tax revenues almost half of this total value of the State's tobacco manufactures for Federal spending.

In addition, North Carolina manufactures one-fourth of all the silk hosiery made in the entire United States and silk hosiery, Mr. President, is, like cigarettes, another luxury not to be classified as pauper goods sold by a pauper people.

Then, furthermore, Mr. President, let us consider another important yardstick by which to measure North Carolina with other States, if you please—namely, that of the proportion of the industrial income from the capital invested which goes back into the pockets of the laborer.

Taking millions as the base, the value of all manufactures in the United States, which the last census of 1935 showed, was $45,760, the cost of materials was $26,263, and the wages paid was $7,545, or 38.7 percent.

In North Carolina, on the same base, the value of all manufactures was $1,112, the cost of materials was $734, and wages paid was $152, or a percentage of manufacturing income going into wages of 40.2—above the national average.

This average of manufacturing income devoted to wages for labor in New York, the State of the President, is, incidentally, only 30.5 percent.

North Carolina is approximately 8 percent higher than the State of New York in this respect, and it is a vital and basic respect.

And then, when we take textiles as a basis of comparison, this being the outstanding industry of North Carolina, it is again apparent that our State does not belong in the catalog of poverty in which it has been placed.

The value of cotton goods manufactured in the United States as a whole, again with millions as a base, amounted to $1,031, with cost of materials showing $627 and wages paid $248, or 61.4 percent.

But in the South the value of such products was $721, with materials costing $460 and with wages paid out of this manufacturing income amounting to $168, or a percentage of 64.4—3 percent above the national average.

The North Carolina figures are:

For manufacturing income, $234; cost of materials, $144; and wages paid, $56, or a percentage of income paid into wages of 62.2.

On this basis of comparison, North Carolina's average is above that of the Nation as a whole.

In the light of these facts, Mr. President, do you still consider that North Carolina belongs in any category of any number of States which constitute "the Nation's No. 1 economic problem"?

And if they are in the least revelatory to you of the actual economic conditions which prevail in North Carolina, would you not be so kind and gracious and officially magnanimous as to remark in the course of your address Monday at Chapel Hill, the seat of our university, that you do then exonerate North Carolina from the charge laid against it by your National Emergency Council?

The Observer thinks this would be the fair and faithful course for you to pursue, and the Observer believes you are the sort of President who will always do what you are convinced is right and strictly loyal to the truth.

[From Editorial in Manufacturers Record of November 9, 1938]

MORE FACTS ABOUT THE SOUTH

An Alabama newspaper says: "A total of 100,000 copies of the National Emergency Council's recent report on economic conditions in the South is being made available for the use of high schools in Arkansas, Louisiana, and Mississippi."

While investigation at Washington does not show that copies to this extent have been sent to schools, smaller quantities have been furnished to various localities at the request of southern school teachers. If they are to be placed in the hands of school children as a study of facts about the South, it will be unfortunate, because the report is biased. It generalizes about conditions which facts disprove, although these facts were available from Government surveys from which the report was made up. It refers continually to the South as a section of waste and neglect. It fails to show by available figures wherein the South is better off than other parts of the country.

Notwithstanding that the President made the statement, based on this report, that "the South presents right now the Nation's No. 1 economic problem, * * * for we have an economic unbalance in the Nation as a whole, due to this very condition of the South," facts prove otherwise.

A lot of causes might be cited for "unbalance in the Nation" as a whole instead of neglect or failure on the part of the South.

The National Resources Committee says about another section of the country: "The prevailing system of land utilization, hazardous at best, has failed. Tax delinquency, heavy real-estate and chattel mortgages, and dependence on public relief are widespread. For example, more than 70 percent of all farms are listed as tax delinquent; more than 75 percent of the farms in representative counties are mortgaged; and approximately 35 percent of all people are on relief. Many families—perhaps 20,000 in all—have given up the fight during the recent years of distress and have left the region. Most of the farmers hang on tenaciously with Federal aid, hoping that conditions will improve. Many have moved to the villages and few cities where, with Federal assistance, they await opportunities in other regions." This is the area classified as the Northern Great Plains region.

Under the title "Why Not Give All the Facts," we said in the October number of the Manufacturers Record that a great deal in the report left unsaid is more vital and more important than the erroneous conclusions given.

It will not do to arraign the South, where life is more abundant in a very real sense than in other sections, as the sore spot of the country, and southerners who know the facts will object to putting one-sided reports in the hands of school children who should have every opportunity to know the truth in its completeness. If the South's economic picture is examined, there is produced a sense of exhilaration and uplift and outlook in place of dejection and apology, if not despair.

Space will not permit a listing of all the dire things that, according to the report, are wrong in the South. Various paragraphs are headed: "Southern people need clothes"; "Southern people need food"; "South's people want and need houses, radios, butter, beef, eggs, milk, dresses, shirts, shoes." The last named being one of the things Secretary Perkins was concerned about sometime ago.

When the report gets down to details and one is able to compare what is said about income and expenditures by white families in the South with similar families in other sections, which are not given in the report, the South appears in a different light. Let us examine some of the facts.

The Bureau of Labor Statistics shows that in the large cities surveyed in 1935–36 the median family income of six representative cities was $1,545, exclusive of Negroes, compared with $1,691 for the one southern city, the highest median for any city in this group.

The same is true of middle-size cities, where the median of 14 cities was $1,336, exclusive of Negroes, compared with $1,630 for the two cities of South Carolina and Alabama. Again, one of these southern cities ranked highest among the entire group.

Among the 10 representative small cities the situation is again the same, the median income for all cities, exclusive of Negroes, being $1,338, compared with $1,362 for the 2 southern cities.

In all three classifications it is noteworthy that the highest median family income of southern cities of $1,691, $1,859, and $1,653 compares remarkably well with the median family incomes of the two metropolises of New York and Chicago, where the amounts are $1,814 and $1,684, respectively. Negroes are excluded in both groups.

Furthermore, while the income group of the country claiming the largest percentage of families is that of $1,000 to $1,499, the largest percentage in the southern cities are in the group of $1,500 to $1,999. From the same report it is found that the percentage of families in the very low income groups in different cities of the country, compared with the South, differs seldom more than about two-tenths of 1 percent.

The National Emergency Council's report says: "Southern people need clothes. * * * In villages, husband-and-wife families not on relief, with incomes of less than $500 a year, spent $14 for the husband's and $15 for the wife's clothing. Of these amounts, they spent $3 for shoes and shoe repairs, $1 for coats and other wraps, $1 for hats and caps. Farm families having similar incomes spent $15 for the husband's wardrobe, $12 for the wife's."

It does not say, however, although the matter was available at the same source from which the foregoing was obtained, "For villages, husband-and-wife families not on relief in California, Oregon, and Washington, with incomes of less than $500 a year, spent $11 for the husband's and $13 for the wife's clothing. Of these amounts they spent $3 for shoes and shoe repairs, 50 cents or less for coats and other wraps, $1 for hats and caps. * * * Husband-and-wife families not on relief in Illinois, Iowa, Michigan, Ohio, Pennsylvania, and Wisconsin, with incomes of less than $500 a year, spent $12 for the husband's and $11 for the wife's clothing." This notwithstanding the additions to the wardrobe necessitated by colder weather in the northern States.

As a matter of fact, the above figures used in the National Emergency Council's report were derived from a published survey by the Department of Agriculture, and that particular survey now made by the National Emergency Council to appear adverse to the South, was headed: "White Villagers in Southeast Spend More for Clothes Than Do Their Northern Neighbors," showing "in 33 villages in Georgia, Mississippi, North and South Carolina, 2,083 husbands averaged spending $56 apiece for clothes during the year, and the same number of wives averaged spending $57 apiece. In 46 villages in Illinois, Iowa, Michigan, Ohio, Pennsylvania, and Wisconsin, 2,877 husbands averaged spending but $38 apiece, 2,871 wives averaged spending $42."

The report claims the streams of the South are polluted, its land is ploughed the wrong way, it needs industry but when it gets the capital from outside the fact is deplored because the ownership is in the wrong place. It produces 99 percent of the sulfur, but the ownership of the producing source is in another section. The fact is overlooked that one of the principal producing companies is headed by a man born and reared in the South. His office at present is in New York, which is the financial center of the country, and yet he and his family for generations in the South and of the South have been among the outstanding families in everything that has helped to promote southern progress.

Is the South to be stigmatized because it has not raised its own capital to develop its resources? If other parts of the country had wanted to raise their own capital would the West be what it is today? Were not New England and other sections developed by foreign capital?

It seems that Mr. Roosevelt, in using the report as the basis for his comment, did not know that this region made average gains in each decade between 1880 and 1920 of 81 percent in the value of farm products compared with only 67 percent for the rest of the country.

That the value of manufactured products in the South made an average increase of 92 percent in each decade between 1880 and 1930 compared with only 76 percent for the rest of the country.

That the value of manufactured products in the South declined less than 17 percent between 1927 and 1935 compared with a decline of over 29 percent for the rest of the country.

That the capital invested in industry in the South made an average increase of 123 percent in each decade between 1880 and 1920 compared with only 102 percent for the rest of the country.

That the value of mineral products in the South increased approximately 400 percent between 1910 and 1936 compared with only 14 percent for the rest of the country.

That bank deposits in the South made an average increase of 115 percent in each decade between 1890 and 1930 compared with only 91 percent for the rest of the country.

That the aggregate resources of southern banks in 1937 increased over 5 percent compared with only 2 percent for the rest of the country.

That the amount spent for wages in the South made an average increase of 90 percent in each decade between 1880 and 1930 compared with only 79 percent for the rest of the country.

That the rated horsepower capacity of power equipment in the South made an average increase of 74 percent in each decade between 1890 and 1930 compared with only 65 percent for the rest of the country.

That southern cash farm income in 1937 increased over $300,000,000 from 1936 compared with a decline of over $1,000,000,000 for the rest of the country.

That with only 28.3 percent of the Nation's mortgaged farms, the South has only 25 percent of the entire country's farm-mortgage indebtedness.

That the amount spent for public schools in the South made an average increase of 104 percent in each decade between 1880 and 1930 compared with only 93 percent for the rest of the country.

That the number of pupils in southern public schools made an average increase of 25 percent in each decade between 1880 and 1930 compared with only 17 percent for the rest of the country.

That the amount spent for colleges and universities in the South made an average increase of 280 percent in the two decades between 1910 and 1930 compared with only 174 percent for the rest of the country.

That illiteracy among whites declined 45 percent in the South between 1920 and 1930 compared with only 25 percent for the rest of the country.

That according to a recent Federal survey conducted in 50 cities in the United States—20 of which were in the South—the percentage of all families with no income was 4.8 percent for the country as a whole compared with 3.3 percent in the South. From $1 to $499 the South had 27.7 percent compared with 21.7 percent for the entire country. From $500 to $999 the South had 22.9 percent against 23.3 percent for the entire country. From $1,000 to $1,499 the South had 16.8 percent against 19.2 percent for the entire country. From $1,500 to $1,999 the South had 12 percent and the entire country 13.4 percent. From $2,000 to $2,999 the South had 10.2 percent and the entire country 10.8 percent. From $3,000 to $4,999 the South had 5.1 percent against 4.9 percent for the entire country, and in the group of $5,000 or over the South had 2 percent against 1.9 percent for the entire country.

These are facts about a region now termed the No. 1 economic problem, a region of wasted land and natural resources.

[Editorial in the Charlotte (N. C.) Observer]

THE SOUTH'S RETORT TO THE PRESIDENT'S REPORT

The Manufacturers Record, a major defender of the South's business and industrial culture and progress, keeps hammering on what it considers the false impression given of the region by the report last summer of the President's National Emergency Council which collected and broadcasted the uglier side of the situation in the South.

The Record deplores the circumstance that 100,000 copies of this adverse report have recently been distributed in the high schools of three Southern States, in addition to the national circulation so widely given previously to the council's findings.

It is pointed out in a recent issue of the Record that the purchasing power of the southerner is equal to that of the man with equivalent wages in Iowa, Michigan, and Ohio, three States selected as typically representative of the upper stratum of American industrial progress and development.

The fact is also recited in this renewed defense which the Record makes of the South against the calumnies of the council:

That this region made average gains in each decade between 1880 and 1920 or 81 percent in the value of farm products compared with only 67 percent for the rest of the country.

That the value of manufactured products in the South made an average increase of 92 percent in each decade between 1880 and 1930 compared with only 76 percent for the rest of the country.

That the value of manufactured products in the South declined less than 17 percent between 1927 and 1935 compared with a decline of over 29 percent for the rest of the country.

That the capital invested in industry in the South made an average increase of 123 percent in each decade between 1880 and 1920 compared with only 102 percent for the rest of the country.

That the value of mineral products in the South increased approximately 400 percent between 1910 and 1936 compared with only 14 percent for the rest of the country.

That bank deposits in the South made an average increase of 115 percent in each decade between 1890 and 1930 compared with only 91 percent for the rest of the country.

That the aggregate resources of southern banks in 1937 increased over 5 percent compared with only 2 percent for the rest of the country.

That the amount spent for wages increased 90 percent in each decade between 1880 and 1930 compared with only 79 percent for the rest of the country.

That the rated horsepower capacity of power equipment in the South made an average increase of 74 percent in each decade between 1890 and 1930 compared with only 65 percent for the rest of the country.

The southern cash farm income in 1937 increased over $300,000,000 from 1936, compared with a decline of over $1,000,000,000 for the rest of the country.

That with only 28.3 percent of the Nation's mortgaged farms the South has only 25 percent of the entire country's farm-mortgage indebtedness.

That the amount spent for public schools in the South made an average increase of 104 percent in each decade between 1880 and 1930, compared with only 93 percent for the rest of the country.

That the number of pupils in Southern public schools made an average increase of 25 percent in each decade between 1880 and 1930, compared with only 17 percent for the rest of the country.

That the amount spent for colleges and universities in the South made an average increase of 280 percent in the two decades between 1910 and 1930, compared with only 174 percent for the rest of the country.

That illiteracy among whites declined 45 percent in the South between 1920 and 1930, compared with only 25 percent for the rest of the country.

That according to a recent Federal survey conducted in 50 cities in the United States—20 of which were in the South—the percentage of all families with no income was 4.8 percent for the country as a whole, compared with 3.3 percent in the South. From $1 to $499 the South had 27.7 percent, compared with 21.7 percent for the entire country. From $500 to $999 the South had 22.9 percent against 23.3 percent for the entire country. From $1,000 to $1,499 the South had 16.8 percent against 19.2 percent for the entire country. From $1,500 to $1,999 the South had 12 percent and the entire country 13.4 percent. From $2,000 to $2,999 the South had 10.2 percent and the entire country 10.9 percent. From $3,000 to $4,999 the South had 5.1 percent against 4.9 percent for the entire country and in the group of $5,000 or over the South had 2 percent against 1.9 percent for the entire country.

[The Library of Congress Legislative Reference Service]

SELECTED STATEMENTS OF PRESIDENT FRANKLIN D. ROOSEVELT ON CHILD LABOR

(Margaret Blachly, April 11, 1939)

1. Address at dedication of Samuel Gompers Memorial Monument, Washington, D. C., October 7, 1933:

"Through the quick and practical action of the National Recovery Act, child labor in the United States has at last come to an end." (Source: Washington Post, Oct. 8, 1933, sec. 1, p. 3.)

2. First annual message to Congress, January 3, 1934:

"We have made great strides toward the objectives of the National Industrial Recovery Act * * * child labor is abolished." (Source: H. Doc. 109 (73–2), January 3, 1934.)

3. Radio address from the White House, June 24, 1938:

"After many requests on my part the Congress [75th] passed a Fair Labor Standards Act. That act—applying to products in interstate commerce—ends child labor * * *." (Source: White House release, June 24, 1938, p. 2.)

Food-Stamp Activities of Surplus Commodities Corporation

EXTENSION OF REMARKS

OF

HON. LEWIS B. SCHWELLENBACH

OF WASHINGTON

IN THE SENATE OF THE UNITED STATES

Saturday, August 5 (legislative day of Wednesday, August 2), 1939

EDITORIAL FROM THE SEATTLE POST-INTELLIGENCER OF JULY 31, 1939

Mr. SCHWELLENBACH. Mr. President, I ask unanimous consent that the following editorial from the Seattle Post-Intelligencer be printed in the RECORD. It outlines an unfortunate injustice which has been developed in the administration of the food-stamp activities of the Surplus Commodities Corporation. I hope the Corporation will consider the problem and correct the obvious mistake which it is now making.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

[From the Seattle Post-Intelligencer of July 31, 1939]

A FOOD-STAMP SNAG MUST BE REMOVED

A snag between three agencies of Government, all organized to serve the interests of the needy, is depriving many hundreds of persons in Seattle of relief and is restricting the operations of the highly beneficial food-stamp plan.

To keep within the appropriations provided by Congress, W. P. A. has discharged several hundred workers.

As employees of the W. P. A., these men and women were entitled to purchase orange food stamps and receive a bonus of the blue stamps good for surplus commodities.

As needy jobless they would be entitled to designated amounts of blue stamps without any purchase.

But when their connection with the W. P. A. ended, they were no longer eligible for the purchase plan. And since each discharged worker received his final pay check as his employment terminated, the Surplus Commodities Corporation ruled that he did not come under the relief classification, on the ground that the final check constitutes a "resource."

Of the three agencies involved, the W. P. A. is taking steps to prevent aggravation of the situation. Pending action by the House on a Senate amendment to enable retention of needy long-term W. P. A. employees on the rolls, Col. F. C. Harrington has ordered suspension of dismissals of persons who have had 18 months' consecutive W. P. A. employment.

But no provision has been made for those already dropped from the rolls under the retrenchment program ordered by Congress in the W. P. A. law which went into effect July 1.

The local agents of the Surplus Commodities Corporation probably are acting within the strict letter of their regulations in defining the possession of a final pay check as a "resource." Nevertheless, the ruling is a narrow one. It violates the spirit of the general relief plan by leaving a "no man's land" between the recipients of work relief and home relief. And it threatens the successful operation of the food-stamp plan in Seattle, besides creating understandable resentment among those who are denied relief.

If there is any possibility, under existing law, of liberalizing the Surplus Commodities Corporation ruling in this respect, we believe the responsible authorities of the Corporation in Washington should undertake it without delay.

The third agency which has a responsibility in this connection is the welfare administration, now under joint county and State auspices.

The men and women discharged from W. P. A. can obtain further relief only as they are recertified. Steps should be taken to handle this recertification promptly.

If the sharply reduced administrative forces are insufficient to handle the work without delay, the King County commissioners should act promptly in laying a request for additional funds before the State authorities.

Discharge of 18 Months' Service W. P. A. Employees

EXTENSION OF REMARKS

OF

HON. ROBERT F. WAGNER

OF NEW YORK

IN THE SENATE OF THE UNITED STATES

Saturday, August 5 (legislative day of Wednesday, August 2), 1939

EDITORIAL FROM THE NEW YORK POST OF AUGUST 1, 1939

Mr. WAGNER. Mr. President, I ask unanimous consent to have inserted in the RECORD an editorial entitled "Why Not Keep the Rules," published in the New York Post of August 1, 1939. The editorial relates to the discharge from the W. P. A. rolls of workers who have had 18 months' service.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

[From the New York Post of August 1, 1939]

WHY NOT KEEP THE RULES?

It was only humane, for Col. F. C. Harrington, W. P. A. Administrator, to suspend the firing of employees from the rolls under the 18 months' purge clause of the new W. P. A. act; nevertheless, he deserves credit for being alert to the opportunity.

He put through his order stopping the dismissals as soon as the Senate adopted an amendment to the Barkley lending bill, which, if passed in the House, would modify the present arbitrary rule.

Colonel Harrington can go a step further. If the unions are correct in their reading of section 15B of the present W. P. A. act, he can put an end to the turmoil caused by the abolition of the union scale for building-trades workers. He can restore the scale on existing projects "to protect work already done." The issue is not likely to arise on future projects, limited as they are to investments of not more than $52,000 each.

Everyone in the present situation of turmoil is losing and no one is gaining.

The public is losing because progress on important projects, like North Beach Airport, has been slowed down unnecessarily; the skilled workers are losing because they are sacrificing their daily wages; other W. P. A. workers are losing because the effectiveness of their labor is being diminished.

All this loss came from the sudden reversal of policy in Washington. From the beginning of W. P. A. the prevailing union scale of wages was paid to skilled building-trades workers. The Woodrum Act suddenly took away the scale. Its provisions were applied not only to new projects, but to projects long under construction. If the change was to have been made at all, it should have been applied to future work, not to unfinished jobs. There should, at least, have been some notice. But the rules were changed in the middle of the game.

Union carpenters, bricklayers, lathers, and other skilled workmen who went to work for W. P. A., many on a nonrelief basis, were thunderstruck when they discovered the Government no longer would pay the scale. They quit. Their automatic reaction has been called a strike. Officials of the Central Trades and Labor Council now call it a "stoppage" or "noncooperation." They insist they have no desire to close W. P. A. projects; they haven't called walk-outs on other Government enterprises; they have caused no disorder here.

The whole unnecessary tangle can be straightened out by an order such as stopped the wholesale discharges. Colonel Harrington some weeks ago asked Attorney General Murphy for an interpretation of section 15B. We hope that the Attorney General's opinion will permit Colonel Harrington to act.

The Progressive Destruction of the South's Economy

EXTENSION OF REMARKS

OF

HON. JOSIAH W. BAILEY

OF NORTH CAROLINA

IN THE SENATE OF THE UNITED STATES

Saturday, August 5 (legislative day of Wednesday, August 2), 1939

EDITORIAL FROM THE CHARLOTTE (N. C.) OBSERVER OF JUNE 8, 1939

Mr. BAILEY. Mr. President, I ask unanimous consent to have printed in the RECORD an editorial published in the Charlotte (N. C.) Observer of Thursday, June 8, 1939, entitled "The Progressive Destruction of the South's Economy."

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

[From the Charlotte (N. C.) Observer of June 8, 1939]

THE PROGRESSIVE DESTRUCTION OF THE SOUTH'S ECONOMY

The Textile Industry Committee, functioning under the Fair Labor Standards Act, has recommended to Administrator Andrews that the universal minimum wage in this industry be established at 32½ cents an hour.

Southern members of that committee have submitted a minority report of protest against the adoption of such a wage level for the entire industry.

The Observer strongly supports this minority view for the simple and sole reason that, in our judgment, the adoption of the majority report will at once jeopardize the jobs of thousands of our textile workers and that, in the long run, it will seriously affect the industrial economy of the southern people as a whole.

Let us say at the outset that, for the most part, the larger mill companies of the South are not among those whose interests and destinies are more vitally involved in this equation, nor are the interests of the employees of these major plants at serious stake.

But all over the South are smaller mills with cramped capital, equipped with old machinery, producing a limited output of goods not by thousands but by handfuls of employees in their respective communities, and the very life of such as these is intimately wrapped up in this question of what they are compelled to pay their workers.

Many of this class of textile establishments will have two options if this minimum wage scale becomes effective.

First, they can modernize their mills with labor-saving devices, if they can secure the capital, in order to remain in business on a competitive basis with the larger and already modernized plants which are already fully equipped with these up-to-date labor-saving mechanisms and, in that manner, continue to operate.

Or, if this course is not taken, because of a lack of capital with which to modernize their plants with new machinery, these smaller mills will have no other alternative than to close up their plants, go out of business, and leave their employees adrift in the already crowded lanes of unemployment.

President Lewis, of the American Cotton Manufacturers' Association, publicly states that, on the basis of inquiries sent to individual mill owners in the South, it is indicated that unless this minimum wage level is reduced or made more flexible, from 25,000 to 30,000 operatives will be thrown out of jobs because of the enforced folding up of many of these smaller and less financially resourceful mills.

As bearing upon this probability, it is pertinent to note that since the present wage scale of a minimum of 25 cents an hour became effective last October, more than 900,000 spindles have become idle because of the inability of the manufacturers successfully to remain in business on the basis of the higher operating and manufacturing costs.

The imposition of this higher wage schedule upon the South by the majority members of this committee, who are, of course, representing the New England branch of the industry, and, with the consent, if not the urging, of the present administration influences in Washington, will, obviously have an adverse effect upon the entire economy of the South.

The first disastrous effects will, as above remarked, fall upon the small-mill owners and their thousands of operatives, who will immediately face the specter of unemployment.

But the economic progress of the South as a whole will be seriously crippled by any injury that is inflicted upon this major industry of this section. The entire cotton economy of the South, therefore, has a stake in this action. It becomes an issue of universal concern for our people.

Grant, if you please, that all of the cotton mills of this section will pay the higher minimum wage and stay in the field in competition with the northern and eastern interests, and grant that no operatives will, therefore, be thrown out of employment by reason of this new wage schedule, there is only one method by which the higher manufacturing cost thus imposed can be met, and that is by raising the price of the finished cotton goods.

And it is this against which the South's cotton factors of every kind, and the people of the South themselves, must unitedly and militantly fight, if either our agriculture or our major industry is to be saved.

Cotton has never faced a more critical period than this, either for those who produce in the fields or those who produce the finished goods from the raw material, and what happens to cotton happens to all our people in the South of whatever rank or occupation.

There are some of us who contend, in the face of world conditions that are developing new adversaries against the cotton South, that unless new uses for this staple can be discovered and its present uses more widely popularized and magnified, time is nearing when either substitutes for cotton or the competition of foreign-made cotton and cotton goods will have driven the South out of this field.

Manifestly, therefore, when the crisis is so acute and when the need for creating more markets for cotton and cotton goods is so imperative, this of all times and periods and conditions is the most unfavorable to make any move or to take any step that will raise the price of the finished cotton articles and thus invite increased competition either from manufacturers of cotton substitutes or from the foreign raw-cotton factors.

We submit, therefore, that the people of the South as a whole had better be opening their eyes in the presence of this ominous threat to their present and future economic well-being and destiny.

If cotton is taken out of their agricultural operations through competition from foreign producers, and if cotton goods is taken out of their industrial activities because of penalizing policies inflicted by the Federal Government, what will the South have left upon which to sustain its economic life—either the South's capital or the South's labor, either the South's money or the South's men?

And in this direction we are definitely headed. There's not a shadow of doubt about it!

The adoption of this new wage policy will give the New England cotton manufacturers all the advantage in the world market for cotton goods over their southern competitors.

They already have a distinct advantage over the southern mills by reason of the freight rate differential, for the retention of which they are organized to fight the South, and so far are successfully fighting the South's just and righteous claims against this destructive discrimination.

Given this additional benefit of a universal wage minimum, these competitors of the South in textile manufacturing will have acquired such a tremendous advantage in manufacturing and marketing costs that these interests in the southern field will face an insufferable and unsurmountable handicap.

The New England members of the wage and hour committee, which recommends this minimum rate, know of these implications and possibilities.

Wage Administrator Andrews ought easily to be able to lay the simple and unprejudiced facts of the South's case before him for fair and just analysis and appraisement.

And the Washington administration ought clearly to see that if policies of this kind are enforced, the South will in fact become the Nation's economic problem No. 1, through no fault of its own and in spite of even its superhuman efforts to prevent.

In view, therefore, of the obvious damage which will accrue to the smaller manufacturing units from this proposed wage level, would Administrator Andrews not feel himself justified by the facts, and the obvious fairness and justice of the issue, to permit a lower minimum to apply to such companies in order to guarantee their existence and to prevent further unemployment, if he is not convinced that the larger units, also, are entitled to a differential as against the northern and eastern schedule?

Address by Senator Davis in Los Angeles, Calif.

EXTENSION OF REMARKS

OF

HON. JAMES J. DAVIS

OF PENNSYLVANIA

IN THE SENATE OF THE UNITED STATES

Saturday, August 5 (legislative day of Wednesday, August 2), 1939

ADDRESS BY HON. JAMES J. DAVIS, OF PENNSYLVANIA, AUGUST 22, 1926

Mr. DAVIS. Mr. President, I ask unanimous consent to have printed in the RECORD a speech that I delivered at the First Baptist Church in Los Angeles, Calif., on August 22, 1926.

There being no objection, the speech was ordered to be printed in the RECORD, as follows:

More than a century ago some travelers discovered the remains of a memorial to a monarch who was a power on the earth many centuries before the birth of Christ. Upon this wrecked memorial were inscribed these words:

"My name is Ozymandias, king of kings;
Look on my Works, ye Mighty, and despair!"

The travelers looked but, aside from this ruined statue, there was nothing to see but miles and miles of sand. The people over whom he had ruled were dead. The cities where they had lived were gone. The works upon which he had prided himself had proved as ephemeral as a streak of morning cloud. Nothing remained but the immense desert, that had been made by nature and not by a king. Thus passes the glory of the world.

There is nothing permanent in the world unless it be impermanence. We praise and sing achievement and excellence, but there is neither achievement nor excellence that does not, sooner or later, reach the level of the dust and become a part of it.

A great Roman general once stood within the ruins of Carthage and wept. The time had been when Carthage gave promise of being the queen city of the world. She was the rival of Rome, and her great general, the mighty Hannibal, had all but destroyed the Roman power. But Scipio had retrieved the Roman fortune at Sama. Hannibal was dead and Carthage had been taken and destroyed at the time the Roman general wept amongst the ruins of the city. He did not weep because Carthage was no more. He wept because he could see in the calamity that had befallen Carthage a lesson and a warning for other nations. As he stood in the midst of the wreckage of what had once been the world's proudest and most powerful city he exclaimed through his tears, "This may later be the fate of Rome."

We know that it was. With the fall of Carthage Rome grew in power and prestige. Ultimately she conquered the then known world. Most of her people thought that she was destined to be eternal. Other nations had been all powerful in their day. Egypt had been, and Persia, and Babylonia, and Assyria, and Greece, yet all of these had fallen and crumbled into the dust. But the fall of those other nations did not disturb the average Roman citizen. He felt certain that his country would endure forever, just as the average American feels today that America—now the richest and most powerful nation in the world—is destined to be eternal. However, after a long period of decay Rome fell. The once proud city had become so poor in education and religion that all the great educators, poets, schools, and teachers had deserted it. It was a miserable city when the barbarians came down like wolves from the north, sacked the city, and plunged the entire world into an intellectual darkness that lasted for nearly a thousand years.

"While stands the Colosseum, Rome shall stand,
When falls the Colosseum, Rome shall fall,
And when Rome falls—the world."

So thought the average Roman. He felt that with the fall of Rome there was nothing more to be hoped for in the world. But man is never without hope of some kind. With the fall of Rome men began to turn more earnestly toward religion. It was then that St. Augustine wrote his remarkable book called "The City of God." Rome was gone and the world was lost, thought St. Augustine. He urged people to remember that now their only hope was to be found in a "city not made with hands, eternal in the heavens."

St. Augustine was right. We should keep in mind that with the fall of the Roman Empire all that had been known as culture and civilization in the past had also fallen into the dust. The ignorant barbarians of the north were in control. It was necessary that they be tamed, educated, and Christianized. That was the mission of the church. How well she responded to the call is seen in the culture and civilization of today. While it is not true that the church brought civilization into the world, it was the church that saved civilization for mankind. The church preserved much

of the literature that the Greeks and Romans had written, without which our intellectual life today would be much different from what it is. All our ideas on science, philosophy, and literature came from Greece, and but for the church they might have been lost to us forever.

We all hope that the world will never again experience such a misfortune as resulted from the fall of Rome. Probably we never shall experience one of exactly that kind. But there are many who feel, and perhaps not without reason, that the world today is confronted with more than one grave peril. The statement is often made that the world is beginning to lose the fruits of Christian experience and teaching. It is said we are reverting to a new kind of barbarism, in which the spiritual is being overlooked, and the material is becoming our whole existence. It would be well for us to recall the words of President Coolidge on the need of religion in our national life. He said in part: "We do not need more material development; we need more spiritual development. We do not need more intellectual power; we need more moral power. We do not need more knowledge; we need more character. We do not need more law; we need more religion. We do not need more government; we need more culture. We do not need more of the things that are seen; we need more of the things that are unseen."

It is said that the people are losing their ancient faith in God, and immortality, and are ceasing to venerate the Bible. It is claimed that people are more interested in science than in religion.

It is my opinion that, while there may be some justice in this complaint, the complaint itself is somewhat exaggerated. A great Frenchman once said that "Humanity is incurably religious," and the evidence is in favor of this point of view. I believe that statistics will show there has never been a time when church membership was larger in proportion to the population than it is today. Surely there has never been a time when it was easier to raise church funds. People talk about the godlessness of our time, in comparison with the age of the Puritans. But the hearts of these would be cheered if they would only make a study of the court records of that period. We are too apt to remember the saints and forget that there were sinners in those days as well as in our own times.

It is probable that there was never an age when more people believed in religion than believe in it today. There are unbelievers, it is true, but there always have been unbelievers, even in the so-called ages of faith. Lord Bacon once said that a little philosophy inclined men's minds to atheism, but that depth in philosophy inclined men's minds to religion. There are but very few Americans who call themselves atheists. Most Americans believe in some spiritual theory of existence, and this statement, I believe, applies to the great majority of American scientists as well as to those who profess no knowledge of scientific theories.

It is sometimes said that our scientists attack the Bible, but the truth is that their attitude toward the Bible is, as a rule, quite as reverent as the attitude of a well-educated clergy in general. There are very few of them who attack it in the sense in which Robert Ingersoll or Charles Bradlaugh might be said to have attacked it. I hold no sympathy with the man, whether he be clergyman or layman, who, because his limited vision will not permit him to believe, seeks to destroy the faith of others. There is no excuse for the schismatic who seeks to pull down a whole religious structure simply because he thinks he has found a flaw in one of the timbers. True science and true religion can march forward hand in hand, and science need not seek to destroy religion and belief in God. In general, I believe the whole tone of American science is one of reverence.

The debt of mankind to religion is incalculable. The whole history of mankind has developed no more powerful force for the advancement of civilization than religion. Struggling humanity for centuries has held fast to that fundamental belief which is the basis of all true religion, the belief in a Creator. That has been the staff and the comfort of the human race under the greatest trials and oppressions. It has endured through persecutions and martyrdom. It has triumphed with every step toward human betterment.

Men need religion like a flower needs sunshine. What incentive would there be in life if we believed that our struggles in life have all been in vain; that life on this earth is the end; and that all that man is or has aspired to be, lies buried in the grave with him? What inspiration would there be in life if we believed that man is only an animated clod, whose life is as dependent upon his body as a flame is dependent upon a candle, or oil in a lamp? The materialist says that thought is dependent upon the brain, and must cease when the brain no longer functions. But there is no proof to be had that he is right. It is highly probable that the brain is not the creator of thought, but merely the transmitter of thought, as a musical instrument transmits music whose origin is found in the mind of the composer.

But religion does not originate in science; it originates in feeling. It springs from the heart of man in answer to the greatest of all human yearnings—the yearning to be at peace with our God, with ourselves, and with humanity. While this yearning exists in the hearts of men no pedantic scholar who seeks through a misapplication of the findings of science to undermine faith in God can combat the power of true religion.

Man feels that certain things are true. His feeling about them does not prove that they are true, but the feeling persists, and there is nothing in science to disprove the deep feeling in man that goes by the name of religion. And feeling is the most fundamental thing in us.

"Thought is deeper than all speech,
Feeling is deeper than all thought;
Souls to souls can never teach
What unto themselves was taught."

Religion finds its home in the depths of man's innermost self. It is not the product of thought, but, like music and poetry, is born of human emotion. It satisfies a deepseated human need, and is one of those things that defies explanation. Our whole life from birth to death is one of continuous mystery. Whence did we come? Why are we here? Whither are we bound?

Men have sought from science an answer to these questions, but science is unable to answer them. Men have turned from science to philosophy, and philosophy is also unable to answer them. But man has a curious mind. He demands a solution for every problem. He is a bold adventurer who would explore all the wind-swept continents and stormy seas of existence in search of answers to his question. Since he has found no answers in the outward world he has looked within himself. There he has found, in religion, a response to the desires of his heart.

He has gazed for ages within the shifting sands of time to find the footprints of the eternal. He has sought within all the mazes of the transient for a sign of the permanent, and the deep heart of him has fluttered with mystic whisperings which he has translated into such words as "God," "duty," and "immortality." It is useless to go into the dictionary to find the meaning of such words as these, for these are spiritual symbols, and spiritual things are discerned only spiritually. They are not the creation of reason but of faith—yet for the faith that gave them birth millions of men have gone willingly and cheerfully to their death.

Our indebtedness to religion is made clear when we reflect for a moment upon the most stupendous thought the human mind has ever entertained—the thought of immortality. It did not come from reason, for it appears to be contradicted by all the evidence of our senses. Every earthly form that lives appears to be mortal, yet man has heard a voice which bids him believe that he shall not die. Surely this insistent urge—this constant longing for eternal life—has not been planted within us for the mere denial of it. It is a longing that will be satisfied eventually. There is something within man which bids defiance to time and the law of mortality.

The skeptic says, "Prove it." But the man of faith asks for no proof. He feels it and needs no proof. The persistence with which mankind clings to the faith, this hope, this desire for religion, is ample proof of its truth, proof of its need, and proof of its never-ending influence on the daily life of man. But the skeptic says that this is a most unreasonable attitude. The trouble with the skeptic lies in the fact that he does not realize that we live in a world where nothing can be proved that is really worth proving.

Suppose a skeptic asked a person who had just been held enraptured with one of Beethoven's immortal symphonies to prove to him that Beethoven was a great musician. What would the answer be? More than likely there would be no answer, because no proof would be required. It would be a matter of feeling entirely. A musical critic might not be able to prove the greatness of Beethoven's music any more than the humblest admirer. He might say, however, that it was useless to discuss the greatness of such music with someone who, once having heard it, needed proof of its greatness. You either feel its greatness or you don't. If you don't, you are tone-deaf.

And so it is with religion. It cannot be explained any more than the greatness of Shakespeare's poetry. If you have no feeling for music, or sculpture, or poetry, you will see no greatness in these things. If you are incapable of feeling the truth and the power of religion, the truth of religion will have no meaning for you.

Men are born into the world with a genius for things, and other men are born who have no genius for them. One has a genius for music, another has a genius for art or for poetry, or it may be for oratory or for invention. All the great things that have inspired mankind have come as a result of what some have called inspirations; they are not the products of our conscious and commonplace minds.

Now, some men have had a genius of religion. They have moved the world because what they said and wrote answered to something that most men and women found in themselves. People go to church because an inspired hymn inspires those who listen to it. An old English writer once said that he did not care who wrote the laws of the nation, just so long as he was able to write the songs. He was quite right in thinking that a nation is influenced more by its songs than its laws. Men break the laws if they don't like them; but they are moved by the songs because they sing them.

A song is the outward expression of an inner emotion; and to live, man must express himself. Music is the only universal language. Our sacred songs are the most inspiring parts of our religion. A song carries a message we can understand, even though we cannot understand the words of the song. Everything may be expressed in song, but there is no song that does not have an added appeal when it is sung by children. I wonder how many of you have ever heard children singing and felt something of the divine in it. It inspires me, and thrills me, to hear childish voices raised in songs of praise to the Creator of all. How many of you have ever heard

60,000 children singing their praises to God? I heard it recently at the Eucharistic Congress in Chicago, and it will remain with me always as one of the most thrilling and inspiring things I have ever heard. I believe the life of a child itself is a divine melody. Each year is a verse as it unfolds and brings to light new and hidden qualities that go toward the making of a new personality.

We know there is nothing greater in the world than a child. "The world is saved by the breath of school children," as the Jewish Talmud says. Our country in the future will be what our children make it, and our children will be what we make them. We must see to it that they are trained in the way they should go, and in this training the church and the Sabbath school play a large part.

At Mooseheart, that beautiful garden spot in the Fox River Valley of Illinois, where the sunshine of God's smile is reflected in the happy faces of our children there, we are teaching the greatness and goodness of a loving God. The children sing to Him as one they love, and not as one they fear. We have nearly 1,400 children at Mooseheart growing into manhood and womanhood under the sheltering wing of the great Moose fraternity. We are training them in the way they should go. We are educating their brains and their hands, and we are also educating their hearts. We are making them well-rounded men and women. If America is destined to be eternal, it will only be because we have been true to our duty to our children. A land full of neglected children is like a well without water.

When I hear the children singing in the (Mooseheart) Sabbath school, it carries me back to the days when I sang the same sacred songs as a boy in the little Welsh Baptist church in Sharon, Pa. My father and mother attended Sunday school with me, and I can hear again their voices lifted in song. Music is a characteristic of the Welsh race, and in the little Welsh Baptist Church in Sharon, the same church that my mother attended this morning, I have heard some of the most inspiring music it has ever been my good fortune to hear. It was music that came from the heart, pure and sparkling, like a spring of cool, clear water from the side of a hill. It is in the days of our youth that we lay the foundation for future success or failure. If we build well, if we build carefully, and righteously, there is no question of our success. We can't help but succeed. There is no greater influence in a man's life than the prayers he hears at his mother's knee, the songs he hears her sing at her work, and as she lulls him to sleep. These are the things that make a lasting impression. They are the memories that stay with him, and are a source of comfort and refuge in the days that are to come.

The songs I learned as a boy in church and Sunday school are with me always, with their inspiration, and faith, and hope, and courage. I don't believe that anyone can hear the old familiar hymns without feeling that he is a little closer to God as a result. Nearer My God to Thee, is a song that grips me, and actually makes me feel that I am nearer my God than before. No task appears too big, no load too heavy, when I think of the words of that beautiful song, Rock of Ages. There is something of eternity in it; something solid and substantial that is comforting. When a man is tempted to do something for immediate gain that will make him sorry later on, where can he find greater comfort and strength than in that old song we know so well, Yield Not to Temptation. I am sure that the influence of that song has kept many a man on the beaten path when his step faltered, and he was undecided.

As a boy I learned to sing How Firm a Foundation. The words have always been a source of comfort to me. I hold a deep and abiding faith in the firmness of the foundation of true religion. Every song of praise is a song of praise to God. The poet may sing a song to the beauty of a flower, yet the flower is a work of God, and the song is a hymn of praise. In these days when the world is full of strange theories and the minds of men are in a turmoil, there is always a deep satisfaction comes to me when I join a group of men and women met to worship God and sing His praises.

The influence of the Sunday school and church has been with me all my life, and I owe it much. As an immigrant boy I went to work in the steel mills at the age of 9. I had little or no chance for an academic education. Most of my education was gained in the church and Sunday school. It is my firm conviction that background makes a man's destiny, and that background is formed in the days of his youth. The boy who begins life with a good, strong, moral background, who is well founded in his belief in the Bible, starts without a handicap. He is sure of success.

America is and has always been the land of religious freedom. It is also the land of opportunity, and religious freedom and opportunity go hand in hand. This country offers a better chance to the youth of today than it ever has before, a better chance than ever the whole world offered.

It is indeed a privilege and a pleasure for me to come here and speak to those who believe in God, in the church, and in the Sunday school. Let men say or think what they will to the contrary, religion is the deepest reality in the soul of man. Down through the ages religion has, time after time, changed the whole political, economic, and social structure of the world. Its influence has brought men and women out of the depths of obscurity and raised them to the heights of fame. Art and literature have been inspired by its teachings. It has exalted great nations, and thrown down rulers swollen with pride. It has stirred peoples to over-turn despots and to establish democracy. It has lifted mankind far on the road toward ultimate peace and happiness. For no man who fails to acknowledge faith in God, faith in his fellow man, and faith in himself, can find the true road to peace and happiness.

The faith that lives today will never die. The old-fashioned religion, with its real belief in God, is stronger today than ever in its history. Those who would try to tear it down, may well beware, for, in the words of the Scriptures: "Be not deceived; God is not mocked."

The Federal Government's Encroachment Upon the States

EXTENSION OF REMARKS

OF

HON. WARREN R. AUSTIN

OF VERMONT

IN THE SENATE OF THE UNITED STATES

Saturday, August 5 (legislative day of Wednesday, August 2), 1939

ADDRESS BY MISS CONSUELO NORTHROP

Mr. AUSTIN. Mr. President, I ask unanimous consent to have inserted in the RECORD an address by a distinguished woman of Vermont, Miss Consuelo Northrop, former senator from Chittenden County to our General Assembly of Vermont, former State's attorney, and at present a member of the National Republican Committee for Vermont. The address is entitled "The Federal Government's Encroachment upon the States," and was delivered on July 20, 1939, at Hanover, N. H., at a conference held under the auspices of the Braman Fund Committee for Defense of the Constitution.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

It is a pleasant opportunity to discuss with you for a short time this evening the question of Federal encroachments upon the States.

I am one of those Vermonters whom Dorothy Canfield Fisher affectionately and aptly refers to as "hermetically sealed Yankees." As you know, Vermont for 14 years carried on as an independent republic on the North American Continent. This important part of our history still burns today in the hearts of those who are fortunate enough to live in the Green Mountains. We always have deeply cherished our independence, and we crave the opportunity to still maintain it.

Inheriting as I have an independent spirit from my ancestors who helped clear the forests of the New Hampshire grants along Lake Champlain you may expect to hear only the States' side of this controversial subject. However, such a great question must be fought out and thought out intelligently from every angle by everyone within all parties in order that we may benefit by the deliberate will of the people.

James Bryce tells us that at an early New England church convention a proposal was made to adopt for a common prayer "O Lord, bless our Nation." Strange as it may seem to us today, this was rejected because it carried with it too great an implication of national consciousness. As a consequence, the convention instead adopted the prayer "O Lord, bless these United States." Having in mind the struggles of those who came to and lived along the Atlantic seaboard during the Revolution and the days which followed, perhaps we can understand the motivating spirit of this convention.

We recall how those who labored over the Constitution from May to September in 1787 wondered if the States would consider the Constitution went far enough in safeguarding their sovereign rights. It was the firm determination of the patriotic men who had a hand in the birth of this Nation that the legislative, judicial, and executive branches of the National Government should not usurp their individual freedom and the liberties of the separate States.

Thus, in order not to leave so important a principle to chance or construction, there was written into the Constitution the tenth amendment, which reads: "The powers not delegated to the United States by the Constitution nor prohibited by it to the States are reserved to the States respectively or to the people." It was largely by this constitutional provision that the Nation's founders sought to fortify the people against encroachment by any President, Congress, or officer of the National Government. It has well been said that "the framers of the Constitution knew that neither legislators nor executive officials are good judges of the

extent to which their own powers should go." It has been the interpretation of this provision in the Bill of Rights which has for the most part determined the rights of the States over a period of 150 years.

If Alexander Hamilton and James Madison today were to discuss the transitions effected by the passage of years, the latter would be compelled to admit, undoubtedly as much as he would dislike to do so, that the Federal Government has not ceased its constant gain of power since the drafting of the Constitution. This is due to many causes, a few of which are here suggested.

Every means of communication, rapid transportation, telegraph, and radio have helped to obliterate State lines, with an attendant loss of State importance. Then, too, the World War brought about the centralization of power at the Nation's Capital. It is safe to say that before the States had even regained a partial balance of their sovereignty after the war that the depression followed to again concentrate in Washington vast power, the effects of which are incalculable. In addition to the war and the depression there have developed tendencies which have directly or otherwise increased the mounting power and influence of the Central Government. For instance, are not our State legislators prone to yield their prerogatives to a point where they sanction measures sponsored by the heads of State departments and executives? Hasn't power been siphoned away from the States by the multiplicity of boards and bureaus which though located largely along Pennsylvania Avenue make their presence felt in every city and township in the country? As our people have come to look to the national and not their State capital for employment, food, and clothing, is it not natural that the States thereby lose their importance in the minds of the possible beneficiaries? Is it not a fact that more and more importance has been placed upon the office of the Presidency at the same time discounting the consequences of the conduct of the administration? Is it not apparent that much national legislation of recent years has extended Federal influence into the lives of every American citizen?

President Roosevelt on July 16, 1929, in an address before the Conference of Governors at New London, Conn., stated, "But there is a tendency, and, to my mind, a dangerous tendency, on the part of our National Government to encroach, on one excuse or another, more and more upon State supremacy." And yet since March 1933 we have witnessed the passage of the N. I. R. A., A. A. A., Securities Act, Banking Act, Sugar Control Act, Securities and Exchange Act, Communications Control Act, Railroad Labor Act, Tin-Plate Export Act, Connally Oil Control Act, Guffey Coal Act, National Labor Relations Act, Social Security Act, Public Utility Holding Company Act, Munitions Control Act, Robinson-Patman Act, Commodity Exchange Act, Maritime Commission Act, Revenue Act, Federal Alcohol Control Act, Walsh-Healey Act, Wheeler-Lea Act, Fair Labor Standards Act, Civil Aeronautics Act, and many others. Regardless of any other effects of these enactments, have they not necessarily tended to increasingly absorb State powers?

Certainly one would not contend that the rights of the States have been violated in matters concerning which the States themselves are powerless to act. But in any event, Federal extension, involuntarily or otherwise, leaves its effect on the States as a result of increased national power.

May I ask your indulgence if, in attempting to point out some of the insidious dangers of Federal encroachments on the rights and liberties specifically reserved by the States under the Constitution, I use as an example a situation occurring in Vermont because of the prominence given to it in New England and elsewhere?

I refer to my own State because I am closely familiar with its political, economic, and social history, as well as with its well-known State policies. Vermont, as you doubtless know, has a recognized reputation among the States for intellectual honesty and stability coupled with a consistent attitude on matters relating to constitutional authority which is deeply planted in the very hearts of its people. A critical review covering a period of over 150 years of the history of Vermont, the first State admitted to the Federal Union, gives striking evidence of its adherence to orderly process under the law and a deep reverence to the Constitution.

It is not surprising, therefore, that its leaders, whether State or Federal, have always been found deeply appreciative and alert to the trusts imposed upon them under Federal and State constitutional law.

Vermont has never yielded to the assaults and temptations of opportunity parading under the cloak of New Dealism, or through the devious paths of private grief. Rather it has stood like a Rock of Ages, unmoved from its faith of constitutional requirements and civic duty. In this respect the policy of Vermont as a State keenly aware and jealous of its sovereignty might perhaps be expressed as a desire for sympathetic cooperation and helpfulness with its sister States within the spirit and policy of the Federal Constitution, which is, and as Vermonters see it, must always remain the very foundations for the justification and continuance of the Federal Union.

A single instance will serve to illustrate what I mean, viz, in 1936 New England was again visited with a terrific flood that ravaged the entire Connecticut River Valley, and while Vermont did not suffer nearly as much as it did in the previous flood of 1927, yet the waters that did such damage in cities like Hartford, Springfield, etc., came chiefly from Vermont watersheds. It was immediately obvious that any satisfactory plan for flood control would involve interstate and Federal action.

Accordingly, the Governors of Vermont, Connecticut, New Hampshire, and Massachusetts, representing the affected States, and the Army engineers, representing Federal authority, met and worked out a suitable plan which would avoid a repetition of these occurrences and which would require among other things the construction of a detention dam in Vermont at the headwaters of the Ompompanoosuc River in the vicinity of Union Village.

The purpose of a detention dam, as distinguished from a dam constructed for power purposes, is to hold back or detain floodwaters in times of great flood, outlets or spillways being so arranged that these floodwaters may be gradually released into the main outlet rivers in such a way as to avoid danger and thus gradually reduce the flood heights which would otherwise necessarily occur.

To function successfully the reservoir of a detention dam must ordinarily remain empty and only come into use to collect the excess waters during the flood-stage period; whereas a dam constructed for power purposes must remain practically full at all times if power is to be provided.

It will be seen, therefore, that in this respect a detention dam differs essentially from a dam constructed for power purposes because in the latter instance the reservoir behind the dam remains practically full at all times, depending upon the natural flow of the stream. Or, in other words, dams constructed as a part of a flood-control plan are rarely suitable for power purposes, and then only as an auxiliary.

Vermont was willing, as always, to cooperate with its sister States as well as the Federal Government in a plan for flood control, but it was not willing to surrender control of the State's water resources, and particularly so as it was unnecessary and contrary to State law, a fact well known to the Federal Government.

Federal authority in Washington, however, ruled that the State must surrender such water rights as in the opinion of the President and his Federal Power Commission was necessary as the price of flood control. They insisted that as a condition of Federal aid that a State give up to Federal authority as determined by them the right and title to all lands which they considered necessary for the purpose. They ruled that this must be done, notwithstanding any restrictions, limitations, or requirements of prior consent provided by any other act.

Governor Aiken, of Vermont, very properly objected. He pointed out Vermont did not recognize the right of the Federal Government to arbitrarily acquire land within the State without its consent and also that by acceding to such requirements he would be acting contrary to the expressed mandate of Vermont and its people. The State could not surrender its birthright and particularly so as the contemplated possibility which was unnecessary and uncalled for and the Governors of other States supported him in his view.

It was early in January when Governor Aiken learned that the War Department declined to approve the Union Village agreement. Immediately thereafter the Vermont General Assembly petitioned Congress to cause the contract to be signed, to repeal the Barkley amendment of June 1938, and appropriated $67,500 to carry the matter to the United States Supreme Court. However, no word has come from Washington since the first of the year and nothing has been done at Union Village. It has been said that Vermonters prefer floods to reservoirs. That is certainly true if in the acquisition of Federal reservoirs we are compelled to surrender any of our sovereign rights.

James Beck once said, "The Supreme Court is not only a court of justice but in a qualified sense a continuous constitutional convention." As it is the judicial branch which determines what constitutes violations of States Rights, we must take note that here again the States have waged a losing battle for supremacy. The records indicate that up to the beginning of the twentieth century but 26 congressional acts had met with reversal at the hands of the Supreme Court; about 40 since that time. Before 1870, approximately 20 cases were reversed but in the last 70 years, in the vicinity of 20 times that number have been disallowed. Some of the later ones wherein the rights of the States have been upheld are, *United States* v. *Constantine; Hopkins Federal Savings & Loan* v. *Cleary; United States* v. *Butler; Carter* v. *Carter Coal Co.;* and *Ashton* v. *Cameron County Water Improvement District.* (These may be found in vols. 296, 7, and 8 of the United States Supreme Court Reports.)

It is unnecessary to suggest that whenever the Supreme Court has decided against the States that no State rights have been violated in the matter litigated because the Court's decision is conclusive as to the law.

The reciprocal-trade agreements of which we have heard much have in many sections of the country tended to break the economic independence of the States. Many illustrations of this truth can readily be cited. For one instance, during the early months of 1939, when New England textile mills were being dismantled, there was imported into this country 4,368,000 yards of cloth. This production would have given work to American employees in 20 woolen mills for a period of 4 months.

Today, the Federal Government is pouring billions of dollars in various forms into the States in the name of relief. The people of the States blandly overlook the paramount fact, namely, that this money is their money collected from them in taxes by the Federal Government. Where else does it come from? The States in turn tax and tax in order to carry on their own governmental functions. They tax their industries in many cases out of business and thus reduce future sources of revenue.

Speaking of taxation of business, a study recently made by the American Federation of Investors revealed that the stockholders of 163 leading American corporations received an average dividend of $1.33, while the taxes paid equaled $2.73 on each of the common shares owned by investors. The combined earnings of the 163 corporations, before providing for taxes, amounted to $2,666,192,399—of this the tax collectors took $1,643,466,791, or 61.6 percent.

The States in some cases in their need for funds pursue the unfortunate practice of taxing, under one guise or another, businesses of other States whenever opportunities occur, and this in no sense makes for good feeling. With diminishing sources of revenue the States are weakened in their efforts to run their own affairs. In consequence, the Federal Government continues to assist them with more Federal funds extracted from the States, and so the vicious circle whirls on and on toward breaking the backbone of State independence.

Does not this condition furnish another reason, if one is needed, why Federal squandering of our funds should be halted? Which is more important—that W. P. A. music projects broadcast throughout the Nation giving the administration an opportunity to advertise its humanitarianism, or that our dual system of government be maintained? To be sure, the W. P. A. program which reached Vermont yesterday from the Pacific coast would have sounded well enough if it were not for the realization that we are helping pay for it with interest, namely in a sacrifice of security and mounting debts which must be collected somehow, sometime, from the people of the 48 States. Incidentally, along with the music, is it necessary for us to finance such a long dissertation on the benefits of the New Deal? It is still several months from 1940.

Other instances of invasion could be cited at length. By taking advantage of the misfortunes of its people in times of need, Federal authority is engaged in a whittling-down process never attempted since the formation of the American Union, and it is particularly tragic when it is being done with public funds furnished by the people from the several States. It is a form of dictatorship which, unless effectively stopped by an aroused electorate, will so weaken States' rights that it is difficult to foresee the ultimate result.

In these transitory days when there is a decided tendency toward substitution for a change in our social fabric; when private enterprise is required to give way to "some concept of the welfare of the people as a whole," we may expect changes in our laws to meet the tendencies of the times. If there ever was a time when the words of Justice Brandeis were fitting it is now, namely, "the greatest problem before the American people" is "the problem of reconciling our industrial system with the political democracy in which we live."

The whole present situation in regard to State's rights is well expressed by Senator VANDENBERG in the following few lines: "The maintenance of democracy in the United States requires the preservation of legitimate State's rights. This country is physically too big, its characteristics are too complex, its sectional problems are too diverse, its people are traditionally too autonomous, to be run in all the intimacies of life from one central control. While we must frankly concede that there is constantly increasing need for Federal jurisdiction in constantly multiplying interstate perplexities, the great fundamental fact remains that we want and must have, the maximum retention of self-government in State and local units or we shall finally face our own Frankenstein."

We know that the control of crime in the apprehension of criminals is a Nation-wide problem which presents definite interstate aspects. We know the Post Office Department can best carry on the protection of the public from mail frauds. There is no question of the many beneficial results of the work of the national food and drug law administration, control of lottery rackets, and many other problems are best handled by the National Government.

James Truslow Adams, in speaking of the necessary separation of the powers of the State and Federal Governments, said, "I do think that many functions may have to be added to the Federal Government but for that very reason, I would divest it of every function it does not have to exercise for the good of the whole."

To the National Government falls the coinage of money, conduct of foreign affairs, control of the Army and Navy, and many other national matters. Therefore, the States, insofar as it is possible, should carry their own loads and certainly in the field of education, workmen's compensation, and various other human and social relationships they should endeavor to do so without the heavy arm of Federal direction.

Chief Justice Chase once said: "The failure of the States to perform their functions would annihilate the National Government," and Chief Justice Hughes, at the one hundred and fiftieth celebration of Congress last March, said: "If we owe to the wisdom and restraint of the fathers a system of Government which has thus far stood the test, we all recognize that it is only by wisdom and restraint in our own day we can make that system last."

As a people we may at times be impatient with the plan of Government bequeathed to us by our forefathers, interpreted by our judiciary, but before we allow aggressions by arbitrary power we should count our manifold blessings and resolve that our heritage of a representative form of Government shall be passed on intact to future generations.

Meeting of Interparliamentary Union, The Hague, 1938

EXTENSION OF REMARKS

OF

HON. HENRIK SHIPSTEAD

OF MINNESOTA

IN THE SENATE OF THE UNITED STATES

Saturday, August 5 (legislative day of Wednesday, August 2), 1939

ADDRESS BY HON. CLAUDE PEPPER, OF FLORIDA

Mr. SHIPSTEAD. Mr. President, I ask to have printed in the Appendix of the RECORD an interesting address delivered by the junior Senator from Florida [Mr. PEPPER] at the meeting of the Interparliamentary Union at The Hague last year.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

Mr. President, members of the Interparliamentary Union, I have no assurance whatsoever that I have the capacity to add anything to the discussion already presented on this, the most important, I believe, of all the subjects we have discussed. But attached as we Americans are to democratic institutions I do not feel it would be appropriate that the discussion should end without our evidencing some of the attachment we do cherish to the parliamentary process, particularly as now all over the world there is a tendency to bring the democratic process into question, and some even scorn and disdain it.

You know, of course, that the American attitude may be expressed in the sentiment that was uttered by one of our Presidents, President Lincoln, who said that parliaments should not only be of the people and for the people but by the people; and so the essential problem presented to the people of each nation is how they may attain effective government and how at the same time they may preserve the right of self-government. The people everywhere have the right of good government, likewise do the people, we believe, have the inalienable right of self-government. The problem is, then, how self-government or democratic government may be efficient government or good government—because no people, I take it, demand more than good government, even good government that may have been chosen by direction of particular people.

The reason why representative government has most often fallen into collapse is, I believe, because it has been inefficient government. It has not been mobile enough, it has not quickly enough marshaled the national power. All of us have the disposition sometimes to go further than we do, but the danger of the authoritative view, we take it, is that you may precipitately gain something good but the momentum may take you to an unintended end. So President Lincoln said while the people were not always the wisest depository of power, they were in the long run the safest. We believe it is essential and vital that democratic processes must adapt themselves to the demands and the complexities of this day, and hence it is particularly appropriate that we should not only have meetings like those of the Interpartliamentary Union but that we should examine the efficiency of the parliamentary process and see how it may be improved.

I suppose all of you are familiar with the technique of the American system. You know, of course, we have a written Constitution. That Constitution achieves three fundamental purposes. The first is it defines the inalienable and indestructible liberties of the individual citizens, the right of free speech, freedom of the press, free assembly, and immunity against prosecution in the courts by the Government except by indictment by grand jury, and the assurance of trial in the area in which the crime may be committed; also freedom from having soldiers quartered in your home and from having your possessions searched by officials of the Government, and the like. So first you have defined the liberties and privileges of the individual citizen. The second one is the division of powers between or among the executive and the legislative and the judicial branches of the Government, and then the third is the definition of the power which may be exercised by each of those three governmental divisions. Now, the President, as you know, executes the law and may make recommendations for legislation to the Congress but has no power to initiate legislation unless Congress adopt his recommendations. The President, of course, has the duty to enforce laws made by the Congress, and appoint the officials of the Government, which appointments are to be confirmed by the Senate, and the President has the authority to conduct the international negotiations of the country.

Congress is divided into two Houses, the lower with 435 and the Senate with 96 Members, two from each State. All of the powers exercised by the House may be exercised by the Senate with one

exception. We think it an important contribution of the American system that treaties before they are ratified are brought into public scrutiny and come before the public knowledge so that the people are informed not only about their local legislation but about their international obligations and duties undertaken by their Government.

And then there is a third section of the Constitution in which each of the bodies has a definition of its powers, the legislature to make the law, and the courts to interpret the law, and the executive to enforce it. You will observe that the parliamentary definition mentioned in the report is exclusively vested in the legislative part of the Government, and that obtains as well for the individual Representative or Member of the Senate, whether a member of the Government party or the opposition party, you have the same right to introduce legislation.

The parliamentary procedure is an important point to emphasize because it is there we are likely to develop the greatest democratic efficiency. We have various committees, judicial finance, taxation, and the various other subjects within the scope of our legislative power. These are continuing committees, and Members remaining in Congress a long time remain members of the committees and are familiar with the subjects; and these committees have their own experts, the advisers and counselors of these committees, who have no power except to act as experts. In addition, each of the bodies has what we call a legislative drafting council, a committee of legal experts who are simply experts hired by the various Houses to advise about the form of a bill, so that the individual Member has expert legal knowledge available to him in drafting a bill.

Each of us Representatives and Senators has an office in his respective building. The House has three secretaries and two large rooms, and in the Senate we have three rooms and five secretaries, who aid us in drafting bills and carrying on legislative business more efficiently, and we have documents accessible to us. One thing that seems to be the subject of most criticism is the way we haggle and delay sometimes in the consideration of matters of legislation. But in our country all the primary examining of legislation is done by the committees, and when a committee has examined a bill and made a favorable report, generally speaking, unless there are differences on broad matters of policy, a bill takes a course on the floor pretty well like that outlined by the committee. So by effective use of the committee we gain in time and frequently save useless debate.

I have covered some part of our parliamentary procedure. We have no hesitation to consult outside bodies, but, of course, none has any authority.

The subject of special powers is a difficult one, because government nowadays is very complex and to rely on intricate law is sometimes impracticable, and so we have an element of discretion. The principle we try to follow may be roughly described by the "skeleton law" referred to in the report. We generally lay down the general principle to govern administrative action, allowing the executive to fill in the detail, but our courts have authority to determine whether the delegation of power is too large, whether we have abdicated our congressional and legislative duty of declaring the law in understandable terms. You may remember the so-called chicken case, wherein the N. R. A. was declared unconstitutional by our Federal Court on the ground that Congress had not been specific enough and had left too much to administrative discretion.

You may permit me to tell you a joke you may or may not deem appropriate to the case of granting too much power to the Executive. That may be somewhat like the story I heard about a colored preacher who was preaching on the subject of the Devil. He was telling his people that the Devil was tied. "The Devil," he said, "am tied. We have done got the Devil tied; but," he said, "Brother Jones, the Devil ain't tied too tight to get you, and Sister Brown, the Devil ain't tied too tight to get you, and Brother Robinson, the Devil ain't tied too tight to get you." And a little boy said, "He might as well be loose!" [Laughter.]

The last point is the control of the constitutionality of laws by the courts. We of course know you regard that with some skepticism, and in certain directions with opposition. Nevertheless, if you have a written constitution, as our Irish friends have now as well as we, you must come to a decision whether the constitutional liberty of the individual has been transgressed by the legislative power. It is an axiom of American law that none can be a judge in his own case. If an individual cannot be a judge in his own case, can a legislative body be a judge of a case in which there is a question of the use of its own power? If there is any limit on parliamentary power, then surely some disinterested party must have authority to say whether that limit has been passed, and consequently that party should be one steeped in the tradition of impartiality to pass judgment on the case of a coordinated body which may be exceeding its own power and authority. So, if you ever put upon the individual a cloak that gives him immunity against legislative power, there must be somebody to see that that cloak is not taken away.

You will observe the balance of the three powers I have referred to. It does not mean these shall be exercised so individually or unsympathetically to each other that the powers of government cannot be carried on effectively. There is a duty on the three to cooperate in harmony, but by scrutiny of the affairs of the other departments you do have a check on any tending to exceed its own department.

We have our trouble with that system. It sometimes makes us go more slowly than we wish to go. But when you think of the criticisms directed against representative assemblies remember the reverse side, remember their virtues as well. I know of nothing beside the divinity beyond the stars which has come so near perfection or worked to the greater good. Here in this building is represented the parliamentary sentiment of the world and determination has been manifested that men shall insist on the right of self-government, and not only that but shall so school themselves in the art of self-government as to be able carefully to fulfill its obligations and give good government, and effective government, to the people of their nation. [Applause.]

Production of Commercial Cotton in the World

EXTENSION OF REMARKS

OF

HON. PAUL H. MALONEY

OF LOUISIANA

IN THE HOUSE OF REPRESENTATIVES

Saturday, August 5, 1939

STATEMENT BY THE NEW YORK COTTON EXCHANGE SERVICE

Mr. MALONEY. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following statement:

Production of commercial cotton in the world

[Compiled by the New York Cotton Exchange Service. Figures do not include large amounts consumed in households in India, China, and some other producing countries. American cotton in running bales. Foreign in equivalent 478-pound bales]

Country	1937-38	1938-39
United States	18,412,000	11,800,000
Other North America:		
Mexico	298,000	233,000
Salvador	4,811	5,400
Nicaragua	5,230	3,000
Haiti	20,643	18,000
Puerto Rico	512	826
British West Indies	3,852	4,125
Other countries	1,699	1,688
Total other American countries	334,747	266,039
South America:		
Colombia	12,914	12,000
Venezuela	13,375	11,992
Ecuador	14,339	18,523
Peru	381,739	393,746
Paraguay	43,518	43,000
Brazil	2,075,000	1,877,000
Argentina	237,272	299,792
Other countries	75	75
Total South America	2,778,232	2,656,128
Europe:		
Spain	11,000	11,000
Italy	19,508	43,815
Greece	93,645	71,488
Yugoslavia	3,174	4,910
Bulgaria	47,002	34,969
Rumania	1,978	3,667
Other countries	22	25
Total Europe	176,329	169,874
Asia:		
Russia	3,700,000	3,800,000
Turkey	232,000	200,000
Cyprus	3,908	2,000
Syria, Lebanon	25,828	25,000
Iraq	17,004	9,854
Persia	166,000	166,000
India	4,942,000	4,350,000
Ceylon	312	200
Burma	108,000	85,000
Siam	10,800	5,100
French Indo-China	6,000	6,000
Dutch East Indies	11,500	11,500
Chosen	212,814	187,083
Japan	994	995
Manchuria	74,344	77,406
China	2,400,000	1,500,000
Total Asia	11,911,504	10,426,138
Africa:		
Egypt	2,259,000	1,600,000
Morocco	250	235
French West Africa	21,908	22,000
Gold Coast	50	50
Togoland	7,610	7,600
Nigeria	26,436	23,000
Anglo-Egyptian Sudan	277,648	270,000

Production of commercial cotton in the world—Continued

Country	1937-38	1938-39
Africa—Continued.		
Eritrea	1,000	1,000
Italian Somaliland	3,000	3,000
French Equatorial Africa	36,897	37,000
Belgian Congo	179,140	198,474
Uganda	351,464	251,046
Kenya	15,479	15,000
Tanganyika	48,536	44,351
Angola	12,729	15,000
Rhodesia, South	444	450
Nyasaland	10,530	11,720
Portuguese East Africa	37,000	43,000
Union of South Africa	2,000	2,000
Other countries	434	259
Total Africa	3,291,555	2,545,185
Australia, etc.:		
Australia	9,987	12,050
Other countries	50	50
Total Australia	10,037	12,100
Total foreign countries	18,502,404	16,075,464
Total world	36,914,404	27,875,464

World's consumption of all kinds

Country	1936-37	1937-38	1938-39
United States	7,950,000	5,748,000	
Great Britain	3,037,000	2,625,000	
Continent	8,427,000	8,988,000	
China	2,768,000	1,230,000	
India	2,463,000	2,867,000	
Japan and Manchuria	4,120,000	3,719,000	
Brazil	699,000	813,000	
Other countries	1,225,000	1,515,000	
Total	30,689,000	27,505,000	[1] 27,800,000

[1] New York Cotton Exchange Service estimate, April 1939.

Transportation Facilities in the Northwest

EXTENSION OF REMARKS

OF

HON. LEWIS B. SCHWELLENBACH

OF WASHINGTON

IN THE SENATE OF THE UNITED STATES

Saturday, August 5 (legislative day of Wednesday, August 2), 1939

EDITORIAL FROM THE SEATTLE POST-INTELLIGENCER

Mr. SCHWELLENBACH. Mr. President, a very serious discrimination exists to the detriment of the northern tier of States west of Chicago in present railroad transportation facilities. The following editorial describing it was printed in the Seattle Post-Intelligencer on August 1. I ask unanimous consent that it be printed in the RECORD.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

[From the Seattle Post-Intelligencer of August 1, 1939]

STREAMLINED TRAINS

According to a New York private press service, which may or may not be speaking in the interests of the equipment manufacturers, "every lightweight, streamlined, high-speed train operating in the United States has meant additional passenger traffic and substantial earnings for the railroad placing it in service."

The records of several of these trains, some of which have been referred to previously in the Post-Intelligencer, are cited. The Zephyrs, operating between Chicago and Denver, showed the highest earnings ratio during the 1938 fiscal year, with a gross revenue of $2,088,938 and a net of $1,568,831, or 75.1 percent of the gross.

The streamlined Hiawathas, between Chicago and the Twin Cities, made almost as good a showing with net earnings 74.1 percent of the gross, at the rate of $3.22 per train-mile.

The cumulative increase in revenues is evidenced by the record of the El Capitans, which went into service between Chicago and Los Angeles in February 1938. They produced $8,000 in revenues that month, $38,000 in March, $49,000 in April, $83,000 in May, and $101,000 in June.

At present, we are informed, 20 railroads are operating approximately 80 of these trains.

At the outset we explained that this information comes from a private press service which possibly provides it in the interests of the streamline equipment manufacturers.

The Post-Intelligencer is not interested in it from this viewpoint. We are interested in seeing that this region obtains a speedy passenger train service comparable with that provided nearly every other region of equal importance in the United States.

We have pointed out to the railroads that under pooled operation, taking advantage of the shortest mileage between various points, the three transcontinental railroads have it within their power to cut passenger schedules between Chicago and Puget Sound drastically with present standard equipment. We believe better service is due this region and we intend to keep the subject alive until the faster trains are in operation.

Comparative Study of World War Veterans, by State of Residence

EXTENSION OF REMARKS

OF

HON. JAMES E. VAN ZANDT

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Saturday, August 5, 1939

Mr. VAN ZANDT. Mr. Speaker, statistics, although generally rather boresome, frequently reveal facts not otherwise apparent.

Contrary to impressions falsely insinuated by those who have selfish interests to serve, less than 10 percent of all living World War veterans receive any monthly monetary benefits from the United States Government by reason of suffering with some disability, service-connected or non-service-connected.

Reference to the chart of statistics accompanying this article will show that although the percentage of World War veterans in each State who receive compensation, pension, and retirement payments ranges from 5.7 percent in New Jersey to 26.06 percent in Arizona (as shown in the sixth column of figures), only 9.58 percent of all living World War veterans receive any regular pension benefits from the Federal Government.

The great percentage of veterans residing in Arizona who receive money benefits from the Veterans' Administration each month is, of course, primarily due to the fact that tubercular veterans have moved into that State in great numbers. This is also true of New Mexico, where 22.02 percent of all World War veterans in the State receive regular checks from the Veterans' Administration.

Other States, such as Colorado, Alabama, California, District of Columbia, Florida, Oklahoma, Oregon, Ohio, and Texas are definitely shown to have been invaded by disabled veterans. These conclusions become apparent by noting, first, the higher than average percentages of pensioned veterans residing in such States (shown in the sixth column of figures), second, by reason of the fact that the percentage of all veterans in the country who now live in any such State (shown in the fourth column of figures) is higher than the percentage of all veterans in the country who enlisted from such State (shown in the eighth column of figures), and third, because the percentage of all pensioned veterans in the country who live in any such State (shown in the second column of figures) is higher than both the other percentages.

Rather confusing? Back up, read it again slowly while you refer to the indicated columns in the chart as to some one State, and then you will become aware of the many comparisons possible.

Now, that you have figured that out, friend reader, many other comparisons will occur to you, without the necessity of my further explaining the various steps to take. Therefore, the rest of this may prove to be superfluous, although

its conclusions may save you the time of doping them out yourself.

By noting that the percentage of all the country's veterans who now live in a certain State (shown in the fourth column of figures) is greater than the percentage of all the Nation's veterans who enlisted from that State (shown in the eighth column of figures), and by further noting that the percentage of the State's population consisting of World War veterans (shown in the fifth column of figures) is greater than the percentage of the country's total population consisting of veterans, 3.29 percent (shown at the bottom of the same fifth column), we must inevitably conclude that there has been a faster migration of World War veterans than of other citizens into such States as California, Colorado, District of Columbia, Florida, Illinois, Maryland, New Jersey, New York, Oregon, Washington, and Wyoming.

Such concentrations of veterans into certain States are obviously due either to (1) their search for employment and/or (2) their search for health.

As to the States of Illinois, Maryland, New Jersey, New York, Washington, and Wyoming, we can "dope out" that their attraction for veterans must have been jobs. This conclusion is arrived at by observing that the percentage of all of the Nation's compensated veterans who live in any such State (shown in the second column of figures) is much less than the percentage of all veterans who live in such State (shown in the fourth column of figures) and somewhat less than the percentage of all the Nation's World War veterans who were enrolled from such State (shown in the eighth column of figures), thus showing an unusual invasion of able-bodied veterans.

As to the States of California, Colorado, District of Columbia, Florida, and Oregon, we must infer that both able-bodied and disabled veterans have "moved in." We arrive at this inference by reason of the fact that the percentage of all Federally aided veterans who live in any such State—shown in the second column of figures—is greater than the percentage of all veterans who live in such State—shown in the fourth column of figures—and still greater than the percentage of all veterans who came from such State into World War service.

You said it. A seventh-inning stretch is in order before proceeding.

Now, at it again, you may observe that opposite migrations of able-bodied and disabled veterans into and out of a State have occurred.

Disabled veterans have moved into and able-bodied veterans out of such States as Alabama, Arkansas, Kentucky, Massachusetts, Minnesota, Mississippi, Ohio, Tennessee.

The reverse movement, disabled veterans "out" and able-bodied veterans "in," has occurred in such States as Illinois, Michigan, New York, and Washington.

Both able-bodied and disabled veterans have moved into such States as California, Colorado, District of Columbia, Florida, Ohio, Oregon, and Texas.

On the other hand, both able-bodied and disabled veterans have been moving out of such States as Connecticut, Delaware, Idaho, Indiana, Iowa, Kansas, Louisiana, Maine, Missouri, Montana, Nebraska, New Hampshire, North Carolina, North Dakota, Pennsylvania, South Carolina, South Dakota, Utah, Virginia, and Wisconsin.

True it is, that, in spite of this outward movement, veterans have not moved out proportionately as much as have other citizens from the States of Idaho, Indiana, Iowa, Kansas, Missouri, Montana, Nebraska, and South Dakota, for they still constitute more than 3.29 percent of the population of such States. This could be accounted for also by the fact that a greater percentage of the residents of such States were accepted as physically fit for military service than was the case for many other States.

Some of these conclusions might have to be amended on the basis of accurate knowledge as to the number and percentage of those from each State who served overseas and who incurred wounds and disabilities in service.

The higher-than-average percentage of compensated veterans in certain States can be shown to have been brought about by the fact that in such States the several veteran organizations have long maintained efficient rehabilitation service set-ups. Long-sighted legislatures in some States have become aware of the fact that appropriations to veteran organizations can result in huge dividend returns to the State in the form of additional service connections and compensation for disabled veterans equitably entitled to same.

These statistics indicate that if unemployable disabled veterans and the dependents of deceased veterans, not now legally eligible for any pensons, are to be provided for by local charitable agencies, or by State public-assistance agencies, with 50-50 matched Federal social-security funds, then the load of so providing for them is now, and in the future will increasingly become, disproportionately heavy in some States as compared with others.

These migrations of veterans and their families disclose the utter impracticability, with consequent inequities and inequalities which will follow, unless the burden of caring for unemployable disabled veterans, and the dependents of deceased veterans, is shifted from local communities and States to the Federal Government.

Comparative study of World War veterans by State of residence [1]

States of residence	Receiving compensation, pension, or retirement, June 30, 1938		Estimated living, June 30, 1938			Percent of estimated living receiving benefits	Individuals in service during World War	
	Number	Percent of total	Number	Percent of total	Percent of State's population		Number	Percent of total
Alabama	8,205	2.13	59,386	1.47	2.24	13.82	84,477	1.80
Arizona	3,271	.85	12,550	.31	2.88	26.06	12,582	.27
Arkansas	8,004	2.07	50,518	1.25	2.71	15.84	70,496	1.50
California	30,495	7.91	[2] 237,623	5.90	4.18	12.83	162,719	3.46
Colorado	5,560	1.44	39,326	.98	3.79	14.14	43,421	.92
Connecticut	5,273	1.37	50,846	1.26	3.16	10.37	67,746	1.44
Delaware	394	.10	5,750	.14	2.41	6.85	9,255	.20
District of Columbia	4,065	1.05	[2] 32,596	.81	6.69	12.47	27,651	.59
Florida	5,848	1.52	[2] 47,216	1.17	3.21	12.39	42,318	.90
Georgia	8,403	2.18	67,850	1.69	2.33	12.38	103,785	2.21
Idaho	1,310	.34	15,746	.39	3.53	8.32	22,357	.48
Illinois	18,546	4.81	293,586	7.29	3.84	6.32	325,307	6.92
Indiana	10,378	2.69	109,004	2.71	3.36	9.52	133,645	2.85
Iowa	5,968	1.55	90,851	2.26	3.67	6.57	114,292	2.43
Kansas	4,742	1.23	65,769	1.63	3.49	7.21	81,724	1.74
Kentucky	11,925	3.09	73,008	1.81	2.47	16.33	94,448	2.01
Louisiana	5,923	1.54	63,142	1.57	3.00	9.38	76,727	1.63
Maine	2,221	.58	24,682	.61	3.09	9.00	33,040	.70
Maryland	5,123	1.33	55,482	1.38	3.40	9.23	62,495	1.33
Massachusetts	17,622	4.57	156,534	3.89	3.68	11.26	199,364	4.24
Michigan	11,763	3.05	156,128	3.88	3.22	7.53	164,999	3.51
Minnesota	11,068	2.87	97,255	2.42	3.83	11.38	119,360	2.54
Mississippi	9,090	2.36	42,880	1.06	1.67	21.20	62,607	1.33
Missouri	12,974	3.36	128,699	3.20	3.54	10.08	163,172	3.47
Montana	2,551	.66	21,046	.52	3.91	12.12	40,160	.86
Nebraska	3,013	.78	46,048	1.14	3.34	6.54	57,329	1.22
Nevada	472	.12	3,794	.09	4.16	12.44	5,457	.12
New Hampshire	1,334	.35	14,130	.35	3.03	9.44	18,965	.40
New Jersey	7,713	2.00	135,348	3.36	3.34	5.70	144,764	3.08
New Mexico	2,568	.67	11,664	.29	2.75	22.02	14,361	.31
New York	28,684	7.44	440,032	10.93	3.49	6.52	494,020	10.52
North Carolina	6,959	1.80	73,374	1.82	2.31	9.48	86,898	1.85
North Dakota	1,696	.44	18,539	.46	2.72	9.15	27,591	.59
Ohio	21,601	5.60	210,100	5.22	3.16	10.28	241,483	5.14
Oklahoma	8,366	2.17	77,868	1.93	3.24	10.74	90,632	1.93
Oregon	4,345	1.13	41,817	1.04	4.38	10.39	43,630	.93
Pennsylvania	24,844	6.44	298,891	7.42	3.09	8.31	361,869	7.70
Rhode Island	2,113	.55	23,578	.59	3.42	8.96	27,865	.59
South Carolina	4,858	1.26	40,464	1.00	2.32	12.01	63,300	1.35
South Dakota	2,099	.54	26,039	.65	3.72	8.06	32,017	.68
Tennessee	8,662	2.25	67,049	1.67	2.56	12.92	90,295	1.92
Texas	17,259	4.47	174,185	4.33	2.99	9.91	192,829	4.10
Utah	1,395	.36	16,362	.41	3.22	8.53	21,555	.46
Vermont	1,236	.32	9,436	.23	2.62	13.10	13,940	.30
Virginia	5,685	1.47	71,728	1.78	2.96	7.93	92,047	1.96
Washington	5,265	1.36	65,900	1.64	4.21	7.99	67,408	1.44
West Virginia	3,960	1.03	49,729	1.24	2.87	7.96	58,268	1.24
Wisconsin	9,785	2.54	100,110	2.49	3.36	9.77	120,976	2.58
Wyoming	1,022	.26	[2] 12,822	.32	5.68	7.97	12,348	.26
Total United States	385,656	100.00	4,026,480	100.00	3.29	9.58	4,697,994	100.00

[1] Based on number of adjusted service certificates in force in June 1936.
[2] Estimated number of living June 30, 1938, exceeds the number in service from these States.

Compiled by Millard W. Rice, legislative representative, Veterans of Foreign Wars, July 20, 1939

Additional Facilities for the Panama Canal

EXTENSION OF REMARKS

OF

HON. SCHUYLER OTIS BLAND

OF VIRGINIA

IN THE HOUSE OF REPRESENTATIVES

Saturday, August 5, 1939

Mr. BLAND. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following supplemental statement relative to employment conditions in the Panama Canal Zone, with particular reference to the construction work authorized in H. R. 5129:

The employment policy of the Panama Canal was established by President Theodore Roosevelt and has been controlled by his successors as required by laws enacted by Congress. Congress has been kept fully informed as to this policy which has been evolved from long experience to meet the particular needs of the highly specialized organization which has been established for operating, maintaining, and protecting the Canal in a territory removed from the United States and set down in the midst of the Republic of Panama, in the Torrid Zone. While there is no adequate reserve of American workmen in the Canal Zone or the Republic of Panama, there is always a large reserve of native workers in the nearby cities of Panama and Colon. During the early days of the construction of the Canal, it was found particularly difficult to assemble the backbone of the organization required for the construction of the Canal, notwithstanding the special inducements which were offered in the way of liberal salaries, free quarters, and other privileges, and it was not until the latter part of the construction period that the recruitment and retention of skilled personnel ceased to be a major problem. It was never possible to secure and hold employees from the United States in the lower-grade occupations, and it became necessary to resort to the use of alien labor, including Panamanians, because the duties required of the persons in these lower-grade positions can be satisfactorily performed only by men acclimated by long residence in the Tropics.

The employment policy which was evolved from the necessities of the situation gradually developed into that of employing United States citizens in the administrative, technical, supervisory, high-grade, and skilled-craft positions, and of employing aliens, principally natives of the Caribbean area, as laborers, helpers, and in other positions requiring little manual dexterity, craft skill, or scholastic knowledge. This policy of employing native workmen in the lower paid positions is in line with the general practice of private employers in the Tropics. However, private American employers in the Tropics and elsewhere abroad do not employ as great a proportion of United States citizens as the Panama Canal and Panama Railroad Co. do.

The displacement of the native tropical workers with employees from the United States would result in two classes of United States citizen employees in the Canal Zone: One class, those persons now employed by the Canal and railroad, representing the highest standards of United States citizenship and above the average of United States standards of living; the other class, the one which would be established by replacing native tropical workers with employees from the United States, would necessarily be representative of lower standards. The latter would occupy an anomalous position in the general social organization of the Tropics where lower-grade work is done by natives. Furthermore, under the climatic conditions of the Isthmus of Panama, persons from the temperate climate of the United States generally cannot endure hard physical labor approximating that required of a common laborer. They could not successfully perform the duties of the lower-grade jobs for extended periods and would not be expected to remain useful employees for any great length of time. Their health would soon be broken, and this would be hastened by lack of vacations in the Temperate Zone rendered impossible by their economic condition. The class of common laborers who would be attracted to this work under the conditions which would necessarily exist could not be expected to successfully resist the debilitating and degenerating effect of the social, economic, and climatic conditions which would affect their lives in the Torrid Zone.

The Canal Zone is not an organized territory of the United States and the laws of the United States apply only so far as they have been extended by the Congress. It is in fact a Government reservation which was acquired and is held exclusively for the purpose of constructing, operating, maintaining, and protecting the Panama Canal. The only persons residing in the Canal Zone are those who are directly or indirectly associated with the Canal enterprise. No private business is carried on in the Canal Zone except that associated with the operation of the Canal.

Almost immediately after work was begun on the Panama Canal by Americans in 1904, it was found impossible to recruit a sufficient number of United States citizens to carry on the work of the extensive enterprise. Consequently, on December 8, 1904, an Executive order was promulgated by President Roosevelt providing that "the requirements as to United States citizenship may be waived for applicants for positions on the Isthmus of Panama under such regulations as may be provided by the United States Civil Service Commission." The exigencies of the situation made necessary further relaxations of the rule as to the employment of Americans. On February 8, 1908, an order was promulgated by Secretary of War Taft prescribing that only American citizens should be employed in the higher paid positions, except where Americans were not available for appointment. The order provided, however, that any foreigners who were then on the pay rolls would not be affected. Later, on December 23, 1908, the order of February 8, 1908, was amended by permitting the employment of Panamanians as well as Americans in higher-grade positions. In the Executive order of February 2, 1914, as amended, prescribing conditions of employment for the permanent force for the operation of the Canal, the following rule is found:

> All employees who receive compensation at the rate of more than $960 a year, or 40 cents an hour, must be citizens of the United States or the Republic of Panama, and such citizens will be given preference for employment in all grades. Aliens may not be employed in such grades unless (a) they have occupied similar positions during the construction of the Canal for 2 years or more, or (b) in case of emergency, in which latter case they must be replaced by citizens of the United States or Republic of Panama as early as practicable.

In a later Executive order dated September 14, 1927, the Governor of the Panama Canal was authorized to increase above the limit of $960 per annum the pay of not to exceed 100 alien employees who by long and efficient service had become of greater value to the Canal organization than could be adequately compensated by the limit theretofore established. The Governor was authorized on August 7, 1929, to increase above the limit of $960 per annum the pay of not to exceed 12 alien employees in the positions of steward, chef, baker, and head waiter in the employ of the Hotel Washington and the Hotel Tivoli, but a maximum limit of $1,500 per annum was placed on the pay in such excepted positions.

Aliens receiving compensation in excess of $960 per annum number 245, all of whom have been employed in conformity with the provisions of the orders referred to above. The great mass of the alien employees are receiving rates of pay ranging from $22.50 to $80 per month, with an average of $55 per month. There are about 10,000 of these alien native workmen. The number fluctuates considerably according to the labor demand, particularly in such work as stevedoring, bunkering vessels with coal, repairs to vessels, building construction, and municipal work, in which there may be variations from day to day or according to weather conditions. One of the reasons for the employment of these native workmen which form the mass of the unskilled and

semiskilled laborers in the Canal Zone is that there is a constant reserve of such labor in the adjoining cities of Panama and Colon, thoroughly acclimated to the Tropics and paid at the general level of compensation for such labor in nearby countries.

Approximately 13,000 persons are employed in the operation of the Canal and its various adjuncts. Of this number about 3,400 are citizens of the United States. The others are citizens of the neighboring Republic of Panama and British subjects who were in most cases recruited in nearby West Indian islands during the construction of the Panama Canal, or their descendants. United States citizen employees of the Canal were in greater part engaged in the United States and brought to the Canal Zone. Comparatively few of them were hired locally, since there is no reserve of such workmen on the Isthmus.

Insofar as the immigration laws of the United States and the entry of persons into the United States are concerned, the status of the Canal Zone is by act of Congress definitely made that of a foreign country. The acquisition of citizenship by naturalization is strictly regulated by statute in the United States, and there are no provisions in these statutes whereby a person can acquire citizenship by naturalization as a result of residence in the Canal Zone. A person does not become a citizen of the United States by reason of his birth in the Canal Zone unless, as provided by law in such cases, one or both of his parents are citizens of the United States; and, therefore, children born in the Canal Zone of alien parents do not acquire citizenship in the United States.

It is to be noted that there are many hundreds of these tropical workmen who have worked and resided within the Canal Zone for periods of 20 to 30 years who may not become citizens of the United States because the naturalization laws do no apply in the Canal Zone. There is no doubt that many, if not most, of these aliens would have applied for naturalization had it been possible for them to do so while residing in the Canal Zone, and those who were born there—and they constitute a large proportion of these alien employees—would be citizens of the United States if the laws relating to citizenship applied to the Canal Zone.

Many of these people were brought to the Panama Canal for the construction work on the Canal when it was impossible to get Americans. The question involved is a very broad one that we could not pass on by an amendment to bill H. R. 5129. Many of these people were brought in there when the turn-over was so great that the work would not have been completed otherwise, and many Americans could not have stood the climate and the disease in that country. It was brought out this year before our Committee on Merchant Marine and Fisheries, of which I have the honor of being chairman, that during this period of construction there were Americans who were stricken with yellow fever, typhoid, malaria, and other diseases. These were the conditions that existed there at that time, and these men were brought in and were taken from their homes in the other islands. They cannot be dismissed and made charges upon the Republic of Panama. They cannot be repatriated back home. Some of them have been born in the Canal Zone. These are broad, practical international questions that must be dealt with.

About 2,500 of these tropical employees are citizens of the Republic of Panama who, as a matter of long-established diplomatic policy, are accorded special preference for employment in the Canal service under the provisions of the Executive orders of December 23, 1908, February 2, 1914, and February 20, 1920. If these Panamanians were to be excluded from employment by the Canal enterprise, it is to be expected that diplomatic difficulties would follow:

Since the United States citizen employees of the Canal enterprise constitute the backbone of the organization—men who are selected for their special fitness and who set the tone and pace for the whole organization—their number has remained fairly constant since the Canal was opened in 1914. For instance, there were 3,542 employees from the United States in 1916, when quite a number of important construction projects were still under way, and 3,429, only 114 less, in February 1937, when only a small amount of construction work was being done. On the other hand, there were only 10,449 aliens on the pay roll in February 1937, as against 19,970 in 1916. In 1911, when construction operations were at their height, 32,549 alien workmen were employed. This number dropped rapidly each year, and in 1921, 7 years after the opening of the Canal, only 8,168 workmen of this kind were employed. With an increase of traffic the number of these workmen increased to 12,330 in 1929, and again decreased to 8,557 in 1933 at the depth of the depression. Even though it were possible to employ United States citizens in all positions in the Canal service, the great fluctuation in the number of men employed from month to month and from year to year, resulting from fluctuations in the volume of Canal traffic and other operations, would create unemployment problems of very great magnitude, as there is no chance on the Isthmus for the employment of additional United States citizens except in the service of the Panama Canal and the Panama Railroad Co.

The fundamental policy of employing a fairly constant number of United States citizens in positions requiring a reasonably high degree of skill, and native labor in the lower-grade positions, has made for greater flexibility and has permitted the Canal to meet great variations in the volume of business at the Canal with only slight changes in the personnel from the United States. When Canal operating conditions make it necessary to increase the number of workmen, the neighboring cities of Colon and Panama may be drawn upon immediately to supply the additional number of needed workmen. This would not be possible if the present policy were changed, since United States citizen workmen must ordinarily be recruited in the United States, a process which requires many months of time. To illustrate the working of the existing system—the overhaul of the locks of the Canal, which is undertaken every other year, requires some 800 additional workmen. Of this number about 150 skilled American mechanics are required. All but a few of them have to be recruited in the United States, but all the other workmen are quickly obtained locally. Frequently a considerable amount of difficulty is experienced in obtaining properly qualified mechanics from the United States, and if it were necessary to recruit workmen generally in the United States to meet increases in the volume of traffic, there is no doubt that serious difficulty would be experienced in obtaining qualified workmen in the lower-grade positions.

The problem of what is to become of the native workers and their families is a serious one. They should not be discharged and, with their families, thrown into the Republic of Panama in practically destitute circumstances. They have as a general rule served the Government of the United States faithfully and loyally over a long period of years. The compensation paid them has been too low to permit, save in exceptional cases, the accumulation of savings. Many of these employees were engaged during the construction period at rates of pay as low as 10 cents per hour, and in 1916 the average monthly rate of pay was $31.92. The average rate is now $55 per month. It is estimated that the discharge of the native workers would make destitute about 50,000 persons. Even if only 3,000 of these native workers were replaced, about 15,000 persons would be made destitute and thrown into the Republic of Panama without means of support. Those who were brought to the Isthmus by the Panama Canal cannot return to and reestablish themselves in their native countries from which they have been absent for such a long time, and those who were born in the Canal Zone have no place to which they could go. To eject them from the Canal Zone in practically destitute circumstances would be an act of cruelty. Either they or their fathers were brought in by the Panama Canal, and the Canal is responsible for their welfare.

Should the United States enact a law which displaces from the Canal and railroad large numbers of the aliens now employed, it would be seriously injurious to the Republic of Panama unless at the same time all surplus West Indians

were, by the joint action of Panama and the United States, repatriated in their original homes. Even this action would be difficult of accomplishment because West Indians who may have been born in the Republic of Panama can claim citizenship therein and, therefore, would not be subject to repatriation and might remain as unemployed in the Republic. It is not known whether the countries of origin of these aliens would consent to receive them back in large numbers, and vigorous protests would probably be received if the United States should endeavor to repatriate not only those who were born in such foreign countries but also their numerous children and children's families. There appear to be great difficulties in the way of wholesale repatriation. Without it, Panama would be saddled with a condition of well-nigh chronic unemployment, as it would be years before the growth of work around the cities would absorb a large force or before the unemployed might settle on land in the interior.

In actual practice all but a negligible number of the native employees discharged from the service of the Panama Canal and the Panama Railroad Co. have gone into the nearby cities of Colon and Panama and have become public charges of these cities of the Republic of Panama. This condition has been the cause of repeated complaints. It is contended that the Government of the United States was responsible for their presence on the Isthmus and that provision should be made by the United States to prevent them from becoming dependent upon the limited resources of the cities of Colon and Panama after they have outlived their usefulness as employees of the United States Government on the Canal Zone. There is undoubted merit in this contention. The forcing of from fifteen to fifty thousand destitute persons into the Republic of Panama would undoubtedly cause diplomatic difficulties, would violate humane principles, and transgress all efforts to bring about good will.

Even though it were otherwise expedient to depart from the existing policy of employing United States citizens in the higher-grade positions only and of employing workmen available locally in the lower-grade positions, the cost of such a change would be prohibitively high.

On the basis of replacing all aliens with a sufficient number of United States citizens and assuming that the compensation of the latter would be based on prevailing rates of pay for Government employees in the United States, with quarters and educational and other facilities at approximately present standards in the Canal Zone, the yearly additional cost would be only slightly less than $12,000,000, or $1,484 for each United States citizen added to the organization. A carefully prepared estimate of capital costs involved in replacing aliens with United States citizens indicates that the cost of erecting additional living quarters, cost of municipal work in laying out new town sites, and so forth, cost of recruiting new employees, cost of repatriating aliens to be replaced—assuming this to be practicable—cost of new school buildings, police and fire stations, and so forth, would necessitate a capital expenditure of not less than $35,000,000.

The replacement of more than 3,200 aliens by United States citizens would also be extremely costly and would seem to be uneconomical and unsound. It is estimated that it would involve an initial capital expenditure of approximately $23,500,000 to cover the cost of providing additional town-site areas, quarters, police and fire protection, school facilities, costs of recruiting, retirement, difference in wage standards, gratuity leave, and 40-hour workweek. It would involve an increased annual cost of approximately $5,350,000, exclusive of interest on the capital investment. On a per capita basis the initial capital expenditure would amount to approximately $7,200, and the additional annual cost approximately $1,650 for each native employee replaced.

A fundamental principle in the administration of the Panama Canal has been to keep it on a completely self-sustaining basis. To accomplish this the revenues from tolls and other sources must equal all costs of operation and maintenance of the Canal, including proper charges for depreciation, and, in addition, provide the funds required by the Treasury to pay the interest charge on funds expended in the construction of the Canal and now invested therein. Unless this fundamental principle is to be abandoned and the burden of the extra costs placed on the taxpayers of the United States, any change in the existing employment policy of the Canal would necessarily require an increase in the rate of tolls for ships transiting the Canal and increased charges for the auxiliary services rendered to ships. Any large increase in toll charges might result in diverting traffic from the Canal and thus reducing revenues received.

If 3,000 additional employees were brought in from the United States to fill the lower-grade jobs, it would not be possible for them to receive the high wages generally received by the other United States citizens who now hold all the responsible positions. This would result in a large increase in the turn-over, with increased costs and decreased efficiency. The rates of wages received for comparable work in the United States would necessarily be used as a basis in determining the compensation to be paid in the Canal Zone to United States citizens. Even if they were paid the maximum amount allowed by law, most of the families of these persons performing the less-responsible work would be unable to maintain a standard of living which would not, under the prevailing conditions, endanger their health. It is doubtful whether it would be possible to recruit and retain employees from the United States for the satisfactory performance of this work.

The amendment which was proposed by Mr. SCHAFER of Wisconsin to bill H. R. 5129, providing for the construction of additional facilities at the Panama Canal, and defeated upon roll call upon a motion to recommit reads as follows:

Provided, That all contracts herein authorized shall be made with American citizens or with American corporations, and employment preference shall be given to American citizens.

The provisions of this amendment undoubtedly have a strong appeal to American legislators, all of whom are familiar with the distressing situation relative to unemployment in this country. However, there are most substantial justifications for the vote of everyone who opposed this amendment. Additional lock facilities are to be constructed through a foreign country 2,000 miles from the United States under climatic conditions which unquestionably have a debilitating effect upon American citizens.

The proposal of Mr. SCHAFER of Wisconsin divides itself into two parts:

First. The first provides that all contracts shall be made with American citizens or with American corporations. There is not the slightest question but that any large contracts which are entered into will be made with American citizens or with American corporations. As has been the practice from the beginning of Canal construction, and is now required by law, with a few minor exceptions that can be supplied locally, all equipment, material, and supplies necessary for the construction of this project will be purchased in the United States and will be manufactured from articles, materials, and supplies mined or produced in the United States. Aside from the positive requirements of existing law, the extensive character of the project itself will prevent any except American citizens or American corporations from bidding on the larger contracts, and there need not be the slightest fear that—with minor exceptions—the furnishing of materials, supplies, and equipment, or any substantial construction work on the Isthmus will be by contractors who are not American citizens or American corporations.

The adoption of the amendment proposed by the gentleman from Wisconsin [Mr. SCHAFER] would have precluded contractors in Panama from bidding on native products, the purchase of which is now permitted by law. The good-neighbor policy of this Government and our moral obligations to the Republic of Panama require that opportunity be afforded the use of Panamanian products in the construction, maintenance, and operation of the Panama Canal. It is almost unthinkable that legislation providing for the carrying on of construction work of this magnitude in the middle

of a foreign country should contain such restrictive provisions as to prevent that foreign country from furnishing some of the materials and supplies which it produces or manufactures. The maximum quantity that can be furnished from the Republic of Panama is necessarily small, but refusal to permit its uses would have far-reaching effects upon the relationship between the two countries. Such an amendment would also have made it impossible for the large American citizen contractor to use these Panamanian contractors as subcontractors for supplying supplies or services. It is very important not only for the economic and defense benefits of the United States, but certainly for the purpose of cementing our relationship with Panama to make it possible for American contractors to use Panamanians as subcontractors for relatively small portions of the work.

This project is going to be directed and carried through by high-type American citizens who have the interest of the American Government and the American citizen fully at heart. There can be no other possible expectation but that they will use every means within their power to see that the project is carried through in such a manner as will benefit the United States in its broadest sense. This applies to the securing of materials, supplies, and equipment from the United States and the use of American citizens and American corporations in carrying on the work, at the same time maintaining proper international relations so as to fully conform with the good-neighbor policy of the United States.

Second. The second part of the amendment proposed by the gentleman from Wisconsin [Mr. SCHAFER] provides that:

Employment preference shall be given to American citizens.

This provision involves serious questions of administration and of policy so far reaching that I am not able to say just what the effects would be. I made the statement in the course of debate on this bill that the broad policy of labor is in the President of the United States. This is evidenced by the Executive orders which have been issued with respect to labor. First, I want to call attention to the fact that there has certainly been no effort on the part of the War Department to increase the employment of aliens. The RECORD will show that the employment of American citizens has been uniform and constant while the employment of aliens has varied. Under existing orders of the President, which have been in effect for many years, only Americans or Panamanians may be employed in positions paying more than $75 per month or 40 cents per hour. The only exception to this rule is the authority for the employment of not exceeding 245 persons at slightly higher rates, justifiable reasons for these exceptions being stated in the Executive orders.

It must be recognized that one of the greatest problems in the prosecution of this project will be that of providing an adequate supply of all classes of labor. The turn-over among American citizens has always been large, and this will undoubtedly be true during the prosecution of this project. It would be unwise to place any unnecessary statutory restrictions upon the employment policies which would hamper the recruitment or retention of the working forces. There will be employed, on an average 3,000 American citizens in the construction of this project. All new personnel in such construction work occupying skilled, technical, clerical, administrative, and supervisory positions will be citizens of the United States. They will all be high-grade American citizens whose health and general habits will enable them to withstand the conditions existing on the Isthmus, to which the positions which they will occupy will subject them. For this number of American citizens, reasonably adequate facilities can be provided without unreasonable expense.

The number of workers required will fluctuate considerably according to labor demands. One of the reasons for the employment of these native workmen which form the mass of unskilled and semiskilled laborers is that there is a constant reserve of such labor in the nearby cities of Panama and Colon. These workmen are thoroughly acclimated to the Tropics and paid at the general level of compensation for such labor in nearby countries. Today the President of the United States has authority to determine the employment of these people and to reduce the number of aliens employed. It is variable, and in dealing with an important question like the defense of America, it is highly undesirable to write rigid provisions in the law. We should rely upon the patriotism and honesty of the President to take care of the situation.

Record in 1939 Session

EXTENSION OF REMARKS

OF

HON. OVERTON BROOKS

OF LOUISIANA

IN THE HOUSE OF REPRESENTATIVES

Friday, August 4, 1939

Mr. BROOKS. Mr. Speaker, as the gavel is about to fall upon the sine die adjournment of the first session of the Seventy-sixth Congress, it is my desire to present a short summary of the work which I have rendered to the Fourth Congressional District in Louisiana, the congressional district which it is my privilege to represent here today. During the current session of Congress my work has been extremely varied and active. Matters which I have worked upon have affected every section of the entire congressional district which I represent in Congress. These matters have also affected every class and every occupation of our citizens and I say today that much has been accomplished for the benefit of northwest Louisiana.

NATIONAL DEFENSE

The burden of work upon the members of the Military Affairs Committee during the current session of Congress has been very heavy. Upon this committee has fallen the task of reorganizing and revitalizing the United States Army. Upon this committee has fallen the work of expanding the air force of the United States to make it superior to that of any other air force in the entire world. As a member of this committee I have attended its sessions held almost daily, at times, and have worked with the General Staff of the Army in this most important work so as to adequately protect our shores from foreign invasion.

As a part of this program, of course, I have been interested in the further development of Barksdale Field, La., and at this time I desire to report that an allotment of approximately one-half a million dollars has been made for further expansion of facilities at Barksdale Field and work has already begun on this expansion. Under the present plans an additional 1,000 men will be stationed at this field in temporary barracks, which must be made permanent at a later date. A Signal Corps warehouse will be built at an early date and extensions in drainage and sewerage will be constructed. The additional 1,000 men will bring the barracks' strength of Barksdale Field to approximately 3,000 officers and men.

As part of this work it has been the duty of the Military Affairs Committee especially to curb the spying activities throughout the United States and to aid in suppressing the alien activities likewise. I have actively supported and fought for legislation which will make espionage of military secrets in the United States much more difficult and hazardous, and which will also have the effect of curbing, if not completely eradicating, the activities of the Communists and the German bund.

FLOOD CONTROL

As far as the Southwest is concerned, perhaps the crowning achievement of the last session of Congress was the appropriation of sufficient funds to give to the Denison Dam the "green-light signal." Over $5,000,000 has been set aside for

this purpose and already the work of clearing the ground has begun. The plans are also being finally drafted and before the snows fall upon the plains of northeast Texas actual work will have begun in earnest on this vast project. When it is completed, it is hoped that the problem of flood control on the Red River will be forever solved and in the future it is expected that no rushing waters high enough to seriously flood any large section of the Red River Valley in Louisiana will be permitted.

Of course, the work on Red River is still in its infancy and when the dam is completed the work of making the Red River suitable for navigation will commence in earnest. The building of the Denison Dam will make the Fourth Congressional District safe from floods in the Red River Valley, and the second problem, when solved, will make navigation possible on this river. The two objectives together will bring development of the Red River Valley in and around north Louisiana to such an extent as to make it a land rich in wealth and in resources yet undreamed of.

As a part of the work which I have undertaken and completed is the Bodcau Dam and Reservoir. In cooperation with Senator OVERTON, who is known as the dean of flood control in the United States Senate, I have worked and fought for the time when Bodcau Dam will become a reality. Each time a survey has been made the actual cost of the dam and reservoir has been hiked. During the closing days of this session of Congress an authorization to build this dam in accordance with the "plans and specifications in the office of the Army engineers" was adopted in both House and Senate after a fight; and while it is estimated the dam and reservoir will cost approximately $3,000,000, I believe that before the end of the year real and substantial headway will have been made in the actual construction of this tremendous project in north Louisiana. When the dam and reservoir are completed not only will the lower Bodcau Basin be fully protected from the ravages of the floods coming down into Louisiana from Arkansas, but a magnificent lake will be created from impounded waters, making boating, fishing, and recreation in this area one of the means of entertaining and making happy our people.

The Wallace Lake project has also received my attention during the current year, and, after much work and effort, a plan which was conceived a number of years ago has received an allotment of $512,000 by the Army engineers. This money is now available for the beginning of actual construction of this project. A difficulty has arisen in reference to obtaining flowage rights, however, and the obligation of doing so has been assumed by local interests. This should be a matter of mere detail which should be worked out in regular course, and I am very hopeful that actual construction on this project will begin within the near future. At any rate, it is comforting to know that the money has been allotted for this project and that the actual construction awaits only upon the obtaining of flowage and easement rights. When this project is constructed large areas in South Caddo and North De Soto Parishes will be reclaimed, increased in value, and added to the cultivable land in northwest Louisiana. In addition to this fact, the lake, too, will afford an admirable place for fishing, boating, recreation, and pleasure to the citizens of north Louisiana.

It has been during this session of Congress that a survey has been made of the east bank of Red River between Coushatta Bayou and Loggy Bayou, in Red River Parish, with a view toward building a levee at this point. While the results of the survey have not been completed, I expect to continue my work on this project with the view ultimately of obtaining a levee giving adequate flood protection to the people living in the lowlands along the Red River between the points above named. At the same time, a general survey of the entire Red River Valley is being made with a view toward correcting all our flood troubles in northwest Louisiana.

I am now engaged in working on the Black Bayou project with the hope of obtaining an allocation of funds sufficient to complete this project. The difficulty now lies largely in local agencies who have undertaken the obligation of furnishing flowage easements.

POST OFFICES

It has been during the course of this session of Congress that the bid for the Vivian, La., post office has been let and the work on the building for this enterprising town of North Caddo Parish proceeds rapidly. By the end of the year the building will be completed to the extent that it will be occupied and mail deliveries and service will be handled from the new office. I might say that the people of Vivian, La., will have cause to feel justly proud of this magnificent new asset to its business section.

In Red River Parish the Post Office Department has allotted the sum of $75,000 for the building of a post-office building at the county seat, Coushatta. A site has already been acquired and within a short time bids will be let for the new building. It is needless to say that the people of Coushatta and Red River Parish will have a right to feel justly proud of the first Federal building to be built in this splendid agricultural community of north Louisiana.

The town of Springhill, La., has been growing very rapidly within the last few years, and its post office has recently shown a marked increase in business. As a result of this fact, I have been working upon the matter of placing it in position for an allotment at a later date for a Federal building. It must be a matter of genuine pride for the citizens of Springhill, La., to know that the Post Office Department has approved a Federal building. This is the first step in the direction of finally obtaining such a structure for Springhill, and I have definitely set this as a goal toward which I shall continue to work.

RURAL ELECTRIFICATION

Because of the possibilities of improving the living conditions of our farmers, I have been especially interested in the work of the Rural Electrification Administration insofar as Louisiana is concerned. I have worked long and hard in developing projects for northwest Louisiana. The Valley Electric Membership Corporation project has been extended by several additional applications until it has reached well into Red River and De Soto Parishes.

The Panola County, Tex., project constitutes the first instance in which the Administration has authorized the crossing of State boundary lines to provide electricity for our farmers and this has been done by the building of several extensions in Louisiana to the Panola County, Tex., project.

Within the last few months the Webster-Claiborne-Bienville project and the Bossier-Webster-Bienville project have been authorized and the work is now proceeding to build the lines necessary to furnish cheap electricity to the farmers in this large area in northwest Louisiana.

As a result of all of these projects numerous towns and hundreds of farmhouses will now be able to receive the benefits of cheap electricity. Over $2,500,000 has been spent in the State of Louisiana since 1935 on rural electrification and some 16,000 farms have been afforded the benefit of cheap current and power, which makes farm life more efficient, convenient, and pleasant.

While the work thus far undertaken in northwest Louisiana is very encouraging it does not yet begin to cover all of those sections in need of rural electrification. Already local citizens are asking for further extensions of present projects and I am cooperating and working with them to obtain the service which they desire and are entitled to receive. My work in this respect must go on until every farm in the Fourth Congressional District which desires rural electrification will receive the benefits of cheap electricity.

AGRICULTURE

During the last session of Congress I sponsored a movement to obtain for the State of Louisiana one of the three agricultural laboratories being built in the United States under the Agricultural Act of 1938. As a result of this movement which I started, one of these three laboratories was authorized to be built north of the city of New Orleans, La.,

and actual construction is under way at the present time, with an expenditure of about $1,000,000. The good of this laboratory will be evidenced to the farmers of Louisiana from time to time as experiments producing new uses for our farm products proceed. Those in charge of this work are confident that all of the agricultural products of Louisiana, including cotton, corn, sugar, rice will be greatly benefited as a result of the work being done by this magnificent experiment station for agriculture.

During the current session of Congress I have obtained the allocation of the sum of $10,988 for further expansion of the pecan station located at Roberson, in south Caddo, La. This development is of peculiar interest to those with pecan orchards who from time to time will profit by the studies and results obtained.

During the recent weeks complaints have been filed at my office concerning the devastating effect of the sand wireworm in Bienville and other parishes of Louisiana. I have prevailed upon the Extension Service of the Department of Agriculture to make a thorough investigation of the development of this pest in northwest Louisiana, and as a result of this fact devastation from wireworms has been found already in Bossier, Bienville, and Lincoln Parishes. A campaign is now under way by the extension service of the State of Louisiana to rid north Louisiana of this destructive pest and to educate our farmers as to how to reclaim land which in the past has been ruined by this insect. This campaign should save to our farmers many thousands of dollars in reclaimed land and in improved crops.

It was partly as a result of my fight in the Military Affairs Committee that the barter purchase, under the terms of which 600,000 bales of Government-loan cotton has been transferred to Great Britain, was adopted by Congress, thereby taking off the market this many bales of cotton which would have competed with our farmers in future years.

I also joined actively in the fight to require the Post Office Department to use at least 50-percent-cotton twine in its postal needs, which means that an additional $325,000 will be spent on cotton staple. This fight has been going on for years, and this is the first time that we have been able to obtain any results in the requirement that cotton twine be preferred in its use over jute by the Post Office Department.

CANCER RESEARCH

During the last few weeks I have obtained the allocation of 225 milligrams of radium for the Charity Hospital located at Shreveport, La. This radium is very expensive and under special act of Congress is loaned to the different hospitals throughout the United States for use in treating cancer and tumor growths among our people, who are unable to afford treatments at the large hospitals that have heretofore had a monopoly of radium. Because of this allotment, in the future, hundreds of our poor people suffering from the effects of this devitalizing disease will receive the beneficent treatment brought about by use of radium at Charity Hospital.

HAYNESVILLE TORNADO

On Sunday afternoon, April 16, 1939, a disastrous tornado struck Haynesville, La., killing and maiming many of our citizens and destroying much property in and around this city in Claiborne Parish. As soon as I received word of this disaster, I called upon the Works Progress Administration, the Farm Security Administration, and the Disaster Loan Corporation, and obtained prompt action in an effort to alleviate the acute suffering around Haynesville. As a Congressman representing the people of this area, I have felt that it was my duty to be alert at all times and to lend every possible assistance to them in their hour of emergency and great trial.

FISH HATCHERY

I have worked with the Federal authorities to obtain funds necessary to build a fish hatchery in Cross Lake near Shreveport, La., and am glad to say that the sum of $46,983 has been allotted for this purpose. Within the near future this hatchery will be built and operated by local agencies.

CONCLUSION

This summary of the activities which I have undertaken for the Fourth Congressional District of Louisiana does not begin to cover the minute details which I have handled during the past year. My office has undertaken to handle a vast volume of correspondence which the varied activities of the Federal Government produce. I often mail out in excess of 100 letters per day replying to the inquiries made of me and to the appeals for assistance and help made by the people of northwest Louisiana. To the best of my ability I have aided in every respect and I want the people of Louisiana to know of my desire to cooperate with them in asserting their interests and their rights in the Federal bureaus under legislation which Congress has passed within recent years.

Many of the matters which I have worked upon during the current year are plans of far-reaching importance. I have not discussed these plans in the present summary because of the fact that progress has not yet been sufficient upon them to justify bringing these plans out into the full light of publicity. As time goes on, however, many of them I am sure will bear fruit and will result in manifold benefits and advantages to us, thereby making life in the Fourth Congressional District of Louisiana more comfortable, pleasanter, and more enjoyable than heretofore.

Barkley-Spence Antipollution Bill

EXTENSION OF REMARKS
OF
HON. CHARLES H. ELSTON
OF OHIO
IN THE HOUSE OF REPRESENTATIVES
Saturday, August 5, 1939

EDITORIAL FROM THE CINCINNATI ENQUIRER OF JULY 30, 1939

Mr. ELSTON. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following editorial from the Cincinnati Enquirer of July 30, 1939:

[From the Cincinnati Enquirer of July 30, 1939]

AN APPEAL TO REASON

In reporting out the Barkley-Spence antipollution bill, already passed by the Senate and approved in its present form by the President, the House Ways and Means Committee, unquestionably acted in the belief that it was forwarding a practical means of purifying streams. By placing the control in the health division of the Government, emphasis is laid on aiding health officers of the several States to act harmoniously. The aim of the legislation is to aid cities and industries to eliminate harmful discharges into our waters.

This is a continuation of the great progress made in sewage treatment in the last 5 years, by which cities, with Government aid, have removed the wastes of over half the urban population. It also makes effective the several State treaties, among them that of the Ohio Valley States, already within sight of ratification.

If the Barkley-Spence measure becomes law, water purification will become a practicality in terms of sanitary engineering for cities and chemical treatment of industrial wastes for industry.

It seems difficult to believe that what opposition there is to such a program comes from men who, as representatives of various outdoor organizations, are the most ardent antipollutionists. Some of them are insistent on coercive powers lodged in the Federal Government to punish offending communities and industries, even to the point of holding up legislation of any kind.

The long years of antipollution effort have made it clear that such legislation is not possible because it has not sufficient backing. Apart from that, it is of such doubtful constitutionality that years might elapse before its legality was established.

Cities and towns in the Ohio Valley which, like Cincinnati, are facing an emergency from the mounting tide of disease-laden filth in the Ohio—five times the volume safe for treatment—demand the aid of House of Representatives in support of the practical Barkley-Spence bill.

Some Comments on the Defeat of the Spend-Lend Legislation and the Passage of Alien-Baiting Bills

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EXTENSION OF REMARKS

OF

HON. JOHN M. COFFEE

OF WASHINGTON

IN THE HOUSE OF REPRESENTATIVES

Friday, August 4, 1939

Mr. COFFEE of Washington. Mr. Speaker, under leave to extend my remarks in the RECORD, I include two editorials from the Philadelphia Record of Thursday, August 3, 1939. One editorial discusses the defeat of the administration spend-lend program, while the other editorial denounces in no uncertain terms the whole philosophy underlying the alien-baiting legislation with which the Congress has been flooded at this session.

I commend the reading of these editorials to those intellectuals, liberals, and open-minded citizens who believe in the preservation of civil liberties and of our American institutions and of the traditions of our democracy.

ALIEN BAITING

The passage of the Smith omnibus antialien bill was a direct blow at citizens of foreign extraction in these United States. It is now and will increasingly be resented by groups of citizens of foreign derivation who are organized into great national clubs and societies. I predict that those who voted for and supported orally this legislation will reap the political whirlwind as the indignation of the millions of citizens of foreign origin and their relatives, friends, and sympathizers manifests itself in adverse votes at the polls. Nor does such legislation improve the diplomatic relations of the United States with the countries of origin of the men and women against whom these antialien bills were directed.

The recrudescence of know-nothingism in 1939 is disgraceful, in my opinion. It is political demagogy in its most reprehensible form. Students of American history will recognize the malady of which this hysteria is a significant symptom. Turn back history's pages and read of the spread of intolerance which weakened America in the middle fifties. George Fort Milton, of Tennessee, in his Evening of Conflict, piquantly describes manifestations of the Know-Nothing Party which reached its zenith of power and influence in 1955. A logical sequel of the Know-Nothing Party was the Ku Klux Klan, a subversive group which operated in the dark of the night in the Deep South in the tragic era of the two decades subsequent to Appomattox. The Know-Nothings had a ritual, had signed membership, excluded from their party rolls those who were not native Americans, or who were Catholic or Jewish. It was a self-exalting group. It was followed by the Native American Party. The intolerance which it preached was bitter—it embraced abolitionism; it taught relentless hatred of the South; it condemned the polygamy of the Mormons and preached destruction of ideas and individuals with which and with whom it disagreed, by fire and sword, by violence and blood. The bitterness it engendered could only be exterminated by the Civil War. It was the principal factor in paving the way for the Civil War. Its chief mouthpiece in the Senate, Senator Sumner, was so impregnated with hatred for the South and for the institution of slavery that he viciously attacked such men as Senator Butler and the whole State of South Carolina, employing classical allusions of questionable taste and of lascivious terminology and intent. Senator Stephen A. Douglas, of Illinois, denounced the great exponent of know-nothingism on the floor of the Senate as a man unworthy of serving as a spittoon for gentlemen.

THE SPEND-LEND PROGRAM DEFEATED BY TORIES

The defeat of the spend-lend program in this Congress is a catastrophe. It will usher in the next depression. Disaster to business will be its aftermath. There are none so blind as those who cannot see. The inability of the so-called conservatives to recognize that such improvement as has taken place in the business world subsequent to 1933 is due to widespread and diversified Government spending is difficult to understand. Men who pride themselves as being students of economics and as keen observers of current developments are obtuse to the facts which shriek their flaming truth on every hand.

But I claim that it is wishful thinking which befogs their judgment and prevents them from grasping simple and elemental verities. They remind me of Admiral Nelson, who placed the telescope to his blind eye at the Battle of Copenhagen so that he could not see the signals from the admiral's flagship, which ordered surrender. They are viewing the present scene with myopic eyes.

In the fall of 1936 and continuing until late summer of 1937, America had her greatest spurt of prosperity subsequent to 1929. The reason for this was patent: The expenditure of more than $2,000,000,000 of bonus money by veterans contributed materially to this situation. Prosperity in America, it can be demonstrated beyond the peradventure of a doubt, has been contemporaneous with, and contingent upon, the expenditure of funds through Federal authorization and appropriation. When Uncle Sam curtailed his expenditures in 1937, and seriously reduced the numbers of W. P. A. and P. W. A. workers, we felt the impact of the "recession" from which we have in recent months been slowly emerging. Unless and until Congress will entertain debate and enact legislation of a fundamental nature which will insure such changes in our economic system as will provide opportunity for the humblest in our land to secure employment at reasonable wages, we must continue to force-feed into the channels of business life-blood in the form of Federal dollars of purchasing power to maintain our system of private profit and preserve our form of government. To do otherwise is to invite the worst. To permit the happening of another panic of 1929 would be inexcusable, unjustifiable, and suicidal. The American people are not fools. They will hold to strict account Representatives who precipitate another debacle. They will not again patiently tolerate privation, want, misery, hunger, in a land of abundance.

I deplore the defeat of the spend-lend program. It was self-liquidating. It would not have added to the national deficit. It was based on sound finance. It would have loaned money to municipal corporations at low rates with a long period of repayment permitted in order that necessary and delayed improvements might be accomplished. The progressives who supported this measure will be vindicated by the plain people.

The editorials are as follows:

POST MORTEM

Jubilant Tories cry that defeat of the bill to lend $3,000,000,000 to agriculture and private industry is a death blow to the New Deal.

Fearful liberals exclaim that the House action will throw the country into a new depression.

The Record doesn't agree with either view.

The country isn't going to fall apart because a lot of bitter politicians vented their spleen on the people generally when they thought they were venting it on the President. Rather, as President Roosevelt observes, this callous and careless act of the lower branch of Congress will serve chiefly to check further progress—

To keep the Nation standing still, when it ought to be moving ahead.

Let's look at the facts and figures.

The money was to be loaned:

(1) For public works, such as bridges, highways, dams, and other construction which would help the stagnant heavy industries.

(2) For railway equipment, to help revive the railroads, whose employment is 40 percent below normal, and which need 200,000 freight cars.

(3) For rural electrification—extension of electric service by privately owned utility companies to more than a million families in farm sections who do not have it today—which would have boosted not only the construction industry but also the electric appliance industry.

(4) For tenant farmers, to enable them to buy the lands on which they work and to help other farm owners rehabilitate their properties.

(5) Loans to finance shipments to Central and South America, to combat Fascist penetration.

All those benefits are now lost.

Yet those would have been only the direct benefits.

One of the most important reasons for the lending program was to further spur recovery by expanding purchasing power.

Suppose Congress had passed the bill but had cut the loan fund, let us say, $2,000,000,000 instead of three. On the experience of our past public-works expenditures—

Expenditure of the $2,000,000,000 directly would have meant spending of an additional $3,000,000,000 indirectly—or a total of $5,000,000,000.

Where would that $5,000,000,000 have gone? It would have gone into wages, raw materials, manufactured goods; into some of the biggest businesses of the country. By increasing production it would have increased employment.

As new jobs were born, as the money passed from hand to hand, new buying power would have been created for thousands of workers—and all in private industry.

That would have benefited everybody.

But how about the Government's credit? We are glad to answer that question.

Expenditures of the Federal Government today average roughly 8 percent of the national income, which is now over $60,000,000,000 (it was only $42,000,000,000 when the New Deal began).

Now, if the lending program put $5,000,000,000 into circulation, increasing the national income that much, the Government—under existing taxes—would receive about 8 percent of the gain. That means the income of the Government would increase $400,000,000 a year.

Yet because all the money would be loaned for self-liquidating enterprises, the chance of the Government losing would be very small.

During those 5 years, however, the Government would have enjoyed a gain of two billions in taxes.

In other words, the Government's credit would be stronger, because the Government's income would be greater—without imposing new taxes.

The Nation would be stronger because the Nation's income would be greater.

The security of business and employment would be greater—because more people would be buying more goods.

It remains for conservatives in our Congress to proceed on the theory that business will be better if people buy less.

Time will give them their answer.

The 47 Democrats who sold out the New Deal they were pledged to support may feel they are beyond immediate reprisal at the polls, although many are worried by the unexpected defeat of Senator BYRD's Tory clique in Virginia Tuesday.

Sooner or later, however, the people will discover their betrayal—and act accordingly.

Sooner or later, the voters who voted to carry the Nation forward in 1932, voted to carry it forward in 1936—will vote to carry it forward again.

That vote, we venture to predict, will come in 1940.

THE ANTIALIEN BILL STRIKES AT US ALL

The only good thing to be said about the Smith antialien bill passed by the House of Representatives last week is that it hasn't much chance of becoming law. The Senate is unlikely to consider it before adjournment.

Even if the House action was only a gesture, a particularly nasty one, the situation is no less serious. What we are concerned about is the challenge to basic American principles and civil liberties.

This bill would be a loaded gun pointed toward aliens, a gun that could easily be turned toward any other group in this country.

On its face the bill seems unobjectionable. It is wrappped in the flag, in fine patriotic phrases. But we are glad to see our conservative contemporaries discovering as much harm lurking in this omnibus antialien bill as we do. Says the New York Times:

"It is not easy in a measure like the Smith antialien bill * * * to separate those provisions which may be justified as a defense against real dangers from those which may themselves endanger our traditional liberties. But neither the language of some sections of the measure nor the debate on it gives assurance that the bill was dispassionately drawn and considered."

The more conservative New York Herald Tribune goes even further in its condemnation, saying:

"By channeling popular disturbance over Communist and Nazi-Fascist activities into a flag-waving campaign against the alien, a measure like the Smith bill simply reduces the whole movement to the base and stupid level of a Nazi campaign against the Jews."

Certainly we're against the aliens committing the crimes mentioned in the bill, crimes such as carrying weapons unlawfully, violating the State narcotic laws and inciting to mutiny in the Army and Navy.

We're against anybody else committing the same crimes.

We're not in favor of punishing a thief because he's an alien, but because he's a thief.

Right there is the sinister implication of this bill: That aliens are more likely to become criminals than the native-born.

We don't believe it. The Wickersham Commission report in 1930 and a more recent study in New York show that the crime rate of aliens is about half that expected on the basis of their numbers.

We must not forget that about 1,000,000 aliens living here can't become citizens because of technical flaws in their passports. We must not forget either that the 5,000,000 aliens in this country have about 6,000,000 children, native-born Americans, who would see their fathers and mothers lumped together as undesirable citizens if this bill should become law.

Worst of all are the symptoms of hysteria on the part of our Congressmen revealed by the antialien bill; the same symptoms of unreasoning hate that caused the stoning of German bakeries during the World War.

We don't want to start off on a Nation-wide alien hunt. Once the hunt for aliens is in full cry, with the hunters wearing cloaks of patriotism, it would be easy to shift the hate toward naturalized citizens, toward racial minorities, toward religious minorities.

We have enemies in this country, but not many of them are aliens. The enemies we have to fear are the native American products of unemployment, sweatshops, slums, and starvation in the midst of plenty.

Let us not waste our time bating aliens. There is real work to do.

The Right to Work

EXTENSION OF REMARKS

OF

HON. CLARE E. HOFFMAN

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Friday, August 4, 1939

RADIO ADDRESS BY CLARE E. HOFFMAN, OF MICHIGAN, ON AUGUST 3, 1939

Mr. HOFFMAN. Mr. Speaker, under leave to extend my remarks, the following is a radio talk delivered by me at Washington, over the Columbia Broadcasting System, on August 3, 1939:

Fellow Americans, do you know of any reason why a man should be denied the right to work?

Of late, every time a law-enforcing officer has ventured to interfere with the riot-inciting, head-cracking tactics of Bridges, Lewis, the C. I. O., or the Communists, someone complains that civil liberty is being denied to those who are closing factories, seizing private property, denying to workingmen the God-given right to earn a livelihood for themselves and their families.

With strikes sweeping the country from coast to coast, we are face to face with the all-important question, Shall John L. Lewis or any other man or organization deny to an American citizen, until he has signed on the dotted line, the right to work?

Senator LA FOLLETTE and Senator THOMAS of Utah, through the activities of the so-called Senate Civil Liberties Committee, have spent more than $100,000, have printed thousands of pages of testimony from biased and prejudiced, hand-picked witnesses, all tending to smear businessmen and to make it appear that employers are persecuting workers.

It is astounding that so biased, unfair, and untrue a picture tending to create class hatred should be permitted by the Senate to be given to the public.

Attorney General Murphy has joined in the hue and cry by sending special investigators into Harlan County, Ky., where their presence could only lend aid to Lewis' United Mine Workers.

Notwithstanding all of the activities of the Attorney General, the wholehearted assistance rendered the C. I. O. by Mme. Perkins and her Labor Department, the activities of the Labor Board, the threats of the Department of Justice to bring criminal trials, the liberty-loving mountaineers of old Kentucky, backed by the operators, defied the Communists, the C. I. O., John L. Lewis, and insisted upon and obtained an open-shop contract—perhaps the only one in the soft-coal-mining industry.

High on the roll of honor where are written the names of those who have fought the battle for liberty in this country should be inscribed the names of Gus Whitfield, A. F. Whitfield, Jr., George Whitfield, William Whitfield, Ed Whitfield, Jack Whitfield, and Bryan Whitfield, J. C. Stras, W. J. Cunningham, E. Floyd Wright, and Jack K. Dickinson—Harlan County coal operators all, members of the Harlan County Coal Operators Association, which, with them, has defied Lewis, refused to yield to the intimidation of Federal authorities acting unjustly and arbitrarily, and maintained in Harlan County at least, the principle that, in order to work, a man need not pay tribute to the United Mine Workers, the C. I. O., or any similar organization.

We all know that religious freedom means the right of one to worship God as his faith may incline him.

Civil liberty is an all-embracing term. Civil liberty means the right of the individual, limited by the equal right of his fellow men, to do all those things which will protect life, property, the sanctity of the home, freedom of action, and which will aid him in the pursuit of happiness and prosperity.

Civil liberty means freedom of action in acquiring, owning, and using property. It means the right to choose one's trade, occupation, or profession; to work or not to work; to walk the streets and the highways in daylight or in darkness, free and unhampered by unlawful restrictions, pickets, goon squads, or wrecking crews.

It includes the right of the individual to earn a livelihood for himself in any place and for any employer where he may be able to secure work at a wage satisfactory to him.

It means the right to join or not to join the Elks, the Odd Fellows, the Masons, the Sons and Daughters of I Will Arise; to join either the Protestant church, the Catholic church, or no church at all.

It includes the right to attempt, even though you be 60, to jitterbug, to do the big apple, the Lambeth walk, the rhumba, the shag, or the black bottom, or to sit at home in your easy chair and read your weekly newspaper.

In short, civil liberty means the right to enjoy all those things which a citizen of these United States has come to regard as essential to his well-being.

Who, then, is denying civil liberties to the citizens?

The Senate Civil Liberties Committee and men pretending to be labor leaders have done more to deprive workers of their civil liberties than all employers in all the days gone by since the establishment of our Republic.

A few days ago, blinded by its New Deal idolatry, a Washington weekly said Congress was becoming "increasingly antilabor." No slander more foul was ever uttered and the publisher knows that there are not 10 men in Congress (it is doubtful if there be 1) whose sympathies are not with labor.

Like many others, he failed to distinguish between the real friends of labor and those who pose as labor leaders, who are exploiting labor to serve their own political or selfish ends; who are in reality labor racketeers.

Throughout our land, in industry after industry, in village, town, and city, strikes have been called, women and men have been driven from their places of employment, because so-called labor leaders desired to establish themselves in positions of power and influence. All those who oppose these greedy, selfish racketeers are designated by them and by their friends as being antilabor.

The real friends of labor are those who provide jobs, who pay wages, who advocate reasonable, wholesome laws under which labor can organize, bargain collectively, and meet on equal terms its employer.

THE REAL ENEMIES OF LABOR UNIONS

Lewis and his C. I. O. organization, in the soft coal mining, the motor, the packing, the steel industries—in fact, in all industries—are attempting to establish the rule that no man shall work until he has joined the C. I. O.

If man would live, he must eat, and, if he would eat, someone must work. To demand that no one can work to earn the food to maintain his life, to care for and educate his family, to buy medicine in time of sickness, clothing to protect from winter's freezing cold—until that man has signed John L. Lewis' card, is to insist that workingmen surrender their freedom.

It is an attempt to impose a tyranny worse than that sought to be exercised by George III.

Lewis and those business executives who contemplate adhering to the practice of hiring only those who sign on Lewis' dotted line and deny employment to all others, may well consider the proposition of just where they will end if the rest of us, who are denied jobs unless we agree to Lewis' terms, refuse to purchase or to use the products of the shop where only Lewis' men may work.

When Lewis or the C. I. O. establish the rule that only members of his organization can work in the motor industry, in the coal mines, in the packing plants, it may be well for the rest of us to refuse to use the motor vehicle, to burn the coal, or to eat the product of that packing plant, and let Lewis and his men purchase and consume that which they alone are permitted to produce.

If neither of my sons, my grandsons, Sam, John, or David, is permitted to work in these industries, should we not serve our own interests by using oil for fuel, buying the motor vehicle made in the open shop, eating the finished product of that packing plant which, without discrimination, opens its doors to every man who desires to work?

Lewis intends to extend his rule over the field of agriculture; to force every farmer to employ on his farm only members of his union; to force the farmer's boy to join a union before he can milk his dad's cows; the daughter to pay dues before she can gather the eggs or churn the milk into butter.

If once Lewis organizes the workers in the canning, the dairy, or any other industry having to do with the handling or the preservation of a perishable product, what will be the effect of a strike?

The farmer, with his crop of perishable fruit or vegetables, would be utterly ruined by one sit-down strike. And do not forget that, within a year in the motor industry, a thousand strikes occurred, even after a contract with the union was signed.

Do farmers intend to submit to that kind of ruinous domination by anyone? If not, they will do well to awaken to the situation.

But, you say, it will not come to us. "It will not happen here." It has happened here. It has come to the farmers, not in one, but in thousands of instances.

Let me cite you the case of a farmer in California—Dan Ryan. Dan had 180 cows in his barns. He had the men who were ready and willing to milk them. They refused to join a labor organization. He was told that, unless he discharged them or forced them to join, his milk would be declared "hot."

Being an American who believed in the Declaration of Independence, thinking he was protected under the Constitution of the State and the Nation, he refused to compel his men to join. His milk was declared "hot." The truckers refused to handle it. The Borden Co. refused to use it, and for 600 days he sustained a loss of more than $30 a day.

Why? Because he refused to require free-born Americans to join a particular organization.

Because we do not believe in those things are we antilabor?

Oh, no. The man who is antilabor is the man who insists that no man who depends upon labor for his livelihood shall have the privilege of earning that livelihood until he has paid tribute for the privilege of exercising a right for which his forefathers fought and died.

The proposition maintained by Lewis and those who believe with him that no man can work in this heretofore free America of ours until he has joined a union is so absurd, is so ridiculous, is so un-American, that the only wonder is that it is given consideration.

To support his demands, Lewis has used coercion, intimidation, force, violence—yes, and men have been killed defending their right to work.

Lewis and his C. I. O. are the ones who are denying to the citizen the right to walk free and unhampered down the street; denying to the businessman the right to carry on, to give employment, to pay wages; denying to the worker his civil liberty, the right to work to feed, clothe, and shelter his wife and his children.

Lewis is not a safe man to follow. He showed his vindictiveness, his utter disregard for the truth, when he said that the Vice President was an "evil old man." Everyone knows that JACK GARNER is honest, patriotic, and lives an exemplary domestic life.

None should forget that after receipt of a telegram from Lewis on June 18, 1922, members of the United Mine Workers and their sympathizers, after unarmed union men had surrendered upon promise of safety, dragged some of them behind an automobile, shot others, and hanged still others until 25 were dead.

We should remember—none should ever forget—that the road over which Lewis has traveled has been marked by lost jobs, closed factories, and in some instances by "ghost towns," by violence, by bloodshed, by death.

Lewis should be taught by the orderly processes of the law that if he and his lieutenants go about the country inciting riots, driving workers from their jobs, intimidating their families in their homes, they should be tried to determine whether they are violating the law, and, if convicted, thrown into jail as common criminals.

Neither Lewis nor his lieutenants should be privileged to violate the law. They should be treated as is the ordinary average citizen who starts a fight, destroys property, and beats or kills his fellow men.

The time has come when we must determine here in this America of ours whether Lewis rules or whether the law is supreme.

That issue has but one answer. The law must prevail if our liberty is to be secure.

Government Aid for Dairymen—What the Government Does and How and Where To Apply for Assistance—The North Country Dairyman Should Continue the Fight

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EXTENSION OF REMARKS

OF

HON. FRANCIS D. CULKIN

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Friday, August 4, 1939

Mr. CULKIN. Mr. Speaker, the dairyman of the North and Northeastern United States has been slowly but surely driven to the wall and is now facing universal bankruptcy. Milk and other dairy products are essential to the life and health of the American people, and the dairymen, working 12 hours a day, 365 days of the year, has given the country a product unsurpassed anywhere in the world in sanitary and health-making qualities. For the past 10 years the dairyman has been obliged to sell his product below production costs, and as a result of this he is now being slowly driven off the land, and great areas are becoming untenanted. The survivors of this group who, to my mind are the best American stock, have seen the professional take their product at starvation prices and market it with high profits.

The splendid report of Attorney General Bennett, of New York, who made an investigation into this situation, shows that the monopolists, including Borden's and National Dairies, are making a profit of 24 percent on fluid milk and 108 percent on the manufacture of dairy products.

Through the years the Federal Government, States, and localities have multiplied the requirements of sanitary production. These have increased the dairyman's costs, and with each increase in the cost of production the brazen monopolists have increased the cost to the public and decreased the price to the farmer.

MARKETING MONOPOLY

Other types of farming suffer from the artificial conditions thrown around the marketing of the things they produce, but in no other type of marketing has the professional or distributor enjoyed such tremendous and traceable profits as in the marketing dairy field. The Federal Trade Commission has made repeated reports on these marketing monopolies, but effective action has not been taken by either State or Federal Governments to bring these monopolists within their control and to break up the combinations which have destroyed the dairy farmer. This situation naturally involves the 4,000,000 dairymen, who with their dependents constitute a group of 12,000,000 people. In my own district it involves the best there is in community life. There is no tragedy in America so outrageous in character as the destruction of this splendid group of citizens by this wholesale larceny.

The Attorney General's office, when Mr. Homer Cummings was in charge, made a frontal attack on this situation in the Chicago market area, procuring indictments against some 50 distributors, including Borden's and National Dairies, and related groups. Through the correct choice of lawyers and a sympathetic court, the usual procedure, a demurrer to these indictments was sustained and the indictments dismissed. Credit should be given to the Attorney General's office and the Antitrust Division for their attempt to cure the condition. The court was obviously in error in dismissing the indictments, and I am advised that the case is being appealed direct to the Supreme Court. The set-back is only temporary. The situation in the Chicago area was grievous, but in my judgment not so grievous as that of New York, where the dairyman up to 15 years ago enjoyed a prosperous livelihood.

FIGHTING LEADERSHIP IS NEEDED

The New York dairyman, be it said, has the greatest market in the United States—metropolitan New York—and should at all times have a living price for his products. It is a serious indictment of the ability, if not of the sincerity of the self-constituted leaders of the dairymen that such is not the case. Some of this leadership has participated in the destruction of the local markets for the dairyman's products by buying up and dismantling cheese factories. This inept leadership has placed a load of professionals on the dairyman's back, and while enjoying huge salaries out of the dairyman's lean purse, have steadily permitted this situation to grow more grievous. Leaders with fighting hearts are needed at this time. All others should be speedily thrown in the scrap heap.

ANTITRUST ACTION PROMISED

On Friday, August 4, 1939, in company with my colleagues, CLYDE H. SMITH, of Maine; B. J. GEHRMANN, of Wisconsin; STEPHEN BOLLES, of Wisconsin; JAMES C. OLIVER, Maine; WILLIAM LEMKE, North Dakota; MERLIN HULL, of Wisconsin; FRANK B. KEEFE, of Wisconsin; and R. T. BUCKLER, Minnesota, I went to the Attorney General's office and presented a petition requesting appropriate legal action be taken for the dissolution of Borden's and National Dairies into their constituent parts. All of the gentlemen above named believe that the present lowly condition of the dairyman is due to a Nation-wide monopoly which exists in the dairy marketing field. They further believe that no solution of this situation is possible until such time as these monopolies are removed by legal action.

Attorney General Murphy, with Mr. Thurman Arnold, in charge of antitrust prosecution, received us very courteously, and we had a full and fair discussion of the issues. The Attorney General assured us that he was in sympathy with us and that the matter would have the attention of his office.

We have made an appointment with Mr. Arnold for Monday, August 7, and will go over that matter in detail with him at that time. We invite the attention of the House to the grievous situation nationally of the 3,000,000 dairymen and their 9,000,000 dependents, and we will keep the Members and the country fully advised of the developments in the situation.

DROUGHT CONDITIONS

The dairyman's present grievous situation has been aggravated by a drought, in the northeastern area. He faces the fall and winter with an acute feeding problem. He is already mortgaged to the hilt, and is heavily in debt for taxes and the actual necessities of life. In other words, the man who is feeding the people and making high profits for the dairy monopolists, Borden's and National Dairies, is getting in a situation where he has no place to lay his head. Twenty years ago he was the finest type of individualist ever produced by any civilization. Today his condition is becoming comparable to that of the itinerant sharecropper of Oklahoma.

SHOULD STAY ON THE LAND

Despite these desperate conditions, I urge the dairymen to stay on the land and continue to fight to get living conditions. I believe there will soon be the dawn of a better day. To aid in his present situation, I am calling the attention of the farmers to the various agencies of Government which have been set up for the purpose of aiding those who are facing a foreclosure, debt, or taxes.

I will enumerate these agencies and their duties in order, and ask that the farmer who is in an existing emergency apply to the particular agency which is authorized to handle his case. These agencies are as follows:

MORTGAGE FORECLOSURE

First. The farmer who is about to lose his home by mortgage foreclosure should take advantage of the Frazier-Lemke moratorium, which has been held constitutional by the United States Supreme Court. This act amends the Bankruptcy Act and provides that a farmer who is unable to pay his debts can take advantage of section 75 by filing his petition with the clerk of the court of the United States district court in his district. I would suggest the farmers in the various counties of the Thirty-second Congressional District, who are threatened with foreclosure, take this up with the Farm Bureau agents in their respective counties who will assist them in the preparation of the necessary petition. This will give the farmer a moratorium of 3 years during which he will be permitted to retain possession of his property under suitable terms fixed by the court.

My colleague, Mr. LEMKE, of North Dakota, the author of the bill, tells me that this moratorium has been most effective in the western jurisdiction. I urge all farmers who have foreclosures threatened or pending to adopt this procedure.

EMERGENCY REHABILITATION LOANS

Second. In areas stricken by drought farmers often need small loans quickly to save their crops or provide feed for their livestock. In such cases the Farm Security Administration in the Department of Agriculture provides loans without formality. In the counties of Oswego, Jefferson, and Lewis this matter is handled by Mr. James F. Reeves, who has charge of the F. S. A. work in those counties, with headquarters in the Federal Building at Watertown, N. Y. In Madison County, Mr. Herbert Brokaw, with headquarters in the Masonic Building at Norwich, N. Y., is in charge. Both of these gentlemen are able, sympathetic administrators and will handle matters with promptness and absence from red tape.

STANDARD REHABILITATION LOANS

Third. These loans are made to farmers who need seed, tools, livestock, and other equipment necessary to carry on farming operations, and who cannot get adequate credit elsewhere. These loans are repaid over a period of from 1 to 5 years at 5-percent interest. Applications for this assistance should be made to the F. S. A. supervisors named above.

MEDICAL AID LOANS

Fourth. Frequently farmers have difficulties in making ends meet because of sickness in their families. Health group programs should be organized to provide medical care for low-income farm families at a cost which they can afford. I commend this provision to the Farm Bureau agents for their action and consideration.

FARM DEBT ADJUSTMENT

Fifth. For farmers overburdened with debt, the Farm Security Administration provides a means by which their debts can be adjusted to their capacities to pay. This is available to all farmers whether or not they take part in other phases of the F. S. A. program. Some preliminary organization is necessary on this, but the Washington set-up is effective and sympathetic and needs only local application. I commend the consideration of this to the Farm Bureau agents in each county of the district.

SERVICES FREE OF CHARGE

There are no preliminary or present dues to any organization contingent on any of the above applications. The officials hereinbefore enumerated are not the employees of any farm organization, but are paid by National, State, and county contributions.

NATION IS IN DAIRYMAN'S DEBT

The farmers of Jefferson, Oswego, Madison, and Lewis Counties should have no false pride about accepting the cooperation of these agencies. The country is in their debt because of their contribution to its health and well-being. The farmer should remember that he is a victim of a system which contrary to law has been permitted to well-nigh destroy him. If there are any complications about any of the above matters, I ask the applicant to write me either at Washington, D. C., or Oswego, N. Y.

I again urge the farmer to stay on the land and continue the fight. I have strong hopes that the great economic wrong that is being done him will be righted through operation of the law. I have strong hopes that in the near future strong leadership will arise, or the dairyman's present leadership will become more seagoing. Under such auspices I predict he will get a living price for his product with a reasonable profit. That is all he asks for his past sacrifices, toil, and suffering. The dairyman's case is based on law and justice and must go forward to victory.

Yes; the South Has Sort of Come Around

EXTENSION OF REMARKS

OF

HON. CLYDE T. ELLIS

OF ARKANSAS

IN THE HOUSE OF REPRESENTATIVES

Friday, August 4, 1939

EDITORIAL FROM ARKANSAS GAZETTE

Mr. ELLIS. Mr. Speaker, on July 30 there appeared in the Arkansas Gazette, a paper of State-wide circulation published at Little Rock, Ark., an editorial entitled "Yes; the South Has Sort of Come Around," which I insert in full in the RECORD:

[From the Arkansas Gazette]

When he complains that Southern States are "draining off the wealth" of the rest of the country by taking more money out of the Treasury in Federal grants than they put in through the payment of Federal taxes, Congressman BATES (Republican, Massachusetts) should remember that the Federal taxes collected in a State are not always paid by the people of that State alone. Every cigarette smoker in the country helps to pay the Federal excise taxes collected in chief part in North Carolina and Virginia. National corporations, which pay their Federal taxes in Northern or Eastern States where their plants or main offices are located, get the money for them from every State where their goods or services are sold.

And this Massachusetts Republican should remember that President John Quincy Adams, whom Massachusetts gave to the Nation, made internal improvements by the Federal Government the main topic of his inaugural address. He extolled the value of such projects and declared that from their execution posterity would "derive a fervent gratitude" and deeply feel and acknowledge "the beneficent action of our Government." Nor did he say anything about limiting the internal improvements made in a State to the amount of Federal taxes collected in that State.

In the political development of the United States the Southern States were preeminently the upholders of the doctrine of State rights. In the controversy over the making of internal improvements by the Federal Government, which was a burning political issue for more than a generation from Jefferson's time to Jackson's, it was the South which challenged the right of the Central Government to undertake such works under any powers vested in it by the Constitution. But the North raised up Daniel Webster, who devoted his great career to championship of national as opposed the federated government. Then the North fought the Civil War and wrote with the bayonet what Webster had preached with his words.

Now, in the full spirit in which Robert E. Lee accepted the final arbitrament of Appomattox, the South makes its acknowledgment of the beneficent action of our Government in internal improvements. In this day the South, former Confederacy though it was, yields to no other part of the country in sincere and patriotic fealty to the Old Flag and the appropriation.

The Employer—Taxpayer Is Again Given Consideration and Justice

EXTENSION OF REMARKS

OF

HON. JOHN R. MURDOCK

OF ARIZONA

IN THE HOUSE OF REPRESENTATIVES

Friday, August 4, 1939

Mr. MURDOCK of Arizona. Mr. Speaker, a few moments ago we heard from the leaders of the House conference on the Sccial Security bill that the measure as now agreed upon would save businessmen $65,000,000 a year, and by freezing the rate at 1 percent would save employers and workers $275,000,000 in 1940. In regard to credits and refunds to taxpayers under title 9 of the Social Security Act and the abolition of the heretofore heavy penalties for belated payment of those taxes, many businessmen and employers will be saved the sum total of $15,000,000.

This latter item is personally very gratifying to me and I wish again to express my satisfaction that the Ways and Means Committee has written it into the law, and that it has remained in the bill during this long conference session, being found in the report before us today. I suggested this amendment 2 years ago. On April 10 last when this social-security measure was before the House, I pointed out the favorable nature of this provision for the average American employer and businessman. Now that we are assured by the chairman of this committee that this will save $15,000,000 which have already been collected under the previous act, or which would have been collectible if the act had not been amended, it is again a matter of favorable comment that the bill is so amended.

My own interest in this matter rises out of the fact that I suggested this amendment of the Social Security Act as a matter of justice to some of my own constituents, and as a square deal to all taxpayers throughout the Nation who were the victims of an unduly harsh provision in the original law. In the Seventy-fifth Congress I introduced a bill, H. R. 8779, which the Ways and Means Committee incorporated in the Revenue Act of 1938 in a very generous form. Again in this Congress I introduced a bill, H. R. 898, which is now made a permanent part of the social-security law by the action of the committee drafting this bill, and by the action of the conferees in keeping the provision in the report we are now adopting. Let me say that the effect of this measure is to lessen the receipts in the Treasury Department for social-security purposes.

Now, I am distinctly a friend of the social-security policy, and naturally I want that fund to grow properly and adequately. However, I do not want money collected by the strong arm of the Government, even for so good a cause as social security, if there is an element of harshness or of injustice in the collection of funds.

Again, Mr. Speaker, let me give additional emphasis to what Chairman DOUGHTON, Congressman TREADWAY, and

Congressman MCCORMACK have stated a few minutes ago that the changes made in this Social Security Act truly were meant to relieve the burdens of the taxpayers. The sponsors of this legislation have earnestly worked to temper the tax burdens, both as to rates of taxation and as to penalties imposed for delay or failure to pay, having in mind the interest of the taxpaying employers as well as the social-security beneficiaries. How can any man say that the men who have just finished drafting this legislation are unfriendly to business?

General Legislation of Public Interest Passed by Seventy-sixth Congress, First Session

EXTENSION OF REMARKS

OF

HON. SHERMAN MINTON

OF INDIANA

IN THE SENATE OF THE UNITED STATES

Saturday, August 5 (legislative day of Wednesday, August 2), 1939

LIST OF GENERAL LEGISLATION OF PUBLIC INTEREST PASSED BY THE SEVENTY-SIXTH CONGRESS, FIRST SESSION

Mr. MINTON. Mr. President, I ask unanimous consent to have printed in the RECORD a list of some of the general legislation of public interest passed by the Seventy-sixth Congress, first session, under the able leadership of the Senator from Kentucky [Mr. BARKLEY].

There being no objection, the matter referred to was ordered to be printed in the RECORD, as follows:

Some of the general legislation of public interest passed by Seventy-sixth Congress, first session

Number of bill or resolution	Short title	Number of Public Law
H. R. 4830	Accounting, to amend act relating to	59
S. 1579	Agricultural Adjustment Act, including hops as a commodity.	91
H. J. Res. 342	Agricultural Adjustment Act of 1938, to amend sec. 322 (referendum).	[1] 34
H. J. Res. 343	Agricultural Adjustment Act of 1938, to amend sec. 335 (c) (wheat).	[1] 35
S. 1569	Agricultural Adjustment Act of 1938, to amend sec. 344 (time extension).	149
S. 1363	Agricultural Adjustment Act, relating to percentage acreage allotments.	30
S. 660	Agricultural Adjustment Act of 1938, relating to cotton acreage allotments.	6
S. 518	Agricultural extension, to further develop cooperation in	41
H. R. 2179	Agricultural Marketing Act, relating to interest rates	150
S. 1096	Agricultural Marketing Agreement Act of 1937, relating to apples.	98
H. R. 5485	Army, relating to the care of animals	112
S. 1301	Army, to create Military Secretary to General	12
S. J. Res. 111	Aviation, to designate Aug. 19 of each year as National Aviation Day.	14
H. R. 5619	Aviation, to provide for the training of civil aircraft pilots	153
H. R. 3221	Aviation, relating to sale of supplies to attachés accredited to the United States.	102
H. R. 5136	Blind, to provide books for the adult	118
H. R. 3577	Canal Zone Code, to amend, relating to retirement	31
S. 1842	Coast and Geodetic Survey, to construct certain vessels for	108
H. R. 136	Coast Guard Academy, to authorize contingent expenditures.	38
H. R. 3231	Coast Guard, relating to firearms for	77
S. 1369	Coast Guard, relating to maritime police functions	104
S. 595	Coast Guard, relating to retirement of personnel under certain conditions.	87
H. R. 5966	Coast Guard Reserve, to establish	152
H. R. 899	Coast Guard, station, to establish Keweenaw Peninsula, Mich.	46
H. R. 5845	Coast Guard, to establish Wrightsville Beach, North Carolina.	329
S. 1876	Coast Guard, to readjust the commissioned personnel of	89
S. 2314	Commerce, to establish the position of Under Secretary	113
H. R. 4011	Commodity Credit Corporation, to continue functions of	3
H. R. 3230	Communications, punishment for transmitting threatening.	76
H. R. 3801	Cotton pool trust certificates, to extend time for retirement	27
S. 185	Criminal Code, sec. 224, relating to insured-mail matter	265
S. 794	District of Columbia, relating to banks and trust companies in.	20
H. R. 4745	District of Columbia, relating to benefit assessments for condemnation of streets.	139
S. 1126	District of Columbia, relating to public utilities in	23
S. 1123	District of Columbia, to amend par. 57, relating to appropriation for.	21
H. R. 5987	District of Columbia, to amend Traffic Act of 1925	145

[1] Public resolution.

Some of the general legislation of public interest passed by Seventy-sixth Congress, first session—Continued

Number of bill or resolution	Short title	Number of Public Law
S. 1125	District of Columbia, to appoint research assistants in public schools.	22
H. R. 3134	Employees, relating to detail of certain, to Philippines	63
S. 1708	Employer's Liability Act, to amend	382
H. R. 5762	Federal Drug Act, to provide postponement of certain provisions.	151
S. 2618	Federal Reserve notes, relating to collateral security	162
S. 1886	Federal Reserve System, relating to loans to officers of member banks of.	135
H. R. 4646	Filipinos, to provide for certain, to emigrate	241
S. 189	Firearms, to provide for the confiscation of certain	121
H. R. 3655	Foreign Service, relating to classification of clerks in	40
H. R. 913	4-H clubs, prohibiting the unauthorized use of insignia	114
H. R. 4425	Government, reorganization of	19
S. 2738	Hawaii, relating to revenue bonds issued under Act 174, 1935.	312
H. R. 162	Hawaii, relating to rules of procedure in the district courts of.	133
S. 2240	Housing, to provide census for	385
H. R. 5076	Indians, to authorize the use of water on certain reclamation projects.	97
H. J. Res. 322	Insect pests, appropriation for the control of outbreaks of	22
S. 1281	Insignia, to prohibit reproduction of official	82
S. 1282	Judges, to extend privilege of retirement for disability to	269
S. 2021	Labor Department, to authorize special statistical studies	35
S. J. Res. 118	Library, Franklin D. Roosevelt, to establish and maintain	[1] 30
H. R. 5756	Merchant Marine Act, to amend sec. 509 relating to the construction of vessels of.	116
H. R. 6977	Mining, to extend the time in which annual assessment work may be commenced.	163
H. R. 4087	National defense, relating to General Headquarters Air Force.	72
S. 572	National defense, relating to the purchase of strategic and critical materials.	117
H. R. 3791	National defense, to provide more effectively for	18
H. J. Res. 225	National Gallery of Art, relating to the maintenance of	9
H. R. 5324	National Housing Act, to amend certain sections of	111
H. R. 2200	Naturalization, relating to petitions for	138
S. 588	Naval Academy, to provide additional midshipmen	119
H. R. 5765	Naval and Marine Corps Reserves, to authorize aviation cadets.	129
H. R. 3234	Navy and Marine Memorial, to complete	53
S. 829	Navy, to authorize repairs of certain naval vessels	37
H. R. 2878	Navy, to authorize Secretary to construct certain public works.	106
H. R. 4278	Navy, to authorize Secretary to construct certain public works.	43
S. 828	Navy, to construct certain auxiliary vessels for	45
S. 1019	Olympic games, to authorize expense incident to	29
H. R. 3587	Ordnance material, to authorize the Secretary of War to exchange certain.	70
H. J. Res. 163	Panama Canal, to participate in twenty-fifth anniversary of opening.	5
S. 1031	Penal Code, to amend sec. 243 relating to the marking of packages.	131
H. R. 6037	Penal laws, to amend section 194	330
S. 1302	Petroleum, to regulate interstate and foreign commerce in	158
S. 1871	Political activities, an act to prevent certain	252
H. R. 4771	Postal Service, limiting working hours of employees	79
H. R. 4772	Postal Service, relating to certain time credits in (pneumatic-tube service).	73
H. R. 3812	Postal Service, relating to employees' credit for sick leave	78
H. R. 4785	Postal Service, relating to night employees (pneumatic-system).	74
S. J. Res. 76	Postal Service, relating to star-route contracts	4
H. R. 4786	Postal Service, to extend provision of 40-hour law (pneumatic-tube system).	75
H. R. 1776	Public Health Service, in the Coast and Geodetic Survey	48
H. R. 3055	Public Law 370, to amend, International Boundary Commission.	134
H. R. 5474	Railroad Unemployment Insurance Act, to amend	141
S. 1102	Reconstruction Finance Corporation, to continue functions of.	2
H. J. Res. 83	Relief, making additional appropriation for	1
H. J. Res. 246	Relief, making additional appropriation for	10
S. J. Res. 138	Reorganization, providing that plans Nos. 1 and 2 effective July 1, 1939.	20
H. R. 6851	Revenue, to provide for and equal taxation of	155
H. R. 4997	Rio Grande Compact, given consent for approval of	96
H. R. 199	Seamen, relative to the allotment of wages by	99
S. 2065	Securities, regulation of sale through the mails	253
H. R. 6635	Social Security Act, to amend	379
S. 1098	Soil Conservation and Domestic Allotment Act, relating to crop insurance.	9
H. R. 3325	Stabilization fund, relating to	165
H. R. 3646	Sundry Civil Appropriation Act, to amend, relating to oaths.	115
H. J. Res. 341	Supreme Court Building Commission, to abolish	[1] 45
H. R. 3790	Taxation of the compensation of public officers and employees.	32
H. R. 5482	Unemployment compensation laws, relating to administration of.	36
H. R. 1784	Vessels (sec. 4498), relating to renewal of licenses	105
H. R. 1786	Vessels (sec. 4325), relating to the renewal of license of	101
S. 1583	Vessels, to amend act of Mar. 2, 1929, relating to load lines for.	92
H. R. 6065	Vessels to authorize major overhauls for certain naval	212
H. R. 950	Vessels, to exempt certain, from Officers' Competency Certificates Convention.	16
H. R. 2320	Veterans of Spanish-American War, relating to medical treatment.	62
S. 2784	Virgin Islands, relating to civil government for	313

[1] Public resolution.

The Conservation Movement in Wisconsin

EXTENSION OF REMARKS

OF

HON. REID F. MURRAY

OF WISCONSIN

IN THE HOUSE OF REPRESENTATIVES

Saturday, August 5, 1939

LETTER FROM HON. EDWARD E. BROWNE

Mr. MURRAY. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following letter received by me from Hon. Edward E. Browne, of the Wisconsin Conservation Commission, together with the statement referred to therein:

THE STATE OF WISCONSIN CONSERVATION COMMISSION,
Waupaca, Wis., July 28, 1939.

Hon. REID MURRAY,
House Office Building, Washington, D. C.

DEAR FRIEND REID: The W. P. A. has helped the conservation movement in Wisconsin very greatly. Mr. A. M. Keister, supervisor of works program, who has been in charge of this work, has been very efficient, and the local men under him have also been exceedingly efficient.

I am enclosing a statement of his work in this State and wish you would put the same in the CONGRESSIONAL RECORD under extension of your remarks.

If you desire, you can ask leave to extend your remarks by printing a report of the W. P. A. in Wisconsin, which has been requested by Edward E. Browne, former Member of Congress, and who is now a member of the Conservation Commission of Wisconsin.

If, beforehand, you ask permission of the Democrat floor leader, who, I think, is RAYBURN, and also MARTIN of Massachusetts, Republican floor leader, both of whom I am acquainted with, I am sure there will be no objection.

There is a great deal of information in this report, and I think it advertises Wisconsin and the conservation work that we are doing here.

With personal regards, I am,
Sincerely yours,

EDWARD E. BROWNE.

BIENNIUM REPORT COVERING THE COOPERATION OF THE WORKS PROGRESS ADMINISTRATION

During the biennium from July 1, 1936, to June 30, 1938, the prosecution of the extension program of projects sponsored by the Wisconsin Conservation Commission continued to be a major activity of the Works Progress Administration. The work of every division of the department was advanced by this cooperation, and therefore any attempt to summarize all of the work accomplished by W. P. A. workers would to a large extent overlap the reports of the accomplishments of each division. Consequently, it is the purpose of this report to present only a summary of W. P. A. employment and expenditures on conservation projects, together with a sufficient outline of specific accomplishments to indicate the value and extent of the impetus which the long range program of the conservation commission has received from the cooperation of the Works Progress Administration.

With the advice and assistance of the several division superintendents, county-wide "blanket" conservation project proposals were prepared and submitted under the direction of the department's supervisor of work projects. These proposals requested the approval of the Works Progress Administration at Washington, D. C., for the prosecution of the commission's program in 56 counties of the State. Almost without exception they were approved as submitted, and under the authority so granted, 229 additional subprojects were submitted during the biennium. Each of these subprojects embodies a break-down of the work which it was planned to accomplish on an indivdual undertaking, together with details of the materials and equipment to be furnished by the W. P. A. and the conservation commission, respectively. Since the start of the W. P. A. program in July 1935, nearly 700 of these specific subprojects have been submitted for operation, and 386 were in operation at some period during the biennium just closed, which opened with 3,421 W. P. A. workers employed on 113 subprojects, and closed with 3,782 men employed on 102 subprojects. The decrease in the number of subprojects in operation together with the increase in the number of men employed is in part accounted for by the completion during the biennium of a number of work units providing for the construction of buildings on which only twenty to twenty-five men are ordinarily employed. (A list of these buildings arranged according to departmental divisions is appended to this report.) Another factor was the definite effort of the W. P. A. administrative officials to reduce the number of subprojects in operation by the consolidation of projects providing for similar or related work and the elimination of crews of less than 10 men.

During the biennium the W. P. A. expended a total of $2,651,659 on projects sponsored by the commission. Of this amount $2,359,814 was expended for labor and $292,054 was expended for material and equipment. During the same period the commission was credited with a sponsor's contribution of $449,359, of which $153,489 was credited as the value of the supervisory services supplied by the conservation department employees, and $295,870 was credited as the value of contributed materials and equipment. When added to the record of expenditures and contributions quoted in the report for the preceding biennium, these figures show that during the 3 years since the start of the W. P. A. program in July 1935 the W. P. A. has expended a total of $4,199,022 on projects sponsored by the commission and has credited the commission with contributing equipment, materials, and labor valued at $613,320.

Because of its fundamental importance, almost two-thirds of the subprojects sponsored by the conservation commission have provided for work directly or indirectly required for the protection and expansion of Wisconsin's forests. Among the most important accomplishments of the W. P. A. workers engaged on these projects during the biennium has been the construction of 103 miles of new truck trails and the reconstruction of 95 miles of old truck trails. The State-owned forest-protection telephone system was also improved by the completion of 112 miles of new lines, the reconstruction of 25 miles of existing lines, and the clearing of the right-of-way on 213 miles of lines on which communication was threatened by the encroachment of brush and trees.

One of the primary needs of the forest-protection division had long been a sufficient number of suitably planned ranger stations and garage and storage buildings. This need was almost entirely met by the completion during the biennium of 23 ranger-station and garage buildings, each of which combines in a building of concrete block or native stone construction an office and five garage stalls on the ground floor, together with storage space for tools and equipment and a modern four- or five-room apartment on the second floor.

Two headquarters buildings were also completed, one at Antigo and the other at Park Falls. These buildings provide the larger office space and living quarters needed for a district headquarters besides heated garage space for three or four cars and trucks. At the Rhinelander-area headquarters two 6-stall garage buildings, so designed that they now constitute a single 12-stall garage and storage building, were completed, and three additional garage and storage buildings were completed at Hayward, Brule, and Spooner.

When the building which now houses the forest protection headquarters at Tomahawk was acquired a few years ago it was badly in need of repair and remodeling to better suit the purposes of the department. During the biennium most of the work of reroofing, repairing, and repainting the building throughout was completed, and additional offices, storerooms, drafting rooms, and assembly rooms were constructed. Heavy machinery and equipment was moved and reinstalled in more advantageous locations. Several thousand additional square feet of space were created by the installation of a second floor in portions of the building, and a painting room completely equipped with ventilating fans and other safety measures was added in which trucks, tractors, plows, and other equipment can be quickly and safely repainted by modern spray methods. A large testing tank was also constructed which enables the department's mechanics to thoroughly test and check the scores of large and small fire-fighting pumps which are forwarded from the protection districts throughout the State to the forest-protection headquarters for repair and reconditioning during the winter months.

The construction of a two-story brick airplane hangar and landing field adjacent to the headquarters building was also completed. A large basement beneath the hangar building is connected with the headquarters building by an underground passage and provides storage space for dozens of tractors, trucks, fire plows, pumps, and other equipment.

The carpenter and machine-shop facilities at Tomahawk also made it feasible to carry on a number of other projects under which more than 7,000 conservation department roadside signs were built or repaired and improved types of fire-fighting equipment were developed and constructed. Of particular interest is the construction by W. P. A. mechanics of 11 units of a new type of trailer designed to transport a complete tractor and fire-plow assembly weighing up to 10 tons.

W. P. A. workers were also employed in reducing fire hazards on over 10,000 acres of dangerous slash areas and along over 1,000 miles of State, county, and town roads.

It will be noted that most of the department's efforts toward reforestation have been directed toward the goal of adequate forest protection rather than toward any vast W. P. A. program of planting forest-tree seedlings. Nevertheless, the capacity of the State forest nursery was greatly expanded and more than a million seedling forest trees were planted by W. P. A. crews.

During the biennium a special effort was made to promote the operation of projects providing for repairs, improvements, and increased production facilities at the State fish hatcheries, and buildings and equipment at all of the 15 regular hatcheries were completely repaired and repainted throughout. Several additions were built and some of the residence and hatchery buildings were completely remodeled. Similar work was also carried on at many of the seasonal hatchery stations. Some of the more important accomplishments were as follows:

At the Hayward hatchery a new six-room residence building and a four-stall garage were constructed, and the main hatchery building was enlarged and remodeled throughout. Several new ponds

were constructed and other ponds and raceways protected by riprap.

At the Crystal Springs hatchery a five-room residence and a garage building were completed, and the capacity of the hatchery more than doubled by the construction of additional raceways and improvements to the hatchery building and ponds.

At the northeast fisheries headquarters at Woodruff, a 2-story 10-stall garage and dormitory building of fireproof construction was completed, in addition to two net houses, each 100 feet in length and 30 feet in width. A fourth building containing a large mess hall, kitchens, and living quarters was completed in cooperation with the C. C. C. organization, and, as the biennium closed, a fifth structure of approximately the same size as the net houses, and designed for use as a repair shop and equipment-storage building, had been 95 percent completed. A second 10-stall garage of frame construction was also well under way. A large amount of pond construction and repair and general landscaping work was also completed at this hatchery.

At the Osceola hatchery a six-stall garage and warehouse building was erected, and extensive flood damage to dams and reservoirs repaired.

At the Wild Rose hatchery a four-stall garage was constructed and the residence building was enlarged and completely repaired and repainted throughout. At this hatchery also extensive work was done on the construction of new ponds and the riprapping of both the new and old ponds.

At Sheboygan and Sturgeon Bay the hatchery buildings and living quarters were remodeled and repaired and repainted throughout.

At the Delafield and Salmo Lake hatcheries new dams were constructed to insure an adequate water supply, and at the Salmo Lake hatchery in particular a large amount of pond and raceway repair and retaining wall construction was completed.

At the northwest fisheries headquarters at Spooner the extensive program of development planned by the fisheries division was well under way as the biennium closed with two net houses almost half completed in cooperation with the C. C. C. organization, and the first of the four residence buildings planned for this area headquarters 25 percent completed. Work was also progressing rapidly on several of the large ponds which will be available for use during the next season.

At the Madison hatchery a new 9-acre bass-rearing pond was completed, and a 5-acre pond was constructed near the village of Blair, in Trempealeau County, on the site of what had previously been a swamp and the village dump. During their first season of operation in the summer of 1937, both the Madison and Blair ponds each produced from 125,000 to 150,000 bass for planting in the southern counties of the State. The Madison hatchery buildings were also completely repaired and repainted. A great deal of additional pond construction and general landscaping work was done, and a two-story 12-stall garage of fireproof sandstone construction was 40-percent completed.

Near the village of Conover in Vilas County a third large rearing pond which may be used for either bass or muskellunge propagation was created by the construction of two dams on the Little Tamarack River.

At all of the hatcheries where W. P. A. crews were employed, the general work consisted of the improvement of water supply, the construction of new ponds and raceways, and the repairing, cleaning, and riprapping of older ponds and raceways, in addition to the repairing and repainting of all buildings and equipment. Had it not been for this program of almost completely overhauling the hatchery facilities of the fisheries division it would have been impossible for the conservation department to not only attain but surpass its goal of planting more than a billion fish during both the seasons of 1937 and 1938.

However, if more than a fractional percentage of these tiny fish are to live and grow to legal size, our lakes and streams must be placed in a condition to provide them with food and shelter. Under the lake and stream improvement program sponsored by the conservation commission, W. P. A. crews have placed thousands of brush refuges, sapling tangles, bass spawning boxes, and minnow spawners in over 200 Wisconsin lakes. Practically all of these lake-improvement structures were built and placed during the winter months in accordance with data obtained from previous surveys which indicated the type of structures which were necessary in any particular lake to improve the propagation and protection of young fish and the protection of natural foods necessary for their survival and growth.

During the summer months the lake and stream improvement crews concentrated on stream work and improved more than 400 miles of trout streams by the installation of several types of current deflectors designed to protect the stream banks from erosion, to provide small trout with shelter, to create deep shaded pools, or to scour underlying silt deposits from gravelled spawning beds. Also the channels of hundreds of springs were cleared, thereby allowing the cold spring water to find its way into nearby trout streams, and tens of thousands of willows and alders, as well as many thousands of commercially valuable trees, were planted along stream banks for the dual purpose of providing shade and protecting the banks against further erosion.

No attempt was made to do improvement work on the largest possible number of trout streams because it was the policy of both the conservation department and the W. P. A. to select only those streams most in need of improvement and then, insofar as available W. P. A. labor made it possible, to complete the work of improving those streams from their headwaters to their mouths.

At the State experimental game and fur farm at Poynette, Wis., a series of projects have been prosecuted since early in the W. P. A. program. Some of the outstanding units completed under these projects during the biennium are the following:

On the fur section of the State experimental game and fur farm a seven-room brick and frame residence was erected for the use of the farm manager, and a two-story assembly and lecture hall was constructed to provide facilities for the numerous meetings of game and fur breeders which are held at the farm, and also to provide living quarters for some of the employees who must be readily available during certain seasons of the year.

A large barn, 75 feet in length by 36 feet in width, was built primarily for the purpose of providing storage space for several tons of hay and grain, and adjoining it a refrigeration plant and slaughterhouse was constructed in which the meat diet required by the fur-bearing animals is prepared and kept in cold storage until ready for use. The additional refrigeration facilities provided by this building have also made it possible for the fur farm to use many tons of carp and other rough fish which the Department obtains from its rough fish removal operations.

A four-stall garage, a native stone electrical transformer vault, and a root cellar for the storage of the very considerable tonnage of vegetables consumed were also constructed, in addition to several hundred breeding pens and runs, and over 6 miles of woven wire fencing. A large amount of W. P. A. labor was also employed in general landscaping and in the construction of retaining walls, driveways, sewers, and water mains.

On the game section of the farm a carpenter and machine shop, 48 feet in length by 30 feet in breadth, which had been previously constructed by W. P. A. labor, was used during the biennium by a crew of W. P. A. carpenters for the construction of several hundred game-bird brooders, feeding hoppers, and pens. A feed and equipment building, 75 feet by 30 feet, which also houses some of the administrative offices, was completed early in the biennium, and during 1937 a two-story incubator building 100 feet by 36 feet was constructed. The completion of this building has enabled the conservation department to more than double its previous annual production of game-bird chicks for release throughout the State.

W. P. A. funds and labor also made it possible to construct nearly 200 boats for the use of the law-enforcement and fisheries divisions, and have greatly accelerated the work of rough fish removal and the improvement of State forests and parks, as well as aiding in projects for the conduct of surveys and the compilation of data relating to all phases of conservation work.

[Wisconsin Conservation Department, Madison, Wis.]

Principal buildings and other items of work completed or undertaken as Works Progress Administration projects during the biennium, June 30, 1936, to June 30, 1938

[Arranged according to departmental divisions]

FOREST PROTECTION DIVISION

Type of building	Town	County	Status of construction as of June 30, 1938
Ranger station and 5-stall garage building.	Pembine	Marinette	Completed Oct. 15, 1937.
Do	Goodman	do	98 percent completed.
Do	Pound	do	Completed Apr. 1, 1938.
Do	Florence	Florence	Completed Feb. 5, 1937.
Do	Crandon	Forest	Completed Nov. 25, 1936.
Do	Necedah	Juneau	Completed Sept. 10, 1937.
Do	Summit Lake	Langlade	Completed May 25, 1937.
Do	Conover	Vilas	Completed Feb. 15, 1937.
Do	Lake Tomahawk	Oneida	Completed Sept. 25, 1936.
Do	Mellen	Ashland	Completed Oct. 25, 1937.
Do	Washburn	Bayfield	Completed Jan. 15, 1937.
Do	Grantsburg	Burnett	Completed Jan. 29, 1937.
Do	Pattison Park	Douglas	Completed Sept. 24, 1937.
Do	Upson	Iron	Completed June 25, 1937.
Do	Prentice	Price	Completed May 25, 1937.
Do	Minong	Washburn	Completed July 10, 1937.
Do	Pray	Jackson	Completed May 25, 1938.
Do	Fairchild	do	Completed June 6, 1938.
Do	Tomah	Monroe	Completed July 15, 1938.
Do	Stiles	Oconto	95 percent completed.
Do	Bowler	Shawano	Completed May 4, 1938.
Do	Nekoosa	Wood	Completed Dec. 24, 1937.
Do	Wisconsin Dells	Columbia	95 percent completed.
6-stall garage and warehouse building (first unit).	Rhinelander	Oneida	Completed July 1, 1936.
6-stall garage and warehouse building (second unit).	do	do	Completed June 25, 1937.
6-stall garage and warehouse building.	Brule	Douglas	Completed Mar. 31, 1937.
Do	Hayward	Sawyer	Completed July 1, 1936.
Do	Spooner	Washburn	Completed July 10, 1937.
5-stall garage and repair shop.	Brule	Douglas	Completed Dec. 15, 1937.

Principal buildings and other items of work completed or undertaken as Works Progress Administration projects during the biennium, June 30, 1936, to June 30, 1938—Continued

FOREST PROTECTION DIVISION—continued

Type of building	Town	County	Status of construction as of June 30, 1938
District headquarters, ranger station.	Antigo	Langlade	Completed June 20, 1937.
Do	Park Falls	Price	Completed July 1, 1937.
Airplane hangar	Tomahawk	Lincoln	Completed Oct. 20, 1937.
Warehouse (corrugated iron).	Park Falls	Price	Completed July 11, 1937.
Dynamite storage house	do	do	Completed Dec. 10, 1937.

FISHERIES DIVISION

Type of building	Hatchery	County	Status of construction as of June 30, 1938
Residence (5-room)	Crystal Springs.	Langlade	Completed June 10, 1937.
Hatchery building	Eagle River	Oneida	Completed Oct. 15, 1937.
Garage (4-stall frame)	Hayward	Sawyer	Completed July 1, 1936.
Residence (6-room)	do	do	Completed Dec. 1, 1937.
Garage (12-stall stone)	Madison	Dane	60 percent completed.
Residence (7 room)	do	do	15 percent completed.
Garage (6 stall)	Osceola	Polk	Completed June 4, 1938.
Net house (first unit) (in cooperation with Civilian Conservation Corps).	Spooner	Washburn	40 percent completed.
Net house (second unit) (in cooperation with Civilian Conservation Corps).	do	do	Do.
Residence (7 room)	do	do	25 percent completed.
Garage (4-stall frame)	Wild Rose	Waushara	Completed July 1, 1936.
Garage (10-stall frame)	Woodruff	Oneida	20 percent completed.
10-stall garage and dormitory (concrete block).	do	do	Completed June 25, 1937.
Repair shop	do	do	95 percent completed.
Net house (first unit)	do	do	Completed Sept. 23, 1936.
Net house (second unit) (in cooperation with Civilian Conservation Corps).	do	do	95 percent completed.
Mess hall (in cooperation with Civilian Conservation Corps).	do	do	Completed Aug. 1, 1937.

GAME DIVISION

Type of building	Town	County	Status of construction as of June 30, 1938
Sheep and feed barn	Poynette	Columbia	Completed Apr. 1, 1937.
Refrigerator building	do	do	Completed July 15, 1937.
Assembly and dining hall.	do	do	Completed July 15, 1936.
Residence building	do	do	Completed Oct. 1, 1936.
Incubator building	do	do	Completed May 5, 1938.
Bunkhouse	do	do	Completed Apr. 1, 1938.
Garage (4-stall frame)	do	do	Completed Dec. 15, 1937.
Feed and equipment building.	do	do	Completed Oct. 1, 1936.

FOREST AND PARKS DIVISION

Type of building	Park	County	Status of construction as of June 30, 1938
Shelter building (completion of building started by Civilian Conservation Corps).	Wyalusing State Park.	Grant	40 percent completed.
Shelter and concession building (completion of building started by Civilian Conservation Corps).	Copper Falls	Ashland	95 percent completed.
Sewage-disposal plant (completion of work started by Civilian Conservation Corps).	do	do	75 percent completed.

LAW ENFORCEMENT DIVISION

Type of building	Town	County	Status of construction as of June 30, 1938
Law enforcement headquarters.	Oshkosh	Winnebago	Completed Sept. 29, 1936.
Law enforcement and ranger station (boathouse and garage).	Bayfield	Bayfield	Completed Oct. 15, 1937.

Amendment to Interstate Commerce or Transportation Act

EXTENSION OF REMARKS

OF

HON. BUTLER B. HARE

OF SOUTH CAROLINA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 26, 1939

Mr. HARE. Mr. Speaker, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. HARE: On page 274, at the end of line 10, in section 312, add the following: *"Provided,* That hereafter, notwithstanding any other provision of law, no certificate of public convenience or necessity shall be issued, transferred, or assigned to an existing competing carrier engaged in a different system of transportation or to any person or corporation financially interested directly or indirectly in the operation of interstate transportation other than that provided in such certificate."

Mr. HARE. Mr. Speaker, assuming that this is to be a transportation bill and not merely a railroad bill and that we are to hereafter have three systems of transportation known as the railroad system, the motor-bus lines, and water transportation, the purpose of this amendment is to prevent either one of these agencies or systems of transportation from securing a complete control or monopoly over the other. In other words, this amendment is offered for the purpose of preventing the railroad system from getting control of the bus lines and thereby putting the bus-line system out of existence. Should this develop we will have the railroads operating their own system and in addition will be operating the bus-line system over highways constructed and maintained by the States and the Federal Government.

This amendment simply provides that no certificate of public convenience or necessity shall be issued, transferred, or assigned to an existing competing carrier engaged in a different transportation system; that is, for example, if I should obtain a certificate to operate a bus line from station A to station B, which parallels a railroad line, it would then be unlawful for me to transfer or assign that certificate to that particular railroad line. On the other hand, if a person should obtain a certificate giving him the right to operate a bus line from A to B, then it would be unlawful for the Commission to issue a certificate to a competing railroad paralleling such line. It would not prevent the Commission from issuing a certificate to any other man who wanted to operate a bus line, if the conditions and circumstances warranted it, but it would prevent the Commission from issuing a certificate to an adjoining or competing railroad line.

My reason for offering this amendment is that if we are to maintain and protect these three systems of transportation, and I am not prepared to argue against either one, I can conceive that within a reasonably short time our railroad system will own and operate all the bus lines of this country. They will operate them over roadbeds constructed and maintained by the States and the Federal Government, and then the public will be deprived of that fair and just competition that arises, or is supposed to arise, from the operation of these two systems. Therefore, I think this amendment is highly important and absolutely essential if the three systems are to be maintained, and if there is to be fair, honest, and legitimate competition between these systems with any hope of securing cheaper freight rates.

So far a great number of speeches have been made on this bill and the matter has been approached from many angles. Quite a number have said it is legislation designed primarily for the benefit of the railroads. Others have said it is designed primarily to hamper or destroy the water transportation companies and some have expressed apprehension that the ultimate effect may be that both railway and water transportation will be displaced and practically all transportation service be rendered by bus or motor transportation.

My personal opinion is the committee in charge of the bill has endeavored to design legislation that will give the public more efficient transportation service by the three transportation systems named. However, I am apprehensive that, while the committee has endeavored to arrange for such service, it is not clear that the proposed transportation program will be less expensive to the public in the future. I cannot help but feel that in designing legislation for the benefit of the public the question of cost to the public should ever be kept in mind. That is, legislation should be designed in such a way as to furnish the public efficient service with the least possible cost, for we are not unmindful that the rates of transportation heretofore have been prohibitive in many instances, particularly when applied to products of agriculture. That is, it has frequently been brought to our attention where perishable farm crops have gone to decay in the field because transportation charges were considered excessive and the crops could not be moved to consuming centers because of these excessive charges.

But going back to the proposed amendment, I want to emphasize the possibility of the bus transportation being absorbed by the railroads, and competition from this system will then be entirely removed and the danger of increased transportation cost to the public will, of course, be inevitable. For this reason I have offered the amendment now up for consideration, and in support of my fears I want to call attention to an investigation inaugurated and conducted by the Interstate Commerce Commission a decade ago or more. The result of this investigation was submitted by the Commission in 1928 in Report No. 8300. The report shows that upward of 400 witnesses testified in the investigation and upward to 5,000 pages of testimony taken. One of the first things to attract attention is the finding of the Commission's report on page 697, which reads as follows:

> Steam railroads and electric railways had entered into the field of motor transportation either directly or through subsidiaries as supplementary to their rail operations; a number of railroads had filed application with us for permission to abandon portions of their lines, alleging as one of the reasons, loss of passengers or freight revenues by reason of motorbus or motortruck competition.
>
> Considering these matters, as well as the rapidly increasing importance of motor transport, we entered an investigation on our own motion into and concerning the general question of the operation of motorbuses and motortrucks, but, or in connection or competition with, common carriers subject to the Interstate Commerce Act.

On page 700 of the report the Commission advises that one of the results of the investigation is as follows:

> A classification of the bus-route mileage of these States in relation to railroad lines indicates that 41 percent of the mileage is directly competitive with rail lines; that is, parallels rail lines between the same termini; 28 percent is indirectly competitive.

That is, the Commission found that 69 percent of the bus-route mileage in the United States at that time—10 years ago—was either directly or indirectly competitive with rail lines, meaning that the bus lines are nearby and parallel railroad lines, a fact that is particularly significant when considered in connection with the proposed amendment.

Reading a little further in the report referred to the Commission reports the following:

> Transportation of livestock to terminal markets has always been a matter of concern to farmers, more especially to those who raise livestock on a relatively small scale as a part of regular farm operations. When dependent on railroad service the farmers could only ship at times when there was enough stock available to make a carload. Now, through the use of the radio, he gets market quotations daily and can load his stock into a motortruck and drive to a market, arriving there in about the same time ordinarily required to reach a railroad shipping point, were he shipping by rail, with a saving of about 18 to 36 hours in the time of transit.
>
> In 1925, as shown by the report, 3,333,000 head of hogs were motortrucked to 15 of the principal markets in the United States, being almost 11 percent of the total receipts. Six percent of the sheep, more than 12 percent of calves, and 4.5 of the cattle received at these 15 markets were hauled by motortrucks. A large volume of short hauls formerly handled by the steam railroad now moves in motortrucks.

In view of these findings it is only natural that the railroads should be interested in securing certificates of public convenience or necessity direct from the Commission or purchasing such certificates from those to whom they have been issued in order to prevent competition by motorbus lines and to operate them in their own interest and, if there is no provision of law to prevent it, it is reasonable to assume that within a reasonable number of years, as we have already indicated, the railroad companies will be operating the bus lines as well as their own. Of course, the Interstate Commerce Commission will have the right to determine who shall receive these certificates, and it will have the right to say whether they shall be assigned or transferred, but I am of the strong conviction that this amendment will assist the Commission in maintaining the two systems of transportation and prevent a monopoly in the hands of one, it being my opinion that the public would be insured more efficient service and cheaper rates by maintaining a competitive status than allowing one system to obtain absolute control of the other.

Some objection to the inclusion of water transportation in this bill has been manifested by a good many, particularly those members representing districts where harbors and ports are found. I am not absolutely certain but that they may be correct but I can see where a fair interpretation and administration of the law may prove to be of some value to my section of the country, and if proper rates are established, it may mean a decentralization of ocean carriers from some of the larger ports and an increased volume of business through harbors and ports through which heretofore there has not been a great amount of what might be called foreign tonnage. That is, I see the possibility of increased foreign tonnage passing through the harbors at Savannah, Ga.; Charleston, S. C., and other southeastern ports. Of course, this would be contingent somewhat upon the administration of the law, which always gives us some concern, especially in the light of past observation. In recent years a great deal of new legislation has been enacted, and in many cases the laws have not been as successful as contemplated by Congress for the reason that administrators of such laws have not been able to get the view point of Congress when such laws were enacted. I do not recall ever seeing a congressman who was willing to subscribe to or support legislation where he thought that in its operation it would not be of benefit to his constituents. On the other hand, he invariably believes that the operation of the law will be to the interest and the betterment of the people he represents, but not infrequently the law has been interpreted, construed, and administered in a manner entirely different or inconsistent from that originally designed. That is, my observation has been that where there is much dissatisfaction on the part of the people it has been due to the administration of the law and not on account of the provision of the law itself. Therefore, in supporting legislation which has such far-reaching possibilities as the bill now before us we can only hope that in the coordination of the systems of transportation here involved the administrators may get the viewpoint of those responsible for framing the law.

One virtue of the bill, insofar as the South is involved, is that provision which gives the Commission specific authority to remove differentials in freight rates that have heretofore operated against manufactured goods between the North and South, as well as in other sections of the country. Under the present practice there is a commodity rate, for example, on raw cotton to the North, but an entirely different and much higher rate on manufactured goods between the same points, the rates on manufactured goods coming South being much cheaper than rates on similar goods going North. It is the rates on this class of goods in which we are vitally interested, because our mills must necessarily ship a much larger portion of the cotton goods for the reason that we manufacture a much larger proportion of those manufactured for domestic consumption. I was very much interested a short time ago in a report which shows that out of the 11,086,000 bales produced last year, foreign mills will consume 4,327,000 bales, leaving 6,759,000 bales for American consumption, and out of

this amount southern mills will consume 5,777,000 bales while the northern mills consume only 982,000 bales, indicating that southern mills are consuming a little more than six times as much of our cotton crop as the northern mills. If these figures are correct, it means that the cotton-textile business of this country will sooner or later be confined almost exclusively to the South, and it is, therefore, only fair and just that the freight rates on the finished product be adjusted so that our mills can get their products to the consuming centers in order that they may fairly compete with the foreign manufacturer. This bill, as I have already said, imposes on the Commission the duty to make such freight adjustments. Whether it will do so remains to be seen.

N. Y. A. College Aid

EXTENSION OF REMARKS

OF

HON. JED JOHNSON

OF OKLAHOMA

IN THE HOUSE OF REPRESENTATIVES

Saturday, July 29, 1939

N. Y. A. COLLEGE-AID STUDENTS WIN HONORS

Mr. JOHNSON of Oklahoma. Mr. Speaker, recently I asked officials of the National Youth Administration to furnish me any information available on the scholarship of students who have received N. Y. A. assistance. They have furnished me a very interesting and informative statement which I have obtained permission to place in the RECORD for the information of Members of Congress and the public. The statement follows:

N. Y. A. COLLEGE-AID STUDENTS WIN COMMENCEMENT HONORS

High scholastic and commencement honors won by students receiving college aid from the National Youth Administration, during the academic year 1938–39, offer convincing testimony that the youth who are being helped through college by the N. Y. A. are making the most of their opportunities. Their records of accomplishment dispel all doubts whatsoever as to whether or not N. Y. A. student aid is reaching the right type of young men and women. Leadership in the classroom and on the campus by N. Y. A. students is clearly revealed in the reports for the academic year, from all parts of the country, on student honors and activities.

Two Rhodes Scholarships were won this school year by N. Y. A. students. Phi Beta Kappa keys are being worn this spring by N. Y. A. youths in practically every institution in which this great honorary scholarship society is represented by a local chapter. Fellowships for graduate study have fallen to the lot of many. Others have been selected as valedictorians, editors of college publications, class leaders, etc. An analysis of reports received from school and college officials indicates that the scholastic ranking of N. Y. A. students is above the average and that they have secured more than their proportionate share of honors and distinctions.

In spite of the fact that they worked a given number of hours each month, N. Y. A. students were able to participate in extracurricular activities and were frequently leaders in these pursuits. Throughout the country during the past year, N. Y. A. students held such offices as class president, editor of yearbook, editor of college paper, president or member of student council, athletics manager, member of debate team, president of Student Christian Association, captain of athletic team or member of varsity squad, head cheer leader, officer of special interest groups such as art or music clubs, and many similar positions.

Leadership in all-round college activities, as well as in scholarship, was an honor awarded to N. Y. A. students in a higher than proportionate ratio at many educational institutions, according to reports received by the National Youth Administration.

Besides winning election to Phi Beta Kappa, N. Y. A. students were included among those elected to membership in other national honor societies, such as Phi Kappa Phi, Tau Beta Pi, Phi Eta Sigma, and many local honor organizations. Many students who were able to continue their education as a result of N. Y. A. jobs have been awarded fellowships and scholarships for further study.

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SPLENDID RECORD IN OKLAHOMA

A splendid record by N. Y. A. students was achieved in the State of Oklahoma. Reports from 668 high schools which participated in the school aid program show that while those employed on school-aid projects made up only slightly more than 8 percent of the total enrollment, nearly 14 percent of those in the State Honor Society were N. Y. A. students. In those schools having valedictorians, 32 percent of the students awarded this honor were N. Y. A. employees, and over 31 percent of the salutatorians in Oklahoma high schools were N. Y. A. students.

The attitude of high school officials in Oklahoma toward the National Youth Administration is worthy of brief mention. Over 96 percent of high school superintendents and principals expressed the opinion there is a need for the N. Y. A. to continue. More than 95 percent of these officials stated that N. Y. A. projects are worth while; nearly 90 percent stated the N. Y. A. program helps school attendance; and 82 percent held to the view that the school-aid program helps the attitude of students.

It would require several pages to list the many honors which N. Y. A. students have been awarded at the 20 Oklahoma colleges which have submitted reports, but a few examples will show that students employed by the National Youth Administration are leaders in many fields.

At one Oklahoma college an N. Y. A. employee won the award as the most respected student; at another an N. Y. A. student was cited for having performed outstanding service to the school. Among the N. Y. A. students at these 20 institutions there were 50 women honor students, 21 men honor students, 18 on dean's honor roll, 8 scholarship awards, 4 scholarship cups, 3 cash awards, 3 special honors in every subject, 7 all "A" averages, 3 outstanding freshmen, 2 highest class average, 28 members of student council or senate, 2 poetry writing honors, 14 class officers, 6 Cardinal Key, 2 Blue Key, 8 Phi Kappa Pi, 20 Kappa Delta Pi, 16 Rho Theta Sigma, 14 Alpha Chi, 12 Alpha Pi Sigma, 4 Phi Theta Kappa, 6 Phi Beta Kappa, 11 Alpha Lambda Delta, 11 Phi Eta Sigma, and 9 Kappa Mu. Many others won honors in special subjects and in other campus activities.

The distinguished records made by N. Y. A. students are by no means confined to Oklahoma. During the past school year more than 3,000 students were employed on N. Y. A. projects in 38 Indiana colleges and universities, and their accomplishments are most impressive.

At Earlham College, fourteen N. Y. A. students won scholarships, including seven scholastic scholarships amounting to $750 each, six grants-in-aid amounting to $750 each, and one scholarship at the University of Chicago School of Social Work. Two fellowships also were granted to Earlham N. Y. A. students, one at Pennsylvania State College and one at the University of Michigan.

Sixty-five N. Y. A. students at DePauw University were awarded Rector scholarships amounting to $1,000 and one received a fellowship at the University of Illinois. Ball State Teachers College awarded county scholarships amounting to $1,144 to eighteen N. Y. A. students, while three at Anderson College and four at the Arthur Jordan Conservatory of Music received scholarships in various departments of the school.

The University of Notre Dame granted scholarships totaling $2,790 to thirty N. Y. A. students, while at Hanover College forty-four N. Y. A. students received scholarships to the amount of $3,237.50. Evansville College awarded ten $100 scholarships to N. Y. A. workers.

At Indiana University, 125 received scholarships, one a fellowship, and one a $400 award for outstanding work. Three students at Indiana University extension divisions also received scholarships. One N. Y. A. student at Butler University received an assistantship in psychology at Duke University to the amount of $500.

Four full-time and four half-time scholarships were granted N. Y. A. students at the John Herron Art School, 4 at the Fort Wayne Art School, 5 at Marian College, 10 at the N. A. G. U., and 2 at Oakland City College.

Two scholarships at the University of Chicago and two at Indiana University were granted Gary Junior College students. Rose Polytechnic Institute granted two of $150 each to N. Y. A. students, and the Northwest Territory essay scholarship at Huntington College went to an N. Y. A. student.

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CUM LAUDE GRADUATES

Thirty-three were graduated cum laude at the University of Notre Dame, 21 magna cum laude, and 1 maxima cum laude. At Indiana University 2 received highest honors, 4 high honors, and 3 honors, while 68 were graduated with distinction in the School of Business Administration. One student was graduated magna cum laude at Evansville College. At Hanover College 1 N. Y. A. student was graduated summa cum laude and 1 cum laude, and 2 at the N. A. G. U. cum laude. Six N. Y. A. students were graduated with special honors at Earlham College, 1 at Concordia, and 1 at Ball State Teachers College.

Fourteen N. Y. A. students were elected to Phi Beta Kappa, honorary scholastic fraternity, 13 at Indiana University, and 1 at DePauw University. Elections to other honorary fraternities were as follows: Arthur Jordan, 6; Ball State Teachers College, 21; DePauw University, 6; Earlham College, 18; Evansville College, 2; Hanover College, 11; Indiana University, 68; Indianapolis College of Pharmacy, 2; N. A. G. U., 15; Oakland City College, 2; Tri-State College, 4; and Valparaiso College, 9.

Several N. Y. A. students won various contests in their schools and received medals, plaques, and cash prizes, as well as scholarship

keys. Ten were in the upper 10 percent scholastically at Indiana University, 96 were in the upper 9 percent.

The list of honors awarded to students employed on the N. Y. A. program at educational institutions in other parts of the Nation is equally impressive.

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RHODES SCHOLARSHIPS TO N. Y. A. YOUTHS

An N. Y. A. student of the State College of Washington and another from the University of North Dakota have been awarded Rhodes Scholarships for study at Oxford University, England, for two and possibly a third year. They are always among the most highly coveted awards. Another N. Y. A. student from the State of Washington, who attended the University of Puget Sound, was awarded a scholarship at the University of Budapest, Hungary. Thirteen N. Y. A. students in that State were elected to Phi Beta Kappa. At the State College of Washington, 97 of 436 on the high scholarship roll were N. Y. A. students; 3 of 9 initiated into Tau Beti Pi, national engineering honorary, were N. Y. A. students; 3 of 4 elected to Sigma Alpha Omicron, national bacteriology honorary, were N. Y. A. students. Of the 126 students of the State College of Washington given Phi Kappa Phi awards, 27 were N. Y. A. students.

Scholarships to 29 N. Y. A. students were awarded by the Carnegie Institute of Technology at Pittsburgh, Pa. In this State an N. Y. A. student made the highest scholastic record at Shippensburg State Teachers College; an N. Y. A. student was valedictorian at the University of Scranton; an N. Y. A. student at Bryn Mawr won a scholarship for highest average in the junior class; an N. Y. A. student from Geneva College was awarded a scholarship to Harvard Medical School. Important honors were won by N. Y. A. students at other educational institutions in Pennsylvania.

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ROTARY CLUB SENDS N. Y. A.'S TO DENMARK

A Rotary Club in Georgia granted scholarships to three students in that State for study in Denmark during the coming year, of which two were won by N. Y. A. students. Seventeen of the 48 students who were elected to Phi Kappa Phi at the University of Georgia were N. Y. A. workers. At Armstrong Junior College of Savannah, an N. Y. A. student was the first honor graduate and valedictorian of her class. Approximately 50 percent of those on the dean's honor list at the Georgia State College for Women were N. Y. A. students. At West Georgia College the percentage of N. Y. A. honor students was four times as high as that of students not working on the student-aid program and of 19 recognized organizations on the campus, 9 were headed by N. Y. A. students.

Educational institutions in Colorado report that 3 presidents of student bodies have been N. Y. A. students; 1 president of associated women students, 4 members of mortar board, 4 members of Phi Beta Kappa, 10 members of Tau Beta Pi, and 8 members of Phi Theta Kappa, the national junior-college scholastic honor society, have also been N. Y. A. workers, in addition to the many N. Y. A. students who have been elected to various other honorary positions and societies.

The scholastic average of 310 N. Y. A. students at Miami University, Ohio, was higher than that of any fraternity, sorority, or independent organization. Three of the four students chosen by Otterbein College's (Ohio) Yearbook as outstanding were N. Y. A. students. Also, in Ohio, 4 of 11 seniors receiving student-aid employment at Marietta College were elected to Phi Beta Kappa, while at Ohio State University 2 N. Y. A. students had the unique distinction of being elected to both Phi Beta Kappa and Sigma Xi.

Out of 59 high schools reporting from Connecticut, 6 listed N. Y. A. students as class valedictorian, 2 listed N. Y. A. students as highest-ranking senior boy, and 3 reported N. Y. A. students as class salutatorian. Colleges in this State reported on 426 N. Y. A. students, of whom 129 attained scholastic honors in some form. In Trinity College both the valedictorian and salutatorian of the graduating class were N. Y. A. students. At Yale an N. Y. A. art student was awarded a $400 scholarship and six other N. Y. A. students were awarded scholarships amounting to over $1,500, while in the Yale Divinity School two N. Y. A. students were awarded fellowships in the amount of $795.50 each. At the Junior College of Commerce an N. Y. A. student won the president's award as the highest-ranking senior.

From Stephens College, in Missouri, comes the report that of the 10 girls selected as the "10 ideals" 3 were N. Y. A. students, while other institutions in this State report similar outstanding accomplishments by students working on the National Youth Administration program.

Northern Montana College reports that of eight scholarships awarded on the basis of superior records two went to N. Y. A. students. This institution also reports that the winner of the 1938-39 literary award, the winner of the annual essay contest, the president of the student cabinet, and the editor of the college publication were all N. Y. A. students.

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HIGH INDIVIDUAL HONORS

Among 43 students in the graduating class of the University of North Dakota listed as winning individual honors 20 were from the student-aid lists. Seven out of ten scholarships and fellowships awarded at this institution went to N. Y. A. students. An N. Y. A. student at North Dakota Agricultural College maintained the highest scholastic average and the honor roll was studded with the names of other N. Y. A. students. At State Teachers College, Mayville, N. Dak., an N. Y. A. student was elected editor of the college annual, while another was editor of the college paper, and 2 N. Y. A. students were on the list of "A" students. At the State School of Forestry, Bottineau, N. Dak., an N. Y. A. student had the highest average in the graduating class and others graduated with honor.

Highest scholarship for the year at Sioux Falls College (South Dakota) was attained by an N. Y. A. student, while at State University six out of nine elected to Phi Beta Kappa had received N. Y. A. student aid. At Spearfish Normal (South Dakota) the second highest-ranking student was employed on the N. Y. A. program, and at other institutions throughout the State N. Y. A. students were awarded many distinguished honors.

At Marshall College (West Virginia) an N. Y. A. student was valedictorian of her class, another was president of the student council, while four N. Y. A. students were candidates for alma mater, an award to the five highest-ranking girls in the junior class. At Concord State Teachers College, N. Y. A. students ranked first in scholarship in the freshman class, second in the sophomore and senior classes, and third in the junior class. Five out of eleven graduating N. Y. A. students at Bluefield State Teachers College were graduated with honors. Other institutions in West Virginia report a high percentage of N. Y. A. students among those receiving honors.

From the University of Wisconsin comes the report that with N. Y. A. students making up but 8 percent of the total enrollment, 24 percent of the newly elected members of Phi Beta Kappa were employed on the student-aid program. Lawrence College (Wisconsin) reports that N. Y. A. students had higher averages than the rest of the student body and that 50 percent of the newly elected members of Phi Beta Kappa are N. Y. A. students. Platteville State Teachers College (Wisconsin) reports that while N. Y. A. students number less than 10 percent of the total enrollment, they make up more than 20 percent of honor students.

A survey of honors achieved by N. Y. A. students in Louisiana colleges, normal schools, and universities, in the past school year, shows that in the schools of that State. N. Y. A. youth earned far more than their proportionate quota of honors.

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PHI BETA KAPPA SELECTIONS

At Tulane University, which has the only chapter of Phi Beta Kappa in the State, 4 out of a total of 10 elections to that national honor fraternity were N. Y. A. students. Three N. Y. A. students there were elected to Tau Beta Pi, national honorary engineering fraternity; 1 to Beta Gamma Sigma, honorary commercial fraternity; 2 to Alpha Omega Alpha, honorary medical fraternity; 1 to the Order of the Coif, legal honor society.

Out of 42 honors awarded in Centenary College, Shreveport, La., 17 went to N. Y. A. students in the school. Three N. Y. A. students were graduated from Dillard College, New Orleans, with degrees of magna cum laude, as were three in the Louisiana Polytechnic Institute, at Ruston. Four out of the 11 students receiving N. Y. A. assistance at Dodd College in Shreveport made the school's honor roll.

At Jones College, New Orleans, five N. Y. A. youths were on the honor roll; at Leland, Baker, La., there were 17 on the honor roll, out of a total of 46 N. Y. A. students in the school. Thirteen N. Y. A. workers were elected to national honorary societies at the Louisiana State Normal School at Natchitoches, while another 13 were on the school honor roll.

At Louisiana State University 38 students on the N. Y. A. lists made the honor roll, 8 won athletic awards, 8 won military honors, and 11 others were elected to various national honor societies. Loyola in New Orleans reported 26 N. Y. A. students on the honor roll, and 8 elected to national honor organizations. At Southeastern, Hammond, La., 14 N. Y. A. students placed on the honor roll, while at Southwestern, Lafayette, 11 were so honored. Twenty-one of the 35 students who were recipients of N. Y. A. aid at Ursuline College, New Orleans, received honors, 18 of them being on the honor roll. At Xavier University, New Orleans, 3 N. Y. A. students graduated with degree magna cum laude, while 33 of the 95 N. Y. A. students there were on the honor roll. The totals for the entire State covering these and other schools show that 343 students, who could not have attended school without the aid of the National Youth Administration, received scholastic honors.

Individual N. Y. A. students in Louisiana also achieved high honors. One N. Y. A. girl received a gold medal for attaining the highest average for the 4-year medical course at Tulane Medical School. Two N. Y. A. boys distinguished themselves in engineering at Louisiana State University, one of them receiving a fellowship in electrical engineering, the other winning a fellowship in the Chrysler Institute of Engineering.

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N. Y. A. GIRL WINS TRIP TO EUROPE

An N. Y. A. girl at Louisiana College won first place in piano excellence in a contest for the Caudell Cup, a cherished honor at the school, and also was an honor student and a member of the school debate team. Another girl at Centenary College, who had finished her 4 years of college with N. Y. A. aid, won a fellowship in mathematics in Tulane University. Ranking first and second in grades in the freshman class in the L. S. U. Medical School were two N. Y. A. boys. One 19-year-old New Orleans N. Y. A. high-school girl won a trip to Europe as second prize in a Nation-wide essay contest.

A similar report comes from Rhode Island concerning the achievements and activities of N. Y. A. students in the three largest

colleges in the State. Two seniors and one junior, who had received N. Y. A. assistance at Brown University, were elected to Phi Beta Kappa. Three Brown N. Y. A. students were awarded Francis Wayland honor scholarships. Out of 16 James Manning honorary scholarships, awarded to Brown undergraduates, 6 went to N. Y. A. students. Eighteen of the thirty-six seniors receiving N. Y. A. aid were placed on the dean's list; in the junior class 27 out of 55 were on the list.

Each year at Brown five John Hay scholarships are granted to each class, and this year one each is held in the senior, junior, and freshman classes by an N. Y. A. worker. Two graduate students in the mathematics department and one in the field of political science, who have been receiving N. Y. A. aid, were awarded university scholarships.

In addition to the scholastic honors going to N. Y. A. students at Brown a number of student offices were held by N. Y. A. men, including captain of the varsity baseball team, captain of the tennis team, president of the debating union, manager of the glee club, editorial chairman of Brown Daily Herald. All four of the Hicks debating prize awards were won by N. Y. A. workers this year.

At Pembroke College, the women's division of Brown University, five N. Y. A. students were awarded preliminary honors, and 11 made the dean's list. Three women, who had received assistance from the N. Y. A., were elected to Phi Beta Kappa. Two were named as Pembroke scholars, and four were named as Andrews scholars. The N. Y. A. women also were active in extracurricular activities, holding among them the presidencies of the German club, the freshman council, and the classical clubs, as well as the vice presidency of the student government association.

At Providence College, in Rhode Island, 18 students in the class of 1939 graduated cum laude—13 of these were N. Y. A. students. Two senior-class officers, the freshman-class president, the editor of the yearbook, the editor of the school paper, the president of the debating club, the manager of the orchestra, and the president of the Friars Club were all N. Y. A. students.

At Rhode Island State College 7 of 39 graduates cum laude were N. Y. A. workers, as were 13 of the 67 graduates making senior honors. N. Y. A. students also held positions as, president of the Girls Athletic Club, president of the Civil Engineering Society, president of the Radio Club, members (4) of the student governing group, editors of the year book (3 out of 6), and members (6) of the staff of the student weekly newspaper.

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LEADERS IN STUDENT LIFE

In Alabama N. Y. A. students led in scholarship and in many phases of student life. Three honor graduates at Alabama College were students assisted to attend school by the National Youth Administration grants. N. Y. A. students in the college not only held the presidencies of the freshman, sophomore, and senior classes, but also headed the Art Club, the German Club, the Athletic Association, the campus Y. W. C. A., and the local chapter of Alpha Chi Alpha, honorary journalism fraternity. Three members of the college debate team were N. Y. A. students.

At Huntingdon College, Alabama, six N. Y. A. students were elected to the dean's honor roll; one was elected to Tri Sigma, a local honor society based on scholarship, spirit, and service; and another was editor of the college newspaper.

Three N. Y. A. seniors at Miles Memorial College in Alabama were graduated with honors, and one of them was honored further with the presentation of a key in recognition of 4 years' membership on the varsity debating team. Among the underclassmen at Miles receiving N. Y. A. assistance, 14 were on the honor roll for the school year 1938–39.

At Selma University, a college for colored students, an N. Y. A. girl was graduated with the highest honors in her class, while another graduate won the Tyler Medal for excellence in oratory. The State Agricultural and Mechanical Institute, another school for Negroes, reported that one N. Y. A. student had maintained an "A" average for the year, and three others were members of the varsity debate team.

One N. Y. A. girl in the Alabama State Teachers College in Florence has a perfect "A" record. In the same school N. Y. A. young people held a great many positions in student government and in extra-curricular organizations, including president-elect of the student council, president of the junior class, editor of the student newspaper, president of the sophomore class, president of the Women's Self-Governing Association, president of the glee club, and many other offices.

The State Teachers College in Livingston, Ala., reported that 15 N. Y. A. students in that institution had earned places on the honor roll while others had distinguished themselves in athletics, drama, and music.

At the State Teachers College in Troy, Ala., 22 N. Y. A. students won places on the dean's list. N. Y. A. students there held the presidency of the Y. W. C. A., and the library club, and the editorship of the student newspaper, as well as many other posts in scholastic and social organizations.

Stillman Institute (colored) had a number of outstanding students on its N. Y. A. rolls. One N. Y. A. girl had the highest scholastic average in the junior college, and another had the distinction of being on the honor roll every quarter during her 2 years in attendance. The captain of the football team, the president of the 4–H Club, and the chairman of the social-service committee of the Y. W. C. A. were all students who have been able to continue in school because of N. Y. A. assistance.

SELECTED TO STUDY IN INDIA

One young Negro girl in Talladega College who has been aided by N. Y. A. won a signal honor when she was chosen by the Juliette Derricotte Memorial Foundation as the recipient of a scholarship granted this year to two Negro women undergraduates to study in India and in other countries of the Orient.

At the University of Alabama a number of N. Y. A. students have been elected to various national honor societies. One N. Y. A. student was initiated into Phi Beta Kappa. Four were honored by being chosen as members of Tau Beta Pi national honorary engineering fraternity. Two women were elected to Mortar Board women's honor group. Ten freshmen N. Y. A. workers were elected to Phi Eta Sigma national honor group for freshmen men, while seven freshmen women from the N. Y. A. group were elected to Alpha Lambda Delta honor group for women in the freshman class.

Similar reports concerning the outstanding character of N. Y. A. students come from Texas. A brief summary shows that 25 students employed under the N. Y. A. school-aid program were valedictorians of their classes, 15 were salutatorians, 36 were top-ranking honor graduates, and 2 others were awarded special scholarships. A survey made in Texas during the 1937–38 school year showed that 13 percent of the students employed on N. Y. A. college or graduate-aid jobs and 19 percent of students employed on N. Y. A. school-aid jobs were "A," or excellent, students.

A large number of students employed on N. Y. A. projects in the educational institutions of Mississippi have won scholastic honors, while others have demonstrated the qualities of leadership through their prominence in extra-curricular activities.

This year's graduating class of Copiah-Lincoln Junior College included five N. Y. A. students who were graduated with honors; Harrison-Stone-Jackson College included three N. Y. A. students among its honor graduates; at Meridian Junior College there were two N. Y. A. honor graduates. Mississippi Woman's College, State Teachers College, and Millsaps College each had two N. Y. A. students graduate with honor, while Belhaven College, Mississippi College, Prentiss Industrial Institute, Piney Woods, University of Mississippi, and Tougaloo had one each.

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PROMINENT IN CLASS ACTIVITIES

Leadership of N. Y. A. students in class activities is shown by the fact that at the University of Mississippi N. Y. A. students held 13 class offices. At Mississippi College, 6 N. Y. A. students were class officers, at Millsaps College 4 were class officers, at Hinds Junior College and at Piney Woods 3 were class officers, at Mississippi Woman's College 2 were class officers, while at Belhaven and at Mississippi College for Women 1 N. Y. A. student held class office. Five N. Y. A. workers were officers in student government at the University of Mississippi, at Blue Mountain College there were 5, 3 at Millsaps College, 2 at Mississippi State College for Women, and 2 at Belhaven, while 1 N. Y. A. student was engaged in student government at Harrison-Stone-Jackson.

The University of Mississippi reported 15 N. Y. A. students on the honor roll; Harrison-Stone-Jackson reported 12 N. Y. A. students were elected to Phi Theta Kappa honor society; State Teachers College reported 9 N. Y. A. students on the honor roll; 4 N. Y. A. students made the honor roll at Belhaven and 4 at Blue Mountain College; at Copiah-Lincoln Junior College 4 N. Y. A. students took first place in literary examinations; Mississippi College reported that 4 N. Y. A. students were among the winners of scholarships and fellowships; Phi Theta Kappa nominees at Hinds Junior College included 3 N. Y. A. students; all A grades were made by 3 N. Y. A. students at Mississippi State College for Women; scholarship winners at Tougaloo included 3 N. Y. A. students; Sunflower Junior College reported 3 N. Y. A. students on its honor roll; 2 N. Y. A. students were among those elected to Eta Sigma honor society at Millsaps College.

Honors and distinctions won by N. Y. A. students in Mississippi colleges and universities were not confined to scholastic achievements and class offices. At Harrison-Stone-Jackson, N. Y. A. students held the offices of president of the Y. W. C. A., president of the band; captain, girls' basketball team; captain, boys' basketball team. N. Y. A. students at Belhaven College held the positions of president, Pan-American student forum; editor, college newspaper; president, Chi Delta Literary Club; president, debate club; president, State Pan American student forum; and one won first place in the State poetry contest. The president of the band, the business manager of the college annual, and the head cheerleader were N. Y. A. students at Mississippi College. Both the editor and the managing editor of the college paper, the business manager of the annual, the president of the writers' club, president of the athletic association, and the president of Pi Gamma Mu (social science honor society) were N. Y. A. students at Mississippi State College for Women.

N. Y. A. students at the University of Mississippi included the band president, editor and business manager of the college publication and editor of the college paper and the winner of the State oratorical contest, and several members of Omicron Delta Kappa and Blue Key honor societies. N. Y. A. students at Millsaps College included the managing editor of the college newspaper, the business manager of the Annual, president of the band, and a number of nominees to Omicron Delta Kappa honor society. At Piney Woods the editor of the college paper was an N. Y. A. student as was the president of I. R. C. at Copiah-Lincoln Junior College.

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NEW MEXICO STUDENTS WIN HONORS

Five scholarship winners at the University of New Mexico were N. Y. A. students. Presidents of four organizations at this

institution were N. Y. A. students, as were winners of numerous other scholastic and campus awards. At New Mexico Normal University seven N. Y. A. students were elected to membership in Alpha Phi Sigma, national scholastic fraternity. Positions of honor held by N. Y. A. students at New Mexico State Teachers College included president of the student body, basketball captain, president of Blue Key, president of Alpha Psi Omega, vice president of student body, president of Pep Club, and membership in various honor societies. Similar honors were won by N. Y. A. students at New Mexico State College of A. & M. and at Eastern New Mexico Junior College.

The winner of the senior public service prize, most coveted of the annual awards at the University of Nevada was an N. Y. A. student, as were 11 of those on the honor roll. Four of the eight outstanding seniors at this institution were employed on the student-aid program as were the winners of four scholarships.

In the high schools of New Hampshire which have submitted reports, 43 awards were won by N. Y. A. students including 22 honor roll, 6 valedictorian, and 2 salutatorian awards. At the colleges of this State which have submitted reports, 16 N. Y. A. students were elected to membership in national honor societies and 8 won departmental honors.

Phi Beta Kappa awards were won by 61 N. Y. A. students in New York City, while 17 made Tau Beta Pi and 13 Beta Gamma Sigma, and many more were graduated with honors, held campus offices, and were awarded scholarships.

Approximately 17 percent of all students who held N. Y. A. college jobs in Kansas during the past school year earned honorary recognition in scholastic and extracurricular activities, according to reports from 23 institutions. Several schools in this State report that as many as half their students winning honors were N. Y. A. employed. A high percentage were highest ranking members of their classes scholastically and a number graduating from junior colleges were given scholarships to continue their education.

Of the 35 highest ranking students of agriculture at Iowa State College, 16 were N. Y. A. students; of 46 highest in engineering, 14 were on N. Y. A.; of 42 highest in home economics, 11 were on N. Y. A.; of 18 highest in science, 5 were on N. Y. A.; and of 7 highest in veterinary medicine, 4 were on N. Y. A. Nineteen N. Y. A. students were scholarship winners at this institution. The achievement of N. Y. A. students at other Iowa institutions is similarly impressive.

Special honors, prizes, medals, and trophies have been awarded to N. Y. A. students in various parts of the country for demonstrated ability in such fields as engineering, science, agriculture, classical languages, literature, dramatics, composition, music, home economics, education, debating, social science, R. O. T. C., and athletics.

In some institutions N. Y. A. students have been hired to fill positions on the regular teaching staffs as a result of their demonstrated scholastic ability, while many others have already found places for themselves in private industry.

Spending-Lending Bill

EXTENSION OF REMARKS

OF

HON. CHARLES A. WOLVERTON

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Saturday, August 5, 1939

Mr. WOLVERTON. Mr. Speaker, during the discussion of this bill the thought has been expressed by some of the Members, who favor its enactment, that a vote against the bill is a vote against the President. This does not seem to me to be a proper approach to its consideration. The bill should be considered from the standpoint of its effect upon the economic welfare of our people rather than from the political standpoint of any one individual in the Nation. Whether it will prove helpful or harmful, whether it is necessary or unnecessary, in the public interest, should be the basis of our action. I dislike to think that anyone, partisan or opponent of the President, would let a personal attitude toward the President be the controlling reason for a vote for or against this bill. In this, as in all matters that have come before the House during the present administration, I have let no other consideration than what seemed best for the country influence my vote. At times my vote has been in support of administration legislation, and at other times against it. I may not have been always right, but I am at least conscious of having been actuated by no other consideration than what I believed to be for the best interest of our people. My whole course of action has been based upon a consideration of the merits of the legislation rather than blind partisanship.

My study of this proposed legislation has led me to the conclusion that it would not produce the beneficial results claimed for it by its proponents, nor, is its enactment necessary to accomplish the results that are sought. And, on the contrary to add this enormous sum to an indebtedness that already approaches our national debt limit of $45,000,000,000 would prove distinctly harmful because of the growing concern over a fiscal policy which has piled deficit upon deficit for 9 consecutive years. If that policy had resulted in recovery, and had brought an end to unemployment, there would be much to be said in its favor. But its disappointing results in relieving unemployment and establishing normal conditions have weakened, if not shattered, our faith in the efficiency of a policy based upon spending and lending our way out of the depression.

Lack of necessity for this legislation is demonstrated by the fact that most, if not all, of the agencies of Government designated in the bill to participate in the expenditure of these additional moneys have already surpluses on hand that they have, as yet, found it impossible to efficiently dispose of, and for all of them adequate provision has already been made by the regular appropriation bills to meet their needs for the coming fiscal year. In no instance have the funds to be allotted to them under this bill been requested by the agencies designated to receive them—nor have the appropriate committees of the House, such as Appropriations, Agriculture, Interstate and Foreign Commerce, and Public Roads given favorable consideration to the provisions of the bill coming within their respective jurisdictions. Nor did the hearings before the Rules Committee show any demand upon the part of the agencies designated for additional funds to carry on their respective activities.

As an evidence of the lack of demand for this legislation and the unfavorable attitude of many of the committees of Congress which would ordinarily be called upon to consider legislative proposals such as this bill carries in its provisions, the statement of Senator WHEELER, Democrat, of Montana, and chairman of the Senate Committee on Interstate Commerce is most revealing. When the bill was under discussion in the Senate, addressing his attention to the provision providing additional funds to the Reconstruction Finance Corporation to enable it to make loans to railroads, he said:

> The Committee on Interstate Commerce has studied this problem of railroad finance for the last 2 or 3 years. There was never the slightest intimation of this proposal brought to the attention of any member of our committee. We were never consulted about it in any way, shape, or form; and I am sure that every member of the committee who knows anything about it would have been unanimous against a proposition of this kind.

Now, to direct your attention to self-liquidating roads—toll roads—as provided for in the bill. President Roosevelt's Secretary of Agriculture, Mr. Wallace, in making a report on toll roads to Congress on April 27 of this year said:

> The report in its present form defines the location of three east-west and three north-south highways conforming to the description of section 13 of the Federal Aid Highway Act of 1938, approved June 8, 1938, and indicates conclusively that financing of the full costs of such highways by direct-toll collections is not possible.

And, with regard to these six superhighways, the report the President himself submitted to Congress states that the amount of the tolls collected over the 16-year period from 1945 to 1960 would be an average of $72,140,000 per year, as contrasted with an average annual total cost over the same period of $184,054,000. Thus, more than $100,000,000 a year would have to be provided from the Treasury for this so-called self-liquidating project alone. Furthermore, the whole scheme overlooks entirely the resentment of our people to toll roads. There is scarcely a toll road left in any part of the country. The Department of Agriculture under this and previous administrations has consistently fought every attempt, direct or indirect, to establish any such toll roads anywhere in the Nation.

Another item contained in the bill authorized the sum of $350,000,000 for rural-electrification projects. I have given my hearty support to all legislation that would afford oportunity to our farmers to have the benefits of electricity on their farms, including the legislation passed a few years ago to make possible a wide use of electricity for farm purposes. I consider it one of the soundest steps ever taken by the Government to improve conditions in the farming sections. Since the basic act for rural electrification, passed in 1936, authorizes the appropriation of $40,000,000 annually over a 10-year period for loans on such projects, there is no necessity for the additional $350,000,000 provided in this bill.

And what about the $400,000,000 this bill seeks to provide for farm tenancy purposes? The strongest indictment against it was the action of the Agriculture Committee of the House when it, a few days ago, refused to report favorably to this House a bill for $350,000,000 for the same general purposes as provided for in this bill. If the Agriculture Committee of this House, which is ever alert to advance and protect the interests of the farmers of the country, cannot justify such an expenditure, then what justification can there be for it?

Nor was there any justification for the request contained in the original bill for $500,000,000 for the use of the Export-Import Bank to make loans to foreign governments, many of which are already in default in the repayment to us of loans previously made. This type of "dollar diplomacy" created such widespread condemnation that the administration quickly withdrew the suggestion, and in its place this bill seeks to raise the capital stock of the Export-Import Bank by $100,000,000 for the ostensible purpose of financing foreign exports and imports. The great danger lurking in this proposal arises from the fact that such funds might be used by the bank in an import business that could easily prove prejudicial to our farmers and laboring men throughout the Nation.

And even the provision that is made in the bill for municipal loans for building construction of various kinds would not prove helpful because it does not include any grant in connection with loans as made under previous law. It is nothing more than a loan at a rate of interest no lower than could be obtained from private sources, provided the municipality is within its borrowing capacity. Thus stripped of all grants it would not encourage municipalities to take advantage of its terms for construction purposes. Federal loans with grants is necessary to stimulate this kind of construction. The failure, therefore, to provide for grants, as in previous bills, precludes from any reasonable possibility that this bill would prove helpful to municipalities or be utilized by them.

Notwithstanding the claims that have been made by those favoring the passage of this lending-spending bill, to make it appear as a self-liquidating proposal, the fact remains that there is nothing within the provisions of the act itself that afford any sufficient guaranty or even assurance that such would be the result. Without any real requirement in the bill that loans shall be self-liquidating the opportunity for unsound loans is large. The possibility of heavy losses is corroborated by the testimony of Jesse Jones, the Federal Loan Administrator, in his testimony before the Senate Banking Committee that the Reconstruction Finance Corporation made "plenty of bad loans," and is "going to have plenty of losses," and that he is even "ashamed to tell" to how high a percentage the losses will run.

And, now, just a word with respect to the mistaken idea that this bill would provide loans to small-business men. There is no such provision in the bill; no effort has been made to provide such. With all the elaborate planning of this bill, and the enormous sums provided for under its terms, no funds have been provided for loans to small-business men. They continue to be the "forgotten men."

In considering this bill it is also important to realize the enormity of the sum of money sought to be expended by it. It represents more than twice the entire annual expenditures of the Federal Government in the fiscal year before we entered the World War. It is approximately one-third of our entire Government revenues in the last fiscal year. Furthermore, as Senator BYRD, Democrat, of Virginia, in speaking upon the bill in the Senate stated, we are deluding curselves if we believe the statements that this spending scheme will neither increase the Federal debt nor increase the Federal-tax burden. To him, as well as to others, it appears to be a spending scheme masquerading as a lending scheme.

The time is at hand when more serious consideration must be given to a fiscal policy that continues to create deficits and run the Government upon borrowed money. This measure in my judgment would add to the already heavy burden of our debt without providing any substantial recovery in return. The possibility of future loss under its provisions seems more certain than the possibility of future gain, thus, I cannot give to it my support. If further justification for my position was needed, beyond what I have already stated, it could be found in the words of President Roosevelt during his first campaign for the Presidency in 1932, when in speaking of the burden of taxes that is necessitated by heavy spending, he said, such taxes are—

Paid in the sweat of every man that labors, and, if those taxes are excessive they are reflected in idle factories and tax-sold farms and hungry people tramping the streets and seeking jobs in vain.

Potatoes—Past, Present, and Future

EXTENSION OF REMARKS

OF

HON. RALPH O. BREWSTER

OF MAINE

IN THE HOUSE OF REPRESENTATIVES

Saturday, August 5, 1939

ADDRESS OF CONGRESSMAN RALPH O. BREWSTER, OF MAINE, BEFORE TENTH ANNUAL FIELD DAY OF EMPIRE STATE POTATO CLUB, AT GARDNER FARMS, TULLY, N. Y., ON THURSDAY, AUGUST 3, 1939

Mr. BREWSTER. Mr. Speaker, under leave to extend my remarks in the RECORD, I include my address as guest speaker today at the tenth annual field day of the Empire State Potato Club, with a usual attendance of over 10,000 potato farmers.

I was introduced by President Roy Porter as the representative of the greatest potato-growing region in the world, and one who had come to be recognized as the authority on potatoes in the Congress of the United States.

Research in industrial uses for potatoes was the theme of the speech.

Potato growers everywhere have a common stake in the prosperity of one of the greatest and best of human foods. From Maine to California we are enlisted in a campaign to see to it that potatoes shall keep their place in the agricultural sun.

The Warren Act of 1935, adopted in the House by the scant margin of seven votes, determined that potatoes henceforth should be considered a basic crop. From that determination has flowed much of the protection that has come to potatoes against unfair and subsidized competition from acreage displaced in other crops.

Potatoes have not received the special consideration accorded certain favored products of the South and West. Yet, curiously enough, potatoes seem likely to fare better this year than most of these pampered darlings.

The plight of cotton, wheat, and corn affords an almost glittering contrast to the marketing position of potatoes for this current year.

Wheat in Liverpool is at the lowest price in history. Corn at Chicago is at the lowest price in 6 years, with supplies record-breaking. Cotton is in the largest supply in history, with the lowest export demand. Hogs are lower in price than at any time since 1934, and going down.

We paid foreigners last year $26,000,000 to accept 94,000,000 bushels of wheat at 25 cents a bushel less than the domestic price.

This year we are planning to pay $43,000,000 to foreigners to persuade them to accept 6,000,000 bales of our cotton. Japan alone

may receive a bonus of $6,000,000 on 800,000 bales before our trade agreement expires.

The soil-conservation controls operating to regulate most crops seem to have been far more effective in affording relief than the special subsidies for crops with a large surplus.

The diversion programs of the Federal Surplus Commodities Corporation undoubtedly helped, but they have affected a small percentage of the potato crop as contrasted with the vast special grants for cotton, wheat, and corn in the form of loans and purchases that have left the Government with an enormous carry-over.

Meanwhile prospects are promising for a fair price for potatoes, if not a parity price.

It seems obvious that the country cannot continue with increasingly vast subsidies to special crops and with a constantly increasing carry-over.

When the inevitable liquidation arrives, potatoes will suffer less than any other major crop because they have been favored less and have less to lose.

As a member of the Committee on Agriculture in the House it has been evident to me that agricultural experts are beginning to realize that there must be a radical alteration in the approach to the farm problems if our difficulties are to be solved.

Each successive program denounces the remedies of the preceding doctor, but soon goes them one better.

Stuart Chase commends the Secretary of Agriculture most strongly for his denunciation of export subsidies, only to find within 12 months subsidies inaugurated of 25 cents a bushel on wheat and a cent and a half a pound on cotton. The strange and encouraging spectacle was then presented of a southern Democrat urging a duty on cotton for the first time, to make sure that no American consumer should by any chance get any benefit from these subsidies.

Only foreigners are permitted to share our wealth.

There looms, however, a program that begins to offer hope—a program that proposes to use surplus farm products for industrial purposes. This has long been the vision of Henry Ford. Now the Government is about to enter this field on a really worth-while scale. Here is a scope for Government activity that will not be challenged by the most conservative.

Here the Government will be on entirely safe ground. This proposes neither limitation nor control nor subsidy of surplus, but rather the creation of industrial uses that will increasingly absorb the surplus from our soil.

Here is an unlimited field for research. Here is perhaps the answer to the depletion of our resources as the chemistry of Nature is put properly to work in an eternal cycle that will forever serve.

Much has been already accomplished by private enterprise but the problem invites the proper coordination of research facilities by public authority since it concerns so vitally the welfare of all alike. This interrupts in no way the delicately geared machine of our current economic life.

Criticism of a program may well be coupled with commendation of those parts that seem to promise progress. Here Americans may agree.

BACKGROUND OF THE REGIONAL RESEARCH LABORATORIES

In 1938 Congress directed the Secretary of Agriculture to establish four regional research laboratories, which should undertake by research to develop new and extended uses for surplus farm commodities. In section 202 of the Agricultural Adjustment Act, approved February 16, 1938, Congress provided, as follows:

"The Secretary of Agriculture is hereby authorized and directed to establish, equip, and maintain four regional research laboratories, one in each major farm-producing area, and at such laboratories to conduct researches into and to develop new scientific, chemical, and technical uses and new and extended markets and outlets for farm commodities and products and byproducts thereof. Such research and development shall be devoted primarily to those farm commodities in which there are regular or seasonal surpluses, and their products and byproducts."

The major purpose in establishing these laboratories was to provide an agency of the Department of Agriculture which will devote itself exclusively to further research on the products of agriculture on which new and extended industrial uses may develop. The further commercialization of the products of agriculture and the creation of new markets for surplus commodities of this sort is expected to result. This is not an entirely new activity, researches of this character having been conducted over a period of many years, but it will represent the first large-scale attack which the Department has been able to make using scientific and economic research as agents for the creation of new industrial markets.

NEED FOR LABORATORIES

The products of agriculture are used more for food than for any other single purpose. Textile uses of such commodities as cotton and other fiber crops are second in dollar importance to the farmer. To a considerable extent, however, industrial processing of farm products has led to nonfood and nonfabric applications. The principles which have in the past enabled such successful development of the latter type will largely assist in the planning of new possibilities of like nature. A few examples will aid in understanding these.

Although corn is used primarily as animal food by those farmers who grow it, there has been during recent years a constantly increasing use of corn as an industrial raw material. About 3 percent of the total crop, some 80,000,000 bushels per year, is now processed for the manufacture of starch, oil, and other products, with a large part of the starch being used industrially and not in foods.

Although this quantity is a small part of the total crop, it forms nearly a third of the corn that is sold by farmers, and therefore very, very largely increases the farmer's opportunity to obtain cash for his crop.

The products made from corn are in some ways of quite different significance from the products made from certain other agricultural materials, cottonseed, for example. Cottonseed was at one time merely a waste, if not a nuisance. Then processing for the recovery of cottonseed oil began. Now the cash value of the seed equals about 16 percent of the total cotton crop value.

Numerous other important developments have occurred in the use of agricultural raw materials. For example, synthetic fibers and other cellulose plastics are manufactured in large quantities from cotton linters. Such chemicals as acetone, butyl alcohol, and others are made by controlled fermentation of corn. The chemical furfural is made from waste oat hulls by processes which originated in the Department laboratories. The wide variety of industrial products that have been made from products which were surpluses of agriculture is illustrated by these and many other examples. This experience not only justifies more research of like nature in the new regional laboratories, but also affords an important guide for the planning of the projects to be carried out there.

Such developments as these benefit both agriculture and industry, for they afford new opportunity for factory employment, as well as new markets for the farmer.

MAJOR FARM PRODUCING AREAS

In its provisions for the regional laboratories, Congress instructed the Secretary of Agriculture to divide the country into four major farm-producing areas. One regional laboratory is to be established in each such area; and one-fourth of the funds made available for the group is to be allocated to each such laboratory.

In grouping the States for the purpose of this act the Department took into account a number of important criteria. Of first importance were the natural boundaries fixed by the habits of agriculture in growing the most important crops. But a grouping that would follow such crop areas exactly is not possible because of the overlapping of these areas and variation in agricultural conditions in different parts of the country. Other important criteria considered were, therefore, farm population, value of farm property, cash income from crops and livestock, land in farms, and total land areas.

From the standpoint of the laboratories themselves, it was important that the areas be formed so as to balance the research load of the four laboratories. In this connection it should be recalled that by law funds must be allocated equally among the four. This consideration made it desirable, for example, to put tobacco research in the eastern laboratory. To have put it in the southern laboratory, which might be equally logical, would have reduced the effectiveness of work on other important commodities of that area.

The following grouping of States has been determined as a basis for the definition of "major farm-producing areas," and one regional laboratory is being established in each area:

The southern area: Alabama, Arkansas, Florida, Georgia, Louisiana, Mississippi, Oklahoma, South Carolina, and Texas.

The eastern area: Connecticut, Delaware, Kentucky, Maine, Maryland, Massachusetts, New Hampshire, New Jersey, New York, North Carolina, Pennsylvania, Rhode Island, Tennessee, Vermont, Virginia, and West Virginia.

The northern area: Illinois, Indiana, Iowa, Kansas, Michigan, Minnesota, Missouri, Nebraska, North Dakota, Ohio, South Dakota, and Wisconsin.

The western area: Arizona, California, Colorado, Idaho, Montana, Nevada, New Mexico, Oregon, Utah, Washington, and Wyoming.

SURPLUS COMMODITIES FOR INITIAL ATTENTION

All of the important farm commodities produced in the United States are from time to time in surplus. The Department of Agriculture might, therefore, under the instructions of Congress, consider in the new regional laboratories almost any of these products of agriculture. To do so, however, would so scatter the effort as to make early and useful results improbable. The Department has planned, therefore, that it should take up initially in each of the four laboratories only a limited number of commodities.

Those which seem most urgently in need of attention, either because of the magnitude of the surpluses or because of the large number of agricultural workers or agricultural acres involved, will be studied first. The commodities that are to have first attention by research have been designated as follows:

Southern area: Cotton, sweetpotatoes, peanuts.

Eastern area: Tobacco, apples, Irish potatoes, milk products, vegetables.

Northern area: Corn, wheat, agricultural waste products.

Western area: Fruits and vegetables, Irish potatoes, wheat, alfalfa.

The fact that any particular commodity does not appear on this list is no indication that the Department does not believe it impor-

tant or does not believe that research on it would be profitable. Quite the contrary is true of many of the agricultural products, and it is expected that the regional laboratories will in due time give attention to many more classes of commodities than can be subjects of the initial research.

SURVEY

To carry out the instructions of Congress for a preliminary survey of present research as a basis for a coordinated progam of new work, the Department organized a special survey committee including representatives of several of the bureaus most concerned with this type of work. A technical staff experienced in scientific investigations was organized and a comprehensive plan laid for reviewing all the present activities of the Department, of the experiment stations and other State agencies, and of such industries and institutions as are engaged on comparable or related work.

Records were obtained by this committee from all the bureaus of the Department of Agriculture and from such other Federal agencies as are engaged on related types of work. Reports were made to the Department by every State experiment station; and personal visits were made by the survey staff for technical conference in each case. More than 10,000 present research projects of Federal and State agencies were thus reviewed.

The technical staff of the survey committee conferred also with several thousand industrial executives and research workers, in every State. Universal and cordial cooperation was encountered. As a result the Department of Agriculture has been made acquainted with a very large number of research projects which are being carried out in laboratories of endowed institutions, industrial companies, and under other private auspices. Although confidential information was not sought, it is believed that the survey staff has been able to gather material that gives a very comprehensive and complete picture of the general character of commercial work now in progress that is intended to establish new industial activity for the utilization of agricultural commodities.

The Department contemplates a continuance of its detailed study of this information during the coming year, while the new laboratory buildings are being erected. In fact, the first task of the new research staffs as they are selected will be an analysis of the many details disclosed by this survey. Thus every pertinent comment on any particular commodity will be taken into account before actual experimental work begins.

There will also be urgent need for extensive survey of the scientific and engineering literature in order that every item of present published knowledge may be taken into account as fully as possible. By this procedure the initial experimental and field studies may be advanced as rapidly as possible when the buildings and laboratory facilities are ready for use.

Congress has determined that there shall be four regional laboratories, each dealing with surplus commodities of its region. It is evident, however, that a national outlook should be maintained at all times, even with respect to regional problems. The results in each laboratory will, of course, be made available to all parts of the country; and they will be applied as promptly as possible in whatever region and to whatever crop they may be found adapted.

TYPE OF RESEARCH INVESTIGATIONS

There will be considerable variety in the investigations undertaken at the regional laboratories. In some cases it will be necessary first to make exploratory studies before detailed research can begin, especially in fields never before studied either by the Department of Agriculture or by other research institutions of the country. Because of the very far-reaching nature of the problems many radical and novel investigations will be required. Not all of these can succeed. But it is believed that all will contribute to an understanding of what American industry can do in order to use profitably agricultural goods.

In many cases exploratory work has already been done on certain commodities, certain possible products, or certain new processes which look worthy of further investigation. In these cases, serious scientific research of an intensive and fundamental nature will be required. This can be undertaken at once. Not infrequently, work of the most abstruse and difficult scientific sort seems necessary. Here again, new sums of human knowledge will be forthcoming even when the immediate and hoped for practical result may not always be reached at once.

Many of the investigations required are known to be of a sort that will take a number of years, perhaps very long periods, for complete solution. Such projects will be undertaken as a part of the regional-laboratories program because they give, in the long range, great promise. It is recognized that in many cases only the Government might be looked to to finance and carry through studies of this sort.

When fundamental work has been done, there still remain laboratory research projects of an industrial or applied nature before engineering can begin. Some research of this kind can be initiated soon on the basis of published present knowledge. Other like projects will follow as the second stage after the fundamental pure science work of the new laboratories themselves.

A third class of research will be undertaken for the development toward practical application of some of the more promising present scientific knowledge. This engineering development on a pilot-plant scale will, it is hoped, give at an early date results on which industries may initiate new large-scale use of farm products. Effort will be made to press certain of these projects very aggressively so that practical benefits coming from each laboratory may not be unduly delayed.

It may not be practicable for the new laboratories to undertake all of the investigations of an engineering or developmental character that will be desired. Frequently, it is hoped, such investigations can be carried on with present industrial facilities. Thus, the funds provided for the regional laboratories can be conserved for such work as industry is not prepared to undertake. Furthermore, the results of such engineering development must be most promptly available and most advantageously used for actual application in new processing on a commercial scale.

COOPERATIVE RELATIONSHIPS WITH STATE AND OTHER AGENCIES

It is expected that the work of the new regional laboratories will be carried out on the same frank, open basis as has governed the previous research work of the Department. Close cooperation with States' educational institutions and industry will be encouraged. Businessmen will be constantly urged to study the work being done and to utilize for public benefit the results being obtained. The Department will reserve the right of control of such developments only so far as it is necessary to insure the greatest promptness of commercialization and a fair development by all proper interests competent to serve the farm producers of raw materials and the general public who will be consumers of the products made.

The Department is making a careful analysis of the interrelationship between all new research and that already under way. Arrangement is being made to avoid duplication and to make each part of old and new research mutually helpful to all of the interested agencies.

As in the case of experimental work done under the Bankhead-Jones Act, all new projects of the regional laboratories will be organized to permit the fullest cooperation within the Department and with State and university activities. For example, the recent experience of the Bureau of Chemistry and Soils in establishing a regional soybean laboratory at Urbana, Ill., involving industrial cooperation problems, is proving very valuable in guiding these large industrial research projects. In the soybean program arrangements were made for coordination within the department and with all 12 States of the region in which related work was being done, and active and regular cooperation with the State agencies has resulted. Frequent meetings are held at which a number of specialists confer, both for the benefit of the Department staff and for exchange of information between other interested groups.

A like plan for coordination of the regional laboratory program is under consideration. In some cases it is expected that research being done by other laboratories may be taken into account in such a way that the complete program of study will really consist of the joint efforts of several active institutions. Collaborators will be named and advisory committees will serve actively. Thus the influence and constructive assistance of the regional laboratories may achieve maximum results for the benefit of all.

It is not contemplated that the new regional laboratories will themselves require an independent program for many of the agricultural research projects which are a vital part of a complete effort to secure commercialization of certain commodities. This is because the present work of the Department and of State experiment stations is often adequate with respect to genetics, agronomy, animal husbandry, and some other fields of scientific work which are essential prerequisites of chemical investigation and engineering development. The Department's facilities for coordination to this end seem adequate, and they will be utilized to the full, not only in formulating the initial program in detail, but also for its administration and amendment, as experience may make necessary.

LOCATION

The regional research laboratory for the northern region is to be located at Peoria, Ill.; for the southern region at New Orleans, La.; for the western region at Albany, Calif., in the San Francisco Bay area; and for the eastern region at Wyndmoor, Pa., which is in Springfield Township, Montgomery County, and will be concerned with studies on tobacco, potatoes, milk products, apples, and vegetables. A 32-acre tract of land, formerly known as the Winoga Stock Farm, has been selected as the site. This location is accessible to the great processing industries along the Delaware River and to the library and research activities of the University of Pennsylvania and the Franklin Institute. Its geographical location with respect to the entire eastern area is very advantageous.

LABORATORY BUILDING AND STAFF

The detailed plans and specifications for the eastern laboratory were completed about April 15, 1939. The initial contract for the construction was awarded early in June, and actual building operations began on June 15. It is anticipated that the building will be ready for occupancy about June 1940. The building, designed as a center for carrying on chemical, engineering, and related research by a staff of approximately 250 persons, will be a U-shaped structure of three stories and basement. Offices, laboratory, and conference rooms will be in the 211-foot base of the U, which will be the front of the building. One of the 306-foot wings will contain research laboratories equipped for work in chemistry, physics, or biology. The other will contain a small number of

laboratories and ample space for heavy engineering equipment. An effort is being made to incorporate into the design and equipment of the building every feature which experience has shown to be useful in furthering research work of this character.

INDUSTRIAL UTILIZATION OF WHITE POTATOES

Potatoes comprise the largest vegetable crop in the United States. During the 10-year period from 1928 to 1937 the average yearly production was 371,844,000 bushels. In 1937 the total crop was 393,000,000 bushels.

Commercial potato production is concentrated in a few well-known areas: Aroostook County, Maine; Long Island, N. Y.; Eastern Shore of Virginia; Red River Valley of Minnesota; and southern Idaho. There are also important growing areas in Michigan, Wisconsin, Colorado, Pennsylvania, the Carolinas, and elsewhere. In recent years the growing of early potatoes has become increasingly important in the South.

The chief producing States for the late or main crop are Maine, with an average output recently of around 44,000,000 bushels; New York, producing around 29,000,000 bushels; Pennsylvania, with about 25,000,000 bushels; followed by Michigan, Minnesota, Wisconsin, Idaho, and Colorado.

An idea of the crop division as between the early and late regions may be gained from the 1937 crop, which was fairly typical in point of distribution. In that year the total crop amounted to 393,000,000 bushels, and of this quantity the late States produced 318,000,000 bushels, the intermediate States 37,000,000 bushels, and the early States of the South 38,000,000 bushels.

The gross income to growers of potatoes in 1937 amounted to slightly under $239,000,000 and in 1938 to some $276,000,000.

A typical picture of utilization of the crops may be cited from the 1937 figures. The production that year amounted to 393,000,000 bushels. Of this, about 32,000,000 bushels were disposed of as unfit, waste, and feed for livestock; the quantity used as food on farms amounted to 64,000,000 bushels; saved for seed, 32,000,000 bushels; sold, 265,000,000 bushels. The quantity sold in 1937 brought farmers an actual cash income of $198,000,000, this particular year having been one of very low price. The average prices of potatoes received by farmers over the last 10 years has ranged between a high of $1.32 per bushel in 1929 down to 39 cents per bushel in 1932. In 5 of the last 7 years the average season price to growers has been below 60 cents per bushel. Last year (1937), for instance, it averaged 53 cents per bushel.

The consumption of potatoes is relatively inelastic. That is, under similar demand conditions small crops usually result in larger returns to growers than do large crops. Since there is a considerable variation in yield per acre and in the total crop resulting from this factor, it frequently happens that although the acreage remains fairly stable the crops and prices of given seasons vary greatly. An increase of only 2 to 4 percent above average production often seriously depresses prices.

To quite an extent the yield per acre is dependent upon weather conditions during the growing season, and the average has ranged during the past 10 years from 100 to 123 bushels per acre for the United States as a whole. When high yields occur the surplus of No. 1 potatoes is frequently sufficiently high to greatly depress the market price. About 10 percent of the crop is culls, and the loss from disease and frozen potatoes and shrinkage in storage may also amount to as much as 10 percent of the total crop. Because of these conditions, which necessarily prevail in the potato-growing industry, there is a definite demand for a profitable means of utilizing, for other than direct-food use, the annual supply of cull and second-grade potatoes and also of excess first-grade potatoes during years in which large surpluses occur.

The fact that somewhat over two-thirds of the potato consists of water has always made it difficult for this crop to compete as an industrial raw material owing to excessive transportation and storage costs and to the large losses resulting from spoilage in storage. Recent researches on the development of low-cost dehydration methods have indicated that it should be possible to reduce both storage and transportation costs.

Starch manufacture with adequate recovery and utilization of byproducts and the manufacture of accessory products, such as specially modified starches, oxidized starches, dextrins, plastics, etc., in demand by various industries would seem to be a practical means of utilizing surplus and cull potatoes.

Development of a profitable means for the industrial utilization of potatoes differs somewhat according to the character of the various potato-growing regions. For example, although the chemical composition of white potatoes in the far western region differs somewhat from that of white potatoes in the northeastern region, from the standpoint of industrial utilization the outstanding difference between the two regions is the occurrence of large areas of high density of potato production in the northeastern region, notably in northern Maine, whereas in the far western region such dense areas are comparatively small. In the far western region the problem of transportation of potatoes to central points for industrial utilization is the "bottle neck," so to speak. Primarily for this reason no potato-starch industry has been established there, whereas such an industry has been in existence in northern Maine for many years.

Domestic potato-starch factories are generally operated without chemical or other control. The percentage of starch recovered is quite low, an excessive amount being lost in the residual pulp and waste water. The equipment is to a great extent crude, and, because the quality of the starch manufactured is quite variable, the price is reduced below that of imported potato starch, which is preferred by many users even at a higher cost. Much improvement in domestic methods of processing is possible both in economy of operation and improvement of starch quality. Establishment of this industry on a sound competitive basis should provide an expanding and profitable market for culls and for the surplus portion of the crop.

The market for white-potato starch can very well be expanded beyond its present size. Our imports of potato starch just about equal the amount manufactured domestically. In 1936 more than 12,000,000 pounds were imported and about 10,000,000 pounds in 1937. It is claimed that one of the reasons for such importations is the poor and inconsistent quality of such domestic starches as compared to imported white-potato starch. Such a situation can be remedied and domestic production increased if proper steps are taken to adopt suitable manufacturing procedures. Research work along this line is being conducted by Dr. C. A. Brautlecht, of the University of Maine, at Orono, Maine.

The following program, which is based on careful consideration of current research activities and suggestions received during the survey, has this aim for its objective.

PROPOSED RESEARCH PROGRAM

The following studies to increase the industrial utilization of white potatoes will be undertaken:

Research on the development of low-cost dehydration methods as well as on other means of lowering transportation and storage cost will be an essential part of the industrial utilization program.

The drying of potatoes entirely by the use of heat is expensive, and in addition may cause undesirable changes in the starch. Recent studies have indicated the application of a preliminary chemical treatment in the solution of this problem. Such treatment greatly increases the premeability of the cell walls of the potato, making it possible to remove most of the water by mechanical means. There would be numerous advantages in the commercial use of dehydration methods of this sort, including the economical recovery of the expressed juices and the preparation of various products from the dried material.

Investigation of methods for the economical utilization of frozen potatoes.

Improved and economical methods for the production of alcohol from potatoes.

The production of plastic materials from starches.

Development of efficient potato starch and potato byproducts recovery plants adapted to conditions prevailing in the United States. To assist in the development of such factories the following investigations will be undertaken:

(a) Determine chemically the starch-extracting efficiency of typical small plants, and ascertain the percentage of starch lost and points in the process where losses occur; determine the causes for the present great variation in quality and develop improvements in equipment and operation which could be installed at moderate cost and which at the same time would greatly improve efficiency of operation of the small factories.

(b) Determination of the microbiological flora present in white-potato-starch factories and the establishment of better microbiological control to increase the efficiency of these plants.

The quality of domestic white-potato starch is quite variable. Studies looking to the establishment of grades coupled with substantial improvement in quality will be undertaken. When this is accomplished it will be possible to obtain the same price for domestic white-potato starch as for imported white-potato starch.

The residual pulp which remains after extraction of starch contains a certain proportion of starch which it is not profitable to recover by ordinary methods. In addition, it contains hemicelluloses and other constituents which could be recovered and utilized as byproducts. Investigations will be conducted looking to the development of economical methods for the recovery of such waste materials, as well as methods for their profitable use.

The use of micro-organisms for the production of desirable transformations in potato starch. Further studies should lead to valuable commercial developments in this field.

Among the modified starches and starch derivatives are special modified and oxidized starches and dextrins. Methods for producing these derivatives in a continuous process with starch, and hence at a lower cost, will be investigated.

Potato starch in the commercial, purified form is a relatively low-priced pure carbohydrate raw material, from which a variety of chemical products can be made. Investigations leading to the manufacture of these compounds with the object of making available new materials for the chemical industry will be conducted.

The possibilities in potato starch have only begun to be realized. The possibilities in plastics find the surface only scratched.

All agencies, private and public, may well cooperate to develop industrial uses for the potential potato production of the country, and everyone will benefit. Proper grading and marketing will naturally follow.

The consumers are likely to solve the grading problem by demanding uniform potatoes above the size of culls. Against such there is no law.

Persuasion, instead of compulsion, may well be the order of the new economic day.

The Philippines

EXTENSION OF REMARKS
OF
HON. JOHN G. ALEXANDER
OF MINNESOTA

IN THE HOUSE OF REPRESENTATIVES

Saturday, August 5, 1939

HISTORY OF THE PHILIPPINES BY W. CAMERON FORBES, EX-GOVERNOR GENERAL

Mr. ALEXANDER. Mr. Speaker, under the leave to extend my remarks in the RECORD, I include the following letter and statement:

REGULAR VETERANS ASSOCIATION, SAWTELLE POST, No. 2,
Los Angeles, Calif., August 4, 1939.

HONORABLE SIR: I am submitting the enclosed for your consideration in support of your bill H. R. 6827.

No doubt many former Army officers can or have given you much the same data on the subject; however, there are also some civilians, official and otherwise quite familiar with the subject.

In regard to medical data, one cannot help wondering if mistakes can't be made in diagnosis, and if the misconduct clause isn't overworked as to incurrence of diseases.

For instance, if the parasites of different diseases are practically the same, and one transmitted by mosquito, bedbug, or tick, what about the other?

Thanking you for interest shown, I remain,

Respectfully,

JAMES J. SHATTUCK,
National Military Home, West Los Angeles, Calif.

HISTORY OF THE PHILIPPINES, BY W. CAMERON FORBES, EX-GOVERNOR GENERAL, WITH COLLABORATION OF HON. DWIGHT F. DAVIS, SECRETARY OF WAR; HON. FRANK W. CARPENTER, 25 YEARS IN THE PHILIPPINES AS PRIVATE SECRETARY TO MILITARY GOVERNOR, EXECUTIVE SECRETARY CIVIL GOVERNMENT, GOVERNOR, DEPARTMENT OF MINDANAO AND SULU; MAJ. GEN. FRANK R. MCINTYRE, CHIEF OF THE BUREAU OF INTERNAL AFFAIRS; GOV. GEN. LEONARD WOOD; EX-GOV. GEN. JAMES F. SMITH; GEN. JOHN J. PERSHING, EX-GOVERNOR OF MORO PROVINCE; GEN. JAMES G. HARBORD, DIRECTOR OF CONSTABULARY; GEN. FRANK R. MCCOY, SECRETARY, MORO PROVINCE; DR. VICTOR G. HEISER, DIRECTOR OF HEALTH; DR. RICHARD P. STRONG, CHIEF OF THE BIOLOGICAL LABORATORY OF THE BUREAU OF SCIENCE AND PROFESSOR OF TROPICAL MEDICINE, UNIVERSITY OF THE PHILIPPINES; AND MANY OTHERS

EXCERPTS

Chapter V: The declaration of peace by no means ended active operations of the Army in the islands. American troops during the years following the beginning of organized government, and until 1906, were engaged in field operations of a dangerous and exhausting character against guerilla bands in Batangas and other provinces of Luzon, and against similar outlaws and religious fanatics on Bohol, Leyte, Samar, and other islands of the Visayas. In Mindanao and the Sulu Archipelago there was more extensive and prolonged operation, first against guerilla bands and fanatics in northern Mindanao, and subsequently against recalcitrant Moros in the Cottabatto Valley, and in the course of the subjugation of the Lake Lanao region in central Mindanao and of the Sulu Moros on the Island of Jolo and adjacent islands. Much hard campaigning ensued, and many casualties occurred among American troops.

In these field operations many officers and men revealed ability of a high order which marked them for leadership in the World War, in which they won enduring renown. Most noted of these distinguished Americans is Gen. John J. Pershing, who was promoted from the grade of captain of cavalry to brigadier general on September 20, 1906, in recognition of his brilliant and successful campaign against the Lake Lanao Moros, who had never submitted to the sovereignty of Spain.

The commanding general of the military district of Mindanao was also civil governor of the Moro Province, which comprised in addition the islands to the southward, including the Sulu Archipelago. As the inhabitants of that region were more turbulent and continued armed resistance to the Government longer than in any other region, the number of troops in the Moro country was relatively greater. For several years there were 10 Army posts maintained in the island of Mindanao; three in Sulu Archipelago, and one at Puerto Princessa, on the Island of Palawan; nine on Luzon, one on Cebu, and one on Iloilo. Most of the Army posts had been discontinued by 1917, the only garrison then remaining south of Manila being one battalion of scouts at Zamboango.

From time to time, as the number of stations occupied by American troops were reduced, Filipino agitators tried to incite their people to oppose the United States by telling them that the troops had been wholly withdrawn. More than once, to counteract these false impressions, commanding generals ordered practice marches of impressive forces of American troops, infantry, cavalry, and artillery through regions where such rumors had been current.

Maj. Gen. William P. Duval, then commanding the military division of the Philippines, went so far as to assemble a large part of his command in Manila at the time of the carnival in 1911, when representative people from all over the archipelago came for the annual carnival and exposition. The troops, over 8,000 in number, were paraded, and the Filipinos visiting the carnival were able from personal observation to carry to the farthest confines of the archipelago the news that American troops were still present in force.

Extensive field maneuvers were held from time to time in the provinces near Manila and in the central plains of Luzon. Until the year 1906 the assistance of the Army was necessary in Luzon and the Visayas in the suppression of outlawry and the destruction of armed bands, most of which had existed in the mountains and swamp jungles as far back as the Spanish regime. In the Moro country the Army was more or less actively engaged until late 1913 in overcoming armed resistance to the United States Government. The sacrifice in lives and health of American Army officers and troops cannot be stated in exact terms. The total, if ascertained, would be impressive.

Since 1913, American troops have not been required except for garrison duty and as a moral force representing the sovereignty of the United States in the Orient. It is impossible to assess and hard to overestimate the stabilizing influence of that thoroughly competent trained body of Army officers and men in khaki. Who can say how much of the stability of the institutions established by Americans in the Orient is due to their presence? When the Boxer Rebellion broke out in China in 1900, the first American troops to reach the scene came from Manila, and it is not too much to say that America's part in quelling the Boxer Rebellion was largely borne by American Regular veteran troops and by immediately available supplies drawn from the Philippines.

No account of events in the Philippines would be complete without mentioning the fine service rendered by the United States Navy and Marine Corps. The former cooperated by sea with the Army, and the latter on a few occasions, notably in Samar, where Maj. L. W. T. Waller, of the United States Marine Corps, distinguished himself. The Navy also has done some fine service in patroling the Sulu seas against Malay pirates and assisted the Army in some of its storming operations against hostile Moros in the island of Jolo and other islands in the vicinity.

Report of Philippine Commission on number of American troops killed in action:

August 1898, War with Spain	27
1899–1902	752
July 5, 1902–Dec. 31, 1906	239
Dec. 31, 1906–Dec. 31, 1913	23

Data by commanding general, Philippine Division, February 26, 1927:

Strength of troops in islands:

1898–1902	193,606
1902–07	76,544
1907–13	61,420
Total	137,964

PEACETIME
(By Vic. Hurley)

EXCERPTS

Chapter 18, page 165: A second great American soldier came forward to assume the government of the Moro territory. Gen. Leonard Wood, who had served successfuly as Governor General of Cuba, now took up the reins in Mindanao and Sulu as first civil governor of the Moro province. General Wood led his troops down to Lake Seit, and a battle was fought. Sixty Moros were killed, and a rear-guard action of 50 miles followed, etc. General Scott took the field March 1904. The Moros assumed the offensive, sent charge after charge against American troops, etc. Coincident; the 28th. United States Infantry commenced operations near Teraca, Mindanao. Guerilla conditions prevailed. Troops established a fortified camp and sent out outposts, one composed of Sergeant Stevens, Privates Bowser, Burke, and Kiethley, etc. In the early morning the rush came. Twenty krismen leaped from the jungle; in the first savage attack all the men except Private Kiethley were hacked to death with the kris. Kiethley received a terrible wound. This young American soldier performed an almost impossible feat of valor; gathering up the rifles he fell back slowly, pouring a steady, accurate fire. For three quarters of a mile he fought off the rushes of the Moros, reaching the post with the four rifles to fall at last before the awful slashes of the kris.

Young Kiethley's experience was duplicated hundreds of times by American soldiers in the Moro campaigns, etc. The fighting was deadly, for it was veiled by a screen of impenetrable jungle.

The silence of night was disturbed by the scream of the juramentado and the cutting of tent ropes. The dawn showed a camp of fallen tents with the canvas stained by the slashes of the kris, etc.

It was not until 8 years after the death of Private Kiethley that the men of the Sixth United States Infantry captured the Sultan Cuayan and others of his men who led the attack on the outpost at Taraca.

March 6, 1906. Battle of Bud Dajo. Assault units, 272 men of Sixth United States Infantry, 211 men of the Fourth United States Cavalry, 110 men of the Nineteenth United States Infantry, 68 men of the Twenty-eighth Battery of Artillery, 6 sailors from U. S. gunboat *Pampango*, 57 Sulu constabulary. Total, 790 officers and men. Casualties, 21 killed and 73 wounded. Two Moros killed Sergeant Neher on Malabang, Vicar's Trail. Privates Borst and Cott attacked. General Bliss and staff fired on. Packer Burns killed at Malabang. Private Balaine seriously wounded by krismen.

American troops at Parang awoke one morning to find a guard tent a shambles, raided by Sultan Djimbara, etc., December 14, 1906. Private McLaughlin, sentry on post at Jolo, attacked, arm almost severed, etc. Cotta warfare raged all through 1906 and 1907. American troops were in the field continuously. Captain Green and 60 men stormed the cotta of Mural Hakim. Lieutenant Fort ran a band under Badudo to earth. Lt. James L. Wood, with 24 men, engaged with Moros near Bacolod. Lt. J. M. Merril and 40 men against cotta of Sultan Ulama and 100 Moros entrenched in a ravine. Americans charged 50 Moros and Sultan, killed in hand-to-hand fighting. Lieutenant Merril badly wounded.

A company street might be peaceful and quiet with a sentry on guard. Suddenly a juramentado would appear, bringing death and seeking death. Guard posts or sentries had no terrors for juramentados; rather they sought them out as the most available victims. A few minutes of wild scramble and desperate shooting and slashing, and everything would be quiet again, etc.

New Era in the Philippine Islands

(By Arthur Judson Brown, D. D., secretary, board of foreign missions. Ch. IV, p. 49)

"It is not good for the white man's health to hustle like the Malay brown.
For the white man riles and the Malay smiles, and he weareth the white man down.
And the end of the fight is a tombstone white, with the name of the late deceased.
And the epitaph drear: A fool lies here, who tried to hustle the East."

The foreigner who expects to keep his health in the Philippines will protect his head from the midday sun by a pith helmet or an umbrella, or both; will insist on having his drinking water boiled; will eschew unripe or overripe fruit; will see that vegetables uncooked are thoroughly washed in boiled water; and will be cautious about eating raw shellfish and cold meats which have been standing in exposed places. A temperate diet of freshly cooked food with comparatively little meat is the one most conducive to health in a tropical climate. In general, persons with organic weaknesses or predisposition to disease should not go to the Philippines, for the climatic conditions will soon develop their weak spots.

The distinguished physician, Don Elias Cony Tres, first surgeon of the military department of the Spanish regime, says:

"The effect of climate on diseases arising from tropical climate are scrofula tendencies, anemia, malaria, inflammation of the kidneys, disease of the digestive canal, asthma, neurasthenia, neuralgia arising from malarial troubles, chronic catarrh of the bladder and urinary channels, nostalgia, hypochondria, and general debility."

The Philippines

(By Prof. Dean C. Worcester, secretary both Philippine commissions, Secretary of Interior, Philippine Islands, 1900–13)

Volume 1, chapter XVI, page 408: Everywhere I saw people dying of curable ailments. Malaria was prevalent; smallpox was regarded as a necessary ailment.

Page 412: When I first visited the islands every member of our party fell ill within a few weeks. All of us suffered intensely with tropical ulcers. Two had malaria; one acute inflammation of the liver, possibly of amoebic origin; and so to the end of the chapter. I myself got so loaded with malaria in Mindoro that it took me 15 years to get rid of it.

Page 419: As a matter of fact, however, it later proved that cholera was endemic in certain regions near Manila, and in 1905 we found ourselves with an epidemic on our hands. At the end of the second week beginning August 23 there had been 137 cases, as compared with 125 for the same period in 1902–04.

Page 420: On February 21, 1906, the epidemic was ended with a total of 283 cases and 243 deaths.

Page 422: I shall not attempt to trace the course of subsequent epidemics, but shall give the deaths by years. In 1908 they numbered 13,811; 1909, 7,306; 1910, 6,940; 1911, 203.

Page 423: I have referred to the fact that the civil government inherited an epidemic of bubonic plague in 1903. This disease caused 147 deaths: in 1904, 48; in 1905, 43.

Page 425: Another great problem now in a fair way to find a solution is the eradication of leprosy. At the outset, church authorities told us there were 30,000 lepers in the islands. In 1905 we began to isolate them. A few hundred true lepers were being humanely cared for in Manila and elsewhere. Many others had been driven from towns into forests and waste places on the larger islands, where they were perishing miserably from fever and other diseases. Still others had been isolated on sand quays, where they were in danger of dying from thirst in the dry season. Not a few wandered at will through the towns, spreading the disease broadcast.

Page 426: Dividing the period immediately subsequent to the American occupation, amoebic dysentery wrought sad havoc among our soldiers and among civil-government employees. This disease then annually cost the lives of a large number of Americans, and a considerable number went home invalids for life as a result of the infection with the parasite. We seemed to hear almost daily of some new case.

Page 428: When we came to the islands, malaria was killing as many persons as smallpox.

Page 430: A peculiar and shockingly disfiguring disease known as yaws occurs somewhat infrequently in the Philippine lowlands, and is prevalent in the highlands. In many ways it resembles syphilis, and indeed at one time was considered syphilitic in origin. Dr. Richard P. Strong, of the Bureau of Science (now at Harvard), made the important discovery that salvarsan is an absolute specific for it.

Haemoglobinuria (Encyclopedia Britannica) Malaria Cachexia

Malaria is due to small protozoa or animal parasites, which pass an asexual stage in man, living and developing in the red blood cells.

There has been an advance in our knowledge of the cause and treatment of blackwater fever (q. v.) or haemoglobinuria, the serious nature of which has called forth many investigations. Some investigators hold that this condition may arise not only in infection with P. falciparium, but occasionally with P. vivax and exceptionally with P. malarie.

(Malaria parasites are of three species: Plasmodium falciparium, P. vivax, and P. malarie, the causal organisms of subtertian, tertian, and quartan fevers, respectively.)

The association of an unknown virus with the malaria parasite has been considered as the cause. (Haemoglobinuria.) Cases have been found after 5 months and others after 40 years; noted its occurrence only in people who had had attacks of malaria, though possibly unrecognized as such at the time. A similar observation made in cases developed on the way home, or after they had left an endemic area even for some time. The finding of other species of parasite, both of which tend more to chronicity, and are readily found in the blood stream, may, when present, be but an indication of a mixed infection.

Diagnosis (Malaria)

In the diagnosis of malaria in endemic localities, the estimate of the inhabitants infected is based on the percentage rate of an enlarged spleen or of a positive blood finding amongst a proportion of the population. For the latter, the examination of a thick and thin film of blood is made. In the absence of the parasite, an estimate of the relative number of large monoculear (endothilial) cells to other white cells in the blood may be made in certain cases, but the evidence obtained is not conclusive. An increase above the basic figure of 15 percent endothilial cells of the total white cells was taken as indication of actual or recent malaria in white men living in the Tropics.

Blood-cell counts made sometime prior and subsequent to the finding of the malarial parasite did not show the presence of a constant relative increase of endothilial, nor was this a constant factor in latent malaria, even when the clinical diagnosis was obvious and the most reliable factor, an enlarged spleen, was present. With regard to the finding of latent malaria, it must be remembered that but a small drop of blood is taken, and that parasites are not easily found except at a period of relapse.

The clinical signs of latent malaria most commonly found are, in the order of frequency, an enlarged spleen, anemia, functional disorders of the heart, and enlarged liver. The tendency to chronicity and febrile relapse in malarial infection is very marked.

Of 28,270 blood examinations at one laboratory in cases of malaria, 777 were found positive, and of these, P. vivax numbered 759, P. falciparium 14, and P. malarie 4. It was rare to find the parasite after the quarterly period of 12 to 14 months. Seven cases were found after 30 months, all with P. vivax, one in a double infection with P. malarie after 39 months, and one after 51 months. In none of these extensive series was the parasite ever found after 5 years at home. Dr. Ross, British Army Medical Corps, has always felt that, to be effective, quinine should be continued in 10-grain doses daily for 3 months after a subject has left a malaria country.

The long-continued treatment of malaria was now proved to be satisfactory and was extended to pensioners (British) also. In one London clinic alone nearly 30,000 pensioners have been treated in this way. The results have been admirable, and probably few who have taken the treatment properly have returned. But the 10 grains of quinine must be taken religiously every day, and it is well to associate this with or follow it by a course of arsenic. Even long courses of treatment will not necessarily cure people who are subject to reinfection during treatment; and it is even possible that they are not so effective during the first 6 months or the first year of infection as they are later.

HAEMOGLOBINURIA

A disease associated with malaria, marked in severe cases by fever, bilious vomiting, tympanites, jaundice, and the passing of dark-colored urine containing hemoglobin; the disease is believed to be of malarial origin, and often appears to be excited by administration of quinine, though this is questionable. After exertion or exposure to cold it is usually paroxysmal in form.

FROM STEDMAN'S MEDICAL DICTIONARY, ELEVENTH REVISED EDITION

Spirochaeta: A genus of family Spirochaetacea, the species of which (in the classification of the Committee of the Society of American Bacteriologists) are slender, nonflagellated, wavy forms, found in fresh or sea water, clean or foul, and on S. daxensis, in the hot spring at Dax. The term is often loosely used to denote any of the group of spiral organisms of the genera Borrelia, Cristispira, Leptospira, Spirocheta, and Treponema, and also some probably "protozoan" forms. S. argentensis, the Strasbourg spirochete, at one time thought to be the pathogenetic organism of disseminated sclerosis. S. balantidis, a species found in balanitis circinati. S. Bronchialis, a species found in the sputum in nontuberculosis bronchitis, or bronchopulmonary spirochetosis, attended by hemoptysis. S. buccalis, a form found in the mouth. S. carteri, Borrelia carteri. S. dentum, a supposedly nonpathogenic found in food collections between the teeth. S. duttoni, Borrelia duttoni. S. forans, a species thought to be the pathogenetic agent in spirochetosis arthritica, or Reiter's disease. Leptospira icterohaemorhagia. S. interrogans, an organism found by Stimson in 1908 in the kidney in a case of yellow fever, and so named by him provisionally; it is possibly the same as Leptospira icteroides of Noguchi. B. kochli, resembling B. duttoni, but differing from it serologically. It is the probable cause of African relapsing fever. B. novye is morphologically similar to Breccurrentis, but differs serologically. It is the cause of North American relapsing fever. B. phagadenae, a species found in the discharge from a phagadenic ulcer. B. recurrentis S. obermierri, the cause of European relapsing fever, transmitted by the bedbug Cimex lectularius. Treponema, one turn, a genus of the family Spirochaetacea, the species of which are rigid or waving forms; some of them are pathogenetic.

T. calliggyrum, a non-pathogenetic organism. T. macrodentum and T. nicrodentum, two mouth organisms, non-pathogenetic, but causing a fetid odor of the breath. T. mircosm, a spiral organism of variable length with six to eight curves, isolated from the tooth roots in pyorrhea aveloris. T. pallidum, the pathogenetic agent of syphilis. T. schaudini, Spirochaeta schaudini, a species found in the pus of tropical ulcers.

Borrelia, a genus of the bacteria of the family Spirochaetacea, the species of which include small corkscrew-like organisms with tapering filamentuous ends. These organisms were formerly and still are by many authorities included in the genus Treponema. B. beri-beri, the cause of relapsing fever occurring in the Arab country, probably transmitted by lice. B. carteri, the cause of relapsing fever in India, and probably other southern countries. It is transmitted by a bedbug. Climax rotundatus. B. duttoni, the cause of African relapsing fever, transmitted by a tick. Ornithodorus Moulata. S. lymphathica, a species asserted to be pathogenetic leucemia. S. mycrogyrata, a form marked by short, sharp turns, found in ulcerating cancer and in feces, regarded by Robertson and Wade as pathogenetic of cancer. S. morsus muris, Spirrilium minus. S. nodosa, an assumed pathogenetic organism of Weil's disease. S. novyi, Borrelia novyi. S. obermeieri, Borrelia recurrentis. S. pallida. Treponema pallidum. S. pallidudula and S. pertenuis (L. very slender). Treponema pertenue. S. plicatis, a very large species, first discovered by Ehrenberg in 1838, is nonparasitic as far as is known. S. recurrentis. S. obermierri. S. refringens, Treponema refringens. S. vincenti, Borrelia vincenti.

Spirochetosis. Any disease caused by a spirochete, such as syphilis, broncho-pulmonary. S. hemorrhagic bronchitis, a bronchitis marked by severe cough and frequent hemorrhages, caused by the presence in large numbers of Spirochaeti bronchialis. Gastritis, grass sickness. S. arthritica, Reiter's disease, a triad of urethritis, conjunctivitis, and arthritis, occurring in the sequence given, not due to the gonococcus but caused by spirochete S. forans.

FROM WEBSTER'S INTERNATIONAL DICTIONARY

Spirochaeta, bacterial. A genus of spirochetes, the type of the Spirochaetacea, having a flexible indulating body with the protoplasm wound spirally around an elastic axis filament. It comprises nonparasitic forms, as S. plicatilis, a free living species of fresh and salt water. Formerly more broadly delimited, the genus included the species now separated (as the pathogens of syphilis, yaws, relapsing fever, and Weil's disease) into the genera Treponema, Borrelia, and Leptospira. Any organism of this genus; loosely any spirochete.

Borrelia, bacterial. A genus of small flexible spirochetes, parasitic upon man and warm-blooded animals, and having three to five large wavy spirals and a terminal filament. B. galinarium causes septicemia in chickens. B. recurrentis, European relapsing fever; and B. duttoni, the relapsing fever of Africa. B. vincenti is associated with Fusiformis dentium in Vincent's angina. Any organism of this genus.

Weil's disease. An acute infectious febrile disease with more or less severe jaundice, caused by spirochete. (Septospira icterohaemorrhagic). Protoplasm exists in many different modifications; ordinarily a thick, viscous fluid, etc., rheticular and alveolar theories.

Railroad Legislation

EXTENSION OF REMARKS

OF

HON. HARRY S. TRUMAN

OF MISSOURI

IN THE SENATE OF THE UNITED STATES

Saturday, August 5 (legislative day of Wednesday, August 2), 1939

ADDRESS BY HON. BURTON K. WHEELER, OF MONTANA

Mr. TRUMAN. Mr. President, I ask unanimous consent to have printed in the RECORD a very interesting and instructive address recently delivered by the Senator from Montana [Mr. WHEELER] on the subject of railroad legislation. The address discusses a number of problems of great concern to this important industry.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

Ladies and gentlemen, much of the time of Congress has been devoted to consideration of legislation which deals with the railroads. Some of this legislation has been enacted into law, but some of the most important bills are still pending in committees or in conference.

It is, therefore, proper that, as chairman of the committee to which this railroad legislation has been referred, I call your attention to the character and importance of the railroad measures on which we must take action when next we reconvene.

The importance of legislative relief for the railroads is little understood. Not all of us realize what solving the railroad problem would mean in solving the problem of national recovery. Let me explain:

In the fiscal year 1938 the Federal Government spent approximately two billions for relief. During the same year the loss to the country in lowered railroad pay rolls, railroad purchases, railroad taxes, and distribution to railroad investors amounted to the prodigious sum of more than $3,000,000,000.

Payments for relief are grouped under these three general headings:

F. E. R. A.	$176,252,000
W. P. A.	1,414,709,000
Agricultural Adjustment	314,914,000
A total of	1,905,875,000

Now let us see which of our citizens lost the three billions because of the plight of the railroads and how this loss affected our national welfare. The comparisons I am about to give you are based upon the year 1926, which is considered the normal or average year by railroad authorities.

In that year 1,779,000 employees were employed by the railroads. They received in wages $2,946,000,000. In 1938, 840,000 employees had been dismissed, and the 939,000 who were employed received a total wage of $1,746,000,000. Here is a loss of $1,200,000,000 in annual wage payments to rail employees.

Railroad men are highly trained—engineers, firemen, conductors, trainmen, shopmen, dispatchers, agents and operators, auditors, clerks, maintenance men—all these are highly skilled, specially trained men. It is needless to point out the hardship and suffering which resulted from this stupendous unemployment among these men who have chosen railroading as a career, with its far-reaching economic effects and social consequences.

Railroad purchases declined $1,541,000,000 in the year 1938 as compared with 1926. Thus the depressed earnings of the railroads produced widespread unemployment in the factories, mines, and lumber camps of the Nation, and its effects were felt upon our farms and far-flung ranges.

Because earnings were lower, and because 10,000 miles of railroad had been abandoned and torn up since 1926, the railroads are making smaller tax contributions to government than they did then.

To State and local subdivisions of government the railroads paid $61,000,000 less taxes in 1938 than they did in 1926. To the Federal Government they paid $86,000,000 less.

But even at that, they are paying in taxes one-half of their entire net earnings. To put it another way, for every dollar which goes to railroad workers in wages, 20 cents goes to the tax collector—local, State, and National. The $147,000,000 reduction in railroad taxes left a gap of $147,000,000 in the tax income which goes to operate our governments and support our public institutions—a gap which had to be filled by home owners and other business interests in this country.

Lower railroad earnings reduced interest and dividend payments to railroad investors by more than $420,000,000 a year.

In fact, many railroads were unable to pay any interest on their bonds. Their operating expenses and taxes exceeded their revenues. Of the interest which fell due in 1938, more than $100,000,000 remained unpaid. Since 1931 the amount of interest due and unpaid has reached the alarming total of more than $600,000,000.

The railroads of our country are owned directly by 2,000,000 individuals, and indirectly by 64,000,000 holders of life-insurance policies, 44,000,000 depositors in mutual and other savings banks, and by colleges, hospitals, foundations, and industrial and financial corporations whose stock in turn is held by many other thousands of our citizens. Life-insurance companies, mutual savings banks, colleges, and similar public institutions own 56 percent of all outstanding railroad bonds.

Thus, you see the far-reaching effects of the present railroad situation and the deep public interest in legislation which will assist in their recovery.

THE LENDING-SPENDING BILL

There was submitted to this Congress a plan of recovery which contemplated the lending of Federal funds, over a period of years, in the sum of $2,860,000,000. This was the lending-spending bill. We were told that through these loans, business and employment would be stimulated, idle factories, mines, and camps would resume their normal operations, and the necessity for huge Government appropriations for relief would end.

Yet in the single year of 1938, the plight of the railroads reduced the flow of money by more than would have been added through the entire lending-spending program if it had been enacted into law.

Why should we lend to spend, if the spending can be achieved without lending? Why should we prime our economic pump and ignore a leak, through which double the amount of pump priming water escapes? Surely the condition of the National Treasury—the size of the Federal debt—the taxes which our Government imposes upon our citizens, should give us grave concern.

The time has come when every Senator, every Representative, every Federal commission and agency, every Government official, clerk, or other employee should so encourage honest private enterprise that Government spending, pump priming, Federal loans, and other expedients or panaceas may be unnecessary. I said honest business—the great majority of businessmen are honest. The chiseler—the dishonest businessman hurts the honest business—he destroys confidence in government, in business, and in democracy.

If through the encouragement of honest, sound, clean business, we can rehabilitate the normal economic processes of the Nation, there will be no depression. Unemployment will vanish—the standard of living will rise, our citizens will prosper and the huge debts which we have incurred can be liquidated.

The workers of the country want jobs, not charity, farmers want markets, not subsidies. Business wants opportunity, not loans. That is the American way—that is the way America became great. No field offers such opportunities to contribute national recovery as does sound restoration of railroad earnings.

There are many phases of the railroad problem, and many solutions have been suggested. However, there is one outstanding element, which overshadows all other considerations. That element is equality in conditions under which our various modes of transportation compete. This was well put by Dr. Balthasar Meyer, who has devoted a lifetime to study and regulation of the railroads. Beginning in 1905 as a member of the Wisconsin Railroad Commission, Dr. Meyer concluded 28 years of service on the Interstate Commerce Commission only a few months ago. In retiring from this important body, Mr. Meyer said:

"All the railroads in the country might be reorganized, consolidations might be accelerated, coordinations might be hastened, pooling might be greatly extended, bankers who are thought to exercise undesirable influence might withdraw, holding companies might be eliminated from the railroad field, financial irregularities might be suppressed, railroad executives might forego their salaries, the fourth section might be repealed, every train might be streamlined, and a host of other things done, yet all of these things put together alone will not put the railroads in a position to maintain their properties and earn a profit. They are distinctly secondary considerations, many are even minor or negligible, compared with the decisive factor of equality in competition. Equality is the keystone which holds the arch. I believe equality would enable the railroads to secure a larger proportion of the transportable freight than they are now getting. Complete economic recovery for the country as a whole would not profit the railroads unless they could get their fair share of the increased tonnage which recovery is expected to produce."

It will be well for us to search for the reason for inequalities which exist. The basic reason is the lack of a transportation policy.

This lack of a considered national transportation policy has been emphasized over and over again by Government officials and others during the past few years. The President of the United States, in a special message to Congress in 1935 dealing with the transportation problem, said:

"It is high time to deal with the Nation's transportation as a single, unified problem."

Our agencies of transport have developed independently, and without the benefit of any coordinated plan on the part of Federal or local governments, with the result that there is not today a definitely formulated national policy designed to regulate and deal with them as an integrated whole.

SENATE BILL 2009

There was presented to the Senate an omnibus railroad measure which is the result of 4½ years of intensive study by those Senators with whom I have been associated in this enterprise. I refer to Senate bill 2009. There are many phases and provisions of this measure, but its basic purpose is to secure equality in regulation, which will assure to each agency of transport its place in the transportation sun. To that end, S. 2009 carries a declaration of national transportation policy, designed to provide fair and impartial regulation of all modes of transportation, so administered as to recognize and preserve the inherent advantages of each. The goal is to develop, coordinate, and integrate such a national transportation system as will be adequate to meet the needs of the commerce of the United States, of the Postal Service, and of the national defense.

This measure has passed the Senate, and in different form by the House. A conference committee has been appointed, which during the recess will attempt to harmonize the two drafts, and on January 2 present to this Congress a workable measure which will be beneficial alike to the railroads, the holders of their securities, the employees, the shipping and traveling public, and will, we are sure, have an important effect upon national recovery.

REORGANIZATIONS

Any consideration of the railroad situation cannot eliminate the matter of railroad reorganizations. One-third of railroad mileage is being operated by the courts, and a substantial portion of the remaining mileage is threatened with bankruptcy. In 1933 we adopted section 77 of the Bankruptcy Act, on the assurance of its sponsors that it provided a quick and inexpensive method for reorganizing railroads. Since that date, many of the most important lines in the country have attempted to reorganize their financial affairs under its provision, but Mr. President, not a single important railroad has yet emerged from the court procedure which we were induced to provide at that time. Important amendments to this act were made in 1935 and 1936, on the assurance of the sponsors that they would expedite these proceedings, but these amendments likewise have failed to achieve that result. One of the most alarming features of the present procedure is the stupendous cost to the holders of railroad securities. These individuals and institutions have suffered so severely from low railroad earnings that they must not be subjected to further prodigious loss occasioned by the expensive, elaborate, time-consuming procedure which has been provided.

SENATE BILL 1869

For this reason, we have taken the matter in our own hands, and have passed Senate bill 1869, aimed to correct, at least in part, some of the defects in the present law. That bill is still pending before the House, and its outcome is somewhat uncertain.

THE CHANDLER BILL

Because of the pressing necessity of immediate relief the Senate and House enacted the so-called Chandler bill (H. R. 5407), which provides a short method for reorganization of those carriers which are not now in bankruptcy or receivership. It is, in a sense, a laboratory experiment, as it expires on July 31, 1940. It was with some reluctance that my associates and I recommended the passage of this bill to the Senate, but we could not refuse to join in any sincere effort to improve the present unsatisfactory method of reorganization. We insisted on certain safeguards or standards, however, whereby a road which is reorganized under the provisions of this statute will have a sound capital structure, and be able to discharge its public duties in an effective manner. The House conferees concurred in these safeguards, which are:

That such plan of adjustment, after due consideration of the probable prospective earnings of the property in the light of its earnings experience and of such changes as may reasonably be expected—

(i) is in the public interest and in the best interests of each class of creditors and stockholders;

(ii) is feasible, financially advisable, and not likely to be followed by the insolvency of said corporation, or need of financial reorganization or adjustment;

(iii) does not provide for fixed charges in an amount in excess of what will be adequately covered by the probable earnings available for the payment thereof;

(iv) leaves adequate means for such future financing as may be requisite;

(v) is consistent with adequate maintenance of the property; and

(vi) is consistent with the proper performance by such railroad corporation of service to the public as a common carrier, will not impair its ability to perform such service.

The inherent weakness of the Chandler bill is the fact that it does not shrink the debt structure of the railroad. The capitalization of the railroad remains unchanged, and probably in most cases, there will be little or no alteration in the size of its debts.

R. F. C. LOANS FOR BOND PURCHASES

There is, however, a proposal which has been recommended by the Honorable Jesse H. Jones, chairman of the Reconstruction Finance Corporation, whereby that agency will be empowered to make loans to a railroad with which to purchase its own obliga-

tions in the open market at a discount. The obligations of many railroads which are earning a substantial portion of their fixed charges are now selling on the market as low as 25 cents on the dollar. If these obligations could be purchased at anything like present market quotations, the affected railroads would so reduce their debts that fixed charges would be earned, under even present depressed conditions.

If Congress favorably considers this proposal, it must completely safeguard the loans against any possible loss to the Federal Government, and provide further that no improper speculative practices shall be permitted in the purchase of bonds from the proceeds of an R. F. C. loan. Congress must see to it that small railroad investors who are not familiar with market operations, and whose savings have already been depleted by the present condition of the railroads, are permitted to enjoy in full the benefits which will accrue from the enactment of such legislation.

IMPORTANCE OF TRANSPORTATION

The transportation industry as a whole furnishes the lifeblood to the flow of commerce in the United States. This it does because of the economic importance of transportation as one of the steps in production and distribution, and because the several agencies of transport combined—railroads, motor carriers, water carriers, and other agencies—employ several million men, furnish employment to other millions through their purchase of supplies, pay taxes, and place billions of dollars into circulation each year.

Railroads are the largest agency of transport, stand at the heart of the transportation industry, and are generally recognized as supplying the backbone of the industry and its service. Their outstanding position as carriers of freight from and to all parts of the United States, on a Nation-wide basis and at all times of the year, makes their present low financial situation a matter of concern to every citizen.

Acceptance Address by Vice President Garner at Philadelphia, June 27, 1936

EXTENSION OF REMARKS

OF

HON. JOSEPH F. GUFFEY

OF PENNSYLVANIA

IN THE SENATE OF THE UNITED STATES

Saturday, August 5 (legislative day of Wednesday, August 2), 1939

ADDRESS BY HON. JOHN N. GARNER

Mr. GUFFEY. Mr. President, I ask unanimous consent to have printed in the Appendix of the RECORD the speech of acceptance of our able and distinguished Presiding Officer, delivered at Franklin Field, Philadelphia, on June 27, 1936.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

Mr. Chairman, friends, my words shall be as few as they shall be fervent and sincere. I am a soldier, and my duty is to follow where the commander leads. I accept the rules of war as laid down in the platform.

I am not insensible of the high honor which has been conferred upon me. This confidence which my fellow countrymen have reposed in me I accept as a solemn trust. And I am not unmindful of the responsibility which goes with that trust.

I gladly accept the nomination for the Vice Presidency now tendered to me for the second time. The sense of personal satisfaction in this honor is enhanced and heightened by the thought that I am again to be on the ticket with Franklin Delano Roosevelt.

I shall stand with him in the months ahead as I stood with him before the voters of this country in 1932—as I have stood, in sharing with him since March 4, 1933, the obligations and duties and responsibilities which the Constitution imposes.

Franklin Delano Roosevelt is my leader, my commander in chief. In this presence, before this multitude, and with the stars of heaven to bear witness to my covenant, I renew the pledge of fealty I gave 4 years ago.

In Franklin Delano Roosevelt the hopes of a Nation have been reborn. Despair has given place to confidence. Despondency and gloom have made way for happiness. Laughter again is heard in the land.

We are now, as it were, midway in our course. Great as are the things which have been accomplished to bring order out of chaos in which we found the country in March 1933 much remains to be done.

There must be no return to old conceptions denominated as the old deal. And what do we mean by the old deal? We mean a political system which fosters an economic order giving special privilege to a few favored ones through the sacrifices of the many. By the New Deal we mean simply an adaptation of the laws of the country so that the greatest good will come to the greatest number—the protection of the rights of that vast majority of our populace, men, women, and children—to whom the old deal meant want, hardship, despair, and degradation.

Our people have not forgotten the wretchedness to which these sins of omission and commission of 12 years of old deal had plunged the country when the New Deal was ushered in on a March day in 1933. But the dawn of a new day was at hand. The time for a change had come. The country welcomed a new leader. And I cheerfully bear witness here and now to the loyal support of New Deal measures and principles accorded in Congress by certain of our friends of the opposition. With voice and vote many brethren of Republican persuasion have shown how they could, in time of national peril, rise above partisanship and heed the call for help of a stricken country.

We still ask for the support of all those who believe as we do that the function of government is to protect the many from the selfishness of the few, to guarantee to all the means of livelihood and participation in the things that make life good and noble and worth the living.

That is our platform. Upon that platform I stand and I am proud to stand with our leader—a leader who has never faltered in his course and never once lost faith that in the sovereign will of the American people rests true wisdom in government and the way to security, peace, and happiness.

In that faith I put my trust. In that faith I pledge anew my allegiance to Franklin Delano Roosevelt.

Modernization of Railroad Equipment

EXTENSION OF REMARKS

OF

HON. ROBERT M. LA FOLLETTE, JR.

OF WISCONSIN

IN THE SENATE OF THE UNITED STATES

Saturday, August 5 (legislative day of Wednesday, August 2), 1939

ARTICLE BY GEORGE H. PEDERSEN

Mr. LA FOLLETTE. Mr. President, I ask unanimous consent to have printed in the Appendix of the RECORD certain pertinent excerpts from an article by Mr. George H. Pedersen on the subject of the modernization of railroad equipment, which it seems to me should be of great interest to the Senate.

For more than 16 years Mr. Pedersen has been general chairman of the machinists' organization on one of the great railroads of the Northwest, and for the past 3 years he has served as chairman of the General Chairmen's Association, which is made up of representatives from all the standard railroad labor organizations of that railroad.

The article, although written last year, points out in a very convincing fashion the potentialities of a program to modernize railway equipment both as to better and cheaper transportation and as a stimulus to American industry.

There being no objection, the excerpts were ordered to be printed in the RECORD, as follows:

A LONG-TERM PROGRAM THAT WILL RESTORE THE RAILROADS OF THE UNITED STATES TO A SELF-SUPPORTING AND SOUND FINANCIAL BASIS

For several years we have heard the argument advanced that unfair competition is responsible for the financial difficulties of the railroads of today, which leads one to believe that there is no opportunity for further development and greater service by the railroads in the interest of the public welfare. After many years of personal contact with the building and maintaining of locomotives and cars, both passenger and freight, I am fully convinced that there is a bright future in store for the railroads of the United States, if they will follow the example of the automobile industry by modernizing all their equipment and facilities.

We have in the United States millions of workers who are compelled to work for $10, $12, and $15 per week. No one will deny that these workers and their families have the desire and would appreciate an opportunity to travel just as much as those who are more fortunate and who can now afford to travel. This large group cannot afford to own automobiles or travel by bus or train at the present cost of transportation. However, if modern high-class transportation is made available to this group at a very low cost, they will constitute an entirely new and enormous source of business and revenue for the railroads.

Now that we build cars and locomotives at a cost that will make it possible for the railroads to furnish passenger service

for 1½ cents per mile and possibly less, this will afford millions of additional people an opportunity to travel which in turn will stimulate business generally.

If the manufacture of this equipment can be put on an annual and national basis, there is no good reason why both locomotives and cars cannot be produced at a price that will make it possible to render this high-class service to the public for 1 cent per mile and still leave a profit for the railroads. By using certain lighter metals and materials the weight of the new cars on one railroad was reduced to 93,600 pounds per car, as compared to 140,000 pounds, which is the average weight of the old cars. It must not be overlocked that in reducing the weight of these cars in place of sacrificing any of their strength and carrying capacity, their strength as well as their carrying capacity was increased. It is also important that everyone should know that the reduction of weight of these cars has made it possible to reduce the cost of manufacturing them to such an extent that we can now build three of these new cars for what it would cost the railroad to build two of the old ones. A similar saving has been and can be realized in the building of all types of freight-car equipment.

This railroad built more than 1,000 gondola freight cars last year and by using lighter metals and materials the weight of these cars was reduced 7,400 pounds per car without sacrificing any of their strength or carrying capacity.

During the years 1934 to 1938 inclusive, this railroad has built passenger and freight-car equipment in their own shops at Milwaukee, which, if purchased, would have cost them $18,000,000. They are now building new passenger cars of the most modern streamlined type. The trucks under these cars will be equipped with hydraulic shock absorbers, the construction of which is similar to the shock absorbers used in the highest-priced automobiles. The center casting of the truck which supports the entire weight of the body of the car is lined with rubber 1½ inches thick. All parts of the truck, where there is any possibility of friction from the wheels transmitting the noise to the interior of the car, are also lined with rubber.

The cost of fuel, labor, and material in furnishing locomotive power for this equipment has been reduced to such an extent, because of the reduction in the weight of the cars, that they can now haul a 12-car passenger train, where formerly the same locomotive could only haul an 8-car train.

The railroads buy over 100,000 different commodities, therefore, any increase in railroad travel will help all lines of business, including the durable heavy-goods industries, which are sorely in need of revival. The railroads are a widely distributed industry reaching practically every county in the United States, and therefore every community will benefit when we improve our transportation system.

If an additional $2,000,000,000 a year were spent for the next 5 years on railroad equipment, roadbeds, etc., a vast amount of ore, coal, timber, and all other raw materials would be required and in order to get these materials from the mines and the forests to the saw mills, steel mills, smelters, etc., it will require a tremendous amount of transportation. Thousands of workers will be needed to make patterns and dies and to build new machinery for this new equipment, as the car-building manufacturing plants have practically been shut down since 1929 and most all of their patterns, dies, and machinery are obsolete and must be replaced before they can go into production of up-to-date equipment.

Another very important factor is the training of skilled workers required to perform this highly skilled work. It is nothing short of a national calamity to continue allowing the finest mechanics, and other types of highly skilled and trained workers as well as professional men, in the prime of their lives, to remain idle and be forced to accept the basis of actual need, through relief, when they are so badly needed in taking care of replacement requirements in all industries.

It is obvious that relief in itself will never restore prosperity and it is a certainty that it will never be the means of developing our natural resources which can and should be developed so that all of our people can enjoy a high standard of living.

The cure for unemployment is more employment, and the cure for poor business is more business. As long as we have millions of our people whose very needs are not satisfied, then there is no logic in the argument we hear that there is a shortage of work to be done. Many people overlook the fact that the real wealth of their community and our Nation is the wealth-creating ability of our common, skilled, and professional labor. To allow this great source of wealth to remain dormant is a national waste. The right of every individual to apply his labor to the natural resources for the purpose of supporting himself and family is a sacred right which no one should be deprived of.

In order to put a program of this kind into effect, it is obvious that it will require a considerable sum of new capital. This should please the insurance companies, trust companies, and the bankers who, like everyone else, are suffering because there is a shortage of expansion in business which causes their money to remain idle.

If sufficient money is not available through the banks and insurance companies, then our Federal Government should provide this capital through the Reconstruction Finance Corporation at not more than 3 percent interest. It is important that this money be loaned to the railroads at the lowest rate of interest possible so that the public can have these modern, high-class transportation facilities at a price which will make it available to all.

As a protection to our Government for the money advanced to the railroads, the Government should accept first-mortgage equipment bonds on the new equipment; the principal and interest to be refunded to the Government in installments. The first installment on the new equipment can be obtained from the scrap value of the old equipment. The remaining installments can probably be paid out of equipment depreciation fund which all railroads must accumulate in accordance with Interstate Commerce Commission regulations.

Most railroads have been unable to finance the replacement of worn-out equipment, especially since 1929, and therefore are from 20 to 25 percent short of their requirements of freight cars and other equipment to take care of their peak-load business during a normal year. (In 1929 the Milwaukee Road had 74,000 freight cars; now they only have 58,000 freight cars.) This great shortage of equipment, together with the normal annual replacement requirements, should provide annual and steady employment for approximately 500,000 additional railroad employees.

It must not be overlooked that there will be three employees given employment in the durable and heavy goods industries for each additional employee given employment by the railroads, or approximately 1,500,000 persons.

The railroads, in addition to being a great public servant and also the arteries of the Nation's business, are a very important factor in our national defense. Just imagine the colossal mistake it would be to allow our railroads to deteriorate to such an extent that we could not transport our implements of war, food, clothing, and supplies, to back up our soldiers if we are attacked on the Pacific coast with a large part of our national land defense stationed on the Atlantic coast, 3,000 miles away. We must look to our railroads for quick transportation of the heavy equipment and supplies which are indispensable to our national defense. When all patriotic citizens realize the importance of our railroads in the protection and security of their homes and loved ones, they will approve the expenditure of money necessary to put this program over.

While, of course, improving our national defenses, the expenditure of this money will also be an important factor in relieving unemployment. It has been proven that it requires three workers in industry to supply the coal, oil, steel, lumber, and all other commodities necessary to keep one railroad employee advantageously employed.

In discussing this program with some of the best informed railroad officials, they agree that the replacement requirements and the expansion in business which will result from this program will provide many years of uninterrupted prosperity.

Because of the speeding up of both passenger and freight train service, it must be clear to everyone that, in addition to the many economies and desirable features of this modern equipment, as illustrated above, we can add almost 100 percent more efficiency and saving in the cost of operation because each unit of this new equipment will render 100 percent more service than the old, obsolete equipment. This is due to the fact that the new equipment is speeded up to such an extent that it will make two complete round trips while the old equipment is only making one round trip. The saving business and the public in general will realize from the time saved in transportation of passengers and freight must not be overlooked, as it represents a tremendous amount of money in interest on capital invested in commodities which are transported daily by the railroads of this country.

For the past 32 years the writer of this article has served in the capacity of mechanic, also supervisor, and for the past 16½ years has served as general chairman of the machinists' organization, and during the past 3 years has also served as chairman of the General Chairmen's Association, comprising all the standard railroad labor organizations on the Milwaukee road.

GEO. H. PEDERSEN.

MILWAUKEE, WIS., *September 1, 1938.*

Important Shifts in Constitutional Doctrines

EXTENSION OF REMARKS
OF
HON. WARREN R. AUSTIN
OF VERMONT
IN THE SENATE OF THE UNITED STATES

Saturday, August 5 (legislative day of Wednesday, August 2), 1939

ADDRESS BY HON. FRANK J. HOGAN

Mr. AUSTIN. Mr. President, I request unanimous consent to have printed in the Appendix of the RECORD an address delivered by Hon. Frank J. Hogan as retiring president of the American Bar Association, at its sixty-second annual meeting in San Francisco on July 10, 1939, entitled "Important Shifts in Constitutional Doctrines."

There being no objection, the address was ordered to be printed in the RECORD, as follows:

The October 1938 term of the Supreme Court of the United States ended 1 month and 5 days ago. That term will undoubtedly rank as one of the most momentous in the history of the Court. During it, to borrow the language of Mr. Justice Frankfurter in one of his concurring opinions, important shifts in constitutional doctrines were "announced after a reconstruction in the membership of the Court."[1] It is my purpose to here discuss some of those shifts.

My subject is controversial. But it is not to be avoided for that reason. The views I am about to express are my own, and should not be attributed to the association. Believing fervently in liberty of thought and freedom of speech, demanding these as of right, and conceding—yes, insisting—that every person in our land is equally entitled to that right, I submit my views on what I consider a timely subject. But I do so in fullest recognition that many honestly differ from my opinion and I candidly admit that I may be mistaken and they may be right.

If it be, as an able commentator lately said, that "Recent decisions create an apprehension that the Supreme Court may be surrendering its functions of checking the arbitrary power of the executive and the legislative branches of the Government," then it is of vital importance to America's people to know what that surrender means. Americans venerate their judiciary. And that is as it should be. For from the beginning of our government of laws and not of men, the courts—State and Federal—have been the bulwark of liberty and our judges have been, and are, able, impartial, fearless, and honest men. The very rarity of judicial wrongdoing should emphasize the truth of that statement and repel the thought that a few, a very few, unworthies in a period measured by centuries, justify attacks on judges.

I deal today solely with principles. If it be true, as I believe it to be, that some recent far-reaching decisions compel the conclusion that the American people must look to the legislature rather than the judiciary for the preservation of those liberties which can be preserved only by the observance of limitations upon the exercise of power, then certainly the people should have knowledge of that fact. If, as I believe, in place of judicially enforceable constitutional limitations, we now have only self-imposed restraint upon plenary legislative power, that fact should be brought home to those who alone can protect themselves from the ruthless exercise of such power.

These are the considerations which led to the adoption of my subject and dictate my treatment of it.

During the last two terms of the Supreme Court of the United States there were several "important shifts in constitutional doctrines."

Again and again the Court turned aside from what had long been looked on as established principles of constitutional law which, to use the Court's own reiterated phrase, had been "settled by repeated decisions of this Court." And there was no subtlety about it. Narrow distinctions were not sought; former decisions were not merely silently ignored; cases which had "settled constitutional doctrines" were given direct treatment. Established principles which we had come to regard as part of the warp and woof of the Nation's fundamental law were liquidated so effectively that, as the Court said, they "cannot survive."[2]

As one member of the Court put it, there took place "a reversal of a long current of decisions."[3] Two others pointed out that "a century of precedents" were overruled.[4] Upon the graves of old constitutional doctrines new ones were erected—monumentlike in present appearance, but, if history repeats itself, of doubtful durability. And history may repeat itself, for Mr. Justice Frankfurter tells us that in the Supreme Court "dissents have gradually become majority opinions."[5] Granting that, and recognizing that many of the historic dissents of Holmes and Brandeis have now been transferred from the minority to the majority side of the Court, the day must come when the future chroniclers of our judicial history, in according unstinted praise to the rugged sturdiness of McReynolds and Butler, shown in their courageous efforts to preserve landmark after landmark of the law, will likewise record that their ringing dissents in this day became rules of decision in a later generation.

It is no exaggeration to say that, in several instances, what were frankly termed "important shifts in constitutional doctrines" were in fact the most devastating destruction of constitutional limitations upon Federal power, and the most unprecedented expansion of that power over the everyday affairs of individual citizens witnessed in the century and a half of the existence of the United States.

I

Alexander Hamilton, observing "that the judiciary is beyond comparison the weakest of the three departments of power," added that "The complete independence of the courts of justice is peculiarly essential in a limited constitution," by which, he explained, he meant "one which contains certain specified exceptions to the legislative authority."

For seven more than three score and ten years, it was considered "settled" that the express constitutional prohibition against diminishing the compensation of United States judges could no more be violated indirectly than it could be violated directly. Article III, section 1, of the Constitution declares:

"The judges, both of the Supreme and inferior courts, shall hold their offices during good behavior, and shall, at stated times, receive for their services a compensation, which shall not be diminished during their continuance in office."

From Civil War days to 1939 it had been held that this provision precluded taxation of the salaries of judges. In his authoritative work on the Constitution of the United States, published in 1889, Mr. Justice Miller, speaking of the taxing power of the Federal Government, pointed out that the Constitution placed several limitations upon that power, some of them being implied. And referring to article III, section 1, the distinguished author said: "It is very clear that when Congress * * * levied an income tax, and placed it as well upon the salaries of * * * the judges of the courts as those of other people, that it was a diminution of them to just that extent."

Hamilton, in pleading for the adoption of the Constitution in the Federalist, justified the provision I have quoted, by saying:

"Next to permanency in office, nothing can contribute more to the independence of the judges than a fixed provision for their support. * * * In the general course of human nature a power over a man's subsistence amounts to a power over his will; and we can never hope to see realized in practice the complete separation of the judicial from the legislative power, in any system which leaves the former dependent for pecuniary resources on the occasional grants of the latter."[6]

The first attempt to tax the compensation of Federal judges was made in 1862. A statute imposing a tax of 3 percent on the salaries of civil officers of the Government was construed by the revenue officers to apply to the compensation of judges. Chief Justice Taney, in a letter of protest to the Secretary of the Treasury, expressed the opinion that the tax would diminish the compensation of every judge 3 percent, and that "if it can be diminished to that extent by the name of a tax, it may in the same way be reduced from time to time at the pleasure of the legislature."

Expressing the view that because all of the judges of the courts of the United States have an interest in the question, it could not be decided in a judicial proceeding without raising questions of propriety, the Chief Justice, referring to section 2 of article III, said that "language could not be more plain than that used in the Constitution," adding that moreover it is "one of its most important and essential provisions."[7]

Attorney General Ebenezer Rockwood Hoar, to whom the question was referred by the Secretary of the Treasury, agreed with the Chief Justice. In his opinion the Attorney General said that a tax upon the salary of an officer is "a diminution of the compensation" paid him.[8]

Acting upon the advice of the Attorney General, the Secretary of the Treasury, in administering the statute, thereafter exempted the salaries of Federal judges.

In the celebrated case of *Pollock* v. *Farmers Loan & Trust Co.*, Mr. Justice Field, construing one of the sections of the Income Tax Act of 1894 as including the compensation of the judges, assigned that ground, among others, for joining in the decision that the act was unconstitutional.[9] Upon the reargument of that case, Attorney General Richard Olney, disclaiming that construction, said in his brief, "There has never been a doubt since the opinion of Attorney General Hoar that the salaries of the President and judges were exempt" from taxation by Congress.

The legislature acquiesced in this construction of the Constitution in exempting the salaries of judges in the enactment of the first two Income Tax Acts following the adoption of the sixteenth amendment. But when there arose great need for revenue after this country engaged in the World War, the Revenue Act of 1918 defined gross income to include "in the case of the President * * * (and) the judges of the Supreme and inferior courts * * * the compensation received as such."[10] The reports of the congressional committees having the measure in charge indicate that the Congress was in doubt as to the constitutional validity of that provision and intended to have the question decided by the courts.[11] The question was raised and in two cases, decided in 1920 and 1925, the Supreme Court held that the taxation of the official salaries of Federal judges was unconstitutional.[12] These decisions were struck down less than 2 months ago.[13]

The student of our constitutional history will read that our highest court held that—

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[1] *Graves* v. *O'Keefe* (83 Adv. Op. 577 (March 27, 1939)).

[2] *O'Malley* v. *Woodrough* (83 Adv. Op. 850 (May 22, 1939)).

[3] Frankfurter, J., concurring opinion, *Graves* v. *O'Keefe*, supra.

[4] Butler, J., dissenting opinion, *Helvering* v. *Gerhardt* (304 U. S. 405, 430); Roberts, J., dissenting opinion, *James* v. *Dravo* (302 U. S. 134, 161).

[5] *Graves* v. *O'Keefe*, supra.

[6] The Federalist, No. 78.

[7] See 157 U. S., p. 701, for full text of Chief Justice Taney's letter.

[8] 13 Op. Atty. Gen. 161, 162.

[9] *Pollock* v. *Farmers' Loan & Trust Co.* (157 U. S. 429, 604–606).

[10] Section 213 (a) (40 Stat. 1062).

[11] House Report No. 767 (65th Cong., 2d sess., p. 29); Senate Report No. 617 (65th Cong., 3d sess., p. 6); Fifty-sixth CONGRESSIONAL RECORD (p. 10370).

[12] *Evans* v. *Gore* (253 U. S. 245 (1920)); *Miles* v. *Graham* (268 U. S. 501 (1925)).

[13] *O'Malley* v. *Woodrough* (83 Adv. Op. 850 (May 22, 1939)).

"The power of Congress definitely to fix the compensation to be received at stated intervals by judges thereafter appointed is clear. It is equally clear, we think, that there is no power to tax a judge of a court of the United States on account of the salary prescribed for him by law." [14]

But the same student will find that the same Court at another time held that Congress clearly has the power to impose income taxes on the salaries of Federal judges, and that such taxes do not diminish those salaries "within the prohibition of article III, section 1, of the Constitution." [15]

Puzzled, that student, still studying Supreme Court decisions, will there read the solemn declaration that "as this Court repeatedly has held, the power to tax carries with it 'the power to embarrass and destroy.'" [16] But, if industrious, he will later find in another opinion the statement that "The power to tax is not the power to destroy while this Court sits." [17]

Continuing further, our student will find that the Nation's highest judicial tribunal held that it is "morally certain that the discerning statesmen who framed the Constitution and were so sedulously bent on securing the independence of the judiciary intended to protect the compensation of the judges from assault and diminution in the name or form of a tax." [18]

If he still persists, this seeker after knowledge will read, in another decision of the same Court, that "to suggest" that an income tax on their judicial salaries "makes inroads upon the independence of judges * * * is to trivialize the great historic experience on which the farmers based the safeguards of article III, section 1." [19]

Finding the Supreme Court thus arrayed against the Supreme Court, inevitably the unfortunate student will suffer intense bewilderment.

Time and time again, the independence of the judiciary has been given practical effect in holding judicial compensation immune from taxation at the hands of the legislature. Taney espoused the principle in his celebrated letter to the Secretary of the Treasury. The executive and legislative departments for more than two-thirds of a century acquiesced in the soundness of that principle. The Court expressly declared it. It had become deeply imbedded in our constitutional law. A decision of 1939 sweeps it away as trivial.

Less than 2 months before the Supreme Court decided that a tax on the compensation of judges is constitutional the Court of Appeals of Maryland expressly held that a State tax on the salaries of State judges did diminish their judicial compensation and was unconstitutional.[20] The highest court of Maryland held that the provision of the State constitution, similar to that of the Federal Constitution, would afford a judge no "adequate guarantee" of "preservation of his independent position" as part of the judiciary if the legislature "may impose an income tax upon his net income, from which his salary may not be excluded." Thus did Maryland's highest court "trivialize." "If," continued the Maryland court, "under the guise of an income tax, the salary may be taxed as income, the present rate may be increased to any percentage the legislature wills. The right of the sovereignty to tax is a power to consume and to destroy." Manifestly the great court of the Free State did not agree with Justice Frankfurter that Marshall's famous phrase, "The power to tax involves the power to destroy," was nothing more than "a flourish of rhetoric" which had been "brushed away by one stroke of Mr. Justice Holmes' pen." [21]

Likewise the Supreme Court of North Carolina has held that the provision of the North Carolina Constitution, exactly the same as that of the Federal Constitution, "should extend to indirect as well as direct legislation," and that if the legislature "has the power to impose a tax of 1 percent on the official salary of a judicial officer, upon the same principle it could lay a duty which would cripple, if not completely paralyze, the whole system of the administration of justice in State tribunals." And the court concluded that "the improbability of the nonexercise of the power does not affect the principles." [22]

No great amount of consternation can be stirred up by dwelling upon the fact that judges have been held to be subject to a general tax to which their fellow citizens not in judicial office are subject. But obviously to the question, "Why should they not be subjected to such a tax? is the answer "Because the Constitution so provides." And the Constitution so provides for a reason far more important to the people of America than is the increase in the revenue which taxes on judges' salaries will yield. The Constitution itself put judges in a separate class, declaring that at stated times they shall receive for their services compensation which shall not be diminished. And so their salaries are distinguished from income of others. This was but one of the safeguards intended to insure that independence of the judiciary which is so vitally essential to our system of government. The forbidden diminishing is not the least less effective because accomplished by an indirect rather than a direct method. The Supreme Court of the United States has now said that the Congress can do by indirection what the Constitution says shall not be done at all.

However, the political will presently reacts to this "shift," I entertain no doubt that it furnishes cause for serious concern to those of us who have been nurtured in the tradition that there is nothing so important, so essential, and so fine in our governmental system as a completely independent judicial department.

II

Chief among the implied limitations upon the general power of taxation were those on which was long foundationed the doctrine of inter-governmental immunity. After more than a century of recognition by statesmen and jurists, this doctrine was greatly impaired during the last two terms of the National Supreme Court, and, so far as State immunity is concerned, it is apparently marked for destruction.

It is trite to say, particularly to American lawyers, that State sovereignty is a constitutional limitation on the exercise of Federal power. It is a fundamental aspect of our dual form of government. When the Constitution was being considered it was manifest that the States were unwilling to surrender their sovereignty. They felt the need of a government stronger than the Confederation in certain fields of governmental action affecting the States generally, but they refused to delegate to a strong central government unrestrained control over their local affairs. They viewed with distrust and suspicion the document which was submitted to them in 1787, and refused to ratify it until assured that it did not involve abdication of their sovereignty. The tenth amendment was adopted in fulfillment of that assurance.

A new nation was created—a nation which is itself sovereign but which is, nevertheless, composed of sovereign States. A new Government was organized—a Government of enumerated powers, a Government prohibited from exercising powers other than those enumerated. The Constitution provided for this dual sovereignty. In recognition of it, early in our history it was held, first, that no State could constitutionally impose a tax upon a Government instrumentality of the United States; second, that no State could constitutionally tax the emoluments of any office of the Government of the United States; and this was—and very recently—extended to salaries of officers and employees of any and all instrumentalities utilized to perform any governmental function; third, that the Government of the United States was—and I emphasize "was"—equally powerless to tax a sovereign State, its instrumentalities for governmental activities, or the salaries of its, or their, officers or employees.

Gone is that doctrine so far, first, as it prohibited the States from taxing the official compensation of any Federal officer or employee residing within their territorial limits; or second, as it prohibits the Federal Government from taxing the official salary of any and every State officer—from Governor and members of the legislature to State House janitor; from chief justice to bailiff. In this legal field we have been a Nation of Rip Van Winkles, newly awakened to learn "that the United States has always had the power to tax salaries of State officers and employees and that similarly free have been the States to tax salaries of officers and employees of the United States." [23]

The doctrine that there is an implied limitation on the power of either a State or the National Government to tax the other, or its instrumentalities, stems from *McCulloch* v. *Maryland*.[24] And until 1938 that doctrine was construed to deprive either government power to tax the official salaries of officers and employees of the other.

In 1842 the Supreme Court held that where taxation by a State acts upon the emoluments of an office used by the United States as a means to execute their sovereign power, such taxation is beyond the constitutional power of the State. Taxation, said the Court, is a right "essential to the existence of government; an incident of sovereignty. * * * But in our system there are limitations upon that right." One of these limitations comes into operation, the Court continued, "when taxation by a State acts upon the instruments, emoluments, and persons which the United States may use and employ as necessary and proper means to execute their sovereign powers. * * *

"The compensation of an officer of the United States is fixed by a law made by Congress. * * * Does not a tax then by a State upon the office, diminishing the recompense, conflict with the law of the United States, which secures it to the officer in its entireness? It certainly has such an effect," concluded the Court, "and any law of a State imposing such a tax cannot be constitutional." That was the decision in *Dobbins* v. *The Commissioners of Erie County*,[25] and the tax involved was on the salary of a captain of a United State revenue cutter.

That there was no distinction in this respect in the taxing powers of the two sovereignties was made clear by the Supreme Court in 1871, in *Collector* v. *Day*,[26] a case which, as the Court put it, presented "the question whether or not it is competent for Congress, under the Constitution of the United States, to impose a tax upon the salary of a judicial officer of a State," and in which it held

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[14] *Miles* v. *Graham* (268 U. S. 501, 509 (1925)).
[15] *O'Malley* v. *Woodrough* (83 Adv. Op. (May 22, 1939)).
[16] *Evans* v. *Gore* (253 U. S. 245 (1920)).
[17] Frankfurter, J., concurring opinion in *Graves* v. *O'Keefe*, supra, quoting Holmes, J., dissent in *Panhandle Oil Co.* v. *Knox* (277 U. S. 218, 223).
[18] *Evans* v. *Gore*, supra.
[19] *O'Malley* v. *Woodrough*, supra.
[20] *Gordy* v. *Dennis* (5 A. (2d) 69 (Mar. 29, 1939)).
[21] *Graves* v. *O'Keefe* (83 Adv. Op. 577 (Mar. 27, 1939)).
[22] *Matter of the Taxation of the Salaries of Judges* (131 N. C. 692, 42 S. E. 970).
[23] Butler, J., dissenting in *Graves* v. *O'Keefe*, 83 Adv. Op. 577.
[24] 4 Wheat. 316 (1819). See *Helvering* v. *Gerhard*, 304 U. S. 405 (1938).
[25] 41 U. S. (16 Peters) 435 (1842).
[26] 78 U. S. (11 Wallace) 113.

explicitly that it was not within the constitutional power of the Congress to impose such a tax.

We find in the opinion in *Collector* v. *Day* this clear statement:

"The exemption of the [State] officer from taxation by the General Government stands upon as solid ground, and are maintained by principles and reasons as cogent as those which led to the exemption of the Federal officer in *Dobbins* v. *The Commissioners of Erie* from taxation by the State; for, in this respect, that is, in respect to the reserved powers, the State is as sovereign and independent as the General Government. And if the means and instrumentalities employed by that Government to carry into operation the power granted to it are, necessarily, and for the sake of self-preservation, exempt from taxation by the States, why are not those of the States depending upon their reserved powers, for like reasons, equally exempt from Federal taxation? Their unimpaired existence in the one case is as essential as in the other. It is admitted that there is no express provision in the Constitution that prohibits the General Government from taxing the means and instrumentalities of the States, nor is there any prohibiting the States from taxing the means and instrumentalities of that Government. In both cases the exemption rests upon necessary implication, and is upheld by the great law of self-preservation; as any government, whose means employed in conducting its operations, if subject to the control of another and distinct government, can exist only at the mercy of that government. Of what avail are these means if another power may tax them at discretion?"

Thus we see that in these historic cases, which as time went on became recognized as constitutional landmarks, the reasoning was that if the power was not limited, as the Court held it to be by necessary implication from the very nature of our federated system, the States, on the one hand, and the Government of the United States on the other, "might impose taxation to an extent that would impair, if not wholly defeat, the operations of the" respective sovereignties when acting in their appropriate spheres. And this was held to be clear because, as stated by Chief Justice Marshall in *Weston* v. *The City of Charleston*,[27] "If the right to impose the tax exists, it is a right which in its nature acknowledges no limit. It may be carried to any extent within the jurisdiction of the" sovereignty which imposes it.

As late as 1937 the doctrines of the Dobbins and the Day cases were expressly reaffirmed by the Court in which they had been announced. No one could have predicted then that they had but 2 years longer to live.

In 1937 there came to the Supreme Court from New York the case of *Rogers* v. *Graves*.[28] Rogers was employed as general counsel of the Panama Railroad Co. He resided in the State of New York. The taxing authority of that State held he was liable to pay a State income tax on his salary as such general counsel. The appellate division of the New York Supreme Court and the court of appeals of that State upheld the imposition of the tax. The Supreme Court of the United States, holding that the Panama Railroad Co. is a Government instrumentality of the United States, reversed the New York court and, citing the Dobbins and Day cases, said that "the rule is well established" that a State is "without authority to tax the instruments or compensation of persons which the United States may use and employ as necessary and proper means to execute its sovereign power." A few years earlier the Court had had occasion to restate the reasons for that "well established" rule, and so in *Rogers* v. *Graves* it was content to say that "the reasons upon which it is based and the authorities sustaining it have been so recently reviewed by this Court [in] *Indian Motocycle Co.* v. *United States*[29] * * * that further discussion is unnecessary." There was no dissent in *Rogers* v. *Graves*.

But scarcely 2 years went by before that "well established" rule was said never to have had any reason for existence.

One O'Keefe was counsel for the Home Owners' Loan Corporation, a Federal Government instrumentality. He, too, resided in New York. He, too, had been called upon to pay a State income tax on his official salary. He, too, had appealed to the New York courts. Meantime the Rogers case had been decided and O'Keefe's claim to immunity from the State income tax on the salary he received from the Federal Government was upheld by the New York courts. The case then reached the Supreme Court. The time was ripe for what one of the Justices had referred to as revision of the doctrine of implied immunities declared in earlier decisions.[30] And, so in 1939, though the Court said that the Home Owners' Loan Corporation was an instrumentality of the United States, and that no distinction was to be made between officers and employees of such an instrumentality and those directly employed by the United States Government, it held that O'Keefe's official salary was subject to State income taxes.[31] It being impossible to reconcile *Rogers* v. *Graves* with *Graves* v. *O'Keefe*, the Court repudiated its decision of but 2 years earlier. Strangely enough, two Supreme Court Justices concurred in both of these utterly irreconcilable decisions, and it is of interest to note that the 1937 decision upholding the constitutional immunity was concurred in by Justices Brandeis and Cardozo.

[27] 2 Peters, 449 (1829).
[28] 299 U. S. 401 (1937).
[29] 283 U. S. 570, 575, et seq.
[30] Stone, J., concurring opinion in *Brush* v. *Commissioner* (300 U. S. 352, 374, 1937).
[31] *Graves* v. *O'Keefe* (83 Adv. Op. 577, 1939).

Here, then, we have a constitutional doctrine, held and upheld for nearly a century of our national existence. Here, then, we have a rule which as lately as 1937 the Supreme Court deemed to be well established and based upon reasoning and authority so familiar that discussion of it was unnecessary. And in 1939 the Supreme Court said that there existed no sound reason for any such rule. In 1937 the Court said "The rule itself is not denied." In 1939 the Court said that the rule itself does not exist. *Dobbins* v. *Erie County*, in the ninety-seventh year of its age, was killed in the house of its fathers. *Rogers* v. *Graves*, the tender infant of 2 years, was strangled in the very room in which it had been born. Thus came the shift from the doctrine that a State cannot constitutionally tax the emoluments of any Federal office to the doctrine that a State can most certainly tax the emoluments of all Federal offices.

What of the companion rule that the Federal Government could not constitutionally tax salaries of State officers and employees? That was established in the case of *Collector* v. *Day*, wherein was involved the attempted imposition of a Federal income tax on the salary of a judge of a State court. It lived to a respectable age, though it slightly missed three score years and ten. *Collector* v. *Day* was decided in 1871. In 1937 the Supreme Court expressly reaffirmed it, holding, in *Brush* v. *Commissioner*,[32] that the salary of the chief engineer of New York City's Bureau of Water Supply was immune from Federal taxation because the water system was conducted in the exercise of the city's governmental function and the city was a subdivision of the State. That was in March of 1937. In May of 1938 the Brush case was overruled by *Helvering* v. *Gerhardt*.[33]

Gerhardt was an employee of the Port of New York Authority, an instrumentality of the States of New York and New Jersey, performing public functions for them. The United States Board of Tax Appeals, following the long-established doctrine applicable to such a case, ruled that the compensation received by the authority's employees was exempt from Federal income tax. The circuit court of appeals, applying what in that court was controlling authority, affirmed the Board of Tax Appeals, and did so on the authority, among others, of the recent cases of *Brush* v. *Commssioner* and *Rogers* v. *Graves*, both decided in 1937. In 1938 the Supreme Court reversed the Board and the court of appeals, and for the first time held that the Federal Government may constitutionally tax the compensation paid by States to their officers and employees.

In the same cemetery side by side you will find the graves of eight Supreme Court cases[34] which for years upheld the doctrine of intergovernmental tax immunity as a constitutional incident to our system of dual sovereignties. I had almost said you will find their remains, but naught remains of any of them. They did not expire unnoticed. They were killed deliberately, one by one, and the name of each was called at the execution.

What caused this overruling of a century of precedents?

The Court's answer to that question is "the expanding needs of State and Nation."[35]

And now for a venture into prophecy. What further may be expected as a result of the nullifying, in substantial respects, of this doctrine? On March 27 of this year, Mr. Justice Butler was of opinion that—

"* * * safely it may be said that presently marked for destruction is the doctrine of reciprocal immunity that by recent decisions here has been so much impaired."[36]

The import of this becomes clear when we recall that the Court has emphasized the "clear distinction between the extent of the power of a State to tax" instrumentalities of the National Government and the power of the latter "to tax State instrumentalities." Factors of importance, we are reminded, are present in considering the immunity of Federal instrumentalities from State taxation "which are lacking in the case of a claimed immunity of State instruments from Federal taxation." And when this emphasis is considered in the light of the reasons now given for holding that the salaries of any and all State officials are subject to the Federal income tax the conclusion is inescapable that, unless there is another shift, interest on State, county, and municipal bonds, issued to enable States and their political subdivisions to exercise their local governmental functions, are includible within income taxable by the Federal Government unless expressly excepted therefrom by the provisions of the taxing acts.

The Supreme Court has now said that the theory that a tax on income is legally or economically a tax on its source is no longer

[32] 300 U. S. 352.
[33] 304 U. S. 405.
[34] *Dobbins* v. *Erie County* (16 Pet. 435 (1842)); *Collector* v. *Day* (11 Wall. 113 (1871)); *Gillespie* v. *Oklahoma* (257 U. S. 501 (1927)); *Panhandle Oil Co.* v. *Knox* (277 U. S. 218 (1928)); *Indian Motocycle Co.* v. *U. S.* (283 U. S. 570 (1931)); *Burnet* v. *Coronado Oil & Gas Co.* (285 U. S. 393 (1932)); *Rogers* v. *Graves* (299 U. S. 401 (1937)); *Brush* v. *Comm.* (300 U. S. 352 (1937)). In a nearby hospital lies *McCulloch* v. *Maryland* (4 Wheat. 316 (1819)), still surviving but badly wounded.
[35] *Helvering* v. *Mountain Producers Corporation* (303 U. S. 376), decided March 7, 1938, expressly overruling *Gillespie* v. *Oklahoma* (257 U. S. 501) and *Burnet* v. *Coronado Oil & Gas Co.* (285 U. S. 393).
[36] *Graves* v. *O'Keefe*, supra (83 Adv. Op. 577), concluding words of dissenting opinion.

tenable.[37] In holding that the salary paid by a State to its officers is taxable under the Federal income tax acts, the Court said that the tax laid on their salaries and paid by them could not be said to affect or burden the State; when the tax is laid, said the Court, it is not upon the State's money but upon money which then belongs to the individual. Manifestly all of this is as applicable to interest received by owners of bonds issued by the State as it is to salaries received by their officials. In the one case the sovereign pays for the services of men; in the other, for the services of money. The Supreme Court in the *Gerhardt case* said that salaries of State officers should not be immune from income taxes even though such taxation would increase the cost of State government. This, of course, has equal applicability to one result to be expected to follow taxing interest on State bonds. It has long been recognized that such a tax would necessarily burden the borrowing power of the State.

In adverting to the distinction between the power of the Federal Government to tax State instrumentalities and of the States to tax instrumentalities of the National Government, the Court has pointed out that the States and the people of the State are represented in the Congress of the United States so that "in laying a Federal tax on State instrumentalities the people of the States, acting through their representatives" in Congress "are laying a tax on their own institutions and consequently are subject to political restraints which can be counted on to prevent abuse."

That Congress may, under the reasoning of these recent decisions, tax State, county, and municipal bonds presently outstanding, as well as those hereafter issued, if the Congress sees fit to do so, seems now indubitable, barring always the possibility of still further shifts. The constitutional inhibition against the enactment of laws impairing the obligations of contracts expressly applies only to the States. This provision aside, no one familiar with the gold-clause cases will seriously contend that, if they are neither overruled nor ignored, Federal legislation impairing or repudiating contracts will be held invalid, however shocking.

In effect the Supreme Court has said: "Let the people of the States look to those they send to represent them in the Congress." It is patent that it is for the people to say whether the impairment of the borrowing power of their States, their counties, and their cities, or the tremendous increase in the cost of money needed for local purposes, is of less importance to them than is (1) the satisfaction of subjecting those who own their bonds to taxes on the interest paid thereon, or (2) the assistance, if any, which the revenue derived from such taxes may give to "the expanding needs of State and Nation."

Some, including Patrick Henry, who in the State conventions opposed the adoption of the Constitution because of the likelihood that the taxing power therein conferred would be construed to be as extensive as the Supreme Court now says it is, were met with protests, voiced in Virginia by Madison and in New York by Hamilton, that it was unthinkable that the Congress in exercising the tax power would have, as Henry phrased it, "an unlimited, unbounded command over the soul of the" States.

If anyone now thinks that Henry was merely using a flourish of rhetoric, let him study *Gerhardt* v. *Helvering*. If Mr. Hamilton or Mr. Madison or Mr. Jay, whose pens in the Federalist papers and whose voices in conventions contributed so much to the acceptance by the States of the offered Constitution, had said to the State conventions: "If you adopt this Constitution the time will come when the general government to be organized under it will have power to take from your Governor as a tax one-half of what you pay him from your State treasury for his services as your chief executive, to take a percentage of every dollar you pay from your public treasury to the members of your legislature, to subject to a Federal tax the compensation paid by you to the judges of your State courts"—if such statements had been believed by the advocates of the Constitution and frankly made to the State conventions, no student of American history can doubt that the Constitution as we know it would never have been adopted. Yet the Supreme Court says that that Constitution gave precisely that power to the Government of the United States; that that Government's taxing power is supreme; that the only limit upon its application to the sovereign States and their instrumentalities is to be found in the will of the Congress.

III

Of far greater immediate effect than those produced by the shifts thus far discussed are the present-day results of the unprecedented expansion of Federal power under the interstate commerce clause. In this field the Court during the last term repeatedly disregarded established precedents, though in some cases its overruling of its own prior decisions followed so speedily upon their promulgation as to justify the view that they had not aged sufficiently to have acquired the dignity of precedents. Plainly, the Court has overruled its recent decision in the N. R. A.,[38] A. A. A.,[39] and the Guffey Coal Act[40] cases. Before the A. A. A. decision could become a precedent it had become a relic.

In the period of 1 year four circuit courts of appeals and six district courts handed down decisions based squarely on the authority of the *Schechter* and *Carter cases*, only to be reversed for having done what these Supreme Court decisions bound them to do.[41]

An examination of decisions of the great Court, relating to that one clause of the Constitution which in simple language granted to the Congress the power "to regulate commerce * * * among the several States," leads to the reflection that it is indeed extraordinary that one so short provision of the Constitution could be subjected to such diverse construction.

Such an examination would disclose that in 1935 the Court held that Congress has no power to regulate wages and hours of labor in a local business, although a large percentage of the commodity handled by the company involved came from without the State where its business was conducted;[42] whereas in 1939 the same Court held that Congress did have power to regulate labor relations where the employer was a local manufacturer who neither bought the raw materials nor sold the finished products in States other than that in which his factory was located, or at all.[43]

In 1936 the Court decided in the *Carter Coal case*[44] that the Guffey Coal Act was unconstitutional because it attempted to provide for the regulation of wages and hours of men mining coal, which, held the Court, concerned production and not commerce. In that case the coal mined was sold to those who did operate in interstate commerce. In 1939 the Court held that utility companies serving consumers in a local area within a single State were subject to the Wagner[45] Act because some of their customers were themselves engaged in interstate commerce, and therefore labor trouble in the entirely intrastate business of such utilities might affect interstate commerce carried on by others. Here again is revealed a far-reaching shift in constitutional doctrine.

The word "commerce" and the phrase "among the several States" were long recognized as limiting the powers granted by the clause containing them. That view seems to have joined the procession of precedents to the graveyard. That which had been repeatedly held not to be commerce has now been declared to be subject to direct control under an authority to regulate commerce. Activities often held not to affect interstate commerce to such an extent as to bring them under Federal control have now been held, even in cases of palpable insignificance, to so directly affect and impede interstate commerce as to be within the Federal power.

The lawyer today must needs rub his eyes when he reads that the Nation's highest judicial tribunal had solemnly declared that no distinction is clearer "than that between manufacturer and commerce." "Manufacture," said that Court, "is transformation—the fashioning of raw materials into a change of form for use. The functions of commerce are different. The buying and selling and the transportation incidental thereto constitute commerce; and the regulation of commerce in the constitutional sense embraces the regulation at least of such transportation. * * * If it be held that the term includes the regulation of all such manufactures as are intended to be the subject of commercial transactions in the future, it is impossible to deny that it would also include all productive industries that contemplate the same thing. The result would be that Congress would be invested, to the exclusion of the States, with the power to regulate, not only manufactures, but also agriculture, horticulture, stock raising, domestic fisheries, mining—in short, every branch of human industry."[46]

Kidd against Pearson, in which that language was used, has been cited more than a hundred times by the Supreme Court and the other Federal courts. Keeping that language in mind, let us look at the decision in the *Fainblatt case*, handed down April 17, 1939.[47] Fainblatt was engaged in Somerville, N. J., in operating what is known as a contract shop in which wearing apparel was manufactured. The goods to be manufactured were sent by their owner in New York to Fainblatt at Somerville, were there manufactured into clothing, and were there, in their completed state, delivered to their owner's representative, who sent them to New York. The circuit court of appeals had denied the application of the National Labor Relations Act to that situation because, as it held, Fainblatt was not engaged in interstate commerce and had no title or interest in the raw materials or finished products which moved to and from his workshop. All that he or his employees did was confined to a small local factory. But the majority of the Supreme Court, holding that Fainblatt was subject to the provisions of National Labor Relations Act, brushed aside the once-settled distinction and declared it to be utterly unimportant that neither employer nor employees were themselves engaged in commerce, and added that of no significance was the insignificant volume of business involved unless, indeed, it descended to the point "to which courts would apply the maxim de minimis."

This case was similar to the *Consolidated Edison*[48] *case* in that neither the employers nor the employees were engaged in interstate commerce, but differed from that case in that in the *Fainblatt case* the employers neither bought nor sold anything. Also, the case involved only a small local manufacturing establishment, the products of which, when shipped by others to other States, constituted but a small part of interstate commerce. The Supreme

[37] *Graves* v. *O'Keefe*, supra.
[38] *Schechter* v. *United States*, 295 U. S. 495 (1935).
[39] *Butler* v. *United States*, 297 U. S. 1 (1936).
[40] *Carter* v. *Carter Coal Co.*, 298 U. S. 238 (1936).
[41] See 301 U. S. 76 for the 10 C. C. A. and D. C. cases referred to.
[42] *Schechter* v. *United States*, 295 U. S. 495.
[43] *N. L. R. B.* v. *Fainblatt*, 83 Adv. Op. 646.
[44] *Carter* v. *Carter Coal Co.*, 298 U. S. 238.
[45] *Consolidated Edison Co.* v. *N. L. R. B.*, 83 Adv. Op. 131.
[46] *Kidd* v. *Pearson* (128 U. S. 1 (1888)).
[47] *National Labor Relations Board* v. *Fainblatt*, 83 Adv. Op. 646 (Apr. 17, 1939.)
[48] 83 Adv. Op. 131.

Court had hitherto said that the result of such a doctrine "would be that Congress would be invested, to the exclusion of the States, with the power to regulate, not only manufactures but also agriculture * * * stock raising, mining—in short, every branch of human industry," for, said the Court, there is not "one of them that does not contemplate, more or less clearly, an interstate or foreign market." Yet now the Congress is invested with precisely that almost unlimited power, and is held to have exercised it in existing statutes.

Again and again the Court had held that the fact that the activity was one which did contemplate an interstate or foreign market did not bring it within the Federal regulatory power.[49] It now announces the exact contrary. Repeatedly the Court had said that if there was vested in Congress under the commerce clause such a power as is now held to be vested in Congress under that clause, "it would follow as an inevitable result that the duty would devolve on Congress to regulate all those delicate, multiform, and vital interests—interests which in their nature are and must be local in all the details of their management."[50] Such power in the Federal Government the Court had held was unthinkable. Such power in the Federal Government the Court now holds is undeniable.

The now expanded power is not limited to any one line of industry. For a long time it was settled that production on the farm no more constituted commerce than did manufacture in the factory. And as late as 1936 the Supreme Court held the original A. A. A. unconstitutional, because the Federal Government was without power to control farm production. The statutory plan there sought to be enforced was found repugnant to the tenth amendment. The scheme to control farm production in that act was devised and put in effect under guise of exertion of the power to tax. The Court held that tax to be but the means to an unconstitutional end. Congress in the Agricultural Adjustment Act of 1938 reenacted portions of the invalidated act and adopted the simple expedient of saying that the thing to be controlled was marketing, although the undisguised intent was patently to control production, and the effect of the act is to do exactly that. In other words, once again the pretext of the exertion of powers which are constitutionally granted was resorted to as the means to an unconstitutional end.

In *Mulford* v. *Smith* (83 Adv. Op. 628), decided April 17, 1939, the Supreme Court sustained marketing quotas for tobacco under the A. A. A. of 1938, which in view of the 1936 decision invalidating the original A. A. A. must be considered as another important shift in constitutional doctrine. This last decision established a new principle of constitutional law in that it sanctioned Federal control of production by means of marketing regulations—which regulations, the Court held, may extend to prohibition. The portion of the statute involved in the *Mulford case* provided marketing quotas for flue-cured tobacco. The majority of the Court, stressing this fact, said that the statute does not "purport" to control production. The persons affected, who brought the suit, were producers of flue-cured tobacco; in providing marketing quotas, under the act, "The quota is to be apportioned to the farms on which tobacco is grown." By the act "it is directed that the quota is to be first apportioned among the States based on the total quantity of tobacco produced in each State" during a prescribed period; the figures to be used are exclusively those of "production" related to acreage. "The act provides for the apportionment of the State allotment amongst the farms which produced tobacco." Certain adjustments in quotas are provided for, but "A limit is fixed below which the adjustment may not reduce the production of a given farm. Allotment to new tobacco farms is to be made on a slightly different basis." The act "provides that if tobacco in excess of the quota for the farm on which the tobacco is produced is marketed through a warehouseman," then heavy penalties shall be incurred which ultimately must be paid by the "producer."

I have here quoted from the act of Congress and the Court's opinion in the *Mulford case*, and wherever I have used the word "production" or "producer" or "farm" that word is a quotation and not any attempt of mine to supply terms. And the Supreme Court in terms held, in upholding such an act as a valid Federal regulation of interstate commerce, that it did "not purport to control production." It was by this legislative juggling of words, the substitution of "marketing" for "producing," without the slightest change in substance, that brought about a decision of the high Court which places production on the farms of America under the control, not only of the Federal Government, but of an officer of the executive department of the Government, with ruinous penalties laid upon the farmer who dares ignore Washington's edicts.

Certainly no one who considers the doctrine of the Fainblatt and like cases in the industrial field, and the Mulford and like cases in the agricultural field, can question the assertion that new significance has been given to the commerce clause of the Constitution as a source of the police power of the Federal Government. In those decisions we find that for the first time in our history the power to regulate interstate commerce has now been extended to regulation of production; that for the principle that the effect of local activities on interstate commerce, to justify Federal regulation, must be direct and substantial, has been substituted the rule that anyone engaged in an intrastate activity, even if it be not commerce, is subject to Federal regulation if those activities might have any possible effect on interstate commerce, however indirect, however remote, however unsubstantial, provided only the rule de minimis is not applicable.

I am not here greatly concerned with the impairment of the doctrine of State rights, the intrusion into their sovereignty, or the exclusion from their spheres of the control of the multiform activities, "which in their nature are and must be local in all the details of their successful management." To one side may be laid the question as to whether or not business (and within that term I include manufacturing, agriculture, mining, and all productive industry) would, if left to the hitherto-recognized broad regulatory powers of the State governments, be hampered by the numerous newly devised shackles upon liberty. What I stress here is the tremendous enlargement of Federal power by the mere shifting by the judiciary away from long-established constitutional doctrines to newly announced constitutional concepts. I emphasize this irrespective of the corresponding curtailment of the independence reserved to the States and the serious impairment of their respective control over local affairs. The outstanding point is that by recent judicial construction the power to regulate interstate commerce has brought within the ambit of Federal control most, if not all, activities of the Nation. Under that once limited grant of power, as now newly interpreted, Congress may, to such extent as it deems proper, regulate wages, hours, output, prices; the quantity of innumerable products; the wages that may be received for, and the hours that may be worked in, producing them; the prices which may be charged by their owners for them; provided and only provided that any part of them is intended to pass beyond State lines or that any part of them, or the materials used in producing them, once crossed State lines. Producers of potatoes in Maine, peanuts in Virginia, cotton in South Carolina, cane sugar in Louisiana, wheat in Kansas, corn in Iowa, tobacco in North Carolina and Connecticut, peaches in Georgia, oranges in California, and thousands of small local enterprises everywhere become subject to national direction, regulation, control prohibition. The principle can be applied to petroleum produced in California, Louisiana, Oklahoma, and Texas; to metals mined in Colorado and Montana. The price of privately owned milk produced in one county from a cow born and raised therein that had never strayed from her native heath, drunk by a local resident, can be fixed by the Secretary of Agriculture of the United States merely because other milk produced and sold in the county is sent to other States.

It is to this expansion of the power of a general government over practically every branch of human industry that I direct attention, in the hope that my feeble voice may contribute to its recognition by the people whose liberties are involved in the exercise of such power.

IV

Those who think lightly of shifts in constitutional doctrines must think lightly also of the importance of knowing what the law is. Is it to be a movable thing, changing and changeable after each reconstruction in the membership of courts? Is it to vary with the shifting currents of the political will? Or is it to be something certain, steadfast, and enduring upon which reliance can safely be placed?

In the last two terms of the Supreme Court there were 135 cases affirmed, 180 reversed, and 199 dissents announced. These figures indicate the extent to which the reconstructed Court has undertaken to disavow and discard old doctrines and to declare new principles and new concepts.

The New York courts were reversed in the *Rogers case*, and then were reversed in *O'Keefe's case* for having followed the Supreme Court's decision in the *Rogers case*, as they were bound to do. Circuit courts of appeals and district judges were reversed because they had not contemplated unannounced but impending shifts in constitutional doctrines; they had thought that principles which the Supreme Court had said had been settled by its repeated decisions were really settled; they had followed decisions which at any time in the preceding century and a half they would have been required to treat as binding upon them.

The plain result of all this is that no lawyer can safely advise his client what the law is; no businessman, no farmer, can know whether or not he is breaking the law, for if he follows established principles he is likely to be doing exactly that. What was a constitutional principle yesterday may be a discarded doctrine tomorrow, and this, all this, in what has so often been proudly proclaimed to be a government of laws and not of men. "Shifts in constitutional doctrines" is but a phrase which describes the abolition of stare decisis, the replacing of stability by instability, the substitution of uncertainty for certainty, and of plenary power for limitations upon power; the transfer from States and local communities to a centralized government at Washington of "most, if not all, activities of the Nation.[51] If these be consummations devoutly to be wished, then we have the fulfillment of the wish.

V

It may be said that these things are consistent with the will of the people, the will of the people as it would be registered now if put to a vote. I do not doubt that majority approval would be given to any rule subjecting State and Federal Government employees to the same obligation of a nondiscriminatory general income tax to which every other receiver of income is subjected. But is not that but a way of saying that the Constitution should be construed to mean whatever a majority would want it to mean at different times with every change of political views? If

[49] *Carter* v. *Carter Coal Co., et al.*, supra, et passim.
[50] *Kidd* v. *Pearson*, supra.
[51] McReynolds, J., dissent, *N. L. R. B.* v. *Fainblatt* (83 Adv. Op. 646).

the Constitution is to be construed to mean what the majority at any given period in history wish the Constitution to mean, why a written Constitution and deliberate processes of amendment? Why the declaration of fundamental limitations upon the power of government and the assertion of the reservation of unalienated liberties? To guarantee against usurpations of governmental power and protect against the arbitrary will of temporary majorities is the reason for setting up a written Constitution, equally vital in the limitations it imposes as in the power it grants.

The new concept seems to be that it would be useless labor to seek to amend the Constitution in the method provided in the Constitution. Why amend when by adopting new interpretations the same end can be accomplished? Such in this day seems to be the theory and the practice.

VI

For more than five generations the people of America have looked with unshaken and unshakable confidence upon American courts as temples of justice. Happily it may be said that nothing has occurred to diminish that confidence in litigation between citizen and citizen, or in those cases which involve individual liberty intended to be protected by the specific and sacred guaranties of the Bill of Rights. The administration of justice according to law in controversies between man and man goes forward as steadily today as at any time in the history of courts. Our Federal and State judiciary still vigilantly uphold freedom of speech, press, and worship; the right of peaceable assembly, the right to have one's home treated as his castle; the right to be free from unreasonable searches and seizures; the right to trial by jury when life, liberty or property is involved, to be represented by counsel, to have personal liberty guarded in those vital respects that are so dear to a society of free-born men. This indeed is reassuring.

But may there not arise fear that with a steadily growing disposition to adapt the law to changing social and economic conditions, these barriers erected by wisdom gathered from experience may next be weakened or destroyed? Can a government which may arbitrarily control the individual's economic freedom be relied on permanently to keep safe his civil and political liberties?

VII

The conclusion to be drawn from all of this may, I think, be stated simply: It is that reliance against the exercise of arbitrary power must be placed by the people henceforth in the legislative rather than in the judicial department of the National Government.

The framers of the Constitution and the people who adopted it contemplated that the legislative branch of the Government of the United States should be powerful, and anticipated that it would be wise. Even so, they carefully guarded and plainly limited its powers. The guards have been let down, many of the limits have been obliterated. The people of the United States should know this, and, so knowing, give increasing attention to the ability and stability, the courage and the independence of the men and women sent to the Halls of our National Legislature. There rest now America's hopes. Freed is the Congress, by the action of the Supreme Court, from all but a very few constitutional fetters on its exercise of power. Legislative independence and legislative wisdom are America's almost sole reliance for the continuance of that security of the blessings of liberty for which the Constitution was framed and the Government of the United States of America created.

Digests of Legislation, Seventy-sixth Congress, First Session

EXTENSION OF REMARKS

OF

HON. ALBEN W. BARKLEY

OF KENTUCKY

IN THE SENATE OF THE UNITED STATES

Saturday, August 5 (legislative day of Wednesday, August 2), 1939

LEGISLATION OF THE SESSION AND DATA ON THE ECONOMIC SITUATION

Mr. BARKLEY. Mr. President, I ask unanimous consent to have printed in the CONGRESSIONAL RECORD a digest in part of the laws enacted by the first session of the Seventy-sixth Congress.

There being no objection, the matter referred to was ordered to be printed in the RECORD, as follows:

AGRICULTURE

ACREAGE ALLOTMENTS

(Approved April 10, 1939. Public Law No. 30, 76th Cong.)

Prior to the passage of this act, a farmer, in order to receive full benefits under the Agricultural Adjustment Act, was, in effect, required to plant at least 60 percent of the acreage allotment allocated to him under this program. To reduce the planted acreage below 80 percent involved a reduction in benefits.

By this act the above-mentioned conditions are eliminated.

COMMODITY CREDIT CORPORATION

(Approved March 4, 1939. Public Law No. 3, 76th Cong.)

The Commodity Credit Corporation is primarily a lending institution established for the purpose of financing the carrying and orderly marketing of agricultural products. The Corporation was created by order of the President, October 16, 1933, and has continued to function by authority of various acts of Congress.

This legislation authorizes the Corporation to continue its functions and duties until January 15, 1941. The limit of the obligations which the Corporation may have outstanding at any one time is increased from $500,000,000 to $900,000,000.

COTTON ACREAGE ALLOTMENTS

(Approved June 22, 1939. Public Law No. 149, 76th Cong.)

The Agricultural Adjustment Act of 1938, as amended, provided for certain minimum allotments of cotton to the counties and States, based upon past production. In addition the Secretary of Agriculture was given certain discretionary powers whereby he might correct any inequities which might develop following the acreage allotments or which might arise out of the formula used to establish such allotments. Also, minimum allotment guaranties for individual farms were provided in the 1938 law.

The foregoing provisions of the 1938 law would have expired at the end of this year except for this act, which continues them in force and effect for an indefinite period.

COTTON ACREAGE REAPPORTIONMENT

(Approved March 13, 1939. Public Law No. 6, 76th Cong.)

In May 1938 the Congress amended the Agricultural Adjustment Act of 1938 so as to permit reallocation during 1938 of cotton acreage allotments which in some cases were in excess of the acreage intended to be planted by certain farmers.

This provision, by this act, is extended to "any crop year." By this means a State is permitted the full use of its total acreage apportionment, whereas there would otherwise be a certain amount of "frozen" acreage resulting from the failure of certain farms to utilize the total acreage allotment for such farms.

COTTON POOL CERTIFICATES

(Approved April 5, 1939. Public Law No. 27, 76th Cong.)

In order to permit cotton producers and others who are the rightful owners of cotton-pool-participation trust certificates to tender them to the manager of the cotton pool and receive payment for them, this act extends the time limit during which such certificates may be accepted until September 30, 1939. The act also extends the time during which the appropriation contained in the Department of Agriculture Appropriation Act, 1939, and amounting to $1,800,000, is to remain available.

CROP INSURANCE

(Approved March 25, 1939. Public Law No. 9, 76th Cong.)

The Secretary of Agriculture is authorized to make advances to farmers so as to assist them to insure their crops with the Federal Crop Insurance Corporation. Such advances for insurance premiums shall be made direct to the Corporation on behalf of the producer, but only those producers who are cooperating under the Soil Conservation and Domestic Allotment Act shall be eligible for such advances.

EDUCATIONAL EXTENSION WORK

(Approved April 24, 1939. Public Law No. 41, 76th Cong.)

In addition to any sums heretofore appropriated for this purpose, there is hereby made available the sum of $300,000 per annum for the purpose of paying the expenses of cooperative extension work in agriculture and home economics, and the necessary printing and distribution of information in connection with this activity. This appropriation is to be allotted to the various States by the Secretary of Agriculture in such amounts as he may deem necessary.

ELECTRIC HOME AND FARM AUTHORITY

(Approved March 4, 1939. Public Law No. 2, 76th Cong.)

The existence of the Electric Home and Farm Authority is continued to the close of business June 30, 1941. This organization promotes the use of electricity on farms and in homes, and aids the financing of the use and distribution of labor-saving electric appliances.

(Amends: 50 Stat. 5, 49 Stat. 1186, 47 Stat. 9, 50 Stat. 19.)

GRAZING

(Approved July 14, 1939. Public Law No. 173, 76th Cong.)

Provision is made for the appointment of a local advisory board in each grazing district, one member of which is to be selected by the Secretary of the Interior and the remainder to be appointed from a list to be determined by local elections.

These boards are to offer advice and make recommendations with regard to issuance of grazing permits, rules and regulations for administering the Grazing Act, establishment of grazing districts and the boundaries thereof, and other related matters.

(Amends U. S. C., title 43, secs. 315–315n.)

The act of June 28, 1934, authorized the Secretary of the Interior to make rules and regulations necessary to accomplish the purposes of the act. It also provided for cooperation with local associations and for local hearings, but it did not provide for local advisory boards in each district.

INSECT PESTS

(Approved June 13, 1939. Public Resolution No. 22, 76th Cong.)

This legislation appropriates the sum of $1,750,000 as an additional fund to be available during the fiscal year 1939 for the purpose of controlling incipient or emergency outbreaks of insect pests or plant diseases, including grasshoppers, mormon crickets, and chinch bugs. This fund is to remain available until December 31, 1939.

MARKETING AGREEMENTS (APPLES)

(Approved May 31, 1939. Public, No. 98, 76th Cong.)

The Agricultural Marketing Agreement Act of 1937 is amended so as to include within its provisions apples grown in the States of Washington, Oregon, and Idaho. If the requisite number of apple producers in the area agree to do so they may enter into marketing agreements intended to bring about more orderly production and distribution of their product. Such agreements are subject to the same provisions of law as are other such agreements under the 1937 act.

(Amends U. S. C., title 7, sec. 674.)

MARKETING AGREEMENTS (HOPS)

(Approved May 26, 1939. Public Law No. 91, 76th Cong.)

The act extends for a period of 2 years (until September 1, 1942), the provisions of the Agricultural Adjustment Act of 1938 applicable to hops. Originally designed to be in effect for the years 1938 and 1939, the legislation proved so beneficial that its extension was requested by the producers and users of hops.

(Amends 52 Stat. 215.)

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AVIATION

CIVIL AIRCRAFT PILOTS

(Approved June 27, 1939. Public Law No. 153, 76th Cong.)

The Civil Aeronautics Authority is authorized to inaugurate a program for the development of a civilian reserve of aircraft pilots by such training, study and research as the Authority deems necessary. No person may be denied the benefit of such program because of race, creed, or color, and at least 5 percent of selected students shall be from applicants other than college students.

The sum of $5,675,000 is authorized for this purpose for the fiscal years 1939 and 1940; and not to exceed $7,000,000 is authorized for each subsequent fiscal year.

It is estimated that training can be provided under this legislation for as many as 15,000 civilian pilots during the next year.

(While the Authority is authorized to carry out this program with its own facilities, it is contemplated that the entire program will be carried out through the facilities of colleges, aviation schools, and individual instructors.)

NATIONAL AVIATION DAY

(Approved May 11, 1939. Public Resolution No. 14, 76th Cong.)

In order to further and stimulate interest in aviation in the United States, the President is authorized to designate August 19 of each year as National Aviation Day. A proclamation will call for the display of the flag on all public buildings and the people of the United States will be invited to celebrate the day with appropriate exercises.

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FEDERAL-AID HIGHWAY SYSTEM

TOLL BRIDGES

(Approved July 19, 1939. Public Law No. 195, 76th Cong.)

Provision is made for reimbursing States from Federal funds in cases where such States have constructed or acquired, prior to July 1, 1941, toll bridges on the approved Federal-aid-highway system and have freed such bridges from toll-charges. Such Federal aid is limited to 50 percent of the fair value or of the cost of construction whichever is lowest. Such bridges must have been constructed in accordance with Federal standards of construction.

Federal funds paid out under this act and paid from regular Federal-aid road funds shall be used for matching Federal allocations for use on the regular highway system. Federal funds paid out from the secondary Federal-aid road funds shall be used for matching Federal allocations available for secondary or feeder roads.

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GOVERNMENT REORGANIZATION

REORGANIZATION OF EXECUTIVE AGENCIES

(Approved April 3, 1939. Public Law No. 19, 76th Cong.)

The President is directed to investigate the organization of the Government agencies so as to determine what is necessary to reduce expenditures, increase efficiency, group, coordinate, and consolidate agencies according to major purposes, reduce the number of agencies, and to eliminate overlapping and duplication of effort.

Whenever the President, after investigation, finds that to carry out the aforementioned purposes, it is necessary to transfer, consolidate or abolish an agency or its functions, he is to prepare a reorganization plan and submit it to the Congress. Each plan must designate, where necessary, the name of the agency involved. It must make provision for the disposition of the records, property, and personnel affected by the plan, and for the disposition of unexpended balances of appropriations. Such balances may be transferred with the agency or function but may not be used for purposes other than those for which originally appropriated. Provision must also be made for winding up the affairs of the abolished agency.

Reorganization plans will go into effect 60 calendar days after submission to Congress unless the Congress by concurrent resolution disapproves the proposal. In the event of final adjournment of Congress prior to the expiration of the 60-day period, a new 60-day period shall begin on the opening day of the next succeeding regular or special session.

No reorganization plan shall have the effect of continuing an agency or its functions beyond the time when such agency or functions would have been terminated had the plan not been made; nor shall any agency be authorized to exercise any function not vested in it by law.

No reorganization plan shall abolish or transfer an executive department or all the functions thereof; nor shall the plan establish any new executive department. The following agencies are exempted from any reorganization plan authorized by this act: Civil Service Commission, Coast Guard, Engineer Corps of the United States Army, Mississippi River Commission, Federal Communications Commission, Federal Power Commission, Federal Trade Commission, General Accounting Office, Interstate Commerce Commission, National Labor Relations Board, Securities and Exchange Commission, Board of Tax Appeals, United State Employees' Compensation Commission, United States Maritime Commission, United States Tariff Commission, Veterans' Administration, National Mediation Board, National Railroad Adjustment Board, Railroad Retirement Board, Federal Deposit Insurance Corporation, and the Board of Governors of the Federal Reserve System.

Provision is made under the rules of the Senate and of the House of Representatives for special handling of such reorganization plans so that action upon them will be expedited.

This legislation authorizes the President to appoint not more than six administrative assistants with salaries not to exceed $10,000 per annum. These positions are created for the purpose of assisting the President in carrying out the vast amount of administrative detail work incident to the office of the Chief Executive.

As a final paragraph you might add:

"It is the opinion of Congress that by reason of continued national deficits beginning in 1931 it is desirable to reduce substantially Government expenditures and that such reduction may be accomplished by proceeding immediately under the provisions of this act."

—

HOUSING

INSURANCE OF HOME MORTGAGES

(Approved June 3, 1939. Public Law No. 111, 76th Cong.)

The Administrator is authorized to continue to insure qualified financial institutions against loss which they may sustain as a result of loans and advances of credit made by them between July 1, 1939, and July 1, 1941. Such loans may be made for the purpose of financing alteration, repairs, and improvements on existing structures of all kinds and the building of new structures for residential or agricultural purposes.

Repair loans are limited to $2,500 whereas the previous limitation was $10,000. The limit of $2,500 on new construction under this section of the act is maintained. An additional premium charge of three-fourths of 1 percent of the original amount borrowed is authorized by the act. Such loans are limited to 3 years and 32 days except where new construction is involved; and the terms of the obligation must be approved by the Administrator.

Title II of the 1938 act limited the maximum amount of insurance to be underwritten by the Government to $2,000,000,000 except that the President might authorize an increase of $1,000,000,000 additional. This act places the maximum at $3,000,000,000 and authorizes the President to increase it to $4,000,000,000 if he deems it necessary. No mortgages may be insured after July 1, 1941 unless the property was previously insured or previously approved for insurance. No refinancing mortgage shall be approved unless the holder of the existing mortgage has refused to make a loan.

Provision is made in foreclosure cases for the inclusion of expenses incurred by the mortgagee in connection with foreclosure proceedings, but in no case may it exceed $75. Provision is also made for the inclusion of payments made by the mortgagee for taxes, assessments, and other prior liens.

The section of law providing for insurance of mortgages on multifamily dwellings costing not less than $16,000 and not more than $200,000 is repealed. The conditions governing insurance on rental-housing projects are restated and clarified so as to prevent

inflation of land values and to require maintenance of a safe equity by the owning corporation.

A new section requires the payment by builders of not less than the prevailing wage rate before a mortgage on such property is eligible for insurance.

(Amends U. S. C., title 12, secs. 1702–1732; 48 Stat. 1246.)

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MONETARY AUTHORITY

CURRENCY STABILIZATION

(Approved July 6, 1939. Public Law No. 165, 76th Cong.)

Presidential powers over the dollar are continued until June 30, 1941. These powers involve the right to alter the gold content of the dollar and the right to continue in operation the stabilization fund so as to protect our currency in foreign-exchange markets. This authority makes it possible for the Government to meet instantly any efforts by foreign governments to secure trade advantages by currency manipulation.

The law further provides that each United States coinage mint shall accept domestic silver, mined subsequent to July 1, 1939, and coin such silver into standard silver dollars. Forty-five percent of such silver shall be retained by the mint as seigniorage for services performed in coining and delivering silver dollars. The effect of the law is to establish a statutory price for domestic silver; and it is expected that mining activity will be materially increased as a result of this provision.

(Amends 48 Stat. 337.)

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MONOPOLY

INVESTIGATION OF ECONOMIC CONCENTRATION

(Approved April 26, 1939. Public Resolution No. 12, 76th Cong.)

The act of June 16, 1938, created a temporary committee which was directed to study the concentration of economic power and the financial control over production and distribution with a view to determining (1) the causes of such concentration and control and their effect upon competition; (2) the effect of the existing price system and price policies of industry upon the general level of trade, upon employment, upon long-term profits, and upon consumption; and (3) the effect of existing tax, patent, and other Government policies upon competition, price levels, unemployment, profits, and consumption.

The present Congress increased the funds of the committee from $500,000 to $1,100,000 in order that it might continue its activities.

(Amends 52 Stat. 705, 1118.)

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NATIONAL DEFENSE

ARMY EXPANSION

(Approved April 3, 1939. Public Law No. 18, 76th Cong.)

The Secretary of War is authorized to equip and maintain the Air Corps with 6,000 airplanes, whereas the previous maximum strength was limited to 2,320 airplanes. Necessary planes and balloons for training purposes are also provided for, as well as necessary equipment and supplies for the maintenance thereof. An appropriation of not to exceed $300,000,000 is authorized for this purpose.

When facilities of the Army for instruction and training in aviation are insufficient, the Secretary of War may detail personnel of the Regular Army as students to any technical or professional institution or industrial plant or other place for the purpose of obtaining special knowledge incident to aviation.

Civilians of the instructional staffs of approved civilian flying schools may be enrolled upon their own application at the Air Corps training center for pursuit of such instruction as may be prescribed for such civilians.

The President is authorized to order, with their consent and for not more than 1 year for any 1 officer, such numbers of Reserve officers, in the grade of second lieutenant, as are necessary to maintain on active duty not more than 1,000 Reserve officers of the promotion-list branches other than the Air Corps; not more than 3,000 Reserve officers of the Air Corps, and not more than 300 Reserve officers of the non-promotion-list branches.

The act contemplates the building up of the Army to full peacetime strength over a period of 10 years. Provision is made for the appointment of officers from all sources—the Military Academy, the National Guard, the Reserve Officers Training Corps, etc. The peacetime commissioned strength of the Army is authorized at 16,719 men, an increase of 2,060.

The enlisted strength of the Air Corps is increased from 21,500 to 45,000 men. Any Air Corps Reserve officer who has served on active duty for 3 or more years and has not been commissioned in the Regular Army shall, upon release from active duty, receive a bonus of $500.

An appropriation of $23,750,000 is authorized for the defense of the Panama Canal and will be used to construct such buildings and utilities as are necessary to house antiaircraft, seacoast defense, and auxiliary units most urgently needed for defense of the Panama Canal.

In order that industry may prepare itself for the production of munitions, should this country ever be called upon to defend itself, there is contemplated a program of "educational orders" to industry involving approximately 55 critical items, noncommercial in character, and about 250 separate industrial concerns. An appropriation of $34,500,000 is authorized for the fiscal years 1939, 1940, and 1941; and $2,000,000 per year is authorized for each of the succeeding 4 fiscal years.

The essential provisions of the act of March 3, 1934, dealing with Navy contracts are made applicable to Army aircraft contracts.

Provision is made for the purchase, from not more than three competitors who have been unsuccessful in obtaining orders, of sample aircraft submitted in response to bids. Purchase prices are not to exceed 75, 60, and 50 percent, respectively, of the fair development and manufacturing cost of such sample planes.

AVIATION CADETS

(Approved June 13, 1939. Public Law No. 129, 76th Cong.)

This legislation permits aviation cadets to be commissioned as ensigns in the Naval Reserve or as second lieutenants in the Marine Corps Reserves, provided they can qualify following completion of training.

Such ensigns and second lieutenants, after 3 years' service, may be appointed to the next higher grade if found to be qualified.

Officers commissioned under this act may serve on active peacetime duty only during the 7-year period immediately following completion of training, except that they may be ordered to active duty thereafter to train and instruct members of the Naval Reserve and Marine Corps Reserve.

When officers commissioned by authority of this act are released after 4 or more continuous years of active duty, including duty as aviation cadets, they shall be entitled to a sum of $500 in addition to any other sums. Cadets are eligible for Government life insurance, and such insurance may be continued after discharge at the expense of the individual.

Aviation cadets who have completed active duty undergoing training on the date of approval of this act and who may be commissioned pursuant thereto shall, upon completion of 4 years' active duty, be paid a lump sum determined as $1,000 minus the excess of the pay and allowances received by them prior to the date of such completion of duty over the pay and allowances, including Government paid insurance premiums, which they would have received as aviation cadets had they not been commissioned. Said payments shall be in addition to the $500 lump sum mentioned above.

The Secretary of the Navy is authorized to appoint a board of officers of the Navy and Marine Corps which is to investigate and report on all maters concerning personnel of the flying forces of the Navy and Marine Corps. Such recommendations as the board deems advisable shall be made and the report of the board is to be transmitted to Congress within 10 days of the beginning of the session of the Congress commencing on or about January 3, 1940.

COAST GUARD

(Approved June 2, 1939. Public Law No. 104, 76th Cong.)

In order that the Coast Guard may successfully perform its peacetime police functions and become an efficient part of the Navy during wartime, there is authorized to be constructed three cutters of 20 knots speed, a Coast Guard station and air base in Alaska, and 15 seaplanes of 2,000 mile cruising range. The additional facilities will materially enhance the effectiveness of the Coast Guard activities.

ESSENTIAL MILITARY MATERIALS

(Approved June 7, 1939. Public Law No. 117, 76th Cong.)

There is authorized to be appropriated the sum of $100,000,000 for the fiscal years June 30, 1939, to and including June 30, 1943, for the purpose of acquiring and storing strategic materials necessary to the Army, Navy, and industry for defense purposes.

The Secretaries of War, Navy, and Interior are directed to determine the kind of materials to be purchased. These officials, after determining the need for the materials and after determining the domestic production to be insufficient, shall direct the purchases of supplies, and shall provide storage and maintenance and rotation of supplies where necessary because of deterioration.

The Bureau of Mines and the Director of Geological Survey are to investigate the resources of strategic materials and to inquire into the feasibility of increasing domestic production of such essential minerals.

EXPERIMENTAL EQUIPMENT

(Approved July 15, 1939. Public Law No. 178, 76th, Cong.)

The Secretary of War is authorized to purchase abroad or in the United States, with or without competitive bidding, such ordnance, signal, and chemical-warfare equipment as is necessary for development and experimental purposes.

The purpose of the law is to foster national defense by obtaining samples of new equipment and accessories, and testing them to determine whether or not they may be adapted to our national defense. This authority is limited to sample purchases, and any purchases of larger quantities must be made through regular channels.

NAVAL CONSTRUCTION

(Approved April 25, 1939. Public Law No. 43, 76th Cong.)

The act of May 17, 1938, increased the authorized strength of the Navy and created a board of officers to study and determine the need for additional naval facilities. This legislation is based upon the report of the board, known as the Hepburn Board, and authorizes the Secretary of the Navy to proceed with the con-

struction of certain projects with approximate costs as listed below:

Kaneohe Bay, T. H	$5,800,000
Pearl Harbor, T. H	2,800,000
Johnston Island	1,150,000
Palmyra Island	1,100,000
Wake Island	2,900,000
Kodiak, Alaska	8,750,000
Sitka, Alaska	2,900,000
San Juan, P. R	9,300,000
Pensacola, Fla	5,850,000
Jacksonville and Banana River, Fla	17,000,000
Norfolk, Va	500,000
Quonset Point, R. I	1,000,000
Tongue Point, Oreg	1,500,000

The approximate cost for each project may be varied upward or downward by an amount not to exceed 25 percent, but the total cost is limited to $65,000,000. These expenditures are to be made for the purpose of widening and deepening channels or harbors; development and construction of ramps and other needed equipment used by long-range patrol planes; for providing facilities for necessary repairs, maintenance and storage; for additional training facilities and other related activities.

In addition, the Secretary of the Navy is authorized to proceed with the construction of aeronautical engine and materials laboratory buildings at the Naval Aircraft Factory, Philadelphia, Pa., at a cost not to exceed $1,800,000.

Whenever the Secretary of the Navy believes it to be necessary to the national defense and believes the existing facilities of the Naval Establishment to be inadequate, he is authorized to employ outside engineering corporations, firms, or individuals for the production and delivery of designs, plans, drawings, and specifications required for naval public works or construction of naval vessels, aircraft, etc., without reference to the Classification Act of 1923, as amended, or to section 3709 of the Revised Statutes of the United States. However, no fee may exceed 6 percent of the estimated cost of the project.

In order to speed up the construction program on projects outside the continental limits of the United States, the Secretary of the Navy is authorized, with approval of the President, to enter into contracts upon a cost-plus-a-fee basis. Fees shall not exceed 10 percent of the estimated cost of the project as determined by the Secretary of the Navy. Negotiations shall be between the Secretary and three or more qualified firms, and a naval officer may be detailed to duty under each contract as an executive representative of the contracting officer representing the Government. He shall have authority to attend any meeting of the board of directors or other executive or administrative board or committee so as to ask questions, obtain information, and otherwise act to protect the interests of the United States.

The Secretary of the Navy shall annually report all such contracts and submit copies thereof to the Congress.

NAVAL PUBLIC WORKS AND CONSTRUCTION

(Approved June 2, 1939. Public Law No. 106, 76th Cong.)

In keeping with the administration's program of expanding and modernizing the national-defense facilities, the Secretary of the Navy is authorized to proceed with construction of a number of public-works projects.

These projects are located in many parts of the United States and its possessions, and include construction and repair of drydocks, barracks, explosives manufacturing plants, dispensaries, hospitals, radio direction finders, etc., together with necessary equipment and accessories.

The maximum authorization contained in this act for such purposes is $53,231,500.

RAILROAD REORGANIZATIONS

(Approved July 28, 1939. Public Law No. 242, 76th Cong.)

There is hereby provided a means for alleviating the financial difficulties under which certain railroads are laboring because of heavy capital structures or maturing obligations. The act is intended only for roads in temporary financial difficulties and shall not be in operation after July 31, 1940, though actions initiated prior to that time may be completed in due course.

Roads in temporary financial difficulties may, upon agreement by creditors representing 25 percent of creditor claims, submit to the Interstate Commerce Commission a plan for solution of its difficulties. If the plan is approved by the Commission and by two-thirds of the road's creditors, the railroad may then file a petition with the proper United States court asking authority to carry out its program of adjustment.

There shall then be convened a special court of three judges who will carefully examine all phases of the plan and will take all necessary steps to protect the creditors, stockholders, and the public. After concluding its investigation, the court will file an opinion relating its findings and decision; and, in the event of its approval, shall enter a decree confirming the plan which shall be binding upon the petitioner, creditors, and security holders.

An application for appeal from the final decree of the special court may be made to the Supreme Court within 60 days after the entry of such decree.

RELIEF AND WORK RELIEF

FOR FISCAL YEAR ENDING JUNE 30, 1939

(Approved February 4, 1939. Public Resolution No. 1, 76th Cong.)

This act appropriates the sum of $725,000,000 to supply needed funds for the conduct of the relief program from the date of its enactment to the close of the fiscal year ending June 30, 1939. In the event of an emergency necessitating an additioal appropriation, the President was requested to submit an estimate of the deficiency and to explain the circumstances giving rise to the emergency.

The administrator of the relief program was directed to investigate relief employees with the object of eliminating any persons not in actual need, and a restriction was placed on the use of funds to prevent civil-service workers from being paid from this source if the appointment to civil service was made subsequent to January 10, 1939. No part of the appropriation may be used to establish factories which would compete with existing industries.

No alien may be employed under this act or the Emergency Relief Act of 1938, and all employees are required to file an affidavit setting forth their citizenship status. Preference in employment is to be shown veterans.

Restrictions are placed on political activity with the object of protecting employees from political pressure. Persons employed in a supervisory capacity are forbidden to take an active part in political campaigns or the management of them, and no person is permitted to solicit contributions. Punishment by fine or imprisonment is provided for violation of these provisions.

No person refusing bona fide private employment shall be eligible for employment, and anyone accepting such employment and losing it through no fault of his own shall be entitled to immediate reinstatement in his previous employment.

ADDITIONAL APPROPRIATION FOR 1939

(Approved April 13, 1939. Public Resolution No. 10, 76th Cong.)

By this legislation there was appropriated to the Works Progress Administration the sum of $100,000,000 for the purpose of carrying out the relief program.

This appropriation was in addition to the $725,000,000 appropriated by the act of February 4, 1939, which is known as Public Resolution No. 1 of the Seventy-sixth Congress.

FOR FISCAL YEAR ENDING JUNE 30, 1940

(Approved June 30, 1939. Public Resolution No. 24, 76th Cong.)

There is appropriated the sum of $1,477,000,000 for the purpose of aiding the Works Progress Administration to carry on its program for the fiscal year ending June 30, 1940. Unexpended balances under previous enactments are also to remain available.

These funds will be used for administrative purposes, for projects approved by the President under the appropriation acts of 1935, 1936, 1937, and 1938, and for public works such as highways, public buildings, recreational facilities, public utilities, rural electric systems, sewer systems and water supply, transportation systems, flood control, drainage, irrigation, conservation, eradication of insect and fungus pests, fertilizer for farmers, educational, professional, clerical, cultural, recreational, production and service projects, and aid to self-help associations for the benefit of the needy.

Expenditures for other than labor costs may not exceed $6 per month per worker except that the Commissioner of Work Projects may authorize an increase where it is necessitated by a rise in material costs but in no case shall the average exceed $7 per month per man.

After January 1, 1940, not more than three-quarters of the cost of non-Federal projects may be borne by the Federal Government, and at least one-quarter of such costs must be borne by the State, Territory, etc.

The following maximum limits are placed on administrative expenditures: Salaries, including the field service, $42,500,000; communication service, $600,000; travel, $4,200,000; printing and binding, $500,000.

The Commissioner of Public Works shall send a list of all employees receiving $1,200 per annum or more to the Congress on the first day of each regular session.

The sum of $100,000,000 is appropriated to the National Youth Administration to continue its work in caring for the needy youth of the Nation by means of projects approved by the President under the Relief Act of 1938; by supplying part-time work and training to needy persons no longer in school and unable to secure employment; by helping deserving young persons to continue in schools, colleges, and universities.

One hundred and forty-three million dollars has been appropriated to the Farm Security Administration for the following purposes: farm-debt adjustment, loans, relief, prosecution of projects approved by the President under the 1938 Relief Act; projects to be approved by the President such as provision for additional water facilities, construction and operation of migratory labor camps, and land development to provide work relief for homesteaders on rural rehabilitation projects. Recipients of relief payments under this section may be required to perform useful work on public projects.

In addition to the above-mentioned appropriations, funds are provided for administrative and other expenses of several of the regular Government departments and emergency agencies.

Funds appropriated by this act are to be spread over the fiscal year ending June 30, 1940, so that no additional appropriations

will be needed for these purposes. The Commissioner may allocate not more than $60,000,000 to other Federal agencies so that they may carry out projects authorized in this act but not more than 4 percent of such allocation may be used for administrative expense; furthermore, no allocation may be made for any project if the employment of non-relief persons exceeds 10 percent of the total number of persons employed.

Federal construction projects may not be undertaken unless there has been an irrevocable allocation of sufficient funds to complete the project, and no non-Federal project shall be undertaken unless the sponsor has made a written agreement to finance a fair share of the cost. Limitations are placed upon the construction of any Federal or non-Federal buildings.

The Commissioner is to establish a monthly earning schedule for persons employed under this program and the hours of labor are to be fixed, with certain exceptions, at 130 hours per month while being limited to 8 hours per day and 40 hours per week, except in cases of emergency, etc.

Preference is to be shown veterans in employing persons on these projects and any person, except veterans, who has been continuously employed for more than 18 months shall be removed and shall not be eligible for reinstatement for a period of 30 days. No person shall be retained whose work habits or work record indicate he cannot satisfactorily discharge the duties assigned him, and no one may be employed until the need for his employment has been certified.

All persons employed under this act must make affidavit as to citizenship, and periodic investigation is to be made to weed out ineligibles or those who are not in need. No person who refuses a bona fide offer of private employment at prevailing wages may be employed or retained in employment under the provisions of this act. Such persons shall be eligible for reinstatement upon the expiration of such private employment.

Employees paid out of funds appropriated by this act are exempted from the President's order governing the civil service, and such employees may be hired and paid without regard to the Classification Act of 1923, as amended. The act prohibits the use of funds for theater projects except for the purpose of winding up the affairs of such projects and discharging obligations already incurred.

Strict limitations are placed upon the political activities of employees or officers paid from these funds, and heavy fines and penalties are provided for violation of the restrictions.

None of this money may be used in such a manner as to bring about the production for sale of manufactured articles which would compete with the products of existing industries. Exception is made in the case of municipal electric plants in communities not now adequately served at reasonable rates.

Such funds may not be used for the acquisition of arms or implements of war; for the building of naval vessels or other such purposes.

Any administrative official having general supervisory authority, except those serving at the time of enactment of this law by authority of other law, who is to be paid a salary of $5,000 per year or more shall be appointed by the President, by and with the advice and consent of the Senate; and the salary of any such appointee shall not be increased for a period of 6 months following confirmation of the appointment.

DISASTER LOAN CORPORATION

(Approved March 4, 1939. Public Law No. 2, 76th Cong.)

In order to relieve distress caused by disasters such as floods, fires, windstorms, etc., the Disaster Loan Corporation was created; it is continued in existence by this act, and an appropriation of $20,000,000 is authorized for the purpose.

(Amends 50 Stat. 19, 211.)

LOANS TO INDUSTRY

(Approved March 4, 1939. Public Law No. 2, 76th Cong.)

Since the advent of the Roosevelt administration, the Reconstruction Finance Corporation has been given broad powers with which to fight the depression. Its functions, among others, are to make loans to business, agriculture, and commerce; to provide emergency assistance for financial institutions; to aid in liquidating frozen assets, etc. This legislation extends the life of the Corporation until the close of business, June 30, 1941.

(Amends 50 Stat. 5, 49 Stat. 1186, 47 Stat. 9, 50 Stat. 19.)

RELIEF TO WATER USERS UNDER RECLAMATION PROJECTS

(Approved May 31, 1939. Public Law No. 97, 76th Cong.)

The Secretary of the Interior is authorized and directed to determine what users of water from reclamation projects are unable to pay construction charges to the Government because of crop failure or because of other circumstances beyond their control. Extensions of time for payment may be granted in such cases where insistence upon payment would result in great hardship and where unpaid construction charges would preclude the delivery of water from such projects during 1939.

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SOCIAL SECURITY AND WELFARE

RAILROAD UNEMPLOYMENT INSURANCE

(Approved June 20, 1939. Public Law No. 141, 76th Cong.)

This legislation is designed primarily to simplify and clarify existing law. Certain minor changes in the 1938 act are contemplated for the purpose of making the act more effective.

Service in Mexico by employees of the Pullman Co., etc., would be substantially eliminated because of the difficulties involved in administration. The 1938 act is amended so as to delete the definition of part-time workers in order that all railroad workers may be treated alike. The result will be less complexity in the law and more equitable and efficient handling of claims.

The waiting period required before an employee is eligible for unemployment benefits is simplified to 1 of 15 days in which there are 8 or more days of unemployment.

The provisions of existing law relating to disqualification are liberalized and the Board is authorized to require the employers to file returns of monthly compensation of employees and to distribute annual statements of earnings prepared by the Board.

The transition from coverage by State law to benefits under Federal law is made easier so as to eliminate possible hardship for the employee.

(Amends 50 Stat. 1094.)

UNEMPLOYMENT COMPENSATION

(Approved April 19, 1939. Public Law No. 36, 76th Cong.)

The social-security law provided for aid to the several States in administering their unemployment compensation laws by making grants to cover the costs of such administration in instances where the State laws met with the approval of the Social Security Board. To accomplish this purpose this act makes available the sum of $80,000,000 for the fiscal year ending June 30, 1939. A like amount is to be made available for each succeeding fiscal year.

(Amends 49 Stat. 648.)

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TENNESSEE VALLEY AUTHORITY

PURCHASES OF PUBLIC UTILITY PROPERTIES

(Approved July 26, 1939. Public Law No. 224, 76th Cong.)

The Tennessee Valley Authority Act of 1933, as amended, is further amended to permit the acquisition by the Authority of certain electric utility properties owned by the Tennessee Electric Power Co. and the Southern Tennessee Power Co., pursuant to a contract between the interested parties. Other properties of the Alabama Power Co. and the Mississippi Power Co. are authorized to be purchased.

Funds are authorized for rehabilitating such properties, for expense in connection with joining the new properties to the existing system and not to exceed $2,000,000, is authorized for use in aiding local governments to purchase any utility properties referred to in the above-mentioned contract.

The T. V. A. may issue its bonds to effect these purposes but may not issue them in excess of $61,500,000. An annual report of expenditures authorized by this act is required to be filed with the President and the Congress.

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VETERANS

BENEFITS TO WORLD WAR VETERANS AND DEPENDENTS

(Approved July 19, 1939. Public Law No. 198, 76th Cong.)

Existing statutes governing the eligibility of survivors of deceased World War veterans for death benefits or compensation are liberalized so as to include certain persons heretofore held ineligible and so as to increase the amount of monthly payments to be made to widows of such veterans.

It is estimated that several thousand persons who were formerly ineligible will now be entitled to benefits. Also increases in benefits will be received by approximately 15,000 widows who are already receiving compensation. The cost of increase in benefits has been estimated to be between two and three million dollars annually.

Retired officers and enlisted men of the Army, Navy, Marine Corps, and Coast Guard are placed on a parity basis with other veterans as regards hospitalization and domiciliary care in Veterans' Administration facilities, and are subject to certain regulations providing reduction of monetary benefits to veterans having neither wife, child, nor dependent parent while being furnished hospital treatment, institutional or domiciliary care.

SPANISH-AMERICAN WAR VETERANS

(Approved May 3, 1939. Public Law No. 62, 76th Cong.)

This act seeks to put the veterans of the Spanish-American War on the same footing with the veterans of other wars insofar as hospital and medical treatment, domiciliary care, and burial benefits are concerned. This legislation places these veterans, including veterans of the Philippine Insurrection and the Boxer Rebellion, in the same category as other veterans subject to the regulations of the Veterans' Administration.

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MISCELLANEOUS

EMPLOYEES' COMPENSATION COMMISSION

(Approved April 1, 1939. Public Resolution No. 7, 76th Cong.)

This act appropriates the sum of $2,000,000 for expenditure during the fiscal year 1939 so as to provide death benefits and disability payments for United States Employees in accordance with the provisions of existing law.

(Amends 52 Stat. 809.)

EXPORT-IMPORT BANK

(Approved March 4, 1939. Public Law No. 3, 76th Cong.)

This legislation extends the life of the Export-Import Bank until January 15, 1941, and provides that the bank may have outstanding not more than $100,000,000 in loans at any one time.

The bank was created February 2, 1934, and has as its purpose the facilitation of exports and imports between the United States and its possessions and foreign countries.

(Amends 49 Stat. 4.)

PETROLEUM

(Approved June 29, 1939. Public Law No. 158, 76th Cong.)

The act to regulate interstate and foreign commerce in petroleum and its products by prohibiting its shipment in interstate and foreign commerce, if produced in violation of State law, is continued in effect until June 30, 1942. This is a continuation of what has been called the Hot-Oil Act.

(Amends 50 Stat. 257.)

SEAMEN'S WAGE ALLOTMENTS

(Approved May 31, 1939. Public Law No. 99, 76th Cong.)

This legislation makes it possible for any seaman to stipulate in his shipping agreement that a portion of his wages shall be paid to members of his family, or that such portion shall be deposited in a savings bank or in a United States Postal Savings depository subject to the governing regulations thereof.

Such allotments must be in writing and must be signed and approved by the shipping commissioner who must examine such allotments and the parties thereto and enforce compliance with the law. No allotments except those made pursuant to this act shall be legal.

Penalties are provided in the event anyone falsely represents himself as an allottee of the seaman.

(Amends U. S. C. title 46, sec. 599.)

THE FRANKLIN D. ROOSEVELT LIBRARY

(Approved July 18, 1939. Public Resolution No. 30, 76th Cong.)

President Roosevelt, realizing that in past years a great many valuable papers of other Presidents had been lost or destroyed or otherwise made unavailable to historians and other interested parties, offered to give his personal papers to the Government, and to donate to the Government 12 acres of land on his Hyde Park estate in the State of New York as a site for a library in which to house such papers and documents.

The purpose of this legislation is to authorize acceptance of such papers and land; to create an administrative board to administer the library which is to be known as the Franklin D. Roosevelt Library; to permit the use of Federal facilities in planning, constructing, and equipping the building. The Government is to be reimbursed for the expense of such construction and equipment.

POLITICAL ACTIVITIES

(Approved August 2, 1939. Public Resolution No. 252, 76th Cong.)

To insure freedom of elections from questionable political influences, the following activities are prohibited:

A. Intimidation or coercion by any person of another person in the exercise of such other person's right to vote, or in his right to vote for or against any candidate for the office of President, Vice President, presidential elector, Senator, Representative, Delegate or Commissioner from the Territories and insular possessions.

B. The use of offical authority by any Federal official or employee for the purpose of interfering with or affecting the election of any candidate for the offices mentioned under (A) above.

C. Promises of employment, compensation, or other benefit, made possible by any act of Congress, in return for any political activity in support of, or opposition to, any candidate or political party in any election.

D. Attempts by any one to deprive any person of employment, or other benefits made possible by act of Congress, because of race, creed, color, or any political support of, or opposition to, any candidate in any election.

E. Solicitation or acceptance by anyone of any contribution for any political purpose whatever from any person known by him to be entitled to, or to be receiving, compensation or other benefit from funds appropriated by Congress for work relief or relief purposes.

F. The furnishing to any political candiate, committee, or campaign manager, for political purposes, of any list of persons receiving compensation or benefits under Federal relief or work-relief appropriations.

G. The use of any appropriation under public-works or relief programs, or the use of authority conferred by such legislation, for the purpose of hampering or coercing anyone in the exercise of his vote in any election.

H. The use of official authority by any employee of the executive branch of the Government so as to influence an election, or the active participation by such officials or employees in political campaigns. (Such persons retain the right of free expression of opinion on all political subjects, and the term "officer" or "employee" shall not include the President, Vice President, persons paid from appropriations for the Office of the President, heads and assistant heads of executive departments, and officers appointed by the President, by and with the advice and consent of the Senate, who occupy policy-determining positions.)

No employee of any Federal agency who is paid from funds authorized by Congress may be a member of any organization which advocates the overthrow of our constitutional form of Government in the United States.

Violations of any of the foregoing provisions of this law will result in heavy fines or imprisonment or dismissal from the Government service.

SOCIAL SECURITY

ADDITIONAL BENEFITS FOR THE AGED AND THE UNEMPLOYED

(Approved Aug. 10, 1939. Public Law No. 379, 76th Cong.)

In an effort to ease the economic hardship of a large number of people who are unable to supply themselves with the necessities of life in accordance with the American standard of living, and believing that all people should be protected insofar as possible against the vagaries of economic factors beyond their control, and further believing that the public health is of national concern to the Federal Government, the President and the Congress have cooperated to liberalize and extend the functions of the Social Security Administration with the object of improving the living conditions of the people of this Nation.

With this in mind, additional requirements are set up providing standards which must be met by the States before they may participate in the old-age assistant program under the social-security law. These requirements are designed to promote efficiency and to more effectively provide for the aged.

1. The old-age insurance tax has been frozen at 1 percent on the worker and 1 percent on the employer for the 3 years, 1940, 1941, and 1942, as against the 1½-percent rates on each under the present act. This will save employers and workers about $275,000,000 in 1940, or a total of $825,000,000 in the 3 years.

2. Only the first $3,000 an employer pays an employee for a year is taxed under the unemployment-compensation provisions. This is already the case in old-age insurance. This will save employers about $65,000,000 a year.

3. Provision is made for refunds and abatements to employers who paid their 1936, 1937, and 1938 unemployment-compensation contributions late to the States. This will save employers about $15,000,000.

4. Thus the savings above mentioned, through 1940, may aggregate some $355,000,000. In addition, such savings for the ensuing 2 years may amount to approximately $550,000,000. This represents total savings of approximately $905,000,000.

Benefits

The old-age-benefits provisions are liberalized so as to advance the date of the start of insurance payments to January of 1940 instead of January of 1942. It is estimated that $2,093,000,000 will be distributed in benefits during the period of 1940–44, an increase of $1,538,000,000 over what was contemplated prior to the passage of this act. An additional 1,100,000 persons under the old-age program and an additional 200,000 persons under the unemployment-insurance program are added.

Under this program each fully insured individual who is 65 years of age and who, subsequent to January of 1940, requests such insurance benefits shall be entitled to receive them until his death. Provision is made for wives to receive insurance benefits subject to certain regulations and restrictions. Likewise, children are also provided for so that they may receive benefit payments upon the death of an insured parent or a parent eligible for primary benefits. Benefits will also be paid to widows and to aged and dependent parents of deceased persons who are eligible under the provisions of this law. A lump-sum death payment may be made in certain cases where it is desirable.

The provision of law requiring half the old-age benefits to be paid by the States and half to be paid by the Federal Government is retained but the maximum amount which may be contributed by the Federal Government, provided such sum is equaled by a like State contribution, is increased from $15 to $20 per month. Hence old-age benefits may be as high as $40 per month.

Federal grants to States

1. The Federal matching for aid to dependent children is increased from one-third to one-half and the age limit raised from 16 to 18.

2. The maximum Federal matching per individual for old-age assistance and aid to the blind is increased from $30 per month to $40.

Maternal and child welfare, vocational rehabilitation, and public-health work

1. Provision is made for a $2,020,000 increase in the authorization for Federal grants to the States for maternal and child-health services. This will increase the present Federal authorization from $3,800,000 to $5,820,000.

2. Provision is made for a $1,020,000 increase in the authorization for Federal grants to the States for crippled children. This will increase the present Federal authorization $2,850,000 to $3,870,000.

3. Provision is made of a $1,562,000 increase in the authorization for Federal grants to the States for vocational rehabilitation work. This will increase the present Federal authorization from $1,938,000 to $3,500,000.

4. Provision is made for a $3,000,000 increase in the authorization for Federal grants to the States for public-health work. This will increase the present Federal authorization from $8,000,000 to $11,000,000.

Administration

1. A Federal old-age and survivor insurance trust fund is created for safeguarding the insurance-benefit funds. The Secretary of the Treasury, the Secretary of Labor, and the Chairman of the Social Security Board are made trustees of this fund.

2. Provision is made to restrict the use of information concerning recipients of State old-age assistance (particularly their names and addresses) to purposes directly connected with the administration

of old-age assistance. This is designed to prevent the use of such information for political and commercial purposes.

3. Provision is made for requiring the States to establish and maintain a system of personnel standards on a merit basis.

4. Other amendments are recommended to simplify and clarify administration of the law.

The chief change in the law is that it turns the old-age insurance into a permanent system of insurance for the aged and their survivors and likewise is a benefit to younger workers and their survivors. In effect, it is a group-insurance policy for 45,000,000 persons.

VICTIMS OF PARALYSIS, PARESIS, OR BLINDNESS

(Approved July 19, 1939. Public Law No. 196, 76th Cong.)

This legislation restores certain benefits to veterans by providing that such persons who are suffering with paralysis, paresis, or blindness, or who are helpless or bedridden as a result of any disability, and who were receiving compensation therefor on March 19, 1933, may be allowed compensation under laws existing prior to the act of March 20, 1933, which placed limitations on veterans' benefits.

The provision barring veterans whose disability arises from willful misconduct is eliminated.

Where such veterans die or have died from causes which this act would recognize as service connected, the surviving widows and children shall receive compensation if otherwise eligible.

It is estimated that 1,100 World War veterans will be restored to the compensation rolls by this law.

MARKETING AND STORING OF WHEAT

(Approved July 26, 1939. Public Res. No. 35, 76th Cong.)

Section 335 (c) of the Agricultural Adjustment Act of 1938, as amended, is further amended so as to liberalize the law dealing with marketing provisions.

A farmer whose wheat acreage does not exceed his acreage allotment may sell, without penalty, the normal or actual production, whichever is greater, of his acreage allotment; also, he may sell wheat from a previous crop if such wheat could have been sold during the preceding marketing year without penalty. Previous to the enactment, a farmer might have been subject to marketing restrictions even though he had complied with the acreage allotment.

A farmer who stores wheat, subject to regulations of the Department of Agriculture, in a lesser amount than would be subject to penalty, shall be presumed to have marketed the amount of wheat which is subject to penalty and which is not stored.

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TAXATION

THE REVENUE ACT OF 1939

(Approved June 29, 1939, 10 p. m., E. S. T. Public Law No. 155, 76th Cong.)

Corporation taxes

In lieu of the tax now imposed there is substituted a flat corporate tax of 18 percent upon corporations with incomes above $25,000. The new rate will take effect with respect to taxable years beginning after December 31, 1939. The present corporation tax containing the undistributed profits tax feature will be allowed to expire as such tax does not apply to taxable years beginning after December 31, 1939. Corporations with incomes of $25,000 or less are subject to the graduated rates on small corporations provided by existing law. An alternative tax is provided for corporations with incomes slightly in excess of $25,000. Banks, insurance companies, China Trade Act Corporations, corporations in the possessions of the United States, joint-stock land banks, rental housing corporations, and corporations in bankruptcy or receivership are taxed like other corporations; foreign corporations engaged in a trade or business within the United States and mutual investment companies are taxed at a flat rate of 18 percent regardless of the amount of their income; foreign corporations not engaged in a trade or business within the United States are taxed at the rate provided for such corporations in existing law.

With respect to the capital-stock tax, corporations are given the right to increase their capital-stock tax valuations for the fiscal years ending June 30, 1939, and June 30, 1940, but not to decrease such value for such years.

Capital gains and losses of corporations

The existing $2,000 limitation applicable to the capital losses of corporations is repealed, except with respect to domestic personal holding companies and foreign personal holding companies. Under the new provisions, capital losses on assets held for not more than 18 months may be applied only against capital gains on assets held not more than 18 months. If such capital losses exceed such capital gains, the excess loss (if not in excess of the net income) may be carried over into the following taxable year and may be applied against such short-term capital gains of such year. Capital losses on assets held for more than 18 months may be deducted in full against ordinary net income, regardless of the amount of capital gains from such assets. These provisions are applicable only with respect to taxable years beginning after December 31, 1939.

Net operating loss deduction

Taxpayers, with minor exceptions, are permitted to carry over their net operating business losses for a period of 2 years. This provision takes effect with respect to taxable years beginning after December 31, 1939. However, a taxpayer who has sustained a net operating business loss in 1939 will be permitted to carry over such operating net loss in reduction of income for 1940, and, if such net loss is in excess of income for 1940, to carry over such excess in reduction of net income for 1941.

Administrative changes

A corporation which establishes that it is in an unsound financial condition may redeem its bonds, notes, or other evidence of indebtedness in existence on June 1, 1939, at less than their face value without the recognition of gain, if such redemption occurs after June 29, 1939, and in a taxable year beginning prior to January 1, 1943. Corporations may continue bona fide business reorganizations without being subject to taxation immediately upon such reorganization by reason of the assumption by one corporation of the liabilities of the other in the process of reorganization, and will not be subject to tax in the case of such reorganizations in prior years. This change was made in view of the Hendler case (303 U. S. 564). Treasury regulations of long standing, requiring that on the declaration of a stock dividend there should be an apportionment of the basis of the original shares between such shares and the dividend stock for the purpose of computing gain or loss on the sale thereof, are validated. An optional method of taking inventories of goods is made available to all taxpayers on certain conditions.

Excise taxes

The temporary excise taxes, which under existing law expire at the end of June or July of this year, are extended for 2 years, with the exception of the tax on firearms, shells, and cartridges, which is made permanent.

PUBLIC SALARY TAX ACT OF 1939

(Approved April 12, 1939. Public Law No. 32, 76th Cong.)

The compensation of all State and local officers and employees is made subject to Federal income tax for taxable years beginning after December 31, 1938. The compensation of judges of courts of the United States who took office on or before June 6, 1932, is likewise made subject to the Federal income tax. The compensation of all other Federal officers and employees has always been subject to that tax. The United States grants consent to the States to tax in nondiscriminatory fashion the compensation received after December 31, 1938, by all Federal officers and employees. Under reciprocal provisions, and with certain exceptions, the compensation of Federal officers and employees received prior to December 31, 1938, is relieved from State taxation, and that of State officers and employees received prior to such date is relieved from Federal taxation.

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SECURITIES AND EXCHANGE COMMISSION

TRUST INDENTURES

(Approved Aug. 3, 1939. Public Law No. 253, 76th Cong.)

In furtherance of the administration's policy of requiring complete and pertinent information concerning securities which are to be issued and sold to the public, the Securities and Exchange Commission has been authorized to set up standards with which the sellers of bonds, notes, debentures, and similar securities must comply.

Provision is made for full and complete information concerning such instruments both at the time of original issue and throughout the life of the securities.

The act also provides the means whereby persons to whom such securities are sold may band together for the mutual protection of their interests.

There is further assured the ultimate purchaser of such securities the fair and disinterested services of an honorable trustee who must conform to the highest principles of integrity and conscientious diligence in pursuance of its duty.

When registering securities with the Commission, a statement must be made disclosing (1) such information and documents as the Commission may require to enable it to determine the acceptability of the trustee, (2) an explanation of provisions regarding defaults and notice thereof, (3) the delivery of such securities and the application of proceeds thereof, (4) the release and substitution of property security under the indenture, (5) the satisfaction and discharge of the indenture, and (7) the evidence to be furnished the trustee showing compliance with the provisions of the indenture.

The trustee is required to periodically report to the security holders all pertinent information concerning the relations between the party issuing the securities and the trustee as regards the maintenance of obligations by the issuer, and such other information as will enable the security owner to protect his interests.

Furthermore, the issuer of such securities must perodically report to the indenture trustee such information as shall be required by the Commission. This information will enable the trustee to protect the interests of the security owners.

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CIVIL SERVICE

RETIREMENT PROVISIONS

(Approved August 4, 1939. Public Law No. 263, 76th Cong.)

This legislation amends the Retirement Act of May 29, 1930, so as to liberalize and extend the provisions governing the retirement of Government employees.

It provides that the benefits of the Retirement Act may be extended to postmasters who have been classified under the civil-service law. An extension of 6 months from January 1, 1940, is

granted to legislative and judicial employees who wish to avail themselves of the privilege of coming within the provisions of the Retirement Act.

Existing law is amended so as to permit an employee, upon his retirement, to elect to receive a smaller annuity than that to which he would ordinarily be entitled, and to specify a survivorship annuity for a designated beneficiary.

The time limitation for execution of claims in cases of employees who at the date of separation from service or within 6 months thereafter are adjudged mentally incompetent may be waived by the Civil Service Commission, but the application for benefits must be filed within 1 year following restoration of competency or the appointment of a fiduciary, whichever is earlier.

In addition to the compulsory contribution of 3½ percent of their salaries, employees may contribute additional sums in multiples of $25 but not to exceed 10 percent of their annual salaries toward the purchase of an increased annuity.

This act is to take effect January 1, 1940.

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United States Courts

ESTABLISHING AN ADMINISTRATIVE OFFICE FOR THE COURTS

(Approved August 7, 1939. Public Law No. 299, 76th Cong.)

This legislation establishes an administrative office of the United States courts, headed by an administrator, to be appointed by the Supreme Court, at a salary of $10,000 per annum. The Supreme Court will also appoint an assistant administrator at a salary of $7,500 per annum. Such other employees as are necessary to carry out the functions of the office will be appointed subject to the civil-service laws. No such employee may practice law while so employed.

Under supervision of the conference of senior circuit judges, the administrator shall have charge of the following matters: (1) Administrative detail relating to clerical and other personnel of the courts; (2) examination of dockets to determine the need for assistance, transmittal of data to senior circuit judges, etc.; (3) disbursement of money appropriated to support the court operations; (4) purchase and distribution of supplies, etc.; (5) examination of vouchers and accounts; (6) provision of quarters and accommodations for court officials and for the courts; (7) such matters as may be assigned by the Supreme Court and the conference of senior circuit judges.

To expedite the work of the courts, the senior circuit judge of each circuit shall call together a council of the other judges of the circuit at least twice a year to consider the quarterly reports to be submitted by the director and to act as the council deems necessary. Decisions of the council are binding upon the judges of the circuit.

An annual conference is to be called by the senior circuit judge of each circuit which may be attended by circuit and district judges of that circuit and by members of the bar. This conference shall be for the purpose of studying methods of improving the administration of justice within the circuit.

The provisions of this law shall take effect 90 days after its approval.

Reclamation Projects

LIBERALIZATION OF EXISTING CONTRACTS

(Approved August 4, 1939. Public Law No. 260, 76th Cong.)

The Secretary of the Interior is authorized, upon request by water users or their duly authorized representatives, to alter the terms of the repayment or construction charge contracts between the Government and the users of water on reclamation projects. Such alteration may result in the extension of time for repayment of construction charges, etc., but such contracts may not be for a period of time longer than 40 years, nor shall any extension of time exceed twice the remaining period under the existing contract.

Water users under existing contracts may appoint representatives to negotiate with the Secretary of the Interior with reference to alterations of such existing contracts for repayment. When such organizations request it, the construction charges remaining unaccrued may be merged in a total and general repayment obligation which shall be scheduled in such annual installments as the Secretary of the Interior believes will constitute a fair and equitable plan of repayments.

Such repayment may be based on a sliding scale in accordance with variations in crop returns, and provision is made for payments to come due when crop receipts are available. The Secretary may defer the charges whenever he believes it necessary in order to prevent inequitable pyramiding of payments.

Penalties and delinquency charges are to be provided in the contract to be applied when water users default on payments and additional provision is made to protect the Government interests and investments.

The lands involved in existing projects may be classified so as not to place a hardship on persons whose holdings are less productive than other lands, and special consideration will be accorded projects with special problems affecting their ability to repay.

No expenditures may be made nor estimates submitted for new projects until the Secretary of the Interior has carefully examined the proposed project and determined the feasibility of such project.

The authority contained in this law for modification of existing contracts is to remain in effect for a period of 5 years.

Home Owners' Loan Corporation

GRANTING EXTENSIONS OF TIME FOR REPAYMENT OF LOANS

(Approved August 11, 1939. Public Law No. 381, 76th Cong.)

The Roosevelt administration, upon taking office March 4, 1933, sponsored legislation to relieve the distressed home owners of the Nation. The Home Owners' Loan Act of June 13, 1933 (48 Stat., p. 128), was the result. Under that act and amendatory acts there have been more than a million distressed home mortgages refinanced by the Government.

The legislation just approved by the President further amends the Home Owners' Loan Act to permit these loans to be repaid over a period of 25 years instead of a period of 15 years as provided in the original law.

The Corporation, when in its judgment the circumstances of the home owner and the condition of the security warrant such action, is authorized to extend the mortgage for the additional period of years and to make necessary adjustments in the loan payments.

Monetary Control

EXTENSION OF REMARKS

OF

HON. KNUTE HILL

OF WASHINGTON

IN THE HOUSE OF REPRESENTATIVES

Saturday, August 5, 1939

LETTER FROM FORMER REPRESENTATIVE CHARLES G. BINDERUP, OF NEBRASKA

Mr. HILL. Mr. Speaker, under the leave to extend my remarks in the RECORD, I include the following letter received by me from Hon. Charles G. Binderup, former Representative from Nebraska:

THE CONSTITUTIONAL MONEY LEAGUE OF AMERICA,
Washington, D. C., August 5, 1939.

Hon. KNUTE HILL,
House of Representatives, Washington, D. C.

MY DEAR CONGRESSMAN: I notice the New York Sun, in commenting on your bill for monetary control which you recently introduced in Congress, says in an article that your bill is noble in its nature, being intended to restore to Congress the sole power to issue money and regulate its value, to prevent inflation and depression, and to provide a stable currency. This is indeed a compliment to you, friend HILL, coming from a paper that is considered very conservative.

The article goes on to say, "And it starts off with five whereases," of which the following are samples:

Whereas there has developed in the method of conducting commercial banks in the United States the custom of lending the private credit of such institutions under the pretense of lending money; and

Whereas such credit, transferable from one depositor to another on the books of the bank or through clearing houses or otherwise to books of other banks upon the check or order of the borrower or subsequent depositor is now generally accepted in payment of private debts, the said practice in fact provides an uncontrolled and privately created circulation medium of exchange which performs substantially every monetary function in violation of and practical nullification of article I, section 8, of the Constitution of the United States, which vests in Congress the sole power to issue the money of the Nation and regulate its value.

There are others but these give the general drift. The bill proper would require that commercial banks hold all demand deposits "in lawful money of the United States, on hand, or as credit in the Federal Reserve banks of its district," with a proviso that they might also keep part of their deposits in interest-bearing bonds or notes of the Federal Government. A bank short of cash and bonds might make up the total by rediscounting with its Federal Reserve bank so much of its assets as would be necessary. At discretion it could sell "additional common or preferred stock" to its present stockholders or to the outside public.

The bill would set up administrative machinery designed to "expand the currency or credit in active circulation until there is substantially full employment at the wholesale price level of 1926." Some of this would be put into circulation as "social dividends"—pensions of $50 a month to all persons 60 years old or older. A billion would be used to finance the purchase of "individual-type farms, not to exceed $8,000 per unit at 2½ percent yearly." Another $250,000,000 might be spent in assisting children "from the lower-income groups" in acquiring "a desirable education." Any necessary additional expansion would be obtained through further purchases of Government bonds and by developing of the Nation's natural resources.

I am pleased to advise you that a text book for schools is now being completed, the title of which is "Basic Principles of Constitutional Money". The book is definitely nonpartisan in every detail, dealing with facts only, and contains a complete explanation of money and its functions. This book is written in regular school-book style with definitions and questions at the close of each chapter.

The author, Mrs. Etta M. Russell, is a writer and instructor, and has devoted nearly a quarter of a century of her life in the educational field as a teacher and superintendent. Her experience and her thorough knowledge of the monetary question qualifies her excellently for this most important work.

This book gives the simple, basic, and fundamental facts about money, its true nature, function, and importance in the great problem of today—how to distribute the products of modern industry to all of our people, and I might add that the teachings of this book seem to agree entirely with the principles contained in your bill.

Everyone should have the background which this book gives to thoroughly understand our economic or monetary problem. Indeed this step forward has been needed for many years, for monetary education has lagged far behind in our modern program of education.

Sincerely yours,

CHARLES G. BINDERUP.

Old-Age Assistance

EXTENSION OF REMARKS

OF

HON. SAM HOBBS

OF ALABAMA

IN THE HOUSE OF REPRESENTATIVES

Saturday, August 5, 1939

PETITION ASKING FOR ENACTMENT OF H. R. 5620, THE GENERAL WELFARE ACT

Mr. HOBBS. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following:

GENERAL WELFARE FEDERATION OF AMERICA, INC.,
Washington, D. C., August 4, 1939.

Hon. SAM HOBBS, M. C.,
House Office Building, Washington, D. C.

MY DEAR CONGRESSMAN: Enclosed you will find petitions signed by voters in your district asking for enactment of the proposed General Welfare Act, H. R. 5620, as follows:

1. R. L. Williamson, 101–103 Tenth Street, Anniston, Ala., and 57 others.

2. J. W. McBryde, Prattville, Ala., and 14 others.

We would appreciate reference to these petitions in the CONGRESSIONAL RECORD under Petitions Received. If you care to send copies of the RECORD to those who have donated their time in obtaining these signatures, we know they would appreciate it.

Thanking you for any consideration you can give to this safe, sane, and reasonable pension measure which is destined to become, in our opinion, the leading issue in the coming campaigns, we remain,

Very sincerely yours,

ARTHUR L. JOHNSON,
Executive and Legislative Secretary.

P. S.—We would greatly appreciate it, as would these petition signers, if you could see your way clear to sign Discharge Petition No. 15 on this bill so that it may be considered by the entire House in accord with American principles.

A. L. J.

Signatures obtained by J. W. McBryde, Prattville, Ala.:

Petition to Congress:

We, the undersigned citizens of the United States, respectfully petition that the Seventy-sixth Congress enact the improved General Welfare Act (H. R. 5620), thus relieving the suffering of our needy citizens over 60 years of age and providing prosperity for America and security for all at 60.

STATE: ALABAMA; CONGRESSIONAL DISTRICT 4

J. A. Hunt, O. T. McCluskey, W. E. Durden, D. S. Chambliss, G. A. Jacks, J. M. Durden, Charlie White, J. F. Howard, S. S. Fallon, A. C. Anderson, E. H. Durden, Andrew Hunt, N. M. McBryde, Joe A. Chamblin, C. C. Burhalter, all of Prattville.

Signatures obtained by R. L. Williamson, 101–103 West Tenth Street, Anniston, Ala.:

Petition to Congress:

We, the undersigned citizens of the United States, respectfully petition that the Seventy-sixth Congress enact the improved General Welfare Act (H. R. 5620), thus relieving the suffering of our needy citizens over 60 years of age and providing prosperity for America and security for all at 60.

STATE, ALABAMA; CONGRESSIONAL DISTRICT 4

R. L. Williamson, Williamson Furniture Co., 101–103 West Tenth Street, Anniston, Ala.; E. L. Stephens, 1808 Noble Street, Anniston, Ala.; Cecil J. Stephens, 1425 Wilmer Avenue, Anniston, Ala.; R. H. Prezley, 1700 More Avenue, Anniston, Ala.; W. E. Davis, 34½ West Eleventh Street, Anniston, Ala.; J. V. Robertson, 2009 Christine Avenue; W. C. Hollingsworth, 1931 Noble Street; C. H. Simpson, 1534 Woodstock Avenue, Anniston, Ala.; F. O. Heptinstall, 1624 Gurnee Avenue, Anniston, Ala.; I. H. Hutte, R. 3, Anniston, Ala.; T. B. Hampson, 1029 Forest Lane, Anniston, Ala.; J. W. Bramlett, 2316 Gurnee, Anniston, Ala.; R. P. Scott, R. No. 3, Anniston, Ala.; J. L. Scott, R. No. 3, Anniston, Ala.; C. T. Brown, R. No. 3, Anniston, Ala.; Jack Dempsey, 1831 West Eleventh Street, Anniston, Ala.; Henderson Dempsey, 1831 West Eleventh Street, Anniston, Ala.; J. A. Lane; G. A. Brown, Anniston, Ala., R. 2; H. A. Eberhart, 1813 McKleray Avenue, Anniston; H. H. Westbrook, 1808 Noble Street, E. S. Burgess, Anniston, Ala., R. 1; C. W. Burgess, Anniston, Ala., R. 3; J. P. Wheeler, 1606 Noble Street; James Albert Brickhouse, Anniston, R. 3; Robert James Hilley, Anniston, R. 3; Samuel T. Colley, 920 Devens, Anniston; G. E. Waugh, No. 3, City; W. T. Vinson, Anniston, Ala., R. 3; H. L. Ham, R. 3.

Petition to Congress:

We, the undersigned citizens of the United States, respectfully petition that the Seventy-sixth Congress enact the improved General Welfare Act (H. R. 5620), thus relieving the suffering of our needy citizens over 60 years of age and providing prosperity for America and security for all at 60.

STATE: ALABAMA

Paul Goodwin, R. F. D. 3, Anniston, Ala.; W. F. Carrey, box 1132, Anniston, Ala.; C. J. Rowe, route 3, Anniston Ala.; D. L. Coter, route 3, Anniston, Ala.; J. A. Posey, 307 Glenddie, Anniston, Ala.; J. T. Bonds, 3, Sherman Heights, Anniston, Ala.; Henry Guck, 421 Hunter Street, Anniston, Ala.; W. O. Haney, route 3, Anniston, Ala.; G. P. Rogers, 600 Hunter Street, Anniston, Ala.; L. W. Bowman, 900 Ware Street, Anniston, Ala.; J. L. Adams, route 3, Anniston, Ala.; L. C. Champion, Anniston, Ala.; J. W. Buford, 2225 Walnut Avenue, Anniston, Ala.; Howard Lomberg, 2226 Walnut Avenue, Anniston, Ala.; S. C. Badgett, box 157, Blue Mountain, Ala.; R. W. Webb, Blue Mountain, Ala.; F. A. Mange, 1624 West Tenth Street, Anniston, Ala.; N. O. Hicks, 1605 Coble Avenue, Anniston, Ala.; M. A. Hardin, 1628 West Tenth, Anniston, Ala.; J. D. Smith, route 3, Anniston, Ala.; Jock Frieds, 1604 West Tenth Street, Anniston, Ala.; Bud Lindsay, 1604 West Tenth Street, Anniston, Ala.; R. E. House, Anniston, Ala.; S. B. Tollison, 1800 West Eleventh Street, Anniston, Ala.; C. L. Dew, 17 West Twenty-fourth Street, Anniston, Ala.; A. C. Wood, 1922 Walnut Avenue, Anniston, Ala.; Joe Canada, 708 Wilmer, Anniston, Ala.; Fannie Canada, 708 Wilmer, Anniston, Ala.

The Hatch Bill

EXTENSION OF REMARKS

OF

HON. J. WILL TAYLOR

OF TENNESSEE

IN THE HOUSE OF REPRESENTATIVES

Saturday, August 5, 1939

LETTER FROM JOHN J. O'CONNOR TO ARTHUR KROCK, OF THE NEW YORK TIMES

Mr. TAYLOR of Tennessee. Mr. Speaker, under the leave to extend my remarks in the RECORD, I include the following letter of Hon. John J. O'Connor, former Representative from New York, to Mr. Arthur Krock, of the New York Times.

WASHINGTON, D. C., *August 5, 1939.*

Re Hatch bill.

Mr. ARTHUR KROCK,
New York Times, Albee Building, Washington, D. C.

DEAR MR. KROCK: Thanks for your letter to me acknowledging receipt of my letter to you of August 3, in reference to your column commenting on the President's statement issued in connection with his reluctant approval of the Hatch bill.

You say:

"Other lawyers tell me that there are decisions which prove that the Court has often examined the statement in debate of the author of a bill or the chairman in charge of it in order to get at the question of intent."

That is correct, providing always that the language of the act is "not free from doubt," and I so stated in my letter to you. That is quite different, however, from the Court paying any attention to the attempt of the President to "make the record" when he approved the bill, or any attention to what the author of the bill, Senator HATCH, said to the President in discussing the bill after both Houses of Congress had passed it.

I note with interest the statement in your letter that "maybe" you should have said in your article that the President's message "should" be competent evidence rather than it "would" be.

Frankly, I doubt if any lawyer experienced in such matters would agree with you. Why should any court pay any attention to what the President or the Attorney General thinks a law means after Congress has expressed its will? To do so would certainly be a drastic departure in judicial construction.

You kindly refer me to the case of *Wright* v. *Mountain Trust Bank* (300 U. S. 440). That case is on all fours with the cases cited in my previous letter to you. Incidentally, Representative WILLIAM LEMKE was of counsel in the case which involved the Frazier-Lemke Act.

At page 463, Mr. Justice Brandeis, in delivering the opinion of the Court, said:

"Since the language of the act is not free from doubt * * * we are justified in seeking enlightenment from reports of congressional committees and explanations given on the floor of the Senate and House by those in charge of the measure."

That is the well-established law, but it affords no foundation for any court paying any attention to what the President said when he approved the law or what the Attorney General said in advising the President as to the effect of the law, or what the author of the bill told the President at the White House after Congress had passed the bill he believed the bill "meant" or what he "intended" by it.

Solely with the idea of "keeping the record straight," I am again writing you.

Sincerely yours,

JOHN O'CONNER,
Former Chairman of Rules Committee, House of Representatives.

One Hundred and Fiftieth Anniversary of the Establishment of the Lighthouse Service

EXTENSION OF REMARKS
OF
HON. COLGATE W. DARDEN, JR.
OF VIRGINIA
IN THE HOUSE OF REPRESENTATIVES
Saturday, August 5, 1939

SPEECH OF HON. COLGATE W. DARDEN, JR., OF VIRGINIA, ON OCCASION OF THE CELEBRATION AT CAPE HENRY, VA.

Mr. DARDEN. Mr. Speaker, under the leave to extend my remarks in the RECORD, I include the following address by myself at the one hundred and fiftieth anniversary of the establishment of the Lighthouse Service:

Mr. Chairman, distinguished guests, ladies, and gentlemen, we gather here today to celebrate a very great occasion—the one hundred and fiftieth anniversary of the establishment of the Lighthouse Service—a Service which has rendered since its organization aid and assistance to countless thousands of our own citizens as well as to those of all nations who use the great sea lanes and inland water courses over which they stand guard.

The First United States Congress, in the ninth act which it passed, authorized and directed the Federal authorities to assume the support of the lighthouses, beacons, buoys, etc., which had previously been erected and maintained by the respective Colonies. The act also provided for the erection and maintenance of other aids to navigation.

The original act bore the signatures of distinguished American citizens—officials who are forever associated with the foundation of this great Republic. Muhlenberg signed as Speaker of the United States House of Representatives, John Adams as Vice President of the United States and President of the Senate, and George Washington as President.

I am sure that a few observations in reference to this service will be of interest to you. When the Government of the United States was organized in 1789 there were 12 lighthouses operated by the Colonies—those at Boston, Mass., and Charleston, S. C., being among the oldest. Three lighthouses were under construction but had not yet been placed in operation. Among these were the lights at the entrance to the Savannah River, Ga., and the Cape Fear River, N. C.

Virginia had undertaken to construct a lighthouse here at Cape Henry—in fact, much of the material had been assembled but building had not actually started.

Consequently the Cape Henry Lighthouse, standing on the southerly end of the Virginia Capes and marking the entrance to Chesapeake Bay, was the first lighthouse to be constructed by the United States Government.

The act of March 26, 1790, made the necessary funds available and the State of Virginia ceded to the Federal Government a 2-acre plot of ground for the site. Alexander Hamilton, then Secretary of the Treasury, under whose jurisdiction the Lighthouse Service had been placed, entered into a contract with John McComb, Jr., of the State of New York for the construction of the masonry tower for the light, a frame house 20 feet square and two stories high with a frame kitchen as a dwelling for the keeper and a stone vault 12 feet wide and 20 feet long for the storage of oil—all for the sum of $15,200, to be paid, however, in installments, $4,000 upon signing the contract—this sum to be used by McComb to purchase the necessary materials, $4,000 when the water table was laid, $3,000 when the lantern was raised, $2,000 when the stonework and the lantern were finished, and the remaining $2,200 when the work was completed.

At the risk of spending too much time on this operation I shall make mention of a few of the interesting features of the tower itself in order to show why it has withstood so well the ravages of the passing years and the widely varying seasons.

It was provided that the tower be built in a good and workmanlike manner. The foundation was to be of stone, as was the tower, and sunk to a depth of 13 feet below the water table over the top of which pavement was to be laid, the diameter of which was to be 27 feet 6 inches with a vacancy of about 9 feet in the center.

The diameter of the base was to be 26 feet and the thickness of the walls was to be 6 feet. The height from the bottom of the water table to the top of the stonework was to be 72 feet where the diameter would be 16 feet 6 inches and the thickness of the walls 3 feet. The form of the lighthouse was to be an octagon, having three windows in the east and four in the west.

The lantern was to be supported by eight posts of wrought iron—3 inches square and 20 feet in length—10 feet of which were to be wrought into the wall in the inner part of each corner.

The contract is signed by John McComb, Jr., and Alexander Hamilton, Secretary of the Treasury.

There is then an interesting addition to the effect that on account of the situation of the ground it was necessary to make the foundation of a greater depth and width than had been planned. To this end McComb offered to sink the foundation 20 feet below the water table with walls 11 feet thick; the base to be there 33 feet in diameter at an additional cost of $2,500.

Thomas Newton, Jr., accepted this proposal on behalf of Alexander Hamilton with the further provision, however, that should the cost pursuant to the estimate of McComb appear too high to the President, the extra work was to be determined by three disinterested persons to be mutually chosen. Happily there seems to have been no disagreement on this point, since George Washington approved the agreement on December 6, 1792, in which year the light was first shown.

To superintend the construction of the lighthouse, Mr. Cornick was engaged at $2 per week.

The first keeper of the light seems to have been Laban Goffigan, formerly a resident of Portsmouth, Va.

It is not strange that a tower so carefully and strongly constructed should continue to look seaward to this day, even though it is no longer in active service.

The first lantern seems to have been furnished with eight lamps, each capable of containing six quarts of oil, and hung in two tiers over each other transversely.

This lighthouse, like the others of the same period, passed through various stages of development—the principal changes being in the kinds of oil burned and the introduction of the first lens just prior to the Civil War.

In April 1861 the illuminative apparatus was moved and the lantern destroyed. Shortly afterward a lightship under armed protection was anchored between the two capes and in 1863 the lighthouse was again in operation, protected by a military guard.

The first tower stood about 75 years before there was any indication of disintegration. At about that time cracks began to appear and eventually the tower was declared unsafe.

In 1878 funds were appropriated for a new structure and in 1881 the new tower was completed at a cost of $125,000. The new tower, which is the one in use today, is built largely of cast-iron plates, bolted together along the edges. It is the tallest fully enclosed lighthouse in the country, constructed of cast iron. The lens is 150 feet above the ground and the electric light of 160,000 candlepower is visible for 19 miles.

These few references give you some idea of the equipment necessary for this far-flung service because this light is typical of many others along our coast line.

However, the priceless possession of this great organization is its splendid personnel—with its tradition of devotion to duty. No group in the service of this Republic is more loyal and patriotic than are those who make up our Lighthouse Service.

The highly decentralized nature of the Lighthouse Service today, as well as for the past 150 years, has necessitated personnel policies and procedures quite different from those suitable in other services where large numbers of employees are under immediate supervision. The typical lighthouse keeper, by force of circumstances, has always led a life of considerable isolation, and the Service as a whole has been able to perform its function in a satisfactory manner chiefly for the reason that in general men were selected who could be relied upon for a high degree of faithfulness, devotion to duty, and individual integrity. These basic qualifications for Lighthouse Service duties have not changed through the years.

The operations of the service covering as it does all of our coasts, interior rivers and lakes, and waters bordering outlying territories, impose an unusual obligation of individual initiative on the supervisory officers in charge of the lighthouse districts in recognition of which and of the emergency character of much of the Service work a high degree of responsibility and authority have been imposed on them with results which have been most gratifying. This obligation includes that of personal contact with and supervision of a widely scattered personnel. This task has been done effectively and with sympathy as well as with full understanding of conditions. The welfare of the personnel at large has been one of the first concerns of these officers and on the whole it would appear that there has been a proper consideration of the Government's interest without sacrifice of the individual.

In recent years the conditions of service on board lightships and at the more isolated lighthouses have been materially improved through liberal provisions for leave on shore. The time granted which, as indicated, is in the nature of shore leave, is in addition to regular annual leave, and is for the purpose of compensating for the effects of isolation requiring that even when off duty the men suffer restrictions of their freedom and activities, being unable to normally enjoy such free time.

The personnel of the Lighthouse Service, because of the urgent and hazardous character of the work, must be maintained in a high state of discipline. It was placed under the civil-service rules by President Cleveland. Appointments, employments, and advancements are made solely on a merit basis, for the good of the Service, all persons in responsible positions receive thorough training and extended experience in the work of the Service.

The functions of the Lighthouse Service are well defined, and there has been no expansion or tendency to expand beyond these appropriate functions. There has therefore been no overlapping with other Government activities. These functions, however, have in recent years changed materially in character, involving an increased proportion of highly technical work, and they have had a continually wider application to the commercial and maritime activities of the country.

In more recent years the radio has been adapted to the needs of the Service and the mariner has profited as a result.

Radiobeacons are installed at lighthouses and on lightships, sending out radio signals in all directions for the guidance of ships. Vessels equipped with radio compasses may intercept these signals, and from them determine the direction in which the sending station lies. Each lighthouse or lightship radiobeacon broadcasts a distinctive dot-and-dash signal so that it may readily be identified, and the reception of signals from two or more stations provides a cross bearing accurately establishing the receiving vessel's position.

Radiobeacons have greatly increased the effectiveness of lighthouses and lightships, for they may be heard many miles away when the sending station lies below the horizon or is invisible because of fog, rain, or snow. There are more than 125 of these radiobeacons now in operation, having ranges of from 10 to 300 miles, and covering the entire coasts of the United States and the Great Lakes.

DISTANCE-FINDING SIGNALS

One of the latest means devised by the Lighthouse Service for aiding vessels during fog, are the distance-finding signals. Such signals consist of the simultaneous sounding of a fog signal and a radiobeacon. The signal of the radiobeacon will reach the passing ship instantaneously, while the sound signal traveling through the air moves at a definite speed, which is roughly 1 nautical mile each 5½ seconds. The mariner upon observing the difference in time between the receipt of the radio signal and the sound signal can very simply tell his distance from the sending station. Distance-finding signals are available at all lightships and at many lighthouses.

This year marks not only the one hundred and fiftieth anniversary of the Lighthouse Service, but it also marks, as a result of the reorganization of the Federal departments, its transfer to the United States Coast Guard. These two distinguished services are combined in the public interest.

The citizens of our country have every reason to be proud of them. Each has behind it a record of great achievement. Both have before them the opportunity for service of the highest order.

Behind the Headlines

EXTENSION OF REMARKS
OF
HON. CHARLES A. PLUMLEY
OF VERMONT
IN THE HOUSE OF REPRESENTATIVES
Saturday, August 5, 1939

ARTICLE FROM THE WASHINGTON MERRY-GO-ROUND

Mr. PLUMLEY. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following article which appeared in Drew Pearson and Robert Allen's The Washington Merry-Go-Round of August 4, relating as it does to Vermont's senior United States Senator:

Behind the headlines of turbulent wind-up battles on Capitol Hill are two political developments of great significance.

One was the emergence of a new Republican floor leader—courtly, square-shooting Senator WARREN R. AUSTIN, of Vermont.

The other was the formation by die-hard anti-New Deal Senate Democrats of a secret parliamentary organization of their own, with all the trappings of the regular Democratic Party machinery—a floor leader, whips, and general staff.

In Acting Floor Leader AUSTIN the G. O. P. has a sturdy conservative and loyal party supporter, but a man who also believes that principles come before partisan interest. Illustrating his attitude were his votes to confirm Justice Felix Frankfurter and Attorney General Frank Murphy, and his vigorous defense of the sale of war planes to the French.

Other Republicans raged against the two appointments and rushed to make political capital out of the plane deal. But AUSTIN, who would never have named Frankfurter and Murphy himself, readily conceded their ability and integrity. And regarding the sale of planes to France he said, "I will not allow partisanship to influence me in a stand that might be construed as detrimental to my country."

Sixty-two, stocky, well dressed, AUSTIN is a hard fighter but always a fair one. This quality has won him a host of warm friends in all quarters.

One of his intimates was the late Senate Democratic floor leader, Joe Robinson, of Arkansas. Another is Postmaster General Jim Farley, whom he vigorously assailed for canceling the air-mail contracts but who later sent him a photograph with this inscription: "To a real fellow whose friendship I prize."

NOTE.—AUSTIN'S closest friend is his 91-year-old mother, to whom he writes every day he is away from his Vermont home.

Congress No Longer an Order-Taking Body

Annual recurring deficit and rapidly mounting Federal debt has penalized and deceived the American people—House awakened to its responsibilities—must continue efforts to eliminate individual dictation and yoke of excessive taxation.

EXTENSION OF REMARKS
OF
HON. IVOR D. FENTON
OF PENNSYLVANIA
IN THE HOUSE OF REPRESENTATIVES
Saturday, August 5, 1939

Mr. FENTON. Mr. Speaker, I believe this session of Congress will restore public confidence that the House of Representatives has determined to be no longer an order-taking body subject to the dictates of another branch of the Government.

The House has done more in recent weeks to encourage business and restore the Nation's faith in popular government than any other public agency has done in the past 6 years.

Votes to revise taxation in the interest of recovery and a checkrein on the Tennessee Valley Authority as a competitor of private business, are evidence of a new-found courage and independence.

Members of the lower Chamber received little encouragement in their efforts from any other department of the Government, but this did not discourage the Members from deciding important measures by decisive margins.

The reawakening of the House to its responsibilities holds bright prospects for the future—the House is no longer a "rubber stamp."

The strongest guaranty of the preservation of popular government in America is a Congress dominated by a spirit of courage and independence, determined to act in the best interests of the people whom it represents and is supposed to serve.

What the country wants most of all is the healthy recovery of business from depression ills, and jobs for the jobless.

It is indeed gratifying that a check has been made on the so-called spending and pump-priming methods.

The American people have been penalized and deceived through the increase in the annually recurring deficits and the rapidly mounting Federal debt.

The people have been persuaded to ignore or forget that the Federal debt is their debt. The Federal debt touches and, to a degree, impoverishes every man, woman, and child in this Nation. Not only that, not only do the men, women, and children of this Nation owe the Federal debt, but they owe their State, county, municipal, and other governmental unit debts.

The States, counties, and municipalities have been encouraged to squander and spend because they have been encouraged to match funds with the Federal Government in public expenditures.

Since the taxpayer is responsible not only for the Federal debt, but in each State is responsible for his State, county, and municipal debts, this luring into extravagant expenditures of the States and the counties and the municipalities by the Federal Government has amounted to the Government taking one dollar from a taxpayer's pocket and then saying to him, "Spend another one dollar, or two or more dollars, and I will give you part of this one dollar back."

This has been just as true in the Thirteenth District of Pennsylvania as it has been of any other section of the United States.

I desire to incorporate in my remarks at this point some figures showing the population of the Thirteenth Congressional District of Pennsylvania, comprising Schuylkill and Northumberland Counties, the assessed valuation of all taxable real estate in that district, the thirteenth district's share of the national debt on a per capita basis, the ratio of the debt to the assessed valuation in the district, the share of the New Deal debt on a per capita basis, and the ratio of the New Deal debt to the assessed valuation.

The population figures used are based on the 1930 census. The national debt, according to President Roosevelt's Budget figures, will on June 30, 1940 (or at the end of the present fiscal year), be $44,457,845,210. The per capita of national debt on the basis of the 1930 census will, therefore, at the end of the fiscal year of June 30, 1940, be $362. The per capita share of the New Deal debt incurred since March 4, 1933, will on June 30, 1940, be $192.

The assessment figures used in these tabulations were furnished by the bureau of statistics, division of assessments and taxes, Pennsylvania department of internal affairs.

The following statistics show just how my district, Schuylkill and Northumberland Counties in Pennsylvania, are affected in their share of the national debt:

	Population	Assessed valuation of all taxable real estate	Share of national debt on per capita basis	Percent of assessed valuation	Share of New Deal debt on per capita basis	Percent of assessed valuation
Schuylkill	235,505	$126,872,505	$85,252,810	67	$45,216,960	36
Northumberland	128,504	62,195,218	46,518,448	75	24,672,768	40

Of course, this per capita debt laid by the Federal Government upon the shoulders of my constituents in the Thirteenth Pennsylvania District, and the interest thereon, must be paid through taxation.

When we consider the fact, Mr. Speaker, that the actual appropriations of this session of Congress will exceed the Budget estimate, the figures set forth in my remarks are conservative.

Mr. Speaker, I could go on with these figures showing in many ways how my district in Pennsylvania, and my State itself, have suffered from the New Deal system of spending and lending and pump priming; but I have said enough here to amply demonstrate the necessity for a change of administration; a change of system; a return to sane, sound government; a return to sane, sound economics; to sane, sound business; and to sane, sound sense.

If this Congress will go forward along constructive lines that will insure faith and confidence by exercising its rightful prerogatives in behalf of all the people, peace and contentment will come and we will again be a happy nation free from individual dictation and the yoke of excessive taxation.

The Foundation of America

EXTENSION OF REMARKS
OF
HON. STEPHEN BOLLES
OF WISCONSIN
IN THE HOUSE OF REPRESENTATIVES
Saturday, August 5, 1939

Mr. BOLLES. Mr. Speaker, Voltaire said that "all the sound of history is the tread of sabots climbing the stairs and the patter of satin slippers going down."

Up this stairway of the centuries, the wooden shoes and sandals of the peasants have clattered to the top, and their wearers have taken over the seats of the mighty, while down the stairs in an unceasing, endless procession, has gone the patter of satin slippers and the glory and fustian and garmenture of those who ruled and reigned without mercy or understanding.

The interval between the close of the American Revolution and the establishment of the Government of the United States was the darkest, most bitter in our history. Across the sea, the defeated British looked with unconcealed joy on the evident breaking down of the new order. They waited in Europe like a hungry pack of wolves for the hunter to sleep when they would again reconquer America. Some here wanted separate States, some a new government with the panoply of empire. There was little sunshine, and great darkness. Israel wandering in the wilderness, wretched, half-starved, and uneasy; fearsome of enemies of the forest and desert, and the signs and portents of nature, was never more in need of the fire from Sinai than the new States created from the American Revolution and the Constitution in 1787.

Mr. Speaker, these thoughts come to me as I read of the coming Wisconsin Day at Valley Forge, when the 161st anniversary of that winter camp of tragic memory—tragic yet glorious in its sacrifice and patriotic devotion to the cause of freedom—will be celebrated.

Out of the Ordinance of 1787 creating the Northwest Territory came five great States, Ohio, Indiana, Michigan, Wisconsin, and Illinois. I want to impress upon you in this hour of national bewilderment, of travail and troubles, when young and old seem to be so worried and distraught, the story of one of those five States. They have billions of dollars in wealth—in lands, in buildings, in great cities with houses and homes and industries. None of these things of material, tangible worth came by magic. Labor, toil, thrift created it.

Thus came Wisconsin into being. Its soil gave laughing refrain in a chorus of crops to the song of the plow. Its lakes and streams, its far-flung wilderness, its prairies and marshes, its lure to the lover of adventure, in two decades of settlement changed forest to farm and village, silence to service, hope to realization, vision to interpretation. A new State was born. It was Wisconsin, and its star took its place on the field of the flag. The foundation of Wisconsin was in the faith of its people.

In Wisconsin we have been a part of the pageantry of an honest civilization. Behind this is a past of honor—a path leading back to another glorious record. There is a scenic vision of pioneers. There is the story of the men and women who came here from the eastern sections of the Nation, and from foreign lands, seeking homes; ever and always following the way that led to the doorstep of a home—the castle and habitation of a sovereign citizen. These men and women were natural builders of empire. Association widened and softened them. They were assimilated into one body politic from common interest. They wrote the wonder epic of the West and became the fountain source of national strength, the shield and buckler for the Nation in times of stress.

The early pioneer lost the narrowness of his vision, as he looked upon God and His works and contemplated in lonely silence the vastness of His domain. So in the Middle West was erected that addition to the mother structure of the United States, which has been its abiding stronghold ever since.

The cornerstone of that structure was liberty; its facade was justice; its carvings and ornaments were prosperity; its embodied spirit was happiness.

When we hear schemers and destroyers talking glibly of the redistribution of wealth, I wonder if they know what they mean in the first or last analysis.

Wealth is not in money, not in Wall Street, New York, or La Salle Street, Chicago, not in banks or in gold or silver. Wealth is in the farms and buildings, in homes and barns and silos and hen houses; in livestock and pastures, in wheat and corn and oat fields; in village homes, in great buildings and little buildings, in sewers and pavements and electric-light poles and gas meters, water mains and automobiles—30,000,000 of them—in docks and wharves and steamships and airplanes; in churches and schools and books and musical instruments; in clothing, dishes and spoons and knives and forks—wherever you look—at trees, growing grass—into the hog pen, the chickenyard or the coal bin, and a thousand other items—there is the wealth of the United States.

Of course, it is divided, but you will readily realize it is not capable of being redistributed by ukase of laws. The reason is clear. Not one single dollar in value of this visible, tangible wealth came by either law or magic. It is the result of labor and labor alone.

No group of 531 men in Congress, or a man in the White House, can create out of nothing one single 5-cent piece of wealth for the people of the United States. The alembic of the alchemist failed to produce gold by artificial process. The alembic of legislation is just as impotent.

But the descendants of those who suffered at Valley Forge and their brethren of the Revolution of 1776 were not alone those who made Wisconsin great and strong. The Badger State was a refuge for the oppressed and persecuted. Fifty thousand Germans escaping from the thralldom following the uprising of 1848 found homes in Wisconsin. Their great leader was Carl Schurz. From Norway came a shipload of settlers who built the foundation for a wide community life. So the Irish, bitterly tired of rack-rents and absentee landlordism and famine, went to Wisconsin. From all western Europe, Holland, Belgium, Bohemia; from Scotland and England, from Denmark, and in a lesser number from France and Italy and Poland, in those early days of growth and expansion, half a million people found homes and a welcome in Wisconsin.

These people were not aliens. They were citizens in their hearts before they left home. They were not parasites, reaping where they had not sown. They chose the road of American sovereignty and had the right to vote. They concocted no schemes to change or overthrow the plan of government. They bit no hand that protected them.

In every little cemetery in the State you will find their names on headstones—the older, yellowed marbles and granites bearing names of men who died in the Civil War, and newer ones of those who helped make up the casualty lists in the World War. Others, too, who died in camp or in battle in the Spanish-American War are there. But great as have been the contributions to the Nation's defense, the real victory has been of peace. Thrift and toil brought the vision of home into reality.

These are the realities that have made Wisconsin great. Here in a setting of beauty, of silver streams and sapphire lakes, of forests which brought riches, of fields that yield bountifully and give pasture to more than 2,000,000 cows, of villages and cities, with industry and shipping and nearly 3,000,000 moving, busy people, the State marches on, keeping step with progress.

The State does not make the people.

The people make the State.

That is Wisconsin.

The Republican Party Is the Party of Reconstruction

EXTENSION OF REMARKS

OF

HON. LEONARD W. HALL

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Saturday, August 5, 1939

Mr. HALL. Mr. Speaker, if Washington today can be considered a political barometer of only even fair dependence, then on November 5, 1940, the Republican Party will answer the call of the people to again assume control of the Government and to dedicate its best genius and effort to what has ever been its historical task, the reconstruction of the country.

The keen analyst, while finding great interest in the polls currently conducted throughout the country, does not completely measure his evaluation of political trends without considering the greatest poll of all—the legislative poll that is now being daily conducted in the Congress.

When everything is said and done, the reactions of the country find expression in Washington. Here the hustings are reflected. Here public opinion is sifted and weighed by those who must really appraise it in order to act the part assigned to them in a representative democracy as well as wisely to point their political ambitions.

Only a few hours have gone by since the New Deal suffered a stinging defeat through the refusal of the House to even consider the new-fangled Roosevelt lending program—a measure of political deception for which it is hard to find an equal. This action by the House emphasizes the disintegration of the New Deal and is a direct reflection by the country of the demand for emancipation from continued New Deal brainstorms. The Congress is in an extraordinary state of confusion and excitement. New Deal leadership and discipline has no following, and it is evident that many Democrats would rather risk the White House lash than suffer retirement at the hands of their local electorates.

Every observer of official Washington I think will admit that these are crucial days for the New Deal. Never before

has the White House leadership been so impotent and the Roosevelt charm so ineffective. This phenomenon certainly does not find its root here in Washington, but rather the cause lies back home where public indignation and resentment are daily rising stronger at continued New Deal inability to solve the country's economic ills.

NEW DEAL FAILURE

After 7 long years, the country sees its public debt increased by $20,000,000,000; its tragic unemployment rolls fixed between ten and twelve millions, if one takes either the estimate of the National Industrial Conference Board or the figures of the American Federation of Labor; it sees the United States at the bottom of the list in recovery gains throughout the world; it suffers the knowledge that the total wage payments to American labor are less today than they have been for many, many years; it is beginning to feel directly the effects of those subtle changes forced on our democratic system and realizes our rapidly increasing approach to state socialism. Business and labor, together, are more and more feeling the deadening hand of the New Deal. These are simply some of the considerations that show the Washington poll—the greatest of them all—as earmarking the present decline and indicated fall in 1940 of the New Deal.

It has taken the country a long time finally to come to the conclusion that the New Deal is predicated for its survival on spending and lending. Seemingly it knows no other way out, but the people no longer are willing to shunt their minds away from the final day of reckoning. All of the polls indicate that the people are sick and tired of the waste and extravagance of this administration and of its ventures in changes in our constitutional structure. The practical politician knows that had the New Deal attempted to finance its glorious spending program on a pay-as-you-go basis, it would have been swept out of office in 1936.

During the first session of this Congress I think it can be fairly said that the Republican position on national legislation has won not only the approval but the commendation of the country. It will be admitted, I think, that the Republicans in both the House and the Senate have contributed overwhelmingly not only to the defeat of further New Deal hair-raising proposals but also to the accomplishment of beneficial changes, despite Roosevelt objection.

REPUBLICAN ACHIEVEMENTS

In the field of international affairs the Congress, with practically unanimous Republican support, threw back the New Deal's effort to establish a policy of commitment in European entanglements. The Republican strength made the administration back water on its scheme to increase the national debt limit above $45,000,000,000. The so-called Hatch bill, a true reform measure which would purge New Deal officeholders from controlling elections, could never have passed the Congress without the enthusiastic support of the Republicans in both Houses. On other important accomplishments during this session of the Congress the Republicans forced this administration to recognition of public demand.

There are numerous other items, such as those involving the Social Security program where the Republican opposition stood uncompromisingly for the elimination of the fraudulent old-age reserve fund; then there was the elimination of the undistributed-profits tax and an easing of the capital-gains provision; a more realistic W. P. A. policy with emphasis on the elimination of politics and to insuring the benefits of W. P. A. to the unemployed rather than to the New Deal politicians; the removal of the threat of dictatorial powers incident to the reorganization program and retention by the Congress of the power of approval on the merging of certain vitally important independent commissions and offices; the modification of the Government's broader excursion into competition with private industry in connection with the T. V. A. program, and so forth. While the Republicans lost their fight to curtail Roosevelt powers to further devalue the dollar and to put an end to the unconscionable silver-purchase program, their efforts won country-wide acclaim. In my estimation, these accomplishments are real, tangible, and represent great constructive effort and purpose, for which the people are sincerely grateful.

The Republican Party can stride forward confidently. It represents the real leadership for the public demand that is encountered everywhere to put this country back on a sound basis. That leadership will be sustained. Its efforts will be dedicated to the reconstruction of America, in the American way.

Work Projects Administration Employment

EXTENSION OF REMARKS

OF

HON. WILLIAM J. MILLER

OF CONNECTICUT

IN THE HOUSE OF REPRESENTATIVES

Saturday, August 5, 1939

Mr. MILLER. Mr. Speaker and Members of the House, yesterday during a lull in the debate on the census bill I went over to the Senate for a few minutes. I entered the Senate Chamber just in time to hear the debate on the motion to suspend the rules and permit approval of an amendment to the bill then under consideration. This amendment would have modified the provision now in the Relief Act of 1939 requiring the Administrator of W. P. A. to discharge all of those who have been employed by W. P. A. for 18 months or longer.

The motion to suspend the rule was defeated and thereby the last chance for action on this subject was gone. A glance at that roll call shows plainly that the members of the Democratic Party would not correct a mistake that was made when the relief bill was passed; they would not act to prevent unnecessary hardship. All of us who voted for the relief bill with the 18-month discharge provision must assume our share of the blame. I for one admit that I made a mistake and I am willing to do whatever can be done to rectify that mistake. However, the blame for not correcting this legislation must be assumed by the Democratic leaders of this Congress.

We passed the Relief Act of 1939 carrying the full amount asked by the President. We put into the law, at the suggestion of the administration, the provision which I am discussing as well as the provision abolishing the prevailing wage on W. P. A.

It cannot be honestly claimed that there was not time to change the Relief Act. On July 17 I introduced a resolution H. R. 7253 the adoption of which would have gone far to relieve the suffering that is being caused by these W. P. A. discharges. If the leadership wanted the resolution adopted, it could have been done in 2 days. To prove this statement I point out the fact that just yesterday the House Banking and Currency Committee was called together for a special session to adopt a resolution making possible the sale of Government-owned cotton to Europe. The committee voted this resolution out in a few minutes and within an hour it had been adopted by the House. Undoubtedly it is by now law. The same could have been done in the case of a resolution affecting W. P. A. workers. It is just as well to state right here that the recent W. P. A. strikes were not called because of the section of the Relief Act which I want to see repealed or amended.

Before we return to our homes it is quite proper that we all know, and that the country should know, just where the blame belongs.

Appropriations, Expenditures, and Obligations of the First Session, Seventy-sixth Congress

EXTENSION OF REMARKS
OF
HON. JOHN TABER
OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Saturday, August 5, 1939

Mr. TABER. Mr. Speaker, for many years it has been the practice of the Appropriations Committee to make reappropriations of large sums of money and almost entirely out of appropriations which would have expired except for the reappropriation. To my mind, an appropriation is an appropriation, whether you call it a "reappropriation" or a "direct appropriation." It takes money out of the Treasury that could not get out in any other way. Therefore, I have always felt that reappropriations should be charged against the year's operations, and I have always included them in the tables that I have prepared, and I shall do so again this year.

We are confronted with a new situation this year. Appropriation bills have been reduced to a certain extent below the Budget estimates by means of contract authorizations, where the funds would not be required until well after the beginning of the next session of Congress, and in some cases not until after the first of next July. It has been customary heretofore to resort to a little of this practice, but in view of the fact that contract authorizations this year have been trebled over any previous year within my recollection, in order to present a fair picture of the operations of this session of Congress I have felt that contract authorizations should also be shown. The following table shows a break-down of the different methods of taking the funds out of the Treasury at this session of Congress:

TABLE I

Total direct appropriations	$9,720,827,313.69
Total permanent appropriations	3,619,934,916.00
Total reappropriations	232,416,332.00
Total contract authorizations	488,420,058.00
Grand total	14,061,598,619.69

This is the largest sum made available to the departments and agencies of the Federal Government for expenditure in peacetime history.

The following table shows a break-down of the amounts made available for each department in the last five sessions of Congress:

TABLE II

Title	1st-74th	2d-74th	1st-75th	3d-75th	1st-76th
Agriculture	$125,157,983.14	$195,565,606.00	$933,783,873.00	$1,089,219,344.00	$1,391,193,433.00
District of Columbia	40,547,115.00	43,500,000.00	47,760,641.00	49,392,686.27	52,386,688.00
Independent offices	777,501,956.20	2,934,751,000.00	1,170,770,677.00	1,596,695,182.00	2,298,240,640.00
Interior	61,220,928.00	116,425,195.00	187,464,006.07	869,065,496.84	223,288,005.00
Legislative	20,746,760.00	23,314,428.00	24,153,536.78	21,762,583.50	22,556,079.00
Navy	458,684,379.00	526,546,532.00	527,829,458.00	552,460,494.00	825,942,201.00
State, Justice, Commerce, and Labor	98,561,895.00	115,012,400.00	127,357,877.00	132,044,795.00	[1] 123,730,220.00
Treasury-Post Office	903,635,678.00	992,524,892.00	2,971,846,413.00	3,954,343,138.00	4,836,097,211.00
War Department	401,998,170.00	577,446,844.00	612,329,767.00	685,577,797.00	549,019,562.00
First deficiency	112,633,830.42	368,234,000.00	948,795,868.89	30,111,009.77	23,765,041.98
Second deficiency	272,901,233.50	2,675,397,537.96	99,737,540.14	291,673,522.50	204,420,059.89
Third deficiency			154,611,238.72		225,347,110.82
Urgent deficiency					3,099,377.00
Interior deficiency		35,000.00			
Emergency relief	4,880,000,000.00		1,974,000,000.00	3,772,405,000.00	1,822,557,150.00
Public acts	102,161,741.47				
Public resolutions	2,635,098.00		472,271,660.00		
Private acts	1,268,332.68				
Rural Electrification Administration		50,000,000.00			
Miscellaneous		10,000,000.00			
Permanent appropriation	2,200,101,127.00	1,505,957,086.82	(2)		
Relief deficiency				250,000,000.00	825,000,000.00
Insect control				2,000,000.00	1,750,000.00
Sugar and crop loans				74,250,000.00	
Labor Department					30,831,470.00
War Department:					
Nonmilitary					306,182,464.00
Supplemental military					293,895,547.00
Employees' Compensation Commission					2,000,000.000
Treasury Department, printing, etc					276,400.00
Petroleum Commission					20,000.00
Total	10,459,756,227.21	10,129,710,521.78	10,252,892,556.60	13,371,001,048.88	14,061,598,619.69

[1] Labor Department made a separate bill this year.
[2] From this year on, permanents carried in the total shown for the various bills.

These figures are as near correct as they can be made. If the statement given out by the chairman of the Appropriations Committee follows the previous practice, they may perhaps leave out either the permanent appropriations, the reappropriations, or the contract authorizations.

The following table shows a break-down of the appropriations of this Congress into regular, permanent, reappropriations, and contract authorizations for each Department of the Government:

TABLE III

Agriculture:		
Regular	$1,194,498,633.00	
Permanent	101,717,800.00	
Reappropriation	94,977,000.00	
		$1,391,193,433.00
District of Columbia:		
Regular	48,002,347.00	
Permanent	3,884,341.00	
Reappropriation	500,000.00	
		52,386,688.00
Independent Offices:		
Regular	$1,668,218,340.00	
Permanent	394,022,260.00	
Contract authorization	236,000,000.00	
		$2,298,240,640.00
Interior:		
Regular	172,679,765.00	
Permanent	23,558,240.00	
Reappropriation	27,050,000.00	
		223,288,005.00
Labor:		
Regular	30,536,170.00	
Permanent	295,300.00	
Reappropriation	0.00	
		30,831,470.00
Legislative:		
Regular	21,851,779.00	
Permanent	704,300.00	
Reappropriation	0.00	
		22,556,079.00
Navy:		
Regular	773,049,151.00	
Permanent	2,185,000.00	
Contract authorization	50,708,050.00	
		825,942,201.00

State, Justice, and Commerce:		
Regular	$122,170,220.00	
Permanent	0.00	
Contract authorization	1,560,000.00	
		$123,730,220.00
Treasury-Post Office:		
Regular	1,700,615,054.00	
Permanent	3,092,554,975.00	
Reappropriated	42,927,182.00	
		4,836,097,211.00
War—Military:		
Regular	$508,789,824.00	
Permanent	18,750.00	
Reappropriated	5,000.00	
Contract authorization	40,205,988.00	
		$549,019,562.00
War—Nonmilitary:		
Regular	305,188,514.00	
Permanent	993,950.00	
		306,182,464.00
War—Supplemental military:		
Regular	223,398,047.00	
Contract authorization	70,497,500.00	
		293,895,547.00
H. J. Res. 83. Relief: Regular		725,000,000.00
H. J. Res. 246. Relief: Regular		100,000,000.00
H. J. Res. 326. Relief:		
Regular	$1,755,600,000.00	
Reappropriated	66,957,150.00	
		1,822,557,150.00
First deficiency: Regular		23,765,041.98
Second deficiency:		
Regular	$157,619,059.89	
Contract authorization	46,800,000.00	
		204,420,059.89
Urgent deficiency: Regular		3,099,377.00
Grasshopper control: Regular		1,750,000.00
Employees' Compensation Commission: Regular		2,000,000.00
Treasury Department, printing: Regular		276,400.00
Petroleum Commission: Regular		20,000.00
Third deficiency:		
Regular	$182,699,590.82	
Contract authorization	42,647,520.00	
		225,347,110.82
Grand total		14,061,598,619.69

Of the $14,061,598,619.69 made available for expenditure, a little less than $1,000,000,000 was spent prior to July 1. Of the balance, perhaps another billion will not be spent until after July 1, 1940. This means probable expenditures in the fiscal year 1940 of approximately $12,000,000,000 in addition to the carry-over appropriations of previous years.

At the present time there is a prospect of gross revenues from all sources to be used toward these expenditures of perhaps $7,000,000,000, including postal revenues, leaving a net deficit in sight of at least $5,000,000,000.

But this is only a part of the serious picture that confronts us. At the end of the fiscal year 1939, the Federal direct debt had increased $3,264,792,095.66; the liabilities of Government corporations in that same time had increased $4,500,000,000. We are now permitting the R. F. C. and a lot of subsidiary corporations to borrow money directly, with a Government guarantee. If the debt of these corporations mounts up as rapidly as it has for the year just passed, the total increase in debt in the current fiscal year (1940) is going to be nearly $10,000,000,000.

We are going to be beyond our debt limit.

The destructive and reactionary policies of the Roosevelt administration have resulted in throwing out of work millions of men. They have prevented successful operations of farming, mining, and business. They have endeavored to make more acute and more direct the distress of the people of the United States; to destroy all private business and establish Government control and operation of everything. Unless the brakes are put on and the people are given an opportunity to do business, we are headed for bankruptcy.

The following table gives the number of employees in the Federal Government beginning June 30, 1930. These figures indicate a steady increase, and it must stop. There has been an increase of 355,000 since the Roosevelt administration came in, an increase of over 60 percent.

TABLE IV

1930	560,456
1931	571,368
1932	570,000
1933	577,170
1934	580,181
1935	751,269
1936	810,418
1937	871,236
1938	855,210
1939	925,260

Since the 4th of March 1933 there has been spent by the Roosevelt administration upward of $50,000,000,000—in 6 years.

At the present time the acknowledged public debt is $40,661,264,822.47; the debt of Government corporations is $13,233,835,247—total, $53,895,100,069.47.

The assets of Government corporations while ostensibly near $13,000,000,000, are actually, in my opinion, less than $8,000,000,000; and our gross public debt at this time is, as stated above, upward of $53,000,000,000—very close to $54,000,000,000—and our net public debt is upward of $45,000,000,000. This just cannot go on.

Radio Correspondents' Gallery

EXTENSION OF REMARKS

OF

HON. JOHN J. DEMPSEY

OF NEW MEXICO

IN THE HOUSE OF REPRESENTATIVES

Thursday, August 3, 1939

OPENING OF RADIO CORRESPONDENTS' GALLERY, JULY 24, 1939

Mr. DEMPSEY. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following report of the proceedings at the formal opening of radio correspondents' gallery, House of Representatives, Washington, D. C., July 24, 1939, WOL–Mutual Broadcasting System, 9:15–9:30 p. m., eastern standard time.

ANNOUNCER. Ladies and gentlemen, we bring you to a room in the United States Capitol, in Washington, D. C.—a room of desks and typewriters, of telephones and microphones—which tonight begins an important and vital career in the American scheme of life—the radio correspondents' gallery of the House of Representatives.

One hundred and thirty-five years ago, when the Capitol Building was constructed, facilities were provided in this democratic Nation to enable the press to keep the people of the country informed as to what their elected Representatives in Congress were doing.

But some 15 years ago a new medium of news dissemination came into being—radio—and since that time radio has been seeking the same rights and privileges for first-hand reporting of the news in Congress that have been enjoyed by a free press throughout these 135 years.

The Mutual network is proud that its own nightly news reporter, Fulton Lewis, Jr., is the individual who finally was responsible for the successful culmination of these efforts. Therefore, it is only fitting that this broadcast formally opening the radio correspondents' gallery should be conducted by Fulton Lewis, Jr. Mr. Lewis.

Mr. LEWIS. Good evening, ladies and gentlemen, welcome to our ceremonies at this formal opening of the Radio Galleries of the United States Senate and House of Representatives.

I feel that this really is a history-making occasion, and I know that I, for one, am proud to be here playing a part in it. In a way I wish you could all be here in person—you who are listening in—because, after all, it's as much your occasion as it is ours * * * but inasmuch as we cannot bring all of you to the ceremonies we are glad to be able to bring the ceremonies to you.

To give you a bit of background. It was just 100 years ago, in 1839, that the Press Gallaries of Congress were set up in their present form * * * and through that century the news that has flowed through these galleries to the American people out in the country has played an all-important part in the building of the American democracy which we enjoy today.

Some 10 years ago the infant radio began to try its own hand in the field of news. In its earlier days it drew that news from the press * * * but it wanted to stand on its own feet, gather its own information, and become an independent news agency in its own right.

Year after year it tried to gain admission to these Halls of Congress, but each time it was turned down, because the press galleries were set up for the press * * * and radio was not the press.

But in this Congress all of that has changed.

In the Senate, two gentlemen stepped forward at this session. They said that old rule should be changed. One was Senator GUY GILLETTE, the Democrat from Iowa; the other was Senator WARREN BARBOUR, the Republican from New Jersey. In the House of Representatives, it was one man who carried the fight—Representative JOHN DEMPSEY, the Democrat from New Mexico. They studied the situation; they introduced necessary legislation at both ends of the Capitol; they put those resolutions through—and these ceremonies tonight are the climax of those efforts—the official opening of the House and Senate radio galleries.

Beginning tonight, thanks to their efforts, radio has its own section marked off in the gallery at each end of the Capitol—full privileges with the newspaper reporters, workroom facilities, with desks, and typewriters, and attendants—and that's what we're celebrating this evening.

Incidentally, we have a very distinguished gathering here this evening: Senator Warren Austin, the assistant Republican leader of the Senate; Senator Warren Barbour, of New Jersey; Speaker William B. Bankhead; Representative Joe Martin, the minority leader of the House; Representative Sam Rayburn, the Democratic leader of the House; Mr. Sol Taishoff, editor of Broadcasting Magazine—I'm not trying to give these names in any particular order, just as they come to me—Mr. Martin Codel, publisher of Broadcasting Magazine; Mr. Neville Miller, president of the National Association of Broadcasters; Representative Eugene Cox, the Democrat from Georgia; members of the executive committee of the Radio Correspondents' Association; Mr. William McAndrew, of the National Broadcasting Co.; Mr. Fred Morrison of Transradio Press, and Mr. Albert L. Warner of the Columbia Broadcasting System.

Mr. Harry Butcher, vice president of C. B. S.; Mr. Frank Russell, vice president of N. B. C.; Mr. Herbert Moore, president of Transradio Press; Mr. G. W. Johnstone, public relations director of WOR, New York, and the Mutual Broadcasting System; Mr. Al McCosker, chairman of the board of Mutual; Mr. A. A. Schechter, director of special events for N. B. C.; and Mr. Howard Chandler Christy, the very famous internationally known artist.

And now, inasmuch as we are speaking to you from the gallery of the House of Representatives, I want to present to you the Honorable WILLIAM B. BANKHEAD, the Speaker of the House. Mr. BANKHEAD.

Mr. BANKHEAD. Mr. Lewis, I feel very deeply that these ceremonies this evening constitute a very important and vital milestone along the way of our great American democracy. Democracy, after all, is government by the people. The citizens of a nation elect certain representatives to conduct their Government for them, and those representatives are supposed to express the will of the people who elected them.

The one great safeguard of democracy is for the people to know, fully and completely, at all times, what those elected representatives are doing. If they are really carrying out the will of the majority, they will be retained in office; if they are not, they will be replaced by someone else.

That is the reason that the free American press has played such an important part in the American system of democracy ever since the Nation was founded. That is why I consider it a notable milestone tonight when radio officially takes its place—independently, but side by side with the press—as a companion function for informing the American people on what is happening in their Government.

There is no question of radio replacing the newspapers. Radio is an additional medium, which broadens the field. It goes into remote places; it brings the developments of the day to far-away listeners, who might have to wait days or even weeks in order to receive their news in printed form. In that way it brings millions of additional citizens into immediate contact with the affairs of the Nation and with the outside world in general.

In performing that vital contribution, to strengthen our democratic system and to make it work more effectively and more truly, it is only logical and proper that radio should have its own rights and privileges, to gather the news which it does disseminate.

And so at this time I take real pride and genuine satisfaction in handing to you, as the first president of the Radio Correspondents' Association of Washington, the key to this new Radio Gallery of the House of Representatives * * * and I have a warm and abiding confidence that radio will forever live up to the great moral responsibility which it takes upon its shoulders at this moment.

Mr. LEWIS. Thank you, Mr. Speaker, and I assure you that radio will forever live up to the responsibility that it takes on its shoulders on this night.

Now, I have here a telegram from America's first citizen, which I should like to read at this time. It is addressed to me as president of the Radio Correspondents' Association, and it reads as follows:

"The formal opening of the Radio Galleries of Congress is an event of deep significance in the evolution of modern communications and marks a decided step forward in the dissemination of news concerning deliberations of our national legislature. Only a well-informed electorate can discharge the duties of citizenship, and the cause of democracy is advanced by every means which carries correct information about public affairs to the farthest end of the country.

"I congratulate the members of the new galleries on the opportunity which is theirs to be pioneers in a great adventure, and I point out what is obvious—that in broadcasting news of actual debate in the Congress, ultimate public opinion will be based on the impartiality and fairness of the reporting. This includes giving equal prominence to both sides of any issue, emphasizing all the implications of the words "equal prominence."

And it was signed "Franklin D. Roosevelt."

And now I want to present to you the father of the radio gallery in the House of Representatives, Representative JOHN DEMPSEY, of New Mexico, who sponsored the resolution at this end of the Capitol, under which radio has been given equal facilities with the press. Representative DEMPSEY, of New Mexico:

Mr. DEMPSEY. Mr. President of the Radio Correspondents, honored guests, and friends. This is an epochal event in the annals of radio, and I am honored and privileged to be invited to participate.

Appreciating, as we in the Congress do, some of the obstacles necessary to overcome before the recognition you are now enjoying was accorded you, and being familiar with the almost unsurmountable difficulties in the path of your now president, Fulton Lewis, Jr., who led the fight which finally terminated most successfully, I feel I should congratulate you.

However, as is usually the case, those who fight the battles do so in order that others may benefit. The people of this Nation and, in fact, almost the entire world, are the ones who really become the beneficiaries by being constantly informed of current events from our National Capital.

Radio has brought great benefits, not only in the way of music and entertainment but that, which, to my mind, is vastly more important, the up-to-the-minute news. In these days when Government is of such supreme importance to the people whom it serves, these gentlemen of the Radio Gallery are able to bring us in closer touch with and give us a more intimate knowledge of its affairs.

A century and a half ago, when the First Congress was legislating for the then infant Republic, weeks passed before the citizens were made acquainted with the affairs of the Government. When they learned what had happened, it was history, too far in the past for them to voice their sentiments or desires.

Today, with the pressing of a button, the flick of a switch, a great portion of the citizenship of the Nation—of the civilized world, in fact—may learn within a few seconds what is transpiring in the Halls of Congress.

We who possess receiving sets appreciate the great benefits they bring us and wish for the day when every home in the land, whether it be in the metropolitan areas or the most isolated rural district, will be equally fortunate.

I feel I cannot let this opportunity pass to congratulate you radio reporters on the accuracy of your news broadcasts. As one who is a constant listener, I often marvel that you are, also, able to make us aware of events that are about to occur.

In conclusion let me impress upon you gentleman of the radio, that if my humble efforts have been of any assistance by your splendid work, I have been amply repaid. You are now and I am sure you will continue to perform a great service to the Nation.

I thank you.

Mr. LEWIS. Thank you, Mr. DEMPSEY. Ladies and gentlemen, that was Representative JOHN DEMPSEY, the father of the Radio Gallery, so far as the House of Representatives is concerned.

And now I present to you Senator WARREN BARBOUR, the Republican from New Jersey, who was cofather, so to speak, along with Senator GUY GILLETTE, the Democrat of Iowa, of the Senate radio correspondents' gallery. Senator BARBOUR.

Mr. BARBOUR. Mr. Lewis, I certainly share your pride in being here this evening—and a very historic evening it is. I am sorry that my colleague, who with me on the subcommittee of the Senate, did his bit to help you accomplish what you have accomplished in this great new field, could not be with us tonight. I am sure that it is going to be well worth while, not only from the point of view of the public, the radio, but the Congress itself, and you certainly have my well wishes for a future that I know will justify an undertaking which you did more to bring about than any other single man.

Mr. LEWIS. Thank you, Senator BARBOUR. Ladies and gentlemen, that was Senator WARREN BARBOUR, of New Jersey, the Republican, who was the cosponsor of the radio gallery in the Senate.

And now I have one voice here that I'd like to have you hear before I sign off the air. I'll see if you recognize it—one of our guests here tonight.

Mr. CARTER. Hello, everyone; this is Boake Carter speaking.

Mr. LEWIS. And now, ladies and gentlemen, we return you to Mr. Stephen McCormick, our announcer.

ANNOUNCER. These few minutes have seen radio take a step forward as a medium for public service. The radio correspondents' gallery in the United States House of Representatives has been formally opened to radio reporters and news gatherers.

This program was conducted by the first president of the Radio Correspondents' Association, Mr. Fulton Lewis, Jr., who is Mutual's regular nightly news reporter from Washington.

This broadcast, originating through the facilities of WOL in the Nation's Capital, was announced by Stephen McCormick. We return you to our Washington studios.

Private Enterprise Must Share the Burden

EXTENSION OF REMARKS

OF

HON. ROBERT G. ALLEN

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Saturday, August 5, 1939

Mr. ALLEN of Pennsylvania. Mr. Speaker, thoughtful persons have continuously implored Congress to discard pump priming and deficit financing as recovery measures. Legislation which was acceptable in an emergency is not always adaptable to a sound long-range program. Pump priming has become a habit. At the end of that road is financial collapse, mass unemployment, and indescribable suffering.

The appeal to terminate pump priming has been answered affirmatively by Congress. In rapid succession the spending-lending bill and the unsound Housing Act were both scuttled. Public opinion demanded this action as a prelude to restored confidence and greater employment in private industry of those millions now out of work.

The American people expect more from their Government than profligate spending. The unemployed expect more than mere relief or a subsistence wage on the W. P. A. pay rolls. Full-time jobs with fair wages in private industry is the goal of honest men who are out of work.

I believe that the preservation of free government in America depends largely upon the efficacy of private enterprise and accordingly I have done my part to remove the Government from the field of private endeavor. A great responsibility now rests in the hands of American businessmen. Idle capital must be put to work. Industry must expand and reemployment must be the battle cry of the day. If our business institutions will perform this task—and they alone can do it—unbalanced Budgets, relief expenditures, and other demoralizing experiments can be buried in the troubled past.

No intelligent person accepts slums as a natural consequence of industrial civilization. They must be razed and livable homes reared in their place. This work can be done by private institutions imbued with a sense of social responsibility. Our industrial system must stimulate itself and cannot rely on the Government for continuing subsidies. The unemployed must be put back to work as a result of economic stimulation so that huge Federal appropriations will be halted. America has an unfilled consuming capacity as the answer to unused productive facilities. The necessary tools for business expansion are ours to use. Economic conditions at this moment are in our favor. The steady upward trend of business in recent months can be accelerated by intelligent, unselfish, and positive action on the part of business leaders.

If business fails to respond to the recent action of Congress, the American people will bs justified in the consequent belief that the appeals of business were in reality complaints, that promises were mere canards. Business must now demonstrate its capacity to solve the problem which they have claimed is rightfully theirs. We who believe in private enterprise and in free government fervently hope that business will succeed and that the stigma of unemployment will be erased from the national escutcheon.

An Invitation to Business

EXTENSION OF REMARKS

OF

HON. ANDREW C. SCHIFFLER

OF WEST VIRGINIA

IN THE HOUSE OF REPRESENTATIVES

Saturday, August 5, 1939

Mr. SCHIFFLER. Mr. Speaker, during the spring President Roosevelt and Secretary Morgenthau appealed to business to cooperate and aid in a recovery in the present depression. They asked that private capital be invested to provide jobs for idle men and women. In return, no assurances were given to businessmen that taxes would be equitably adjusted or reduced, or that the objectives of the New Deal in placing Government funds and property in direct competition with business would be modified or abandoned. Consequently, since there was no overt act indicating cooperation by the administration, the business interests of the country were suspicious and believed that such invitation on the part of the President and Secretary of the Treasury was to induce a greater business activity with the expenditure of energy and capital to provide profits that would, in turn, be employed in competition with such businesses and result in ultimate destruction.

At that time nothing was said as to the attitude of the administration as to its future plans indicating cooperation. Businessmen throughout the country have asked that the Government abandon its efforts to socialize industry and property, and have indicated that in such event private capital could and would cooperate in the solution of the present perplexing economic problems.

Congress has given its signal to the businessmen to move forward in the placing of restrictions upon the Tennessee Valley Authority and other like projects, the defeat of the spending-lending measure, and the housing bill, as well as other constructive and encouraging acts of lesser magnitude. The House of Representatives has given the signal to the people and to business to go forward. I am certain this attitude will continue among the Representatives in Congress and that the orgy of reckless spending has been brought to an end.

It is my sincere hope and desire that the next few months will show activity on the part of the businessmen and women of the country and result in improved business conditions and a vast amount of reemployment of idle men and women, in that when the next session of Congress convenes business will have demonstrated to the country and to the Congress its earnest constructive cooperation.

I include an editorial from the Wheeling Intelligencer, of Wheeling, W. Va., of August 4, 1939, as a part of my remarks.

A CHALLENGE TO BUSINESS

Defeat of the President's lend-spend bill constitutes a direct challenge to American business.

It now is up to business leaders to demonstrate, not only that private initiative can do the job which pump priming failed to do, but that it will do it now that the hand of government has been stayed.

The significance of the historic House revolt is not to be minimized. It marks a turning point in current political history. It closes the case for pump priming. The opposition now has the floor—and it must prove its case if we are not to go back and pick up the collectivist trail again.

Rejection of the President's bill was the result of complete loss of faith in pump priming. The people and the Congress have come to believe that it is impossible to spend back to prosperity. They have become convinced that continued spending by the Government, mounting debt, and growing tax burdens are stifling influences; that they have driven private capital into hiding and implanted fear in the business world. The House vote was a peculiarly responsive reaction to public sentiment.

It becomes necessary, therefore, for private initiative to make good—to prove that this judgment is sound. Mr. Roosevelt, characteristically, says the House's action was a blow to recovery. Had the loans been authorized, he declares, their influence would have been reflected within 90 days in increased employment, accelerated industrial activity, a shrinkage of relief rolls, a reduction in governmental expense. Of course, he has been saying the same thing from the begining of the pump-priming experiment. And we see the negative results. But if business fails to improve, worse still, if it declines still further, we may look for a full chorus of "I told you sos" from the far-flung New Deal propaganda machine. That would mean a perhaps irresistible demand for return to the spending policy. It would mean much more than that. It would mean, in all probability, unavoidable socialism.

For it is well to remember that the bill in question was based on a different concept of spending than that which underlaid its predecessors. It represented a new advance in the move toward collectivism. Whereas the preceding spending programs were offered merely as stopgap enterprises, this latest one was presented as the opening phase of a permanent policy. The money wasn't to be "spent," it was to be "invested." We were told that the

time had come when public welfare demanded that the Government, as permanent policy, invest large sums in industrial activities heretofore considered purely private in character. And the franker members of the New Deal inner circle acknowledged that this meant the eventual taking over of a large part of the industrial plant of the country by the Government. In other words, it meant socialism.

That is why it is so necessary for businessmen to strain every resource in demonstrating that the system of private initiative has not collapsed in this country. True, there remain many retarding influences. Taxes are, to be sure, grievously high. The debt is towering and threatening, and the end is not in sight. The New Deal still is in control, and much of the restrictive force remains active. But a definite break has come. The threat inherent in the lend-spend bill has been removed, and Congress otherwise has given convincing evidence that the "yes" days are over. Business has every reason to believe that most of the grounds for the fear which has paralyzed the business world have been removed—for the time being.

Whether this liberation is to be permanent or temporary depends on what business does. If businessmen fail to recognize their opportunity and to realize the penalty of failure, we will return to the recently abandoned policy in short order, the New Deal will triumph again in 1940, and we will be on our way to socialism in a band wagon. If, on the other hand, the business world rises to the challenge, proves its faith in the system of private enterprise by putting venture capital back to work, and thus brings about promptly a substantial measure of recovery, the New Deal is definitely on its way out and the threat of collectivism is behind us.

Philippine Matters

EXTENSION OF REMARKS

OF

HON. JOHN G. ALEXANDER

OF MINNESOTA

IN THE HOUSE OF REPRESENTATIVES

Friday, August 4, 1939

LETTER WITH REFERENCE TO H. R. 198

Mr. ALEXANDER. Mr. Speaker, under leave to extend my remarks I wish to insert the following letter from a correspondent regarding my resolution (H. Res. 198) calling for a congressional investigation of the Japanese conquest of the Philippines, which has been addressed to the chairman of the House Rules Committee. The letter follows:

Hon. ADOLPH J. SABATH,
United States Congressman from Illinois,
House Office Building, Washington, D. C.

DEAR MR. SABATH: As chairman of the Committee on Rules I should like to address this special appeal to you and to the rest of the committee to bring out therefrom for a vote H. R. 198 by Hon. JOHN G. ALEXANDER asking for an investigation of Japanese infiltration in the Philippines.

It seems to me this is a very important question which is dealt with in Mr. ALEXANDER'S resolution and a matter charged with a large amount of public interest, and, in my opinion, proposing a job which should be done. The resolution makes charges with respect to this question which should be substantiated by an investigation, or disproved. It has been pretty much a matter of common knowledge for sometime, and indeed newspaper and magazine articles have been written about it, that the Japanese are and have been making a peaceful invasion of the islands by settlement and grabbing of essential business enterprises, and I believe an investigation would show this to be true.

Personally I am against ever giving up the Philippines, as the islands are too essential to our economy because of the abundance of essential raw materials and foodstuffs, to say nothing of their military value as an extreme outer line of defense. Independence for the islands will mean their gobbling up in 30 days by Japan, after which our position in Hawaii becomes untenable and even our west coast becomes vulnerable from a military standpoint. I know existing legislation provides for Philippine independence in 1946 but let's get around that and fight for them if we have to. We are going to have to lick the Japs sooner or later anyway.

In the meantime, however, let's give the Japs a good investigating in the Philippines and find out what they are trying to do to us. They have gotten by with far too much already; in fact, they seem to have the whole world bluffed, and it is high time someone was calling their hand.

Very respectfully,

J. CHARLES LINTHICUM.

The Housing Bill

EXTENSION OF REMARKS

OF

HON. ANDREW C. SCHIFFLER

OF WEST VIRGINIA

IN THE HOUSE OF REPRESENTATIVES

Saturday, August 5, 1939

ARTICLE FROM THE WASHINGTON (D. C.) POST OF AUGUST 5, 1939

Mr. SCHIFFLER. Mr. Speaker, I ask leave to extend my remarks in the Appendix of the RECORD and include therein an article appearing in the Washington Post of August 5, 1939, which I think clearly demonstrates that the Housing Act recently defeated was not in any sense self-liquidating, but utterly and completely socialistic.

In addition to the authorization to the United States Housing Authority to issue bonds in the amount of $800,000,000, such provided for annual contributions by the Federal Government of $45,000,000,000, for a minimum period of 60 years, or an aggregate amount of $2,700,000,000, which in no instance and under no provision of such bill would ever have been returned to the Federal Government.

I voted against such bill because of the tremendous cost to the taxpayers of the country with so little in return to those who at this time are in need of better housing. Any program which is truly American in character and which will aid in providing decent homes for our citizens, both urban and rural, will receive my complete support.

The article to which I refer is as follows:

FACTS DOOMED HOUSING ACT—NOT SELF-LIQUIDATING

(By Mark Sullivan)

For Congress' rejection of the housing bill there were several reasons. One can be identified definitely. The bill purported to be an "$800,000,000 housing bill." That is the way it has been described for weeks, in speeches, statements, and newspapers.

Of course, those who draft any measure must necessarily use technical and legal terms. They cannot be held responsible for the loose phrases by which popular talk and print describe the bills. No one can charge indubitably that the housing bill was written with intent to deceive. The obscurity of it, or the double-meaning of it, may have just happened, naturally, as a result of the technical language that had to be used, the intricate provisions that had to be included.

Those who wrote the bill can defend themselves against any charge of misleading by pointing out one simple, convincing fact: When finally the bill was read with analytical care by one Congressman, he was able to find that it was much more than an $800,000,000 bill—and by pointing that out to Congress was largely responsible for the defeat of the measure.

The bill was also described as "self-liquidating," which would mean that all the money paid out, or guaranteed by the Government, would be paid back. That term "self-liquidating" was more or less official. It was used by President Roosevelt himself in the recent message in which he asked Congress to pass this and similar appropriations. The word "self-liquidating" was also used by officials of the Housing Authority, the Government agency which wanted the bill and would administer it if passed. In the debate in Congress an official of the Housing Authority was quoted as having said that the $800,000,000 provided by the bill was "absolutely returnable, every dollar, with interest"; that the bill would "not cost the public a penny."

This was the impression Congress had. Under this impression, most of Congress was sympathetic to the measure. But the day the bill was up in the House a young Democratic Congressman from Tennessee, Mr. ALBERT GORE, arose and showed clearly that the project was not self-liquidating and that it would cost several times $800,000,000. He said:

"The United States housing program is in no respect self-liquidating. It is not contemplated that any revenue from any project will ever be returned to the United States Government. * * * The United States Housing Authority is guilty of disseminating the most reprehensible, misleading information."

When Mr. GORE concluded his analysis of the bill and condemnation of it he received conspicuous applause—and the bill was doomed. (Incidentally, Mr. GORE'S performance shows that a young Congressman serving his first term can, by intelligence and industry, impress himself on the body with his first speech and push himself to the front.)

There is, as often, a partial explanation of the difference between what the bill seemed to be, and what it was. The bill provided $800,000,000, to be loaned to cities and other agencies, for building houses. That $800,000,000 for building really was returnable by the cities, absolutely. It was to be paid back to the Government in 60 annual installments.

But at the same time, and in the same contract, the Government was to do another thing. It was to pay to the cities annual contributions for 60 years. These annual payments of the Government to the cities were greater than the payments of the cities to the Government. In the net, the cost to the Government over a period of 60 years would be about $2,700,000,000, none of which would be repaid.

The explanation made by friends of the bill, quite accurately, was that the cost of the buildings was one thing—while the annual payments by the Government to cities were a separate thing. These annual payments by the Government were for the purpose of enabling the cities to rent the houses to persons unable to pay an ordinary rent. The annual contributions by the Government were, so to speak, a subsidy by the Government to the rent of low-income families. The Government would lend $800,000,000 to build the houses—and would get that back. At the same time the Government would give $2,700,000,000 to subsidize operation of the houses for 60 years—and would get none of that back.

But after all explanation, the fact remains that the housing bill was going to cost the Government about four times what it purported to cost. This amount, not self-liquidating, seemed to Congress excessive. But even more, Congress felt it was being misled. Congress has come to feel that the New Deal is sometimes artful with words. They have found that when, in the early days of the New Deal, they were passing measures written out by New Dealers without scrutinizing them, they put on the books some things they would not have enacted if they had fully understood them.

It is a fact that the New Deal sometimes practices adroitness with words. An example is the use recently of the term "Government investing." They use this newly invented term to describe and justify many of the expenditures of the Government. But what they now describe as "Government investing" is the same thing which, a few years before, Mr. Roosevelt described and vehemently denounced under the old terms, "Government spending" and "borrowing" and "deficits."

Will Rogers

EXTENSION OF REMARKS

OF

HON. SAM C. MASSINGALE

OF OKLAHOMA

IN THE HOUSE OF REPRESENTATIVES

Saturday, August 5, 1939

Mr. MASSINGALE. Mr. Speaker, with all that has been said or may be said as to the worth of Will Rogers, the half will not have been told. He came across the American scene with the dust of the corral still on his boots, a lariat in his hands, a product of that pioneer horde which pushed back the southwestern frontier—a son of that colorful pageant which with twinkling eye, a hoot and a "holler," and a laugh, braved the exigencies of a new world.

He made us laugh at our social ambitions, at our political pretentiousness. He once said, "I don't try to be funny. I just read what Congress is doing and report the facts." Intellectual snobbishness he ridiculed. All he knew, he said, was what he read in the papers. The world daily anticipated his little box in the afternoon papers. He held up to our attention those situations which were often sore points in public concern—points on which the fate of nations might turn; and in his simple homespun philosophy, with a shaft of humor, he lighted the way and left us with clear vision and a chuckle of amusement.

Although Oklahoma is justly proud to claim the birthplace of Will Rogers, no State, no country can appropriate him. The world was the sphere of his activity and influence and all mankind his benefactor. I may say that, in my opinion, his supreme characteristic was love of mankind. High or low, rich or poor, saint or sinner—all were Will Rogers' friends. He loved his country, his friends, his family, and the human race. His was truly an unselfish life. The essential elements of his life are epitomized in the language of the poet:

He is true to God who's true to man;
Whatever wrong is done
To the humblest and the weakest
'Neath the all-beholding sun,
That wrong is done to us;
And they are slaves most base
Whose love of right is for themselves
And not for all the race.

National Health Bill, Admission of Refugee Children, Immigration, Anniversary of Death of Justice Cardozo

EXTENSION OF REMARKS

OF

HON. ROBERT F. WAGNER

OF NEW YORK

IN THE SENATE OF THE UNITED STATES

Saturday, August 5 (legislative day of Wednesday, August 2), 1939

ADDRESSES OF HON. ROBERT F. WAGNER, OF NEW YORK

Mr. WAGNER. Mr. President, I ask unanimous consent to have printed in the Appendix the following:

NATIONAL HEALTH BILL

Speeches and articles: Problems of Social Welfare Planning Within the Federal Government—Dr. Martha M. Eliot, Assistant Chief, United States Children's Bureau, and chairman of the Technical Committee on Medical Care of the Interdepartmental Committee to Coordinate Health and Welfare Activities.

Here's to Your Health—Collier's, July 15, 1939.

Letters and petitions: American Association for the Tuberculous, Inc., petition containing 6,000 signatures.

Washington News Letter on Social Legislation, poll of State health departments on national health bill.

ADMISSION OF GERMAN REFUGEE CHILDREN

Article: My Day, by Eleanor Roosevelt, Washington Daily News, July 19, 1939.

Article: Let Them In, by Raymond Moley, in Newsweek, July 10, 1939.

Washington News Letter on Social Legislation—poll.

IMMIGRATION

Letter and statement from the New York Committee, American Committee for Democracy and Intellectual Freedom, July 19, 1939.

ANNIVERSARY OF DEATH OF HON. BENJAMIN NATHAN CARDOZO

There being no objection, the matters were ordered to be printed in the Record, as follows:

NATIONAL CONFERENCE OF SOCIAL WORK,
Buffalo, N. Y., June 19, 1939.

PROBLEMS OF SOCIAL WELFARE PLANNING WITHIN THE FEDERAL GOVERNMENT—THE WORK OF THE INTERDEPARTMENTAL COMMITTEE TO COORDINATE HEALTH AND WELFARE ACTIVITIES AND THE TECHNICAL COMMITTEE ON MEDICAL CARE

(By Martha M. Eliot, M. D., Assistant Chief, U. S. Children's Bureau, chairman, Technical Committee on Medical Care)

Planning by the Federal Government for the development of social-welfare activities with all the many ramifications of service that this term applies has, in general, been opportunistic in character, and certainly has been influenced by the special needs of the times and the extent of understanding on the part of the people of how the needs may be met. This is, perhaps, to be expected from the very nature of the democratic process under which our Federal Government works. Though certain agencies have a major interest in social welfare, actually all executive departments and many independent agencies are concerned in one way or another with the social welfare of the people. Various techniques have been devised to bring about coordination of action of the several departments and agencies at the Federal level and in the Federal-State

relationships and responsibilities that exist when Federal agencies administer grants-in-aid to States. It is the purpose of this paper to illustrate one method of coordinating Federal activities and Federal responsibility for program planning by the work of the Technical Committee on Medical Care, a subcommittee of the Interdepartmental Committee to Coordinate Health and Welfare Activities.

It is obviously not possible for me to deal with the major subject of this session in any comprehensive way, but a brief reference to the use of committees or commissions by the Federal Government as devices for coordination of activities and program planning may help in an understanding of the work of the interdepartmental committee to coordinate health and welfare activities.

Through the years the Chief Executive of the United States under his authority derived from the Constitution has transmitted to the Congress reports and recommendations for legislative action in the social-welfare field that have been prepared by committees or commissions of his appointment. To avail himself of expert opinion on various matters of current concern to the Nation and to equip himself, as directed by the Constitution, "to give to the Congress information on the state of the Union, and recommend to their consideration such measures as he shall judge necessary and expedient," the President must turn to persons, both inside and outside of government, who are informed in the special fields of his interest. The device of the advisory or the interdepartmental committee has been repeatedly used to this end; the interdepartmental committee to study interagency relationships and to review and coordinate administrative programs and policies, the advisory committee to aid in the formulation of policy and to recommend action. The executive departments also have used the device of advisory committees to study and report upon various problems in this field of social welfare. Furthermore, the Congress has itself from time to time created interdepartmental and other committees to study or to administer programs of social welfare. The membership of such committees, regardless of whether they have derived their authority from Executive order or from act of Congress, has varied greatly. Sometimes the members have been selected from among Government officials only, as in the case of interdepartmental committees; sometimes from among informed citizens, as in the case of purely advisory committees; sometimes from both groups.

During recent years an unusual number of such committees have been concerned with problems of general social welfare and their deliberations and reports have formed the basis of action by Congress or of interdepartmental agreements and joint action. For instance, the Committee on Economic Security, a committee of Cabinet officers, created by Executive order of the President, acting with the advice of an advisory council of informed citizens, a technical committee of Government officials, and a staff of experts, produced the report and made the recommendations for legislation which laid the foundations for the Social Security Act. A still more recent committee of quite different composition was the Advisory Committee on Education appointed by the President. This committee was composed of members of widely diversified backgrounds and interests and included individuals appointed from various Federal agencies, and others from the fields of business, organized labor, agriculture, the profession of education, and public administration. The reports of this committee, developed as a result of studies by a staff of experts in the field, have likewise been transmitted to the Congress by the President and have formed the basis for legislation now pending before the Congress. The National Commission on Law Observance and Enforcement, known as the Wickersham Commission, appointed by the President 10 years ago, is an example of a committee composed of citizens rather than of Government officials. The work of many other committees created by Executive order for special purposes could be cited.

The Interdepartmental Committee to Coordinate Health and Welfare Activities was created by Executive order immediately after the passage of the Social Security Act in August 1935 in order that the full benefit of the varied Federal programs under the provisions of the act might reach with minimum delay and maximum effectiveness the individual men, women, and children for whose aid and service the program was brought into existence. The Social Security Act had imposed on the Federal agencies new and heavy responsibilities in addition to those already carried in the health and welfare field. Because of the extent of these new services and the distribution of administrative responsibilities for them among various Federal agencies, the need for the coordination of planning and program procedure was readily apparent. Obviously, duplication of work and effort, and conflict in policy or procedure among the Federal agencies needed to be prevented, and common understanding and action developed.

The creation of an interdepartmental committee was a logical approach to the solution of these problems, and as members of this committee the President designated at first four assistant secretaries of Government departments—the Treasury, Interior, Agriculture, and Labor—and the Chairman of the Social Security Board, and sometime later added the Surgeon General of the Public Health Service and the Administrator of the National Youth Administration. There was thus created for the first time a committee of Government officials charged with responsibilities of studying health and welfare activities of Federal agencies, of making recommendations, and of coordinating the programs of Federal agencies in these fields.

When first outlining the duties of this Interdepartmental Committee, the President said:

"I am directing this Committee to include within the scope of its work not only health activities, but closely related activities as well. As to its immediate task, I am instructing this Committee to assume responsibility for the appointment of special committees to be composed of physicians and other technically trained persons within the Government service to study and make recommendations concerning specific aspects of the Government's health activities."

"I am confident that this procedure will facilitate the consummation of a series of appropriate cooperative agreements between the various departments of the Government. I am also hopeful that in this way we can eventually bring about a complete coordination of the Government's activities in the health field."

The use of technical committees composed of persons within the Government service to study and make recommendations concerning specific aspects of the Government's health activities was thus defined at the start and was the authority for the work of the Technical Committee on Medical Care as it related to the national health program.

Later, in an Executive order issued by the President on October 27, 1936, the Interdepartmental Committee's duties were amplified, as follows:

"It shall be the duty of this committee (1) to continue to sponsor appropriate cooperative working agreements among the various agencies of the Government in the health and welfare fields, and to continue the work under agreements already in effect; and (2) to study and make recommendations concerning specific aspects of the health and welfare activities of the Government, working toward a more nearly complete coordination of the activities of the Government in these fields.

"The committee will continue to function through the special technical committees it has set up from time to time, and will designate additional committees to deal with new problems."

A small staff consisting of a part-time executive secretary, a research assistant, and a clerk was appointed and financed through contributions of the major executive departments or agencies represented on the interdepartmental committee.

The Interdepartmental Committee device provides a medium through which all the technical and administrative competence of the Federal personnel can be brought to bear on a particular problem and insures that all phases of the problem will be fully explored before final decisions and solutions are proposed.

The Interdepartmental Committee's first task was the setting up of technical committees to work out immediate cooperative agreements between Federal agencies functioning together in the States through grants-in-aid under the Social Security Act. Various fields of activity opened up at once, some involving interdepartmental problems of limited scope, as in the case of public-health nursing, others of much wider interdepartmental interest. The Interdepartmental Committee itself served as a board of review and approval of action taken by the technical committees. When agreement on technical considerations was reached by a particular committee a memorandum of agreement or a report was prepared, reviewed, and acted upon by the Interdepartmental Committee.

One of the earliest of the technical committees established, cited here because of the simplicity and effectiveness of action taken, was concerned with public-health nursing activities of Federal agencies. Its membership was composed of representatives of the two agencies most directly concerned, namely, the Children's Bureau of the Department of Labor and the Public Health Service. Under the provisions of the Social Security Act, the public-health nursing programs of each had been materially extended.

The need for a plan of coordinated action in order to prevent possible duplication or overlapping in this line of activity was obvious. A formal working agreement was developed involving interdepartmental relationships at the Federal level and close interdepartmental collaboration with respect to policy and program planning in Federal-State relationships. The agreement was unanimously approved first by the technical committee and immediately thereafter by the Interdepartmental Committee. The work of this technical committee has continued but without further formal action.

Another technical committee somewhat similar in organization to that of the public-health nursing committee is the Technical Committee on Industrial Hygiene, composed of officials from the Division of Labor Standards of the Department of Labor and the Office of Industrial Hygiene Investigations of the Public Health Service. This committee considered the coordination of efforts made by each agency to promote industrial-hygiene activities in the States and arrived at a working agreement which was formally adopted by both agencies concerned. The agreement stated the common objectives of the two Federal agencies in the program, pointed out the division of function between them, and outlined a similar division of function for the work of State health departments and State labor departments.

The work of these two committees indicated very clearly that the field of interest must extend into that of Federal-State relationships and be concerned with program planning as well as actual coordination of Federal activities strictly within the Federal Government.

At the Federal level it was apparent that there was need for coordination of programs of research, of plans for the education of the public through published bulletins and reports, of programs of assistance or service rendered by Federal agencies or under the administrative supervision of Federal agencies. With

respect to Federal-State relationships the work of the technical committees soon made it clear that the committees must be concerned not only with interagency agreements on scope of the Federal program and content of consultation advice given by Federal representatives, but also with the scope and adequacy of the various State programs supported by the Federal grants-in-aid and with the gaps in each individual type of program or between related programs. The technical committees provided opportunity to pool information with respect to the needs of the States and the sources of information and aid. Having determined the gaps in existing programs, the logical next step in the work of a number of technical committees was interdepartmental planning as to ways and means of meeting the needs.

Altogether 14 technical committees have been appointed, and representation on the committees includes 28 divisions or bureaus of 6 executive departments and 8 independent agencies. As rapidly as any single subject of interest took form a technical committee was set up to deal with the problems presented. The range of subjects covers, in addition to the two already mentioned, food and nutrition; crippled children; public health and safety education; recreation; the Indian medical service; the Farm Security medical service; workers' education; medical care; the needy blind; personnel standards; probation, parole, and crime prevention; and transient and migration problems.

Although the general plan of technical-committee procedure has been the formulation and adoption of working agreements with respect to coordination of activites and divisions of responsibilities, this practice has varied in different ways to meet needs peculiar to the individual committees. So we find committee structure ranging from the simple, informal, discussion group of two or three members to one of complex design with division of its work and membership into groups dealing with research, planning, education, etc. The Technical Committee on Food and Nutrition is an example of this more complex structure. Here, because of the fact that 22 Federal agencies are definitely concerned with one or another phase of the problem of food and nutrition, the organization of the committee had to proceed along much more complicated lines and resulted in the appointment of a steering committee, subcommittees, and study sections to deal with special aspects of the subject. Another committee on which as many as 14 Federal agencies have membership is that on recreation. This committee not only has concerned itself with the Federal program relating to leisure-time activities and the arts but has given special consideration to the expanding needs of communities which became apparent as Federal-State problems were brought up.

The technical committee which has brought before the public the work of the Interdepartmental Committee more definitely than the others is the Technical Committee on Medical Care. In one way or another each of the executive departments of the Federal Government and many of the independent agencies are concerned with the problems of providing medical care either to employees or wards of the Government or to those persons in the population who are unable to do so from their own resources because of lack of income, inadequate income, or inability to budget for the costs of care.

However, the provisions of the Social Security Act and other acts of Congress for grants-in-aid to the States for various public-health activities and for research in this field have placed major responsibility for Federal-State cooperative programs and for study of the need for health and medical services on the Public Health Service, the Children's Bureau, and the Social Security Board. The Social Security Board was empowered by the Social Security Act to study and make recommendations as to the most effective methods of providing economic security through social insurance, and as to legislation and matters of administrative policy concerning old-age pensions, unemployment compensation, and related subjects. Both the Public Health Service and the Children's Bureau are empowered in the organic acts creating them or in other acts of Congress to investigate problems related to health and medical care and to administer grants-in-aid to States for public-health and medical services.

Approximately 1 year after funds became available under the Social Security Act for grants to the States for public health and maternal and child health, the Interdepartmental Committee appointed a small, informally organized committee of one representative each from the Public Health Service, the Children's Bureau, and the Social Security Board to explore the need for a more formal committee on medical care and to make recommendations as to the scope of work that might properly be undertaken by such a committee. The usefulness of such a technical committee as a clearing house for health and medical activities within the Federal Government and in Federal-State relationships was obvious from the start; the possibilities of its usefulness in the coordination of Federal-agency interests in program planning early became apparent.

During the spring and summer of 1937 this informal committee explored, with the aid of the Interdepartmental Committee staff, all existing activities of the various Federal agencies concerned in order to ascertain the scope and magnitude of the work, the cost, the statutory authority, the groups in the population served, and other phases of the work. Informal conferences with members of other agencies not represented on the committee brought individual problems concretely before the committee. The data so gathered and the already apparent usefulness of the informal committee in pooling the interests of Federal agencies in health and medical service resulted late in the summer in the formal organization of the committee and in definite instructions as to the scope of its work. The committee, including in its membership two additional members of the Public Health Service staff, was charged to survey the health and medical-care activities of the Federal Government, to evaluate the work, to determine where the program fell short, and to make recommendations to the Interdepartmental Committee as to next steps.

To accomplish such a program was a large task, but the technical committee was fortunate in having in its membership persons already fully informed as to previous studies of medical care, the National Health Survey, various other investigations by official and nonofficial agencies, and the current administration of health services under the Social Security Act. Time was not lost, therefore, in prolonged study of reports of previous work, and the efforts of the committee could be directed toward evaluation of current activities with a view to appraising the scope and effectiveness of service being rendered, the gaps in the programs, and the ways in which these gaps might best be filled.

Further interviews and conferences were held with responsible representatives of other Federal agencies concerned with public assistance, work relief, public works, and farm security, and with individuals outside the Government who were informed on the need for or provision of medical service, including persons interested in hospital administration and public-welfare and public-health administration. Throughout its deliberations the committee constantly kept in mind two things: (1) The necessity of laying a sound foundation of public-health services on which the structure of medical care could be properly built, and (2) the primary importance of providing adequately for maternity and for the care of children.

As the studies of the technical committee progressed, two facts became increasingly clear: (1) That existing services for the conservation of national health are inadequate to secure to the citizens of the United States such health of body and mind as they should have; and (2) that nothing less than a national comprehensive health program can lay the basis for action adequate to the Nation's needs.

Convinced on these two points, the committee proceeded to draft a report to the Interdepartmental Committee embodying first a statement of need for a national health program and, second, the committee's recommendations as to ways of meeting the need. This report was submitted to the Interdepartmental Committee in January 1938. After careful consideration and revision the report was finally approved by the Interdepartmental Committee and submitted to the President in February 1938. The section of the report dealing with the need for a national health program was at once made available for distribution in order that it might be fully discussed.

On March 8, 1938, the President wrote to the chairman of the Interdepartmental Committee as follows:

"I suggest that your committee give consideration to the desirability of inviting at some appropriate time representatives of the interested public and of the medical and other professions, to examine the health problems in all their major aspects and to discuss ways and means of dealing with these problems."

Following this suggestion, the Interdepartmental Committee called the National Health Conference to meet in Washington July 18 to 20, 1938, to present and discuss the needs of the people of this country for health and medical services and for the reduction of the economic burdens caused by illness, as revealed by governmental and other studies; and to discuss steps which may be taken to meet these needs, as proposed by representatives of the Government and by members of the conference.

Invitations were sent to approximately 275 men and women from the medical professions, from public and private agencies actively interested in health and medical services, and from labor, agriculture, and other groups of citizens. A total of 176 of those invited attended the conference and participated in its discussions. The recommendations of the technical committee were laid before the conference in complete detail.

As stated by the chairman of the Interdepartmental Committee to Coordinate Health and Welfare Activities, those in attendance at the National Health Conference were not asked to endorse any of the specific recommendations of the technical committee on medical care. The recommendations were laid before the conference and the country for attention and constructive criticism.

In her closing remarks at the conference, the chairman of the Interdepartmental Committee made it clear that the committee would continue to explore the opinion of the various groups represented and to seek the advice of members of the conference and others as to next steps in the implementation of the program.

During the following months many conferences were held by members of the interdepartmental and technical committees with individuals, committees, and groups of individuals to explain and discuss and explore the implications of the recommendations.

During this period at least 35 national organizations, professional and nonprofessional, representing large numbers of individuals went on record as favoring part or all of the recommendations of the technical committee. You are familiar, no doubt, with the action of the American Medical Association approving in principle the first three recommendations and the fifth recommendation of the technical committee, and the action of the American Public Health Association and the committee of physicians for the improvement of medical care, endorsing in principle the objectives of the entire program. Resolutions or statements

from 17 other national organizations concerned with the provision of medical care have been submitted to the Interdepartmental Committee. Great interest in the national health program was manifested by organizations representing the purchasers and consumers of medical care and action has been taken in favor of the entire program or of some of the recommendations by such bodies as the American Federation of Labor, the Congress of Industrial Organizations, the American Farm Bureau Federation, and the Associated Women of the American Farm Bureau Federation, the National Women's Trade Union League, the National Federation of Settlements, the General Federation of Women's Clubs, the American Legion, and the National Consumers' League.

At their request formal conferences were held during the fall and winter months with committees representing 18 professional or nonprofessional organizations. The organizations requesting these conferences include the American Medical Association, the American Public Health Association, the American Hospital Association, the Catholic Hospital Association, the Protestant Hospital Association, the Committee of Physicians for the Improvement of Medical Care, the American Dental Association, the National Medical Association, the National Organization for Public Health Nurses, the American Public Welfare Association, the American Association of Social Workers, the American Association of Medical Social Workers, the National Tuberculosis Association, the National Committee for Mental Hygiene, the Birth Control Research Bureau, the American Osteopathic Association, the National Chiropractic Association, the American Optometric Association.

During these conferences many controversial points were thoroughly discussed, light was thrown upon aspects of the program that had not been made sufficiently clear in the report, and misunderstandings were cleared away. Complete agreement on the main features of the program was reached in many of the conference discussions, and substantial agreement on many phases of the program by all the groups.

During this period of conference discussions the Interdepartmental Committee and the technical committees weighed carefully the opinions that were expressed relating to administration, scope of program, methods of financing, methods of maintenance of quality of care, groups of the population to be included, the functions of Federal and State agencies, and many other problems related to the implementation of the program. As a result of these deliberations a final report to the President was drawn up by the Interdepartmental Committee covering the essential points of the program as laid before the National Health Conference but altering in one respect the original recommendations. The final report was submitted to the President in January 1939 and transmitted by him to the Congress later in the month.

The details of the National Health Program itself you will hear shortly from Dr. Falk.

The technical committee on medical care in formulating recommendations for a broad program of health and medical services has carried out, in part at least, the original instructions of the President when he asked the Interdepartmental Committee, through the use of special committees of physicians and other persons within the Government service, to study and make recommendations concerning specific aspects of the Government's health activities. The usefulness of the Interdepartmental Committee and its technical committees as a device for coordinating the work of the various departments and agencies of Government has, in my opinion, been proved. As a device for interagency planning for action in the field of social welfare its usefulness has also been clearly demonstrated.

In our scheme of democratic government, which gives to the Chief Executive responsibility for making recommendations to the Congress for legislative action, it is important that the technical and administrative knowledge and experience of experts within the Government service, as well as from without, be made available from time to time to the Chief Executive. This, of course, may be done and is done through the heads of executive departments when the problems under consideration involve but one department. When, however, the need for legislative action cuts across the functions of several departments, as happens in the fields of health and welfare, the use of an interdepartmental committee to bring together facts and make recommendations to the Chief Executive has proved to be a valuable method of Government procedure.

The procedure outlined in the Executive order creating and instructing the Interdepartmental Committee to Coordinate Health and Welfare Activities is not actually comparable to the British scheme for a "responsible ministry" which may initiate legislative proposals, but it suggests it, in that responsibility has been given to several executive departments and agencies jointly to make recommendations in respect to improving the health and welfare activities of the Federal Government. As I have pointed out, the problems of social-welfare planning within the Federal Government involve nearly all, if not all, departments and many agencies. Reorganization may bring together many of the agencies with primary responsibility in this field. Unless, however, such a Federal department can include also those agencies whose chief concern is the fundamental interests of wage earners and self-employed persons in industry and agriculture, it would seem likely that the Interdepartmental Committee to Coordinate Health and Welfare Activities would still be necessary for continuous and constructive planning in the Federal Government.

[From Collier's Magazine]

WAGNER PUBLIC HEALTH BILL—HERE'S TO YOUR HEALTH

The extreme hand wringers and viewers-with-alarm estimate that about 40,000,000 persons in the United States are without adequate medical care—almost a third of us. The extreme conservatives in the American Medical Association's upper councils say the figure can't be more than 40,000.

We surmise that the truth must lie somewhere between these two extremes. You usually find the truth somewhere between the extremes in any argument.

We also surmise, as laymen who have consulted informed and intelligent medical men, that the national health bill, introduced in Congress by Senator ROBERT F. WAGNER (Democrat, New York), had better pass at this session or the next.

The bill is being cursed as "socialistic" by medical conservatives, and as timid and inadequate by the aforementioned hand wringers—which indicates to us that it must be about as good a bill as the general run of us could ask for.

For all the pooh-poohing of the A. M. A. big shots, the committee on cost of medical care did find an extremely spotty public-health service situation existing in this country as of the year 1932, when the committee's historic 28-volume report on the subject came out.

At that time almost one-half of the more than 3,000 counties in the 48 States were entirely without registered hospitals. Nor were the larger cities and towns adequately served in all cases. Either sufficient medical service was simply lacking or large slices of the population didn't have the money to pay for the medical service they needed.

That was in 1932. Recent surveys show that we have made little, if any, progress away from 1932 conditions. The depression wolf has kept at least one foot stuck in the door all these years. It looks as if only Federal Government action, with State cooperation, can begin a systematic jacking up of the national health.

Senator WAGNER'S bill is aimed at four objectives:

1. The increase Federal grants-in-aid to State public-health work in the fields of maternity and child care and of control of syphilis, tuberculosis, malaria, pneumonia, cancer, etc.

2. To obtain wider and fairer distribution of hospital beds.

3. To systematize medical care for (a) reliefers and (b) people in the lower income brackets who cannot meet current costs of medical care.

4. To develop some sort of insurance program against wage losses caused by sickness or physical disability.

The bill provides for the governmental machinery that would be needed to administer it. It prescribes certain common-sense standards of service. It makes due allowance for the fact that some States are less wealthy than others. The emphasis is mainly on prevention of sickness and on training of personnel on a scale large enough to meet real public needs. Estimated cost is about $85,000,000 a year—small change, indeed, alongside billion-dollar relief appropriations and proposals to siphon hundreds of millions into seemingly 98 percent phoneys like the Florida ship canal.

Maybe we're naive or starry-eyed, though we hope not, but we can't make out how this bill threatens to regiment the doctors or turn them into a gang of Government clerks, as feared by some of the A. M. A. leaders.

The four objectives listed above were endorsed last September by the A. M. A.'s own house of delegates, which makes the regulations that govern the A. M. A.'s members. The bill itself, far from being one of those overnight inspirations that sometimes come to lawmakers to the grave peril of the Nation, was put together by Senator WAGNER only after long and painstaking consultations with doctors, social workers, and public-health officials.

Perhaps the best single argument in the bill's favor is that it is sponsored by Senator WAGNER, who is a careful and conscientious liberal legislator if there ever was one. Incidentally, we don't owe the Senator anything; we simply throw out this compliment in passing because we happen to mean it.

That the masses of America are demanding more, better, and cheaper medical service is a fact, not theory, whether you like that fact or deplore it. That medical service in this country is spottily distributed is indicated by the best evidence available. That it costs too much in some cases seems well established—though it is equally well established that many doctors do far too much charity work, and that a malodorously high percentage of patients make it a practice to pay the doctor's bill last, if at all.

The Wagner bill looks like the best answer thought up thus far to this complex and urgent challenge. It isn't the best answer imaginable, by a long shot. If it becomes law, defects will no doubt begin showing up immediately, and will have to be plugged by amendments.

But as a starter, this one looks good. It we don't adopt this one or something like it, the politicians will most likely sell us some phony system of compulsory State medicine that will enslave doctors and patients alike to the politicians. We don't believe the majority of Americans want that, any more than they want the present happy-go-lucky medical scramble to carry on unmodified.

After all, our whole national wealth and well-being are based on only two prime foundation stones. One of these foundation stones is the health of the land we live on. The other is the average health of the people who live on that land, in city or country.

Hon. ROBERT F. WAGNER,
United States Senate, Washington, D. C.:

Whereas there are over 600,000 tuberculosis cases in the United States, over 80,000 are discharged annually from sanatoria and hospitals and over 50 percent of these die or relapse within 5 years after discharge, the great majority of whom medical authorities state could have been saved by suitable rehabilitation and aftercare, and provisions for alleviation of these conditions are not now indicated in your bill;

Now, therefore, we, the undersigned, respectfully urge that provisions be included in the national health law for the establishment of a separate tuberculosis commission to be set up for the proper control and handling of all phases of tuberculosis. This commission to create facilities for:

1. Vocational guidance, training, and adult education during hospitalization of the tuberculous.
2. Continuation of this training, if necessary, after discharge from the sanatorium.
3. The graduated employment and rehabilitation of discharged patients.
4. Financial aid for the needy discharged tuberculous who no longer need hospitalization but are unable to work.
5. Work in sheltered shops or camps for the chronic infectious tuberculous who can no longer benefit from hospitalization.

SIX THOUSAND SIGNATURES.

WASHINGTON NEWS LETTER ON SOCIAL LEGISLATION,
Washington, D. C., July 31, 1939.

Senator ROBERT WAGNER,
Senate Office Building, Washington, D. C.

DEAR SENATOR WAGNER: You may be interested in the results of a poll which has recently been conducted by the Washington News Letter on Social Legislation regarding the national health program. Ballots were sent to all State public-welfare directors. These officials were selected for this poll because their work gives them intimate and first-hand knowledge of the problems of low-income groups. Inasmuch as their official position gives them expert knowledge of conditions among socially disadvantaged groups, their judgment should be of special interest and significance.

Eighty-five percent of these officials replying were in favor of the Wagner health bill, S. 1620. Enclosed is a summary of these replies.

Sincerely yours,

GLEN LEET.

WASHINGTON NEWS LETTER ON SOCIAL LEGISLATION,
Washington, D. C.

Your ballot:

I do favor the Wagner health program.

Comments: I am, of course, very strongly in favor of this bill, in general. However, the bill should make it clear that States should be allowed to operate the plan according to local set-ups. For instance, the existing policy of having States submit a plan for social security is a far better method than designating some particular agency or agencies. The relationship between dependency and the care of the needy sick is liable to be thrown badly out of balance if this work were taken over entirely by the health department, for instance. Other minor amendments will be needed, but the bill, in general, I favor heartily.

Name: David C. Adie.
Position: New York State Commissioner of Social Welfare.
Address: 112 State Street, Albany, N. Y.

WASHINGTON NEWS LETTER ON SOCIAL LEGISLATION,
Washington, D. C.

I do favor the Wagner health program.
Comments: An excellent beginning in a most important field.
Name: H. Dewey Anderson.
Position: Director, State Relief Administration of California.
Address: 180 New Montgomery Street, San Francisco, Calif.

WASHINGTON NEWS LETTER ON SOCIAL LEGISLATION,
Washington, D. C.

I do favor the Wagner health program.
Comments: None.
Name: A. U. Johnson.
Position: Commissioner of Public Welfare.
Address: State Office Building, Baton Rouge, La.

WASHINGTON NEWS LETTER ON SOCIAL LEGISLATION,
Washington, D. C.

I do favor the general provisions of the Wagner health program.
Comments: None.
Name: P. D. Flanner, director.
Position: Public welfare department.
Address: 315 South Carroll Street, Madison, Wis.

WASHINGTON NEWS LETTER ON SOCIAL LEGISLATION,
Washington, D. C.

I do favor the Wagner Health Program.

Comments: The Wagner Health Program in its practical application brings into action Federal, State, and local resources to produce happier living conditions for all of us. This investment in health serves to compound the returns on our investments in education and other services and in time will, through its positive effect, pay for itself through the elimination of the bill for ill health which has proved so costly in the past.

Name: Charles F. Ernst.
Position: Director, State department of social security.
Address: Olympia, Wash.

CONCORD, N. H., *June 2, 1939.*

GLEN LEET,
Editor, Washington News Letter,
1733 Nineteenth Street NW.:

Further adoption Wagner's national health program assistance in general medical care program especially urgent.

HARRY O. PAGE,
Commissioner, New Hampshire Department of Public Welfare.

STATE OF NEW HAMPSHIRE,
DEPARTMENT OF PUBLIC WELFARE,
Concord, N. H., June 2, 1939.

MR. GLEN LEET,
Editor, Washington News Letter on Social Legislation,
1733 Nineteenth Street NW., Washington, D. C.

DEAR MR. LEET: I am hopeful that Congress will act favorably on Senator WAGNER'S national health program. Surely none of us who works in the welfare field from day to day has any question as to the wisdom of the objectives which the bill sets forth. I know that this is especially true in the case of an expanded program for general medical care. An analysis of direct-relief case loads indicates that the need for medical care is a major reason for a large number of persons applying for relief. In too many instances these people who are able to care for themselves until the need for a doctor or hospitalization comes and who do not want to apply for public aid wait too long before calling for medical care and the result is that longer treatment is required at greater costs. Here in the little State of New Hampshire the medical and hospital expenses for direct-relief cases approximate nearly $400,000 each year and this burden is a terrific one upon the counties and towns responsible for the administering and financing of direct relief. The help which Senator WAGNER'S bill would bring to this program would ease considerably the costs upon political subdivisions in the State and would make for more adequate medical care to the needy.

The other phases of the national health program are equally urgent in their need and would tend to alleviate serious problems which we clearly recognize but which because of a lack of funds we are unable to do anything about.

Sincerely yours,

HARRY O. PAGE, *Commissioner.*

STATE OF MONTANA,
DEPARTMENT OF PUBLIC WELFARE,
Helena, Mont., June 3, 1939.

(Re Senator WAGNER'S national health program.)

MR. GLEN LEET,
Editor, Washington News Letter on Social Legislation,
1733 Nineteenth Street NW., Washington, D. C.

DEAR MR. LEET: Your wire dated June 1 has been received asking if I favor the Wagner national health program. Let me confess that I have not had the time to study this bill and plan, but that in a general way I favor the extension of Government health services.

In all cases where the individual cannot help himself, it seems to me that it is the function of the Government to render the service. Only a very few people have the knowledge and skill required for preserving their health and training their physical ailments. It is true that these services may be purchased, but usually they come so high that they are not obtained to the extent that the welfare of the individual requires. Group treatment appears to be the solution, and that usually involves action through some branch of the Government.

When a man working for wages is attacked by disease or accident that requires surgical operations and long stay in a hospital, the economic shock to the family is so great that it takes a long time to overcome its evil effects. This should be remedied.

Health is probably the most valuable asset of a human being, and it should be guarded to a greater extent than is now being done.

With all good wishes.

Sincerely yours,

I. M. BRANDJORD, *Administrator.*

SACRAMENTO, CALIF., *June 5, 1939.*

GLEN LEET,
Editor, Washington News Letter on Social Legislation,
1733 Nineteenth Street:

Just returned to office. Wagner health program socially sound. Amendments to section 200 welfare institutions code of California now before legislature to meet requirements not passed to date.

FLORENCE L. TURNER,
Director, State Department of Social Welfare.

AUSTIN, TEX., *June 1, 1939.*

GLEN LEET,
Editor, Washington News Letter on Social Legislation,
1733 Nineteenth Street, NW., Washington, D. C.:

Wagner's bill is based on recommendations of special research group composed of Nation's leading health and welfare experts is progressive and forward looking. Social-security program in America will never be complete without health protection for those who cannot afford medical care. Prevention of the need for medical care more important than protection. But as with old-age assistance prevention is too late and protection essential. Socialized medicine in America is seemingly inevitable.

W. A. LITTLE,
Director, Old-Age Assistance Commission.

STATE DEPARTMENT OF PUBLIC WELFARE,
Columbia, S. C., June 1, 1939.

Mr. GLEN LEET,
Editor, Washington News Letter on Social Legislation,
1733 Nineteenth Street NW., Washington, D. C.

DEAR MR. LEET: I am in receipt of your night letter of May 31 asking an expression of approval or disapproval of Senator WAGNER'S national health program, and in reply I will say that I have been able to give only limited consideration to S. 1620, introduced by Senator WAGNER on February 28, 1939. Assuming that your inquiry refers to this measure as embodying Senator WAGNER'S health program, I favor the plan.

Yours very truly,

THOMAS H. DANIEL, *State Director.*

INDIANAPOLIS, IND., *June 1, 1939.*

GLEN LEET,
Editor, Washington News Letter on Social Legislation,
1733 Nineteenth Street NW.:

In the main I favor Senator WAGNER'S national health program.

THURMAN A. GOTTSCHALK,
Administrator, Department of Public Welfare.

SALT LAKE CITY, UTAH, *June 1, 1939.*

GLEN LEET,
Editor, Washington News Letters on Social Legislation,
1733 Nineteenth Street:

Re telegram May 31 favor public-health program supported from public funds whether it be under Senator WAGNER'S bill or other legislation.

J. W. GILLMAN.

RALEIGH, N. C., *June 2, 1939.*

GLEN LEET,
Editor, Washington News Letter on Social Legislation,
1733 Nineteenth Street:

Have not read complete text Wagner health bill, but strongly endorse its general principles as outlined in digest of bill.

Mrs. W. T. BOST.

JACKSON, MISS., *June 1, 1939.*

GLEN LEET,
Editor, Washington News Letter on Social Legislation:

Favor some kind national health program that will provide hospitalization and medical care needy sick.

W. F. BOND,
Department of Public Welfare.

SANTA FE, N. MEX., *June 2, 1939.*

GLEN LEET,
Editor, Washington News Letter on Social Legislation:

The New Mexico Department of Public Welfare favors Senator WAGNER'S national health program. Preventative health services for the State are insufficient. Hospital facilities and medical service inadequate. No economic protection against loss of wages during illness. Health services and facilities offered by the Wagner national health bill will aid in meeting New Mexico health needs.

MRS. JENNIE M. KIRBY,
Director, New Mexico Department of Public Welfare.

MONTGOMERY, ALA., *June 1, 1939.*

GLEN LEET,
Editor Washington News Letter on Social Legislation:

Retel general principles embodied in Senator WAGNER'S national health program favored by me.

LOUIA DUNN,
Commissioner Alabama Department of Public Welfare.

ST. PAUL, MINN., *June 1, 1939.*

GLEN LEET,
Editor Washington News Letter on Social Legislation:

Strongly favor Senator WAGNER'S national health bill. Only one broad qualification for extension of health services. Namely maintenance of principle of patient's choice of physician.

BENJAMIN E. YOUNGDAHL.

STATE OF MINNESOTA,
STATE BOARD OF CONTROL,
St. Paul, June 1, 1939.

Mr. GLEN LEET,
Editor, Washington News Letter on Social Legislation,
1733 Nineteenth Street NW., Washington, D. C.

DEAR MR. LEET: I regret that I have not replied to your inquiry on Senator WAGNER'S national health program before this date. My wire sent you this morning stated:

"Strongly favor Senator WAGNER'S national health bill. Only one broad qualification for extension of health services, namely, maintenance of principle of patient's choice of physician."

To many of us, it is obvious that there are large areas, both geographic and in the population group, that are not today receiving the proper or necessary medical care and health service. This is true not only among those who today are not beneficiaries of some type of public aid but it even includes many who are on the various forms of public-relief rolls. Many of the present relief programs either carry insufficient funds or are so constructed legally or otherwise as to make it impossible to include the proper amounts in the grants for necessary medical services. In some of the programs the legal maxima alone prevents this inclusion. Among those receiving some type of public aid, perhaps the greatest uncared-for need in terms of medical service is in the so-called direct-relief group. The current tendency of local governments all over the country to economize deprives many not only of positive constructive and rehabilitative medical care, but even in many instances of emergency care. This statement is made with the full knowledge that a large proportion of the doctors are usually willing to give free service in emergency situations.

There is one phase of a health program that I would like to emphasize. I believe it necessary to maintain the fundamental principle of the patient's choice of physician. As far as I am able to interpret it, the Wagner health program does not violate that basic principle. The medical-care programs carried out under F. E. R. A. auspices several years ago were quite successful in many States, and that principle was maintained.

One of the important things about Senator WAGNER'S program is that it tends to put the emphasis on public health in general. It seems to me that it is axiomatic that if we are to increase health happiness in this country, a program of health education and a program with emphasis on prevention must receive a large share of attention.

The Wagner health program will probably do another thing. At the present time governmental health and medical services in most of the States are somewhat uncorrelated and disintegrated. Each program carries its own limited qualifications for medical services, and frequently the total services are somewhat disbursed among several State and local agencies. The Wagner plan will have the tendency to merge health services and to integrate them in one administrative agency or under one competent and qualified medical person.

It seems to me that the Wagner plan is worthy of support.

Sincerely yours,

PUBLIC ASSISTANCE,
BENJAMIN E. YOUNGDAHL,
Director.

[Washington News]

MY DAY—IMMIGRANTS WILL CONTRIBUTE TO OUR WELL-BEING

(By Eleanor Roosevelt)

HYDE PARK, Tuesday.—I have just read a little pamphlet called Refugee Facts, a study of the German refugee in America, issued by the American Friends Service Committee. It is an interesting little pamphlet, and some of the facts I think will be new to many people just as they were to me.

For instance, did you know that under the national origins law, enacted in 1924 and amended in 1929, 153,774 immigrants are allowed to come to this country annually, but of this number Great Britain and Ireland have had as their quota 83,574, and last year only 4,551 people came in under those quotas? This means that not 75,000 came into this country, in spite of the larger quota allowance.

During the 6-year period from 1932 through June 1938 a total of 241,962 immigrants were admitted into the United States for permanent residence. During this same period 246,449 immigrants previously admitted to this country for permanent residence moved away, so that, roughly, during the 6 years of the Nazi regime in Germany, 4,487 more aliens departed than were admitted to the United States. Of course, of the number admitted 50 percent are not looking for employment, being children under 18, married women, or old people.

A number of other interesting facts are in this pamphlet, including the experience which England has had with its recent German refugees, Jews, Catholics, and Protestants. The items which interested me most, however, dealt with refugees admitted to the United States. They were the following: "One German textile man used to own a shirt factory in Germany and sold his wares to South America. Having to leave his homeland, he has transferred his factory to our country and is employing American labor to supply his customers as before.

"Harmonicas and accordions used to be imported from Germany; now a refugee has set up a shop for the making of these instruments and American workers are making them.

"A German firm exported until recently certain types of wool hosiery to the United States. Now the three refugees who had owned this firm have reestablished it in Massachusetts and are employing 38 American workers in the manufacture of goods which have been imported previously from abroad. "Another refugee has brought over from Germany a patented process used in the manufacture of gloves. The firm he established to utilize this patent now does an annual business of $100,000."

Since no country prospers if its population is on the decline, the above facts seem to indicate that these immigrants will contribute to our well-being as have similar groups in our past history. They seem to be, in the main, a group of valuable citizens.

PERSPECTIVE

(By Raymond Moley)

LET THEM IN

Apparently our big, brave American Congress, representing the richest, the most powerful, and reputedly the most generous Nation in the world, is groveling before the prospect of a peaceful invasion by 20,000 children. The Wagner-Rogers bill seems to be stuck in the House Committee on Immigration and to have been reported out of the Senate Committee with vitiating amendments, despite the support and despite the moving pleas of the representatives of nonpartisan organizations and of great religious, educational, and social agencies.

This bill is a grant of authority to admit into the United States not more than 10,000 German children in excess of the present quota during each of the calendar years 1939 and 1940. No child would be eligible for admission who is over 14 years of age, and no child would be admitted unless satisfactory assurance had been given by responsible private individuals or by responsible private organizations that the child would not become a public charge. This is the whole proposal—a grant of authority, to the extent that satisfactory assurances are given, permitting as an emergency matter, the rescue from Germany of a limited number of young children. These German children are of all sorts of religions, but it is hardly necessary to say that this country has never entertained the idea of imposing a religious test upon either people who come to it or those who are here already.

The ostensible arguments against this proposal are hardly worthy of note. The answer to the argument that these children will become public charges is direct and conclusive. Plans have been worked out for the selection and placement of the children. Absolute commitments for their care by individuals and social agencies have been made. Neither will these children become important competitive factors in the labor market. The support of this proposal by both the A. F. of L. and the C. I. O. is our assurance on this point. There is a further argument that we should not take German children if we are unwilling to take the children of other nations who are suffering privation and want. But the situation of these German children is not comparable to the situation of the children in any other nation. The governments of the other nations do not actually drive out children, while the German Government is intent upon getting rid of those children it already treats as outcasts. There is the further consideration that, according to every indication, money raised in the United States for needy children in countries other than Germany reaches those children.

Of course the real obstacle to speedy action on this measure is the fear that debate in the open will loose the tongues of certain Members of Congress who are itching to burn verbal fiery crosses. The threat that such a discussion will be precipitated is contemptible blackmail. It deserves summary treatment. Sponsors of the bill need not shrink from this kind of argument. Their cause is unimpeachable. To permit a few bigoted and misguided individuals to impose a check upon the clear duty of this Congress is to underestimate the common sense and to impugn the integrity of the American people.

Many Americans have had occasion in the past few weeks to hang their heads in shame over the tragic circumstance which turned the *St. Louis*, with its 900 homeless and helpless people, back to Europe. We threw up our hands while little Belgium, among others, opened its doors. This callous indifference ought not to prevail again. Every American able to buy a postcard should remind the American Congress to pass the original Wagner-Rogers bill—in the name of America's generous tradition, in the name of common sense, in the name of simple humanity, in the name of God.

WASHINGTON NEWS LETTER ON SOCIAL LEGISLATION,
Washington, D. C., July 27, 1939.

Re: Refugee children.
Senator ROBERT F. WAGNER,
Senate Office Building, Washington, D. C.

DEAR SENATOR WAGNER: The Washington News Letter on Social Legislation has been conducting a series of polls on expert opinion on matters of social legislation currently before Congress. We have just concluded a poll to determine the reactions of State directors of child-welfare programs to your bill, Senate Joint Resolution 64, regarding refugee children. The child-welfare directors were selected for this poll as being a responsible group, having expert knowledge of the problems of child placement in America; therefore, we considered their judgments on this matter to be of special value.

Replies received to date indicate that 85.7 percent favor Senate Joint Resolution 64. Enclosed is a summary of these replies.

Sincerely yours,

GLEN LEET.

JULY 11, 1939.

I do favor Senate Joint Resolution 64.
Comments:
I am very much interested in the passage of the Wagner-Rogers bill, and believe that it is important that our Government demonstrate at this time that it is still interested in fostering the ideas of tolerance on which it was originally founded.
It seems to me that its disapproval of the bill will not only deprive children of a possible opportunity for a better life, but will indicate that this country has lost the fundamental ideas of freedom.
Name: Rosemary Reinhold.
Position: Director, Bureau of Community Work.
Address: Department of Welfare, Harrisburg, Pa.

WASHINGTON NEWS LETTER ON SOCIAL LEGISLATION,
Washington, D. C., July 7, 1939.

I do favor Senate Joint Resolution 64.
Comments: In the existing strain and stress which recent developments in Europe have brought to the child life there, it would seem that a country as fortunate as ours should contribute to the greatest extent possible toward the relief of such strain and stress. I would, however, qualify my approval of Senate Joint Resolution 64 by saying that adequate plans made for refugee children in this country should be carefully thought out before their acceptance, both for the sake of this group of children as well as for the sake of the many dependent children for whom our country is now caring.
Name: Helen Richardson.
Position: Acting superintendent, Bureau of Charities.
Address: Oak and Ninth Streets, Columbus, Ohio.

I do favor Senate Joint Resolution 64.
Comments: I am in favor of the above bill because I believe that the strength and resources of this country are great enough to share with this group of unfortunate children in spite of the fact that we are faced with extremely serious problems in relation to our own people. My conviction is strengthened by the fact that the plan of care for these children has been worked out carefully and should mean the absorption of the children into families and agencies without any threat to the children here needing the same type of care. One of our staff members has been active in promoting this bill, having been stimulated to do so by Dr. Marion Kenworthy, of New York. Any promotion of the bill has been done on an individual basis and not as a staff member of the department of welfare, Commonwealth of Pennsylvania.
Name: Helen C. Hubbell.
Position: Supervisor, rural extension unit.
Address: Department of welfare.

I do favor Senate Joint Resolution 64.
Name: N. W. MacDonald.
Position: Director of Social Welfare.
Address: Augusta, Maine.

I do favor Senate Joint Resolution 64.
Comments:
This bill if passed will enable the people of the United States to assume their share of responsibility for providing German refugee children with an opportunity to grow up in a democratic setting.
Name: Lena Parrott.
Position: Superior Child Welfare Service, Bureau Social Welfare, Maine.
Address: Augusta, Maine.

I do favor Senate Joint Resolution 64.
Name: Mary Lois Pyles.
Position: Director, Division of Child Welfare.
Address: State Social Security Commission of Missouri, Jefferson City, Mo.

I do favor Senate Joint Resolution 64.
Comment:
While a State such as ours could not participate in any extensive fashion, the Jewish group here is prosperous and active. The separation of the German children from their own kin and roots is regrettable and unsound, but seems to be a humanitarian necessity at this time. United States seems a logical haven for them.
Name: Beth Muller.
Position: State director of Child Welfare.
Address: 1910 Arch Street, Little Rock, Ark.

I do favor Senate Joint Resolution 64.
Comments:
At present the Children's Service Bureau of the Hebrew Orphans' Home is cooperating with the National Jewish Council in the placement of a limited number of Jewish refugee children in the area covered by the Children's Service Bureau.

Because of limited facilities for child-placing in Georgia and the great needs of the children of Georgia, which are unmet, it is impossible for the State of Georgia to assume any responsibility regarding refugee children.
Name: Henry B. Mays, Jr.
Position: Director, Child Welfare Division, State Department of Public Welfare.
Address: 329 Hurt Building, Atlanta, Ga.

I do favor Senate Joint Resolution 64.
Name: Howard L. Russell.
Position: Secretary of Assistance.
Address: Harrisburg, Pa.

I do favor Senate Joint Resolution 64.
Name: Marion A. Joyce.
Position: Director of division of child guardianship.
Address: Statehouse, Boston, Mass.

I do favor Senate Joint Resolution 64.
Name: Josephine Webster.
Position: Welfare training assistant, New York State Department of Social Welfare.
Address: 112 State Street, Albany.

I do favor Senate Joint Resolution 64.
Comments: I am in favor of the above-designated resolution without reservation.
Name: W. L. Painter.
Position: Director of Children's Bureau, Department of Public Welfare.
Address: Travelers Building, Richmond, Va.

I do favor Senate Joint Resolution 64.
Comments: This resolution was discussed with 12 persons holding responsible social-work positions in Utah. Ten of the group favored the proposal provided necessary safeguards were taken to insure placement of the children in accordance with the recognized standards.
Name: Anna Sundwall.
Position: Chief, Division of Child Welfare Services.
Address: 139 State Capitol, Salt Lake City, Utah.

I do favor Senate Joint Resolution 64.
Name: David C. Adie.
Position: New York State Commissioner of Social Welfare.
Address: Albany, N. Y.

I do favor Senate Joint Resolution 64.
Comments: I do favor this bill and have contacted our Representatives in Washington advising this.
Name: Marie V. Smith.
Position: Director, Child Welfare Division.
Address: Colorado State Department of Public Welfare, Denver, Colo.

I do favor Senate Joint Resolution 64.
Name: Kathryn D. Goodwin.
Position: Assistant Director.
Address: Wisconsin Public Welfare Department.

I do favor Senate Joint Resolution 64.
Comment: In my opinion, the Wagner-Rogers proposal merits support as a measure to enable partial treatment of a pressing humanitarian problem on the basis of the needs of the individual children involved.
Name: Charles J. Ernst.
Position: Director, State Department of Social Security.
Address: Olympia, Wash.

I do favor Senate Joint Resolution 64.
Name: Milly N. Pope.
Position: Supervisor, division of children's aid, California State Department of Social Welfare.
Address: 616 K Street, Sacramento.

AMERICAN COMMITTEE FOR DEMOCRACY AND INTELLECTUAL FREEDOM,
New York City, July 19, 1939.

Senator ROBERT F. WAGNER,
Senate Office Building, Washington, D. C.

DEAR SENATOR WAGNER: About 2 months ago the Chamber of Commerce of the State of New York prepared a report entitled "Conquest by Immigration." Our committee considers that report to be a serious attack on American traditions of liberty and tolerance.

Because the report of the chamber is put forth in the guise of science, we had a committee of experts prepare a reply which we are submitting to you for your earnest consideration.

I might add that our reply has received the endorsement of nine of America's leading scientists and historians: Dr. Charles A. Beard, Prof. L. J. Stadler of the University of Missouri, Prof. George H. Shull of Princeton University, Profs. Gordon W. Allport and A. M. Schlesinger of Harvard University, Profs. Robert M. MacIver and L. C. Dunn of Columbia University, Prof. J. M. Cooper of the Catholic University of America, and Prof. Th. Dobzhansky of the California Institute of Technology.

We think that our reply is important enough to be read into the CONGRESSIONAL RECORD, and we should feel highly honored if you would consent to do it.

Respectfully yours,

M. I. FINKELSTEIN,
Secretary, New York Committee.

COPY OF LETTER SENT BY THE NEW YORK SECTION OF THE AMERICAN COMMITTEE FOR DEMOCRACY AND INTELLECTUAL FREEDOM TO THE CHAMBER OF COMMERCE OF THE STATE OF NEW YORK

It was with amazement that we read the report of the special committee on immigration and naturalization of the Chamber of Commerce of the State of New York—and the attendant publicity—proclaiming the very same racial myths which are causing so much hatred and brutality in the world today.

Mr. Harry H. Laughlin, of the Carnegie Institution of Washington, who wrote this report, asserts that immigration into the United States should be cut down to the vanishing point in the interest of "race integrity" and "race improvement."

The underlying principles on which the report is based are that:

1. Every nationality—English, French, Irish, Italian, Spanish, etc., is a "race."

2. Every "race" has its inherent, unalterable, physical, mental, and moral qualities.

3. Some of these "races" are superior and others inferior, and progress in human society and culture is primarily due to the biological endowment of "racial purity."

4. The successful development of a nation requires it to "establish racial standards, to hold the country against all would-be invaders, whether they come as enemies in battle or as friendly immigrants."

5. The immigrant policy of the United States should be governed by biological or racial considerations because "progress cannot be built on mongrel melting pots."

6. The cost of public institutions for the mentally ill and for other public charges is largely due to the immigration of "racially inferior stock."

The entire argument follows the theory of innate racial qualities. Serious psychologists, anthropologists, and sociologists have emphasized over and over again that it is absurd to speak of any nation as a biological unit or race, and that no proof has ever been given to show that the mental, cultural, or moral characteristics of a so-called race can be deduced from its descent. Last December the American Anthropological Association—certainly more competent than the Chamber of Commerce of the State of New York to pass judgment on such matters—unanimously adopted the following resolution: Be it

Resolved, That the American Anthropological Association repudiates racialism and adheres to the following statement of facts:

"1. Race involves the inheritance of similar physical variations by large groups of mankind, but its psychological and cultural connotations, if they exist, have not been ascertained by science. * * *

"3. Anthropology provides no scientific basis for discrimination against any people on the ground of racial inferiority, religious affiliation, or linguistic heritage."

Mr. Laughlin merely asserts that "the immigrant must furnish the blood—that is, the inherent qualities and capacities which will respond favorably to our environment" (p. 39). He does not offer one shred of evidence to prove that such "inherent qualities and capacities" exist. Nor does he attempt to justify himself in assigning "superior" and "inferior" status to the various races he enumerates. We feel justified in the suspicion that there is an ulterior motive in this indiscriminate and unscientific use of the term "race." The term does service as an invective. It is a mere appeal to ignorant prejudice. Surely Mr. Laughlin knows that the modern populations of all parts of Europe as well as of America are the products of unceasing mixtures of peoples, and that the highest types of civilization of their respective times have belonged to such widely different peoples as those of Greece, Rome, France, Spain, Holland, England, Italy, and Germany—wherever historical conditions favored cultural development.

There have been two major waves of immigration into the United States. The first from 1609 to about 1890 brought immigrants chiefly from northern and western Europe; the second, since 1890, chiefly from southern and eastern Europe. The first group came to a country that was still primarily agricultural, offering opportunity for advancement to the pioneer, the farmer, the entrepreneur. With the disappearance of free land, the spread of industrial production, and the rise of the large corporation, fewer opportunities were available to the immigrants of the second wave. Most of those who came after 1890 became industrial laborers in the factories owned by those who had entered the country in the earlier stages. This applies to those coming from northern and western Europe as well.

To Mr. Laughlin these developments in American history have no meaning. He pretends to believe that the difference between the two groups of immigrants is strictly biological. He believes that the

northern and western European is innately a "pioneer land-settler type" and that the southern and eastern European is the "industrial laborer type." This contention was refuted in 1927 by Niles Carpenter, Immigrants and Their Children, Census Monograph No. VII, published by the Bureau of the Census of the United States Department of Commerce. Using the census figures of 1920, Carpenter showed (on p. 293) that the immigrants who came from northern and western Europe after 1890 did not prefer to take up agriculture.

"The Irish and the English, Scotch, and Welsh," he writes, "are engaged in farming to a very limited extent, indeed, and even Germans seem to be so employed to a smaller degree than the Bohemians and Moravians, who are a central European, that is, a 'new immigrant,' people. Neither do the 'new' immigrants engage chiefly in rough, unskilled labor, as is often stated. The Hebrews emphatically do not, and the Bohemians and Moravians are mostly farmers. On the other hand, a considerable number of Irish, who are 'old' immigrants par excellence, are so employed, while an even greater proportion of English, Scotch, and Welsh seem to be coal-mine operatives; that is, they are engaged in work that is heavy and laborious and not so skilled but that the 'unskilled' Polish, Italian, and Slovak peasants may also perform it."

The statistics used by Mr. Laughlin are entirely misleading. The last 107 pages (almost half) of the report are devoted to figures on the number of native and foreign-born inmates of State and Federal hospitals for the mentally ill and of State and Federal penal institutions. The casual reader would naturally assume that this mass of figures substantiates the recommendations made in the report, but on examination it is found that the data, far from supporting Mr. Laughlin, actually supports the opposite of the view he holds.

In order to use statistics to answer the question, Is there a high criminal rate among the foreign-born in the United States? we must first determine the percentage of foreign born in the country. Then we must compare this percentage with the percentage of foreign born in the prisons. This would be the only scientifically valid procedure. Mr. Laughlin did not adopt this procedure, however. He limited himself to an enumeration of the number of foreign-born and native inmates of some State prisons and hospitals. Such an enumeration is meaningless. Furthermore, the age distribution of foreign-born and natives is different, and since the rates of criminality and hospitalization change with age, this element must be taken into consideration.

The following example is typical of Mr. Laughlin's use of statistics. He lists 946 foreign-born inmates in seven New York State prisons out of a total of 6,382 prisoners; that is 14.8 percent. This may seem like a high percentage, and that is obviously the impression intended. But New York State's foreign-born population is 25.9 percent of the total population (1930 census). In other words, 25.9 percent of the population was responsible for 14.8 percent of the crimes (in the cases and for the period to which Mr. Laughlin's figures apply), while 74.1 percent (the native born) was responsible for 82.5 percent of these crimes.

It should also be noted that many official reports are available on just this point. In 1934, the precise period with which Mr. Laughlin is dealing, there was submitted a report of the Legislative Commission on Jails in Connecticut. The statistics in that report are much more complete than Mr. Laughlin's, and the conclusion drawn is that "crime is not primarily the product of the foreign born, but it is chiefly American made, the product of American conditions and American citizens" (p. 72).

Similarly, a statistical study of mental defectives in New York State by Dr. Benjamin Malzberg, of the New York State Department of Mental Hygiene led the author to conclude (American Journal of Physiatry, 1936, p. 137): "Comparing rates of first admission among native- and foreign-born whites, we find that, after due consideration of age and environmental differences, the latter exceed the former by only 8 percent. In several of the more important groups of psychoses there are no significant differences between the rates of the two groups. It is highly probable that if proper corrections could be made for other environmental differences, such as economic and occupational status, the remaining discrepancies in rates of first admissions would be either eliminated or reduced to a degree easily reconcilable with a theory of environmental differentials."

We view with alarm the rapid spread in our own country of the hysterical cry that the alien or the Jew or the Catholic, or some other scapegoat, is responsible for all the ills of society. The report of the Chamber of Commerce of the State of New York seeks to lend scientific support to such demagoguery. We would not be true citizens of a democracy if we did not enter our vigorous protest against any such abuse of science. The scientist has an ethical obligation to avoid conclusions that are not warranted by the evidence. What can we say of the ethics of Mr. Laughlin when he makes a report which so patently violates all the rules of scientific method and procedure, or of the chamber of commerce when it publishes such a report without ascertaining whether Mr. Laughlin's views are supported by reputable scientists?

Science teaches—and we reaffirm—that an individual should be judged by his own qualities and not by assigning him to a group because he happens to have a certain head form, a certain form and color of hair, skin, and eyes, or a certain form of nose. There are differences among individuals, of course. We are not justified, however, in assuming that there are inequalities among the different nationalities (Mr. Laughlin chooses to call them "races") or that one people is born superior to another. Most of the observable differences between peoples of different nations are merely different folk ways, the product of accumulated traditions in their past social history. These are readily transformed by environment, as has been abundantly demonstrated in the great mixture of peoples derived from all nations who have become ideal American citizens when they have lived in the social atmosphere of America for an adequate period of time to become adjusted.

Any report that violates these basic principles—and uses the name of science to support the deed—deserves the outspoken condemnation of all true Americans.

ANNIVERSARY OF DEATH OF HON. BENJAMIN NATHAN CARDOZO

Benjamin Nathan Cardozo died at the height of his genius on July 9, 1938. At this time, approximately 1 year after his passing, I ask unanimous consent to have inserted in the Appendix to the RECORD a brilliant and moving tribute to the late Justice, delivered on July 19, 1938, over station WHN, by Sol M. Stroock, an outstanding member of the New York bar:

BENJAMIN NATHAN CARDOZO—A TRIBUTE

Cardozo is dead! This headline arrested our gaze as we opened our morning newspaper on that July Sunday, scarcely more than a week ago. A whole Nation had known for many anxious weeks that the end was imminent, but, nevertheless, we waited with bated breath, hoping that by some miracle our leader and guide would be spared for continued service and devotion to our country and to our people. Cardozo is dead! But he will live in the lives of those made better by his presence here.

I bring tonight only a few flowers gathered in the garden of memory as a tribute to our beloved friend and comrade. I speak not of the great jurist, the incomparable builder of our law, nor of the distinguished philosopher whose pearls of wisdom have inspired a whole generation of scholars. I speak of the man and the friend whose complete selflessness and whose gentleness and modesty charmed us and bound us to him with ties of enduring affection. Others competent to do so will appraise this great man's contributions to law, to philosophy, to the science of government, and to the many other fields of intellectual endeavor in which he labored so valiantly and so effectively.

Those who knew him best and loved him most count their blessings in the treasures of his self-sacrificing and devoted life, poured out by him in such boundless measure to his own dear ones who have gone before him, to his friends, old and young, and to the countless number of men and women everywhere whose lives he has enriched and enobled.

As memory wanders down the corridors of time, we see before us the brilliant forthright youth who year by year steadily grew in intellectual stature, in assured understanding of life and living, in genuine abiding love of his fellows. His innate modesty, his almost amazing humility at times made those who knew him not jump to the conclusion that he was austere and aloof. But he was an adored leader and a constant sympathetic comrade to those who were permitted to enter the intimate circle made radiant by his presence and by his irresistable quiet sense of humor, his untiring patience and his gentle affability in which there was no trace of condescension.

It will be remembered that Cardozo was always the master of the spoken and of the written word. Contrary to an impression that Cardozo's unique and penetrating lucidity of diction and clarity of expression, especially in his written opinions, were the result of long, painstaking, and laborious polishing of words and phrases, we know that he could and often did speak and write extemporaneously with a grace and dignity which held the eager attention of the listener and the reader.

Like many other truly great men, Cardozo unconsciously, in depicting or describing the character of a friend, often gave us an illuminating portrait of his own life and character. We are thinking tonight of a poignant address made by Cardozo many years ago as he stood at the bier of a devoted friend. Cardozo then drew for us a clear and incisive word picture of himself. He was subdued, yet scintillatingly eloquent. Listen to his tribute:

"The flowers and fruit that his nature put forth were mysterious and divine, like fruit and flowers everywhere. If I could tell you how they were born I could explain the soul of a man. Not for us is such knowledge. We can only reverence and worship."

Do you not feel the heart throbs of Cardozo when he spoke of his friend's loved one who had died? He lets us look into his own heart for a moment as he contemplates the tragic loss of his sister, his lifelong companion. Listen:

"And yet with what fine buoyancy, with what invincible and inspiriting hope and courage he roused himself after the blow had fallen, and tried to pretend, though some of us knew better, that he was still the same man. He would carry on with a smile, for he was to be an irradiating presence while he was a presence here at all. * * * So he turned a brave face to the world. He was doing his best, like the fine gentleman he was."

So we come to our conclusion, and again Cardozo speaks for us in these words:

"And so he went out into the unknown blithely and gaily, unafraid and undismayed, knowing, in Ruskin's words, that if there is to be an awakening later, it will be well; if not, well also, though not so well. * * *

"Precious are these memories, yet they are not the memories that are surging at this hour in your hearts and in mine. We are thinking of other things—the great fundamental virtues of tenderness and gentleness and charity. These are the things that last. The

life seemed simple while it lasted. We may not always have been conscious of its beauty. The end comes; and behold it is illumined with the white and piercing light of the divinity within it. Let us give thanks that it is so.

"I have spoken of the friend who has left us the things that would rejoice our hearts if anyone could say them of us. I have tried to say them simply. I know that I have said them truly. And I have said them with the voice of a friend.

"When the course is finished, when the play is ended, when the lights are out, may the voice of a friend be able to say like things of us."

Cardozo has spoken. For us there is silence and remembrance.

Investigation of National Labor Relations Board

EXTENSION OF REMARKS
OF
HON. CHARLES A. WOLVERTON
OF NEW JERSEY
IN THE HOUSE OF REPRESENTATIVES
Saturday, August 5, 1939

Mr. WOLVERTON. Mr. Speaker, there is considerable misunderstanding with respect to the necessity for the passage of this resolution (H. Res. 258) in order that there may be an investigation of the conduct of the National Labor Relations Board, with respect to matters coming within its jurisdiction.

That there is widespread criticism of this Board no one will deny. Whether the criticism is justified either in whole or in part merits investigation. It is impossible for the Board to properly and efficiently discharge its manifold duties under the existing cloud. The Board is an important agency of our government. Its decisions vitally affect the welfare of thousands of workers and employers. The administration of the important duties committed to its care must be upon a basis of fairness and impartiality. This is fundamental if the good purposes of the Labor Relations Act are to be made effective.

I do not understand that there is any substantial difference of opinion as to the need and propriety of inquiry being made by a committee of Congress to ascertain what, if any, foundation there is for the charges that have been made against the Board. The only difference of opinion that exists, so far as I am able to discern from the discussion on the floor of the House during the consideration of this resolution, has been with respect to the proper committee to make the investigation. The issue presented by the resolution now before the House is whether such an investigation should be made by a special committee as provided for in this resolution, or, by the Labor Committee of the House, a regularly appointed and duly authorized committee to study and recommend legislation affecting labor in all its relationships.

I am of the opinion that the best interests of all concerned can be best promoted by the investigation being made by the Labor Committee of the House. This committtee under the Rules of the House has jurisdiction over the subject matter involved in this dispute. This committee, and no other in the House, can report to the House legislation to correct any wrongs that may be found to exist. The special committee provided for in the resolution (H. R. 258) does not have such power. Therefore, it could not report to the House any legislation its investigation might find necessary. Therefore, it seems to me that it is far more logical to permit the Labor Committee to pursue its investigation and report any necessary legislation than to create a new or special committee to conduct an inquiry into a subject concerning which it can make no report of legislation to the House. To do so is to deal with the matter in piecemeal fashion rather than with that fullness the importance of the subject demands.

Furthermore, I am of the opinion that the Labor Committee, composed of Members of this House who over a period of many years have given careful study and consideration to matters affecting employer and employee, is far more qualified to give intelligent and worth-while consideration to this matter than a special committee composed of Members with less experience and knowledge in labor matters. The honorable record of accomplishment by this committee under the able leadership of its chairman, Mrs. NORTON of New Jersey, and the able and conscientious chairmen who have preceded her in that important position leaves no doubt that the performance of this task would be performed with the same ability, fairness, and impartiality that has always characterized the action of the Labor Committee of this House.

In conclusion, it is important to also note that the investigation sought by this resolution has already been in progress for several months under the general jurisdiction of the Labor Committee. Hundreds of pages of testimony have been recorded, every person desiring to be heard has been afforded the opportunity. No stone has been left unturned in the endeavor to ascertain every detail that can be of any value in determining the best course to be pursued. The Labor Committee seeks the opportunity to continue its study and make such recommendations to this House as seems best and proper. I shall vote against the resolution in order that the Labor Committee may continue its work of investigation and the preparation of such legislation as may be necessary. I firmly believe that more worth-while results will be thereby attainable than in any other way.

Crackerland in Washington

EXTENSION OF REMARKS
OF
HON. LESLIE C. ARENDS
OF ILLINOIS
IN THE HOUSE OF REPRESENTATIVES
Friday, August 4, 1939

ARTICLE FROM THE ATLANTA JOURNAL

Mr. ARENDS. Mr. Speaker, I ask unanimous consent to extend my remarks and to include therein a short article which appeared in the Atlanta Journal which pays a high and wholly deserved tribute to our able and esteemed colleague from Illinois [Mr. DIRKSEN]:

[From the Atlanta Journal]
CRACKERLAND IN WASHINGTON
(By Ralph Smith)
ABLEST REPUBLICAN

I have before me the duplicate of the ballot I cast in the poll of the press galleries, by the illustrated magazine, Life, to catalog the 10 ablest Senators and Representatives in the present Congress. The name of EVERETT DIRKSEN, of Illinois, appears in third place, with a rating of 82, based on integrity, intelligence, industry, and influence. He was "tops" among the Republican Members of the House of Representatives.

And, folks, DIRKSEN still stands at the top of my list. The more I see and read of this young man—he is just 45—the more certain am I that insofar as he is concerned I made no mistake. He is "tops" today among the Republicans of Congress—the Republicans of the lower house, anyhow.

TRIBUTE TO INDUSTRY

DIRKSEN'S strength in the House is a tribute to the value of industry. He is one of the most industrious men on Capitol Hill, and apparently thrives on research and study. We live at the same hotel and of my own knowledge I can truthfully say that he "burns the midnight oil" as few others, which is one of the reasons why the ramifications of the United States are at his fingertips.

Yes, I'd say that EVERETT DIRKSEN, of Pekin, Ill., knows more about the government of the District of Columbia than either of the civilian Commissioners appointed by the President to run the District.

And he knows far more about the local government than most of its taxpayers.

Likewise, DIRKSEN knows the first and last thing about the Virgin Islands, the Philippines, Alaska, Puerto Rico, Guam, and

what he knows of these insular possessions is nothing to compare with his familiarity with the Federal Government as a whole.

Able and personable, DIRKSEN is due to go a "fur piece" in politics, or I miss my guess, for as the thing looks to me today he is the best bet in the Republican Party, and growing.

No, gentle reader, DIRKSEN isn't the minority leader of the House. He isn't in line for the Speakership if and when the Democrats are unhorsed, as they inevitably will be one of these days.

But these things are no reflection on DIRKSEN's capacity and competence. They find explanation in the fact that the higher titles in the organization of the House go by longevity of service, and DIRKSEN is just now entering upon his eighth year of continuous service.

WINS RECOGNITION

The fact is, however, that DIRKSEN today is the minority leader of the House in everything but name. Titular leadership vests in JOE MARTIN, of Massachusetts. DIRKSEN is his chief lieutenant, his right bower, the man upon whom he relies to take the lead in controversial issues of a partisan nature. MARTIN is the strategist, I'd say, and DIRKSEN the field general.

The Illinoisian is one of the best-informed men in either party and either branch of Congress concerning the far-flung activities and functions of this Government. It is astonishing how much he knows not alone of the Federal organization but of legislative matters on Capitol Hill. His information is dependable and impartial to boot, meaning that he is not the type of politician—and he is a politician—who'll purposely withhold facts in order to strengthen his position.

Proposal for Investigation of Certain Irrigation Projects in Nebraska

EXTENSION OF REMARKS

OF

HON. LEWIS B. SCHWELLENBACH

OF WASHINGTON

IN THE SENATE OF THE UNITED STATES

Saturday, August 5 (legislative day of Wednesday, August 2), 1939

ARTICLE FROM THE OMAHA (NEBR.) WORLD-HERALD OF AUGUST 3, 1939

Mr. SCHWELLENBACH. Mr. President, a few days ago the Senator from New Hampshire [Mr. BRIDGES] introduced a resolution asking for an investigation of certain irrigation projects in the State of Nebraska. During the course of his remarks he stated that his action was based upon the request of a number of citizens of Nebraska, and two or three publishers of daily newspapers in the State of Nebraska. The World-Herald, a newspaper published in Omaha, which I understand is a very reputable newspaper and very careful in its method of compilation of views, made a poll of all the editors of daily newspapers in Nebraska upon this question in an effort to ascertain who if any of the editors had made this request. That poll was published on August 3 in the World-Herald of Omaha, Nebr. I ask unanimous consent that it be printed in the Appendix of the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

[From the Omaha (Nebr.) World-Herald of August 3, 1939]

BRIDGES DEMANDS STATE HYDRO INQUIRY; EDITORS DENY REQUESTING ACTION—SENATOR HINTS AT POLITICS IN GRANTING CASH—CHARGES PROJECTS ARE "UNSOUND"; DECLARES WATER INADEQUATE

WASHINGTON, D. C., August 2.—Senator STYLES BRIDGES (Republican, New Hamphire) directed drastic criticism at Nebraska's three P. W. A.-sponsored hydroelectric projects in a resolution introduced in the Senate today, demanding a general investigation of them by the Senate Commerce Committee.

The three projects—Loup River, Tricounty, and Platte Valley—have received more than $60,000,000 in P. W. A. loans and grants.

Senator BRIDGES' resolution stated that Army engineers, the Reclamation Bureau, and in case of the Tricounty projects, P. W. A. engineers investigated and reported the projects "impracticable from the standpoint of both sound engineering and sound economics."

It declared the Tricounty project was "authorized with the full knowledge of the Public Works Administration that the waters to be diverted from the Platte River had already been overappropriated by water users within the watershed of the Platte Valley."

CITES RECENT SHORTAGES

It cited recent water shortages in the North Platte River, and said the storage capacity of the Kingsley Dam is 25 percent greater than the average discharge of the river at that point.

The Loup River project, it added, has "amply justified" previous findings of Army engineers that it is unsound from engineering and economic standpoints, including lack of market for electric power.

"Political considerations," the resolution says, "may have controlled the granting of funds for these projects according to widely spread and never-denied charges, particularly as to the peculiar circumstances surrounding the authorizations for the central Nebraska project * * * discrimination against water users, unduly high commissions to banking interests; of coercion of local participants; of favoritism to engineering firms composed of farmer Nebraska employees of the Public Works Administration; of coercion of the local boards and authorities in charge of the projects by the Public Works Administration of its field representatives; of lawless infringement of State water laws; of unsound financing; of poor construction and engineering; of incompetence and inefficiency; of lobbying in the State legislature; of false and misleading propaganda and pressure on local newspapers; of unwholesome political activity."

SAYS CITIZENS ASKED PROBE

Bridges told the senate many Nebraska citizens, including the editors of "two or three" daily newspapers, had requested the investigation.

The commerce committee or "any subcommittee thereof," would be directed to "make a complete study of and report to the senate upon all of the matters referred to in this resolution and any other matters pertinent to such an inquiry, with a special view of making specific recommendations for necessary remedial legislation."

The investigating body would be authorized to hold hearings, employ experts and clerical assistants, subpena witnesses and records. The limit of expense incurred by the investigating body would be $100,000.

HYDROS DARE BRIDGES; WOULD WELCOME PROBE

Officials of Nebraska hydroelectric districts Wednesday practically dared Senator BRIDGES, Republican of New Hampshire, to go ahead with his oft-repeated threat of asking an investigation into the projects.

Bridges first suggested a probe while addressing the Nebraska Republican founders' day celebration at Lincoln last spring.

R. O. Canaday, secretary of the tricounty district at Hastings, said he would welcome BRIDGES' proposed investigation, but suggested the probe go deep enough to include activities carried on in the State to defeat the hydro program.

"It seems appropriate also," said Canaday, "that any investigation should reveal the sources of Bridges' information and the names of persons who have been goading him to make a national controversy out of the Nebraska program.

ALREADY INVESTIGATED

"We have been investigated pretty thoroughly already. Our activities have been aired in the newspapers to the extent there can be little the public has not had opportunity to know about. If there is anything undesirable, we would be glad to have it pointed out."

Officials of the Platte Valley district at North Platte were unimpressed by BRIDGES' charges. Gerald Gentleman, Platte Valley general manager, said he had heard of but had never seen the "unfavorable reports" referred to by BRIDGES.

At Columbus, Harold Kramer, general manager of the Loup River project, said: "We are ready for an investigation any time, day or night, by BRIDGES or anyone else."

W. R. Maloney, vice president of Platte Valley, issued a statement at North Platte declaring the districts are operated without "any political consideration whatsoever."

DENIES DISCRIMINATION

"We have not had any representation in Washington since 1936," Maloney said.

He denied there had been any discrimination against water users, stating representatives of every ditch receiving Platte Valley water had expressed themselves as satisfied.

"As to the so-called 'unavoidable' report of the Army engineers," said Maloney, "may I point out that the directors of this project have never seen a copy of this report and consequently not having any idea of what it contains, they are unable to comment on it.

"In a project of this magnitude, it is only natural that some mistakes might have been made, but I am sure the board feels that whatever mistakes have been made were honest mistakes."

"For the good of the district," and in order to "clear the atmosphere," Maloney said he hoped BRIDGES is successful in his efforts to obtain an investigation.

REMARK STIRS WRATH; BRAND PROBE ABSURD—POLITICAL INQUISITION SEEN AS RESULT; RAP EAST'S POWER TRUST

Nebraska editors deny it.

They say they didn't prompt Senator H. STYLES BRIDGES (Republican, New Hampshire) to offer his resolution in the Senate Tuesday demanding an investigation of the State's hydroelectric-irrigation projects.

BRIDGES told the Senate his request for a probe of a situation which "smells to me," was made at the request of many Nebraska citizens, including editors of "two or three" daily newspapers.

Most of Nebraska's daily newspaper editors, however, think the suggestion and proposed investigation absurd.

The World-Herald, which made no suggestion to Senator BRIDGES, today editorially says BRIDGES reveals "the depths of his ignorance" and adds "there is nothing Nebraska needs more, nothing that could prove of greater or more lasting benefit to all its people, than what these enterprises are designed to give it."

NAMES OF INTEREST

And the World-Herald's editor says it would be interesting to know the names and addresses of the citizens, including editors, "ready to lend encouragement to attacks on Nebraska irrigation supported by hydroelectric power production."

This is what the other editors say:

James E. Lawrence, Lincoln Star: "No request made by me to Senator BRIDGES for investigation of Nebraska's hydroelectric, or North or Middle Loup irrigation projects.

"Nebraska has two Senators and five Congressmen, including Senator BURKE, Congressman HEINKE, Congressman MCLAUGHLIN, Congressman STEFAN, Congressman CURTIS, and Congressman COFFEE. They, and Senator NORRIS, represent this State—not Senator BRIDGES. I have no personal knowledge of any need of an investigation timed for next year unless it be that next year also ushers in a national campaign. I trust the news accounts of Senator BRIDGES' political aspirations are incorrect."

DEPENDS ON IMPARTIALITY

Arch W. Jarrell, Grand Island Independent: "I have never communicated with Senator BRIDGES over the Nebraska power controversy, although my predecessor, A. F. Buechler, may have done so. The value of an investigation of the public power situation will depend on the impartiality and thoroughness with which it is conducted. If it is conducted either to whitewash or smear, it will be worthless."

Buechler, the former editor mentioned by Jarrell, was coy. "I have nothing to say to the World-Herald," he said, "until I have read the Senator's resolution."

Asked if he had had any communication with Senator BRIDGES, Buechler again said he had nothing to say.

Frank Williams, Nebraska State Journal, Lincoln: "The State Journal has made no request to any Senator for an investigation of any sort whatever."

CONGRESS SHOULD KNOW

Earl M. Marvin, Beatrice Sun: "Have not asked Senator BRIDGES to urge Senate investigation on hydros nor do I know of any movement among Nebraska editors to obtain such inquiry. Large investment of Federal funds in hydros suggests propriety of Congress knowing what the public can hope to get from the investment, but whether Senate investigation is best means of obtaining facts seems questionable."

Edgar Howard, Columbus Telegram: "I have not been in touch with the Power Trust Senator from New Hampshire, either personally or in correspondence. I do not advise a Senatorial investigation of the whole Nebraska power situation unless such an investigation should inquire into the activities of Power Trust emissaries who have tried to impede the efforts of the Columbus and other Nebraska public power projects to do something which the New England-owned private power companies have refused to do, and that is, to give rural Nebraska low-cost electric energy."

Harold Hamil, Hastings Tribune: "Tribune not party to BRIDGES' request. From our position close to operations of State's biggest hydro project, the Tricounty, we have seen nothing which suggests need for a Senate investigation. We see our project, first of all, as a means of bringing irrigation to Nebraska. Anyone who attempts to criticize the program cannot do so without an understanding of Nebraska's irrigation needs. Certainly, Senator BRIDGES lacks such understanding."

FEARS POLITICAL INQUISITION

Editor Kroger, Kearney Daily News: "Not among editors, if any, asking BRIDGES seek Senate investigation. Doubt very much if any good would come of such investigation, even though much confusion prevails in public mind regarding them. Fear probe would simmer down to political inquisition with nobody benefiting and results pigeonholed with no action taken.

Arthur Sweet, Nebrask City News-Press: "News-Press has not asked BRIDGES to press for investigation. Investigation should have been before money was spent to determine if there was market for power."

H. F. Thies, associate editor, Scottsbluff Star-Herald: "Attitude of Editor Wisner and Star-Herald has been one of concern only insofar as State-wide power grid monopoly set-up threatened to take over North Platte Valley power service units and start feeding lower valley hydro current into this section and destroy present market for Guernsey reclamation hydro-station output. In 1938 Guernsey plant gross power sale amounted to $282,000, of which $214,000 dollars net was applied to retire debt of landowners whose land is collateral for cost of Pathfinder irrigation project construction. Star-Herald has many times questioned soundness of Norris project expenditures of tax money in general but has not treated on specific phases, except purchase private utilities, since out territory above 'Norris pet' and not directly affected."

FAVORS HONEST PROBE

Fred Speers, North Platte Daily Bulletin: "Bulletin has never requested Senator BRIDGES to press for a Senate investigation of the Nebraska hydros. Bulletin will be in favor of any honest, fair investigation that will disclose all the facts and not turn into a witch hunt or whitewashing party."

Falls City Journal: "The Falls City Journal has not requested any senatorial investigation of the Nebraska hydro-electric districts. While such an investigation now seems a trifle late, there are aspects in the public-power situation in the State which need a thorough airing."

W. M. Maltman, Hastings Morning Spotlight: "Senator BRIDGES not asked by me. See no reason for investigation. Whole matter is question of whether we are to continue private ownership or take over all utilities to be operated under elected or appointive political boards. Both sides sincere in their opinions. Fail to see where Senate investigation could settle the question."

MIGHT BE BENEFICIAL

Fremont Daily Tribune: "Have not requested Senate investigation of hydros. However, believe complete impartial investigation of whole Nebraska public-power situation might be beneficial to everyone, in view of legislative discussion and wide publicity of charges and countercharges on subject in Nebraska within last few months."

H. D. Strunk, McCook Gazette: "Have had nothing to do with seeking investigation. Believe investigation is entirely in order on Nebraska power situation."

Mrs. R. A. Bates, Plattsmouth Journal: "Plattsmouth Journal did not ask Senator BRIDGES to press for investigation. Do not think need for Senate investigation of Nebraska power situation."

B. L. Getty, North Platte Telegraph: "Asked no investigation. Believe none needed from graft standpoint."

Fremont Morning Guide: "Have not requested BRIDGES' action."

Only Gene Huse, Norfolk News, failed to respond to inquiries. Huse is away from his home town.

Commentary on H. R. 5843, a Bill to Amend the Judicial Code

EXTENSION OF REMARKS

OF

HON. JACK NICHOLS

OF OKLAHOMA

IN THE HOUSE OF REPRESENTATIVES

Saturday, August 5, 1939

Mr. NICHOLS. Mr. Speaker, H. R. 5843, introduced by Mr. SUMNERS of Texas, chairman of the Judiciary Committee, is understood to have been prepared by the attorneys representing the United States who have been charged with the duty of defending the United States, as guardian, against the suits of Indians, who are the wards of the United States. These suits are pending or desired by the wards of the Government before the Court of Claims.

The attorneys representing the United States, it appears, have defeated 98 percent of the claims brought before the Court of Claims by the Indian wards of the Government, and now, to make it impossible for any Indian ward to recover, seek to amend the Judicial Code in such a way as to deny the ward the right to a fair hearing under the established Judicial Code and practice before the courts. The bill provides—section 145A—that in the event of a recovery, under the almost impossible conditions proposed by H. R. 5843, the United States shall receive credit for all gratuities expended for the benefit of the tribe, band, or group.

The Century Dictionary defines the word "gratuity" to be, "that which is given without claim or demand; a free gift; a donation."

For the guardian to charge the ward with a gratuity is inequitable and unjust. But the furnishing of food and clothing and the necessities of life to the wards whose condition compels such advances is justly chargeable against the indebtedness of the United States to such wards and should not be called a gratuity but maintenance and subsistence, reimbursable by agreement or by equitable implication.

The term "gratuity," chargeable against the Indian ward, appears to have been engineered on an appropriation bill without adequate consideration (title II, Second Deficiency Act, August 12, 1935). In conference various tribes were

exempted from this provision, leaving other tribes subject to the provision. (See exhibit A.)

The eastern and western Cherokees were not exempted, had no means of defending themselves against this provision put on the appropriation bill in disregard of the general rule relating to appropriation bills. This amendment was in response to a request from the attorneys representing the United States as guardian.

To illustrate the inequity and the manner of its application under the persuasive eloquence of the assistant attorneys representing the Department of Justice before the Court of Claims, an example is given in the case of the eastern Cherokees:

On June 12, 1838, 7,882,000 acres of land with the improvements thereon, were seized by military force by the United States Government. The eastern Cherokees, on foot, horseback, and in Army wagons, were removed to the lands of the western Cherokees in Oklahoma. One-third of their number died from exposure. This military seizure and removal purported to be authorized by a pretended treaty to which neither the eastern or western Cherokees were parties. After paying for the improvements on these lands, there was a balance of $2,067,000 to be paid for the land. The land, appraised by contiguous land held by the United States, had a value of $9,800,000 for which the treaty provided a payment of $2,067,000 with interest at 5 percent per annum from June 12, 1838, until paid. In 1852 a partial payment was made which liquidated the interest then due, leaving a net credit on the interest-bearing principal of about $78,000 and an interest-bearing principal of a little over $1,989,000 bearing 5 percent from April 5, 1852, and which never has been paid.

The Eastern Cherokees were authorized by a jurisdictional act of April 25, 1932, to bring a suit in the Court of Claims. The Court of Claims dismissed the suit on the ground that the jurisdictional act confined the court to cases arising under the treaties and Indian laws and did not authorize the court to consider a case arising under the treaty and Indian laws and the general law governing partial payments. The court held that the claim arising under the treaty and Indian laws had been heard and paid in full, and the court had no authority to consider the question of partial payments made thereon. The Court of Claims, having dismissed the case and having refused to find the fact that the claim based on partial payments had been asserted as a fact, then found as a fact gratuities amounting to about $2,000,000. These gratuities included every item which the General Accounting Office recited, either before or after the treaty of 1846, when the pledge of this per capita was made. They included all the items of expenditures by the United States in establishing Indian agencies, clerk hire, salaries, and any expenditure made for the general purpose of carrying out the constitutional provision of regulating intercourse with the Indians. They included sums alleged to have been expended for the Five Civilized Tribes in carrying out the general policy of the United States. They included advances made to the State of Oklahoma for general educational purposes which were allotted arbitrarily against the Cherokees, although such advances were made to liquidate an obligation to the State of Oklahoma incurred by the United States in exempting Indian lands from taxation and requiring such taxes to be met by other taxpayers of Oklahoma.

The Eastern Cherokees had no opportunity to defend themselves against these alleged gratuities because the suit was dismissed for want of jurisdiction, and they, therefore, were not in court and had no capacity, not being in court, to defend against the charges of gratuities thus asserted by the attorneys of the guardian.

This illustration has been given to show the inequity and injustice of charging the wards with sums which, in equity and in good conscience, upon examination by a court would not be charged against them. The instance is also given to show the extremes to which technical defenses are pleaded by the attorneys representing the United States as guardian and the success of those attorneys in making such pleas. Therefore the further amendment of the Judicial Code to validate, or attempt to validate, such inequitable procedure is not justified either in law or in good conscience.

Section 145B of S. 2164 forbids any court hearing an Indian case to allow any compensation whatever for property taken from such Indians and retained and enjoyed by the United States or its assigns.

This is a statutory denial of an equitable right.

It is notice to the court that the equitable decisions heretofore made by the courts, as a matter of good conscience and justice and right, shall not in future be exercised by the court. This section 145B is intended to repeal the various decisions of the Supreme Court of the United States and to deny that tribunal the right to do equity as its conscience may decide.

This section proposes to take private property for public purposes without compensation. It authorizes the United States to take property and retain it without paying for the use of such property.

It proposes to do this, however, only with regard to the defenseless wards of the United States, for this section 145B is not to apply to United States citizens who are not wards of the Government. This section is only to apply to those who are peculiarly defenseless, to those who are the subjects and wards of the United States Government. Such an act violates the fifth and fourteenth amendments to the Constitution, as well as being inequitable and unmoral. Apparently it is intended to repeal the opinion of the Supreme Court delivered by Justice Cardoza in the *Shoshone case*, a decision supported by principles of justice and equity and by many other decisions of the Supreme Court of similar purport. So grave was the apprehension of the draughtsman of the unreasonable provision that the second portion of section 145B provides the astounding remedy that if the court should obey its conscience and the established decisions of the Supreme Court, by which it is honor bound, the jurisdictional act shall be, ipso facto, automatically repealed. The provision that the act of the Court of Claims may repeal a jurisdictional act passed by the Congress either heretofore or hereafter is itself a violation of the Constitution of the United States, for even one Congress cannot bind a future Congress, much less a subordinate court by its act repeal a jurisdictional act.

Such proposed legislation is irrational, incongruous, and a violation of common justice and equity and right. This proposed bill should be returned to the Department of Justice for an examination by the Attorney General of the United States to ascertain if, upon further consideration, he, as the official head of the Department of Justice, really approves the proposed amendments to the Judicial Code in H. R. 5843.

Section 145C is an attempt to deny the Indian wards of the United States of any recognition of their rights at any time by acts of Congress, by the history of the case before the committees of Congress, and to confine them to technical proof of every fact which they allege, knowing full well that the unlettered Indian people must rely, and do rely exclusively, upon the records of the United States Government as their sole defense. Section 145C is obviously inequitable and unfair and made to relate only to the wards of the United States.

In the second portion of section 145C it expressly declares that the United States shall be entitled to every technical defense against the ward whose accounts and whose property is exclusively in the hands of and in the control of the United States as guardian. This change of the Judicial Code is a flat repeal of the decisions of the Supreme Court of the United States for over 100 years since the days of John Marshall. The decisions of the Supreme Court in dealing with the defenseless Indian wards have been set forth in various decisions, some of which are now submitted for the consideration of the committee as exhibit B.

When the Judicial Code was amended in 1925, one of the primary objects was to relieve the Supreme Court of a great multiplicity of minor matters which could preferably be adjusted by the districts courts and the United States Court

of Appeals, leaving the Supreme Court, however, the right to hear any special matter through a writ of certiorari.

This event proved—as the country continued to expand—that the Supreme Court had its time so largely engrossed by important cases arising that with the exception of a small percentage of cases in which the Government itself was interested, the opportunity to be heard by the Supreme Court on an application for writ of certiorari was no remedy whatever. The writ of certiorari was a means for relieving the Supreme Court of the duty of passing upon cases. The effect of the amendment to the Judicial Code in 1925 has been to deprive the Indian wards of the United States of any opportunity to be heard even upon the most important cases, except through special acts of Congress, and because Indian cases can only be heard by the Court of Claims and there is no right of appeal from the Court of Claims to a higher court.

Another Communistic Menace—Russian Invasion of Home Market of United States Peppermint Farmers

EXTENSION OF REMARKS

OF

HON. FRED L. CRAWFORD

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Saturday, August 5, 1939

Mr. CRAWFORD. Mr. Speaker, we have heard much about the "red" menace recently and I desire to discuss for a few moments how the tenacles of communism are stretching into the farm area of my State as a real menace to one particular group of farmers. I refer to the farmers who devote their acres to the growing of peppermint later to be distilled into oil.

I would appeal particularly at this time to Representatives in Congress from the States of Michigan, Indiana, Ohio, Oregon, and Washington, because your States are the principal peppermint oil producing States.

Russia has suddenly gone into the peppermint-farming industry, and, having reached a point where she can supply her own home market, she is entering the world market; and during the last 6 months she has made startling inroads into the American import market.

As yet her peppermint oil imports to the United States are negligible compared to the production on American farms, but when we consider that only between 50 and 60 percent of American-grown peppermint oil is consumed in the United States, it is time we gave some attention to the threat of the Communists to the market of the products of our own farms.

If you are from a mint district in Ohio you will be interested in knowing that more Russian peppermint oil came to the United States in the month of May than was grown in your Ohio mint fields all of last year. Those of you who represent the peppermint-growing districts of Washington should be interested in knowing that Russia sent more peppermint oil to the United States in the months of May and June this year than was produced on your Washington mint fields during 1938. Imports of Russian peppermint oil in 4 months this year represents 25 percent of the Indiana production last year and 10 percent of the Michigan production.

Depressed prices received by the American peppermint farmers have been largely responsible for the decline in production from 1,352,000 pounds of oil in 1935 to only 732,000 pounds last year.

During 1938 we produced on American farms 732,000 pounds of peppermint oil and at the same time we exported 371,000 pounds.

In 4 months of the current year we have imported from Russia 12½ percent as much oil as we exported to the world in the 12 months of 1938. Russia is multiplying her shipments of this product to the United States, and if she continues to ship into this country during the remainder of the year as she did in June she will have dumped 40 percent as much oil on the American market as the American farmer exported. And let me again remind you that we consume only 50 to 60 percent of oil produced on American farms.

The first shipment of Russian peppermint oil that disturbed the American growers arrived last December. Then in March her shipments amounted to 4,983 pounds; in April, to 6,468 pounds, and in May it jumped to 16,535 pounds, and June totaled 17,988 pounds. Russia has exported more peppermint oil to the United States in any one month this year than the whole world has in previous years. The peppermint growers of our country have reason to be disturbed and they have a right to have protection against their home market being further depressed by the importation of cheap Russian peppermint oil. I hope, on reconvening, this House will consider their plight.

Unlawful to Buy Actual Wheat

EXTENSION OF REMARKS

OF

HON. USHER L. BURDICK

OF NORTH DAKOTA

IN THE HOUSE OF REPRESENTATIVES

Saturday, August 5, 1939

Mr. BURDICK. Mr. Speaker, I desire to place in the RECORD a copy of a letter written to members of the Chicago Board of Trade on May 9 by the assistant secretary of that institution. This letter contains an order or ruling by the board of directors of the board of trade practically outlawing, as far as that institution is concerned, sales or purchases of cash grain for deferred delivery. The effect of the ruling is to force members to deal in trades for future delivery instead of dealing in the cash grain itself.

It is a well-known fact that only a very minor percentage of the trades in futures culminate into deliveries of cash grain. I have addressed this House on this many times, and have asserted that these trades in futures, therefore, are not actually trades in grain but just a lot of gambling transactions.

The board of trade has now come out in the open and notified its members that it does not want them trading in cash grain for deferred delivery. It threatens them with discipline if they enter into such contracts. On the other hand, the order states that making contracts for futures delivery is permissible. The board of directors in its ruling says that trading in cash grain for deferred delivery is "detrimental to the interest and welfare of the association." Detrimental, perhaps, because trades in futures contracts brings in big brokerage and commission fees—and detrimental to the welfare of the association, perhaps, because the directors undoubtedly believe that if trades in cash grain for future delivery are permitted the trading in futures contracts will dry up and this source of enormous revenue to commission houses and also the machinery for gambling in grain will be lost to the board of trade.

Mr. Speaker, I have introduced Resolution No. 25 in the early days of this session. The resolution was referred to the Committee of Rules, where it now is. This resolution made provision for an investigation of futures trading. Mr. Speaker, this ruling of the Chicago Board of Trade dated May 9, now makes an investigation of futures trading imperative. On the face of it it proves the statement I have repeatedly made that these grain exchanges are not trading

and do not want to trade in actual cash grain, but are interested only in the maintenance of this gigantic gambling machinery known as futures trading.

I saw by the paper that the Commodity Exchange Administration has requested reports of all long and short accounts in Chicago May wheat. Open contracts on the exchange are five and one-half million bushels and stocks of wheat in Chicago are less than four million, and probably not all of that delivery grades. Someone has sold more May wheat in Chicago than can be delivered and if the same procedure is followed that has been the custom in the past the Chicago Board of Trade and the Commodity Exchange Administration will order the holders of long May wheat contracts to sell and the short sellers will have made another big clean-up at the expense of the grain farmers of this country. The board of trade has complete control, with the Commodity Exchange Administration, of the futures trading machinery on the board of trade and in every case where the short sellers have driven prices down by selling more grain than they could deliver the board of trade has abrogated the contracts by closing the market or abrogated contracts by ordering the holders of long contracts to sell, thus letting the shorts buy in their short contracts at bargain prices. How long must we put up with this skulduggery? Are we willing to sit by and see these fictitious short sales made which lower the farmers' prices and see these same short trades washed out by an order of the board of trade when they mature. Wash trades are unlawful under the Commodity Exchange Act but I maintain that the Chicago Board of Trade washes out trades right along and always in the interest of the short seller and detrimental to the producer of grain in this country.

BOARD OF TRADE OF THE CITY OF CHICAGO,
Chicago, May 9, 1939.

To Members:

At their meeting today the board of directors ordered that the following notice be sent to all members:

"It has come to the attention of the directors that certain member firms have entered into contracts for the purchase and/or sale of deferred delivery of warehouse receipts for grain in store in Chicago.

In the opinion of the directors, this practice is unusual and irregular and is in violation of various rules and regulations of the association, and is detrimental to the interest and welfare of the association under rule 145.

You are hereby notified that members are liable to discipline if they enter into contracts for the purchase or sale for deferred delivery of grain in store in Chicago or of warehouse receipts issued against grain in elevators located in the Chicago switching district.

This interpretation does not affect the purchase and sale of grain for future delivery consummated in accordance with the rules and regulations relating to futures contracts; nor sales in store when payment and delivery is made on the following day in accordance with rule 348.

Very truly yours,

(Signed) WM. B. BOSWORTH,
Assistant Secretary.

Importation of Argentine Beef

EXTENSION OF REMARKS
OF
HON. FRANK O. HORTON
OF WYOMING
IN THE HOUSE OF REPRESENTATIVES
Saturday, August 5, 1939

ARTICLE FROM SAN FRANCISCO CALL-BULLETIN AUGUST 3, 1939

Mr. HORTON. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following article by John Curry, published on August 3 in the San Francisco Call-Bulletin:

(By John Curry, secretary of California Cattlemen's Association)

Cattlemen object to the importation of beef from Argentina because they insist that such importations would introduce foot-and-mouth disease into this country and cause tremendous losses.

Some 2 years ago, after a visit to Argentina, Harper Sibley, former president of the United States Chamber of Commerce, said:

"As regards the hoof-and-mouth disease, I found it widespread throughout the cattle herds of Argentina and present intermittently in every area where cattle are raised or fed."

We had outbreaks of foot-and-mouth disease in California in 1924 and 1929.

THOUSANDS SLAUGHTERED

In the 1924 outbreak, it was necessary to slaughter 58,303 cattle, 28,382 sheep, 21,195 swine, 1,380 goats, and 22,314 deer, making a total of 131,474 animals.

According to the magazine California, the direct cost of eradicating the 1924 outbreak was $6,151,000, and a reasonable conservative estimate of all collateral damage was $200,000,000.

The 1929 outbreak of foot-and-mouth disease in California was caused by Argentina meat in the following manner:

The steamship *City of Los Angeles* left San Pedro in October 1928 for a South American cruise. On November 2 the boat put in at Buenos Aires, Argentina, where it remained until November 6.

TOOK ON PROVISIONS

During this period it received provisions, taking on, among other articles, about 18,000 pounds of meat, which included beef, pork, lamb, and veal.

The vessel docked on December 9 at Wilmington, Calif., and on December 20 the remaining meats, amounting to several thousand pounds, were transferred to the steamship *Caliwaii*. During the transfer the meats were trimmed, the scraps being placed in cans which went into garbage. The evidence showed that the garbage which contained the scraps from the South American meat were taken to the Haas ranch.

Authorities at Honolulu were notified that the steamer *Caliwaii* was en route to that port, and this action led to the burning of all garbage from that vessel on arrival to protect the Hawaiian Islands from infection.

NOTICES SYMPTOMS

On January 10 Frank B. Haas, owner of a hog ranch near Montebello, first noticed disease symptoms.

A positive diagnosis was made January 17. All the above facts are from the United States Department of Agriculture Miscellaneous Publication 68, by Dr. John R. Mohler, chief, Bureau of Animal Industry, and Rudolph Snyder, inspector in charge of field activities in California. There is no question about our 1929 outbreak having been caused by Argentine meat.

There was an outbreak of foot-and-mouth disease in this country in 1914 which spread to 22 States. It originated in a bunch of hogs owned by a butcher at Niles, Mich. The butcher purchased Argentine beef from Chicago packers and fed the scraps from his shop to the hogs.

CONSTANT OUTBREAK

There have been outbreaks of foot-and-mouth disease in England in this year and in every year since 1922.

Sir Percy Hurd, member of the House of Commons, was quoted by the United Press late in 1937 as saying:

"The English outbreaks show the major sources of infection are marrow bones from Argentine meat, rinds from Polish bacon and other European bacon, and other raw material products from countries infected with this disease."

In August 1937 the Department of State at Washington issued a statement about the pending sanitary treaty with Argentina.

Mr. Hull's Deparment called attention to the large decline in the value of our exports to Argentina in 1936, as compared with 1929.

It appears characteristic of this Department to refer to dollar statistics in numerous instances, and omit any reference to physical volume.

But dollar statistics are not an accurate index of trade.

BY VOLUMES

For example, the physical volume of all our exports in 1932 was 52 percent of 1929, but the value was only 30 percent. The physical volume in 1938 was 79 percent of 1929, but the value was only 59 percent.

However, even by using Mr. Hull's formula, and using only value or dollar statistics, we find that in 1937 the value of our exports to Argentina exceeded those of 1936 by 65 percent. Our imports in 1937 from Argentina were at the highest annual figure since 1920. Our total trade with Argentina for the 2 years 1937 and 1938 shows that the value of our imports was almost the same as the value of our exports for those 2 years.

The Department's statement said:

"Any importation of meat which developed following ratification of the proposed treaty (with Argentina) would accordingly be confined to lamb and mutton."

NOT SATISFIED

We definitely know that Argentina does not feel this way about it, and we know that Argentina will not be satisfied just to ship lamb and mutton to the United States.

On June 26, 1938, Senor Diaz-Herrera spoke from Buenos Aires on the radio. Diaz-Herrera said Argentina would like to ship 80,000 tons of beef annually to the United States.

Mr. Hull says that Argentina will ship only lamb and mutton if the treaty is ratified; but Senor Diaz-Herrera says Argentina would like to ship 80,000 tons of beef annually to us; and finally Harper Sibley says that he found foot-and-mouth disease in every area where cattle are raised in Argentina.

We are advised that in 1937 Argentina shipped about 350,000 tons of beef to the United Kingdom. In that same year Germany imported from Argentina about 37,000 tons of frozen beef.

Appropriations and Estimates

EXTENSION OF REMARKS

OF

HON. EDWARD T. TAYLOR

OF COLORADO

IN THE HOUSE OF REPRESENTATIVES

Saturday, August 5, 1939

Mr. TAYLOR of Colorado. Mr. Speaker, it is usual when a session is drawing to a close or on the eve of adjournment for Members of Congress and for members of the press to try to "beat the gun" with appropriation summaries. That is their right, but such statements are apt to mislead or confound the reader if not complete, or candidly explained and analyzed.

I read a statement the day following adjournment that Congress "had broken New Deal spending records with $13,360,000,000 in appropriations, a $2,000,000,000 increase over last session." First, appropriations and expenditures are not synonymous. Secondly, the appropriation increase over last session is less than $1,231,000,000, which is quite different from $2,000,000,000.

My esteemed colleague, Representative JOHN TABER, who heads the minority members of my committee, has come forward with a statement, which, at first blush, at least, would create the impression that the appropriations aggregate $14,061,598,619.69, of which sum he says approximately $12,000,000,000 will be expended during the present fiscal year ending next June 30. Mr. TABER's statement appears in the Appendix of the CONGRESSIONAL RECORD, page 3970.

It is my purpose to present a picture based upon actual records, and the figures I shall use will be those as to which the records of my committee and of the Senate Committee on Appropriations are in complete accord.

Perhaps I should explain that appropriations are of two general types—annual and permanent, including in the latter so-called trust accounts. I shall include at the end of these remarks a tabulation of the permanent appropriation items, which seem to mystify so many people. Appropriations in the annual category are voted each year by the Congress. The permanent classification comprises appropriations which are renewed automatically each year without annual action by the Congress. While an advance estimate is made each year of such permanent appropriations, their actual amount does not become known until the fiscal year for which made has expired.

The statement which I shall hereinafter insert distinguishes between annual and permanent appropriations.

It shows that annual appropriations for the session just closed, that is, appropriations voted by the Congress, amount to $9,724,302,789.39, assuming that miscellaneous private acts, not yet available, do not appropriate an aggregate amount in excess of $1,000,000, which is a safe assumption. Such sum exceeds the aggregate of annual appropriations for the last preceding session of Congress by $1,078,634,285.71.

Including annual and permanent appropriations, the statement shows a total of $13,349,020,564.39 for the session just closed, contrasted with $12,118,036,335.84, which was the sum total for the last preceding session.

It seems to me it would be well to preface the details of those sums by one or two pertinent observations.

First, as I said before, "appropriations" and "expenditures" are not synonymous, yet one would gather that impression from many published statements. Appropriated funds constitute potential expenditures, but their expenditure in the vast majority of cases extends beyond the fiscal year in which they become eligible for obligation. There are annual appropriations and continuing appropriations. The former must be obligated within the fiscal year for which made but remain available for expenditure to meet obligations incurred within such time limit for 2 additional fiscal years. Continuing appropriations, which consist almost exclusively of appropriations for public works and the construction of naval vessels, continue available until exhausted or until covered into the Treasury by administrative action or pursuant to legislative direction. Patently, therefore, the amounts appropriated are not an "expenditure" gage as to any particular year. The time for entering into obligations is controlled by many factors, but no matter when incurred, all of the funds necessary to discharge them must be available in advance of their incurrence, except where contractual authority has been given.

"Contractual authority" calls to mind Mr. TABER's statement, to which I have called attention, in which he includes in his summarization the amount by which the session of Congress just closed authorized obligations to be incurred in excess of the amounts immediately appropriated. That is information, unquestionably, to which those interested are entitled, but by no stretch of the imagination do they have a place in an appropriation statement or expenditure statement dealing with the present fiscal year. Why? Let me illustrate. We made an initial appropriation for the commencement this year of two 45,000-ton battleships. It will take 5 or more years to build those ships. The money will be provided in annual increments in such amounts as the Congress determines the Navy will need. When we begin the construction of one of those ships we commit ourselves to the whole cost, but that cost will be distributed and appropriated over a number of years. Obviously there is no justifiable basis for charging the whole cost to the building commencement year. It is the rule and not the exception for appropriations to satisfy obligations incurred under contractual authority to be made subsequent to the fiscal year in which the contractual authority has been granted.

Finally, as a prefatory statement I feel that I should say a word about "reappropriations." A reappropriation, it is true, adds to potential expenditures but has no place in any table comparing appropriations for one year with another unless a corresponding reduction is made in appropriations for the year for which the amount reappropriated originally was appropriated. It is not the practice of the Budget Bureau or of the appropriation committees of the Congress to include reappropriations in appropriation statements. Attention is called to them and they are taken into account by the Budget Bureau, and necessarily so, in estimating Treasury withdrawals, but, I repeat, they should not be included in an appropriation statement comparing the appropriations made by one session with those made by a former session of Congress unless the amounts reappropriated have been deducted from the appropriations charged to the session which voted the appropriations wholly or partly reappropriated.

The following table really is self-explanatory. The figures are actual—unaltered or juggled in any way. The last two columns indicate changes between the session just closed and the immediately preceding one and between Budget estimates presented during the session just closed and the appropriations made during such session:

Statement comparing appropriations made during the first session of the Seventy-sixth Congress with Budget estimates and with appropriations made during the last preceding session of Congress

	Column 1	Column 2	Column 3	Column 4	Column 5
	Appropriations, 75th Cong., 3d sess.	76th Cong., 1st sess.		Increase +, decrease −, column 3 compared with column 2	Increase +, decrease −, column 3 compared with column 1
		Estimates	Appropriations		
REGULAR ACTS					
Agriculture and Farm Credit Administration	$745, 790, 279. 00	$841, 446, 651. 00	$1, 194, 498, 633. 00	+$353,052,582.00	+$448, 708, 354. 00
Agriculture	742, 040, 279. 00	822, 846, 051. 00	1, 175, 848, 633. 00	+353, 002, 582. 00	+433, 808, 354. 00
Farm Credit Corporation	3, 750, 000. 00	18, 600, 000. 00	18, 650, 000. 00	+50, 000. 00	+14, 900, 000. 00
District of Columbia	47, 255, 155. 00	48, 015, 860. 00	48, 002, 347. 00	−13, 513. 00	+747, 192. 00
Independent Offices	1, 423, 098, 240. 00	1, 669, 972, 010. 00	1, 668, 218, 340. 00	−1, 753, 670. 00	+245, 120, 100. 00
Interior	129, 678, 460. 84	176, 822, 593. 23	172, 679, 765. 23	−4, 142, 828. 00	+43, 001, 304. 39
Labor	24, 332, 950. 00	30, 930, 280. 00	30, 536, 170. 00	−394, 110. 00	+6, 203, 220. 00
Legislative	21, 663, 783. 50	[1] 24, 324, 851. 00	21, 851, 779. 00	−2, 473, 072. 00	+187, 995. 50
Military:					
Regular	459, 401, 254. 00	526, 305, 868. 00	508, 789, 824. 00	−17, 516, 044. 00	+49, 388, 570. 00
Supplemental		239, 002, 500. 00	223, 398, 047. 00	−15, 604, 453. 00	+223, 398, 047. 00
Navy	546, 866, 494. 00	790, 342, 453. 00	773, 049, 151. 00	−17, 293, 302. 00	+226, 182, 657. 00
State, Justice, and Commerce	106, 256, 845. 00	124, 692, 423. 00	122, 177, 220. 00	−2, 515, 203. 00	+15, 920, 375. 00
State	16, 638, 750. 00	19, 681, 623. 00	18, 518, 700. 00	−1, 162, 923. 00	+1, 879, 950. 00
Justice	42, 337, 155. 00	51, 916, 520. 00	50, 907, 520. 00	−1, 009, 000. 00	+8, 570, 365. 00
Commerce	47, 280, 940. 00	53, 094, 280. 00	52, 751, 000. 00	−343, 280. 00	+5, 470, 060. 00
Treasury and Post Office	1, 403, 683, 526. 00	1, 728, 397, 492. 00	1, 700, 615, 054. 00	−27, 782, 438. 00	+296, 931, 528. 00
Treasury	610, 912, 627. 00	935, 115, 620. 00	909, 627, 810. 00	−25, 487, 810. 00	+298, 715, 183. 00
Post Office	792, 770, 899. 00	793, 281, 872. 00	790, 987, 244. 00	−2, 294, 628. 00	−1, 783, 655. 00
War, Civil	196, 962, 867. 00	255, 634, 454. 00	305, 188, 514. 00	+49, 554, 060. 00	+108, 225, 647. 00
Total, regular acts	5, 104, 989, 854. 34	6, 455, 886, 835. 23	6, 769, 004, 844. 23	+313, 118, 009. 00	+1,664,014,989. 89
DEFICIENCY AND SUPPLEMENTAL ACTS					
First Deficiency	28, 089, 097. 24	[2] 24, 556, 251. 89	23, 765, 041. 89	− 791, 200. 00	− 4, 324, 055. 35
Second Deficiency	275, 403, 369. 00	163, 760, 837. 89	157, 619, 059. 89	−6, 141, 778. 00	−117, 784, 309. 11
Third Deficiency		244, 346, 934. 03	185, 168, 066. 38	−59, 178, 867. 65	+185, 168, 066. 38
Urgent Deficiency		3, 392, 445. 00	3, 099, 377. 00	−293, 068. 00	+3, 099, 377. 00
Work Relief and Public Works Appropriation Act of 1938	2, 915, 605, 000. 00				−2,915,605,000. 00
Emergency Relief Deficiency, 1938	250, 000, 000. 00				−250, 000, 000. 00
Additional appropriation for work relief and relief, 1939		875, 000, 000. 00	725, 000, 000. 00	−50, 000, 000. 00	+725, 000, 000. 00
Additional appropriation for work relief and relief, 1939			100, 000, 000. 00		+100, 000, 000. 00
Appropriation for work relief and relief, 1940		1, 762, 490, 000. 00	1, 755, 600, 000. 00	−6, 890, 000. 00	+1,755,600,000.00
Total, deficiency and supplemental acts	3, 469, 097, 466. 24	3, 073, 546, 458. 81	2, 950, 251, 545. 16	−123, 294, 913. 65	−518, 845, 921. 08
MISCELLANEOUS ACTS					
Sundry public acts and public resolutions	70, 406, 650. 88	4, 046, 400. 00	4, 046, 400. 00		−66, 360, 250. 88
Miscellaneous private relief acts	1, 174, 532. 22		[1] 1, 000, 000. 00	+1, 000, 000. 00	−174, 532. 22
Grand total, exclusive of permanents	8, 645, 668, 503. 68	9, 533, 479, 694. 04	9, 724, 302, 789. 39	+190, 823, 095. 35	+1,078,634,285.71
PERMANENT APPROPRIATIONS					
Permanent annual appropriations	3, 472, 367, 832. 16	3, 624, 812, 775. 00	3, 624, 717, 775. 00	−95, 000. 00	+152, 349, 942. 84
Grand total, including permanents	12, 118, 036, 335. 84	13, 158, 292, 469. 04	[2] 13,349,020,564.39	+190, 728, 095. 35	+1,230,984,228.55

[1] Estimated.

[2] Exclusive of reappropriations totaling $131,195,436.

The table shows as to annual appropriations that Budget recommendations were exceeded to the extent of $190,823,095.35 (net). Unbudgeted increases were provided under the Department of Agriculture for so-called parity payments ($225,000,000) and the disposal of surplus commodities ($113,000,000), and also under the War Department for river and harbor and flood-control works ($50,000,000). These and some other relatively small increases not having Budget support were offset by numerous reductions in items under most all Federal agencies, bringing about the net increase figure indicated in the statement.

While, of course, there is joint responsibility between the Senate and House for appropriation measures as finally enacted, I do wish to point out that my committee proposed reductions in Budget recommendations aggregating $157,266,328.12 (net) in the measures which it presented to the House. Much of this reduction survived the legislative gantlet, and, to that extent, contributed to lessening the amount by which all bills, in the end, exceeded Budget estimates.

With respect to the excess of $1,078,634,285.71 over annual appropriations provided at the last preceding session of Congress, larger outlays for agriculture or for purposes under the cognizance of the Department of Agriculture account for $448,708,354 of such sum, and larger appropriations for national-defense preparation ($498,969,274) account for the bulk of the remainder. When it is considered that in addition to these extraordinary demands it became necessary during the session just ended to provide an additional $825,000,000 to supplement appropriations made at the preceding session for relief and work relief, such additional amount being required for expenditure prior to the commencement of the present fiscal year, I submit the record is much better than many have been disposed to acknowledge. Had it not been for the additional W. P. A. draft, it would have been possible to have taken care of the heavy extra load on account of national defense and agriculture and have held the excess over appropriations made at the preceding session to about $132,000,000. To have met the defense and agricultural drafts without having gone beyond an excess of $132,000,000, obviously demonstrates that substantial economies occurred in other directions.

Turning from appropriations to expenditures, the following deductions should be made from the sum total of annual and permanent appropriations made at the last session ($13,349,020,564.39) to arrive at the potential expenditure total chargeable to ordinary receipts, viz:

Appropriations chargeable to postal revenues	$740,000,000
Appropriations chargeable to revenues of the District of Columbia	42,443,500
Annual appropriations chargeable to trust accounts	815,500
Trust accounts included in the foregoing tabulation under the head of "Permanent annual appropriations"	1,861,267,710
Supplemental appropriation for relief and work relief for fiscal year 1939	825,000,000
Deficiency appropriations made for expenditure in fiscal year 1939 (estimated)	108,000,000
Total	3,577,526,710

Subtract that sum from the $13,349,020,564.39 and add to the result reappropriations, amounting, roundly, to $131,000,000, provided at the last session, and the potential expenditure figure becomes $9,902,493,854. That amount compares with $9,407,633,703, which was used in the Budget presented to the Congress on the 3d of last January as the basis for calculating 1940 expenditures. Such calculation indicated that outgo would exceed income the present fiscal year by $3,326,343,200. It would seem reasonable and fair to conclude, therefore, that such estimated deficit will not be exceeded by more than the difference between $9,902,493,854 and $9,407,633,703. There is no available recast of the probable expenditure figures contained in the regular Budget. They will go up or down according to the accuracy of revenue estimates and expenditure demands. I read just the other day the announcement of a well-recognized fiscal student and expert that business thus far in this calendar year has averaged 21 percent over 1938. That is a buoyant sign and encourages the hope that there may be less need to go as far or deeper into the red than was estimated at the turn of the year.

One columnist wrote the other day that—

> The authorization of a $13,000,000,000 expenditure is a phenomenal example of disregard of the mandate of a congressional election wherein, as in 1938, a substantial protest was manifested against spending.

Passing over the confusion of "expenditures" with "appropriations," I should like to ask, In the face of world conditions, in the face of the rearmament race going forward in other lands, should the Congress have turned a deaf ear to building up our defense establishments? Again, I should like to ask, With foreign and domestic markets for agriculture all awry, would the Congress have been justified in denying aid to farmers? True, it may be said that aid in this way is not conducive to bringing about a state of independence or a measure of independence. Paraphrasing an apt expression the other day of my good friend and colleague on the committee, Judge WOODRUM, these and other of our perplexing fiscal problems are subject to three ways of being handled: My way, your way, and the right way. Admittedly we have not found the right way to cure our agricultural ills. Any method, however, which would accomplish such a result, I am sure, would be as welcome to the farmer as it would be to those of us whose responsibility it is to provide for the general welfare. None has been advanced thus far, to my knowledge, and I may say to those who are prone to criticize that the solution is not solely a congressional prerogative.

There is nobody more ready than I to admit that we cannot long continue to live beyond our income. Contraction of Federal outlays must be brought about and brought about soon. We cannot wait upon the growth of national income. We must lay a course that will meet it along its upward climb, which I confidently predict. America has bested every problem in the past and I have abiding faith in her ability to maintain that record.

The answer to our difficulties, however, is not wholly domestic. Commerce is out of joint throughout the world because of wars and threatened wars and war preparations. Normal trade is disrupted, and that reacts in curtailed production which in turn means less need for raw materials, less use for transportation systems, less employment, less buying power, less demand for farm products. We must look beyond our shores for an improved order of things if we would have a more complete and earlier approach to normalcy. I express the hope that our statesmen will be continually alert to take advantage of any opening which may offer promise of a pacific adjustment of differences between other world powers to the end that existing conflicts may be speedily terminated, threatened conflicts avoided, normal intercourse restored, and that the vast outlays being poured into armaments may be diverted into commerce such as is common between nations when at peace.

There follows a tabulation of permanent appropriations and trust accounts for the fiscal years 1939 and 1940:

Permanent appropriations

	Estimates of appropriations, 1940	Appropriations, 1939
LEGISLATIVE ESTABLISHMENT		
General accounts:		
Library of Congress:		
Bequest of Gertrude M. Hubbard, interest account	$800	$800.00
Library of Congress trust fund, interest on permanent loan account	39,500	38,500.00
Total, permanent appropriations, general accounts under Legislative Establishment	40,300	39,300.00
INDEPENDENT ESTABLISHMENTS		
General accounts:		
Smithsonian Institution:		
Interest from trust account	60,000	60,000.00

Permanent appropriations—Continued

	Estimates of appropriations, 1940	Appropriations, 1939
INDEPENDENT ESTABLISHMENTS—continued		
Special accounts:		
Farm Credit Administration:		
Supervision of Federal credit unions	$91,000	$32,880.00
Federal Home Loan Bank Board:		
Salaries and expenses, Federal Home Loan Bank Board	1,400,000	1,320,000.00
Federal Power Commission:		
Payments to States under Federal Water Power Act	19,500	16,743.00
Railroad Retirement Board:		
Railroad Unemployment Insurance Administration Fund, Railroad Retirement Board	9,150,000	14,302,491.00
Total, permanent appropriations, general and special accounts, under Independent Establishments	10,720,500	15,732,114.00
DEPARTMENT OF AGRICULTURE		
General accounts:		
Cooperative agricultural extension work	4,701,165	4,701,165.00
Exportation and domestic consumption of agricultural commodities	90,000,000	144,024,893.16
Special accounts:		
Payments to States and Territories from national-forest fund	1,275,000	1,114,700.00
Payments to school funds, Arizona and New Mexico, national-forest fund	30,000	30,000.00
Roads and trails for States, national-forest fund	510,000	510,000.00
Payment to counties under Migratory Bird Conservation Act	15,000	15,000.00
Total, permanent appropriations, general and special accounts, under Department of Agriculture	96,531,165	150,395,758.16
DEPARTMENT OF THE INTERIOR		
General accounts:		
Colleges for agriculture and mechanic arts	2,550,000	2,550,000.00
Federal Board for Vocational Education:		
Promotion of vocational education	7,000,000	7,000,000.00
Special accounts:		
Payments to States from receipts under Grazing Act	500,000	500,000.00
Payments to States from receipts under Mineral Leasing Act	2,500,000	2,450,000.00
Payments to States from potash deposits, royalties and rentals	37,500	37,500.00
Alaska Railroad special fund	2,625,000	2,360,000.00
Payment to counties, Oregon and California land-grant fund	375,000	375,000.00
Helium production fund	70,000	94,000.00
Total, permanent appropriations, general and special accounts, under Department of the Interior	15,657,500	15,366,500.00
TREASURY DEPARTMENT		
General accounts:		
Payment of interest on deposits of public moneys of Government of the Philippine Islands	2,172,500	2,172,500.00
Expenses of loans (act, Sept. 24, 1917, as amended and extended)	3,595,000	3,500,000.00
Contingent expenses, national currency (reimbursable)	3,100	3,100.00
Total, permanent appropriations, general and special accounts, under Treasury Department, exclusive of public debt	5,865,600	5,675,600.00
General account: Interest on the public debt	1,049,905	976,000,000.00
Public-debt retirements from ordinary receipts:		
General accounts: Sinking fund	583,200,000	580,463,130.00
Special accounts:		
Retirements from gifts, forfeitures, and other miscellaneous receipts	15,000	15,000.00
Obligations retired from Federal intermediate-credit banks franchise tax receipts	880,000	840,000.00
Redemption of bonds, etc., from repayment of principal of loans to States, municipalities, etc., Public Works Administration	500,000	1,500,000.00
Redemption of Liberty bonds issued in the year 1918 from bequest of James Reuel Smith	----------	2,000.00
Total, public-debt retirements from ordinary receipts	584,595,000	582,820,130.00
Total, permanent appropriations, general and special accounts under Treasury Department, including public debt	1,640,365,600	1,564,495,730.00

Permanent appropriations—Continued

	Estimates of appropriations, 1940	Appropriations, 1939
WAR DEPARTMENT		
Special accounts:		
Maintenance and operation of dams and other improvements of navigable waters	$135,000	----------
Total, permanent appropriations, general and special accounts under War Department	135,000	----------
Total, permanent appropriations, general and special accounts	1,763,450,065	$1,746,029,402.16
TRUST ACCOUNTS		
LEGISLATIVE ESTABLISHMENT		
Library of Congress:		
Income on Library of Congress trust fund, investment account	$24,000	$26,000.00
Library of Congress gift fund	40,000	55,000.00
Chamber Music Auditorium, Library of Congress	----------	3,500.00
Proceeds of sale, etc., of publications, Government Printing Office	600,000	533,500.00
Total, permanent appropriations, trust accounts under Legislative Establishment	664,000	618,000.00
INDEPENDENT ESTABLISHMENTS		
Civilian Conservation Corps:		
Savings fund	5,000,000	5,000,000.00
Total, Civilian Conservation Corps	5,000,000	5,000,000.00
Civil Service Commission:		
Civil service retirement and disability fund	157,171,760	133,086,760.00
Canal Zone retirement and disability fund	2,330,000	1,280,000.00
Alaska Railroad retirement and disability fund	405,000	365,000.00
Total, Civil Service Commission	158,906,760	134,731,760.00
Employees' Compensation Commission:		
Relief and rehabilitation, Longshoremen's and Harbor Workers' Compensation Act	30,000	30,000.00
Total, Employees' Compensation Commission	30,000	30,000.00
General Accounting Office, wages of employees or contractors	1,000	600.00
Veterans' Administration:		
U. S. Government life-insurance fund	92,935,000	94,823,000.00
Adjusted service certificate fund	245,000	745,000.00
Funds due incompetent beneficiaries	150,000	150,000.00
General post and Horatio war funds, national homes	75,000	75,000.00
Personal funds of patients	2,100,000	2,100,000.00
Special deposit accounts	----------	----------
Total, permanent appropriations, trust accounts, Veterans' Administration	95,505,000	97,893,000.00
Welfare and Recreational Association o Public Buildings and Grounds	2,600,000	2,500,000.00
Total, permanent appropriations, trust accounts, under Independent Establishments	262,042,760	240,155,360.00
DEPARTMENT OF AGRICULTURE		
Cooperative work, Forest Service	1,000,000	1,000,000.00
Miscellaneous contributed funds	186,400	116,900.00
State rural-rehabilitation corporation funds, Farm Security Administration	2,475,000	2,840,000.00
Operation and maintenance of resettlement and rural-rehabilitation projects, Farm Security Administration	1,600,000	1,200,000.00
Sea-food inspections, Food and Drug Administration	5,235	5,235.00
Total, permanent appropriations, trust accounts, under Department of Agriculture	5,186,635	5,162,135.00
DEPARTMENT OF COMMERCE		
Philippine trust fund (tonnage tax)	20,000	20,000.00
Wages and effects of American seamen, Bureau of Navigation and Steamboat Inspection	100	100.00
Fox and fur-seal industries, Pribilof Islands	65,000	65,000.00
Special statistical work, Foreign and Domestic Commerce	10,000	10,000.00
Special statistical work, Census	20,000	20,000.00
Unearned fees, Patent Office	25,000	25,000.00
Total, permanent appropriations, trust accounts, under Department of Commerce	140,100	140,100.00

Permanent appropriations—Continued
TRUST ACCOUNTS—continued

	Estimates of appropriations, 1940	Appropriations, 1939
DEPARTMENT OF THE INTERIOR		
Reclamation, contributed funds	$35,000	$285,620.00
Miscellaneous trust funds of Indian tribes	7,025,000	6,110,000.00
Indian moneys, proceeds of labor	300,000	200,000.00
National Park Service, donations	20,000	20,000.00
Preservation, birthplace of Abraham Lincoln	2,040	2,040.00
Funds contributed for improvement of roads, bridges, and trails, Alaska	80,000	80,000.00
Expenses, public survey work	12,000	12,000.00
Trustee funds, Alaska town sites	1,000	1,000.00
Pension money, St. Elizabeths Hospital	90,000	88,000.00
Personal funds of patients, St. Elizabeths Hospital	120,000	120,000.00
National park trust fund	15,700	15,500.00
Unearned proceeds, lands	200,000	200,000.00
Total, permanent appropriations, trust accounts, under Department of the Interior	7,900,740	7,134,160.00
DEPARTMENT OF JUSTICE		
Funds of Federal prisoners	600,000	600,000.00
Fees and other collections, United States marshals	100,000	100,000.00
Commissary funds, Federal prisons	300,000	300,000.00
Fees and other collections, clerks of United States district courts	1,000,000	1,000,000.00
Total, permanent appropriations, trust accounts, under Department of Justice	2,000,000	2,000,000.00
DEPARTMENT OF LABOR		
Unearned naturalization fees	30,000	30,000.00
Unearned immigration (reentry) permit fees	4,000	4,000.00
Unearned immigration (registry) fees	22,000	22,000.00
Disposition of deposits of aliens who become public charges	2,500	2,500.00
Deposits to secure payment of fines and passage money, Immigration and Naturalization Service	50,000	50,000.00
Advances by District Unemployment Compensation Board to United States Employment Service	186,800	186,800.00
Total, permanent appropriations, trust accounts, under Department of Labor	295,300	295,300.00
NAVY DEPARTMENT		
Pay of the Navy, deposit fund	100,000	100,000.00
Pay of the Marine Corps, deposit fund	185,000	185,000.00
Navy fines and forfeitures	275,000	275,000.00
Naval hospital fund	1,300,000	1,300,000.00
Ships' stores profits, Navy	300,000	300,000.00
United States Naval Academy museum fund		50,000.00
Naval Reservation, Olongapo, civic fund	25,000	25,000.00
Total, permanent appropriations, trust accounts under Navy Department	2,185,000	2,235,000.00
STATE DEPARTMENT		
Foreign Service retirement and disability fund	544,400	524,600.00
Miscellaneous trust accounts	647,700	647,700.00
Total, permanent appropriations, trust accounts, under State Department	1,192,100	1,172,300.00
TREASURY DEPARTMENT		
Philippine trust fund (customs duties)	100,000	100,000.00
Philippine trust fund (Customs Service)	2,500	
Payment of proceeds of Government bonds, interest coupons, etc., found	200	200.00
Philippine trust fund (internal revenue)	700,000	700,000.00
Philippine trust fund, coconut-oil tax (internal revenue)	11,200,000	11,116,000.00
Return of proceeds of undelivered Liberty bonds belonging to subscribers whose whereabouts are unknown	600	600.00
Puerto Rico trust fund (internal revenue)	19,000	19,000.00
Expenses, Treasury Department, enforcement title III, National Prohibition Act, as amended, Puerto Rico	23,275	23,000.00
Return of proceeds of assets of Liberty Loan associations of banks and trust companies of New York	100	100.00
Return of proceeds of Government obligations held for rightful owners	100	100.00
Moneys and effects of former patients, Public Health Service	3,400	3,400.00
Personal funds and earnings of inmates of narcotic farms	55,000	50,000.00
To promote the education of the blind (interest)	10,000	10,000.00
National Institute of Health gift fund	8,700	8,700.00
Total, permanent appropriations, trust accounts, under Treasury Department	12,122,875	12,031,100.00
WAR DEPARTMENT		
Pay of the Army, deposit fund	2,000,000	1,800,000.00
Estates of deceased soldiers	40,000	40,000.00

Permanent appropriations—Continued
TRUST ACCOUNTS—continued

	Estimate of appropriations, 1940	Appropriations, 1939
WAR DEPARTMENT—continued		
Funds contributed for improvement of rivers and harbors	$50,000	$100,000.00
Funds contributed for flood control, general	808,950	418,200.00
Funds contributed for sewerage system, Fort Monroe, Va	18,500	18,500.00
Bequest of Maj. Gen. Fred C. Ainsworth, library, Walter Reed General Hospital	250	275.00
Total, permanent appropriations, trust accounts, under War Department	2,917,700	2,376,975.00
DISTRICT OF COLUMBIA		
Teachers' retirement-fund deductions	475,000	475,000.00
Miscellaneous trust-fund deposits	800,000	800,000.00
Washington redemption fund	540,000	540,000.00
Funds not otherwise classified	24,000	24,000.00
Inmates' funds, workhouse and reformatory	60,000	60,000.00
Total, permanent appropriations, trust accounts, under District of Columbia	1,899,000	1,899,000.00
	298,546,210	275,219,430.00
Unemployment trust fund	826,108,500	811,890,000.00
Old-age reserve account	613,863,000	530,029,000.00
Railroad retirement account	122,750,000	109,200,000.00
Total, permanent appropriations, trust accounts	1,861,267,710	1,726,338,430.00

Additional Safeguards Should Be Enacted Into Law To Extend a Nation-wide Nonpolitical Civil Service

EXTENSION OF REMARKS
OF
HON. JENNINGS RANDOLPH
OF WEST VIRGINIA
IN THE HOUSE OF REPRESENTATIVES
Saturday, August 5, 1939

EDITORIAL COMMENT ON HATCH LAW

Mr. RANDOLPH. Mr. Speaker, yesterday I called attention to the introduction of a bill which aims to extend to State positions, wherein Federal funds are used, the nonpolitical civil service which properly will come to follow the worthy aims of the Hatch bill.

In this morning's Washington Post I find splendid editorial comment on this subject which I include herewith:

SPEAKING OF GENESIS

The primary election in Kentucky today is the first under which the newly enacted Hatch law, to prevent "pernicious political activities," will be operative. And, by not unnatural coincidence, it was the last Kentucky primary, in which Senator BARKLEY defeated Governor Chandler for the Democratic Senatorial nomination, which opened the road for this far-reaching legislation.

President Roosevelt was not wholly accurate in saying, in his message to Congress on Wednesday approving the Hatch bill, that: "The genesis of this legislation lies in the message of the President of January 5, 1939, respecting an additional appropriation for the Works Progress Administration."

The genesis of the Hatch law is actually to be found in an editorial in the Washington Post of April 18, 1938, written nearly 9 months before that Executive request for statutory regulations to eliminate "improper political practices." Senator HATCH himself graciously gave the Post full credit in a speech on the floor of the Senate on July 29. "I do not forget," he said, "that the idea of applying the civil-service rule to prohibit political activities by employees in the nonclassified civil service came from an editorial which appeared in the Washington Post more than a year ago."

The editorial from which the Hatch law evolved was entitled "Patronage and Politics" and was written by Merlo J. Pusey of the Post's editorial staff. It considered the Senate defeat of a bill, sponsored by Senators HATCH and Steiwer, which was designed to prohibit Federal employees from attending political conventions as delegates.

At the time of the defeat of this bill the Kentucky primary race between Senator BARKLEY and Governor Chandler was much in the

public eye. Senator BARKLEY had the support of a powerful machine which utilized Federal employees, while Governor Chandler was supported by a scarcely less powerful organization built up on State and local jobholders. In noting the Senate's consideration of this situation the Post editorial of April 18, 1938, said:

"To deny Members of Congress assistance from political machines composed of Federal employees would put them at a disadvantage in contests with Governors using machines of State employees. Majority Leader BARKLEY's race with Governor Chandler for the Democratic nomination for Senator from Kentucky gave particular emphasis to this contention. Apparently the Senate voted to save its majority leader from unfair competition."

Continuing with its analysis, the Post editorial pointed out that "the worthy purpose" of the Hatch-Steiwer bill was "to prevent the packing of political conventions to keep an individual or an administration in power." No politician, the editorial continued, "should have a right thus to use public servants for his own political advantage. Nor should the will of the rank and file attending conventions be thwarted by an influx of officeholders controlled by patronage. Certainly some action is in order to curb these abuses."

The editorial then concluded that the approach utilized by Senators Steiwer and HATCH should be broadened. "The real objective," said the Post, on April 18, 1938, "should be to divorce Government employees in non-policy-making positions from active participation in all partisan politics. * * * By using this approach to his objective, Mr. HATCH would have an opportunity to press his point a second time—perhaps with more success."

It was precisely this procedure, as Senator HATCH has generously made clear, which he adopted in his bill enacted this week, to make applicable to unclassified employees the civil-service regulations against improper political activities.

The Post acknowledges with gratitude the tribute paid to it by Senator HATCH in connection with the accomplishment of this important reform. It takes occasion to pledge continued assistance in forthcoming efforts to develop a wholly nonpolitical civil service—efforts which the Hatch law has made much easier but by no means superfluous.

ROUNDING OUT REFORM

The newly enacted law which prohibits "pernicious political activities" is applicable to the Kentucky primary election today, and it is very likely to nullify improper pressures which may have been brought during recent weeks on relief workers or others susceptible to overt political influence. The provisions of the act are so specific as to make any attempt at intimidation or coercion of voters a very risky matter.

The fact that the Hatch law is having its first test in Kentucky is the more interesting because of the dominant role which machine organizations play in that State of superheated politics. Still fresh in memory is the furious clash of the State machine, controlled by Governor Chandler, with that based on Federal patronage, controlled by Senator BARKLEY, when these two fought bitterly for the senatorial nomination, just a year ago.

Thanks to the act which the President signed on Wednesday, the day of political machines built with the aid of Federal employees is ending. The Hatch law, extending the civil-service regulations against political activity to unclassified employees, will see to that. But the exercise of similar pressure by State jobholders is still to be reckoned with. The moral is pointed by the current action of one of the candidates for the office of Governor of Kentucky. He has requested the attorney general of that State to "see to it" that State employees "do not violate the spirit" of the Hatch law.

The request is the more reasonable because the dissolution of a local machine composed of Federal employees is likely to accentuate the power and the abuses of a similar machine built out of State and local jobholders. The Kentucky primary of a year ago, for instance, would almost certainly have nominated Governor Chandler for the Senate if Senator BARKLEY had not been able then to oppose the Governor's machine with a parallel organization.

The attorney general of Kentucky doubtless realizes the problem. But he would be able to do much more to forward the spirit of the Hatch law if he had legislation to invoke against "pernicious political activities" by State employees. Indeed, a necessary corollary to the new Federal act is local legislation designed to supplement and round out the good start which has now been made in eliminating Government workers from active party politics.

For that reason the bill introduced by Senator NEELY, of West Virginia, and approved Thursday by the Senate Civil Service Committee, is very important. It would extend the prohibitions of the Hatch act to all State employees paid in part from Federal funds, a procedure which is scarcely likely to be called in question on the score of constitutionality.

To round out and complete the important reform initiated by Senator HATCH, the principles of his bill should be enacted for every State by its own legislature. A decided stimulus to that end is provided by the Neely bill. Its introduction at the end of the current session is in part a constructive gesture. But there is good reason to have confidence in the Senator's prediction that his bill will follow that of Senator HATCH onto the statute books before the 1940 conventions take place.

Donn Fendler

EXTENSION OF REMARKS

OF

HON. RALPH O. BREWSTER

OF MAINE

IN THE HOUSE OF REPRESENTATIVES

Wednesday, August 2, 1939

PORTION OF SPEECH OF CONGRESSMAN RALPH O. BREWSTER AT JACKSONVILLE CAMP GROUND, EAST MACHIAS, MAINE

Mr. BREWSTER. Mr. Speaker, "And a little child shall lead them."

America and the world seems wandering in a wilderness of ignorance and greed. More and more are coming to the conclusion that like the prodigal it would be well to kneel in prayer.

Soon, like Donn Fendler, we may see the smoke of civilization rising above the forest of our fears.

This recent epic of the Maine woods may well serve to inspire Americans everywhere. The spirit of America survives in modern youth. One boy like Donn Fendler is proof that this rising generation—about which we are sometimes so much concerned—may soon take over the sorry mess we have made of our great heritage and put America back on the straight and narrow path.

The Boy and Girl Scouts of today are the citizens of tomorrow. There is every reason to believe they will be a substantial improvement on the generation that has gone before.

Only those who have gone through the Maine wilderness can appreciate something of the miraculous courage and incredible determination that were shown by this boy of 12.

But above the fortitude and the persistence rose the faith that would not down. American youth everywhere may well read the story of Donn Fendler and rise themselves to greater heights in the face of whatever difficulties and discouragement may seem to hold them back.

Donn's experience is a sermon more eloquent than words can ever preach.

I asked and received permission to put Donn Fendler's story in the CONGRESSIONAL RECORD where it will be preserved for all time for future generations to realize the kind of boys that were living in America in 1939.

An appropriate monument may well be placed upon Mount Katahdin to mark this epic hike. Perhaps in the future Boy Scouts may follow the Fendler trail to test their mettle for life's journey. Understanding will then come as to why he sought and found guidance in a faith that rose supreme above material obstacles of every kind.

Communists insist that religion is the opiate of the masses. Donn Fendler is a living example to prove that to him religion is a thing of life.

REMARKS OF CONGRESSMAN RALPH O. BREWSTER IN CONGRESSIONAL RECORD OF TUESDAY, AUGUST 1, 1939

THE STORY OF DONN FENDLER

Mount Katahdin, mile high, in Maine, is the first spot in the United States to catch the rays of the rising sun. Named for its solitary grandeur in the wilderness in which it rears its granitic head it was long feared by the Indians for Pamola, its evil spirit. Thoreau was one of the earliest white men to visit the mountain just a century ago. "In the Maine Woods" tells the story of its haunting and mysterious beauty.

The Appalachian Trail finds the northern terminus of its 2,000 miles of wooded glories very fittingly at the peak of Mt. Katahdin. There mountain climbers love to come to pit their skill against its cliffs and to study one of the best preserved of glacial cirques to be found throughout the East.

But the wilderness still creeps up all around. Five minutes off the trail may find one hopelessly engulfed.

This happened on July 17, 1939, to Donn Fendler, a 12-year-old Boy Scout from Rye, N. Y. Five hundred men and boys searched the mountain and the forest for 7 days without avail. The nights in this region were bitter cold and he was without protection of any kind.

All hope was given up. Experienced woodsmen were convinced that no boy could ever have survived the rigors of this region without food or shelter.

Thousands of parents followed with yearning and with prayer the progress of the seemingly hopeless search.

When suddenly on the eighth day the country was electrified by the news flash that Donn Fendler had emerged from the forest unharmed. He had literally found himself. Following a water course with the lore of the Scout he had stuck doggedly to his self-appointed task. No temptation of a wood's trail could lead him from that stream no matter how alluringly it might wind.

A burlap bag in an abandoned logging camp served him for a garment through the night. Berries in the woods gave him sustenance as he struggled on. Bears did not frighten him as he recounted they seemed as reluctant as he to make a closer acquaintance when he came upon them in a berry patch.

Eight days of wandering in a wilderness of doubt did not suffice to daunt him in his determination to get out.

Consider your own small son in an experience of this sort. Born and reared in the comforts of modern life and suddenly cast in a trackless wilderness without food and shelter and without the toughness of fiber that enabled the savage to survive, Donn Fendler carried on.

Finally he saw smoke rising across the stream that had now become a river and rescue was at hand.

His first thought was of his parents and their anxiety. His next concern was the trouble he might have occasioned people by getting lost. And then he told his rescuers of the time he had spent in prayer.

America may well follow the example of Donn Fendler in the seeming chaos of the present and kneel once more in prayer.

House Resolution 286

EXTENSION OF REMARKS
OF
HON. A. F. MACIEJEWSKI
OF ILLINOIS
IN THE HOUSE OF REPRESENTATIVES
Saturday, August 5, 1939

Mr. MACIEJEWSKI. Mr. Speaker, under leave to extend my remarks in the CONGRESSIONAL RECORD, I wish to take this opportunity to explain to my constituents of the Sixth Congressional District of Illinois my position with respect to the important legislation provided in the resolution pending before the House today. The resolution provides that the House resolve itself into the Committee of the Whole House on the state of the Union for the consideration of H. R. 7120, a bill to provide for the construction and financing of self-liquidating projects, and for other purposes.

I intend to vote for this resolution, not only because I agree with its provisions but because I am a firm believer in the principle that all proposed legislation of vital interest to all of the people of this Nation such as this should be given an impartial hearing before the entire membership of this body.

For the moment let us analyze the bill, H. R. 7120, to which the resolution before us refers and which may be cited in all fairness as the Self-Liquidating Act of 1939. It authorizes public-works loans to municipalities and States for construction of schools, hospitals, and other improvements necessary to the general welfare of the people; it authorizes loans to the Reconstruction Finance Corporation for railroad equipment on a 10-year basis; it authorizes amounts for rural electrification; it authorizes loans to the Department of Agriculture to provide for rural rehabilitation and to accord aid to the tenants and the farmers of the country; it provides for loans for public roads; it authorizes an additional amount for the Export-Import Bank; and it creates employment for some 500,000 persons. Obviously, such legislation cannot help being of great benefit to the Nation.

It is the cry of those opposed to this beneficial legislation that the authorization for loans contained therein would be a burden on the Government. If we honestly consider the fact that all of these loans are amply secured, are for self-liquidating projects, and that most of the money will be repaid to the Government, we can readily understand that such charges are without foundation.

Therefore, Mr. Speaker, it is my honest conviction that this resolution should receive the support of the Members of this House if they are sincerely trying to restore prosperity to America.

William Ben Cravens

MEMORIAL ADDRESS
OF
HON. DAVID D. TERRY
OF ARKANSAS
IN THE HOUSE OF REPRESENTATIVES
Tuesday, May 30, 1939

On the life, character, and public service of Hon. WILLIAM BEN CRAVENS, late a Representative from Arkansas

Mr. TERRY. Mr. Speaker, on January 13, 1939, my colleague, WILLIAM BEN CRAVENS, who so ably represented the Fourth Arkansas District in this body, died after a brief attack of pneumonia. Although he had overcome a siege of illness which continued during last session and the summer adjournment period, Mr. CRAVENS had returned to Washington for the opening of the Seventy-sixth session apparently in good health, and his sudden passing was a shock to his many friends, as it had only been a few days before that BEN, as he was familiarly called, had been with us on the floor of this Chamber in the fullness of life.

At the time of his death, Mr. CRAVENS was the dean of the Arkansas delegation, and was chairman of the Committee on Elections, No. 3. He was also a ranking member of the Committees on Expenditures in the Executive Departments, Mines and Mining, and Public Buildings and Grounds.

Mr. CRAVENS was a native of Fort Smith, Ark., having been born there on January 17, 1874, and having resided there all of his adult life. He came of a distinguished family whose history is interwoven with that of his native State. His father, William Murphy Cravens, was sent to the Army post at Fort Smith (from which the city derives its name) during the Civil War.

Mr. CRAVENS received his early educational training in the schools of Fort Smith and later attended the Louisville Military Academy and the Staunton Military Academy. He received his law degree at the University of Missouri, and entered into the practice of law at Fort Smith with his father. In 1897 he was elected city attorney of Fort Smith and served 4 years in that capacity. In 1901 he was elected prosecuting attorney of the Twelfth Judicial Circuit, which includes Fort Smith, serving three terms in that office, until 1906. I have been told that he was one of the most effective, vigorous, and successful prosecutors who ever held the office. In 1907 he was elected to Congress and served three terms, retiring voluntarily to resume the practice of the law, in which profession he was eminently successful.

Mr. Speaker, the political career of Mr. CRAVENS was unusual in that it does not fall to the lot of many men in public service to come back into that field after a long period of retirement, whether such retirement is voluntary or involuntary, yet it was the unusual experience of our friend, after a voluntary retirement of 20 years, to be reelected to the Seventy-third Congress without opposition. He was subsequently reelected to the Seventy-fourth, Seventy-fifth, and Seventy-sixth Congresses. As previously stated, during the spring and summer of 1938, Mr. CRAVENS was in poor health, and during the campaign last summer he was confined to his bed and made no public appearances or speeches, and yet in spite of formidable opposition he was overwhelmingly reelected—in fact, led the ticket among the congressional candidates in his State.

If one may sum up the qualities upon which the successes of his life were based, I should say that integrity and honesty were the foundation stones. One instinctively and wholeheartedly trusted Mr. CRAVENS. In him there was no guile

or subterfuge. The term "politician," in the ordinary acceptation of the term, never applied to him. He was a faithful representative of his district and his State, and he was ever assiduous in the discharge of the duties of his office. His people trusted him and he was faithful to the trust. He was popular with his fellow Members and had their entire confidence and respect.

Mr. Speaker, I feel that Mr. CRAVENS' life was an exemplary one. Viewed from any angle it was a success. His public life should be an inspiration to young men who would serve their country, and his private life was ideal. Mr. CRAVENS is survived by Mrs. Cravens and their two children, Fadjo Cravens, a practicing attorney, and Mrs. William Eads.

Mr. Speaker, in the passing of our friend and colleague, the Congress of the United States and the State of Arkansas have lost a tried and faithful Representative whose long career as a public servant was without stain or blemish, and will always be a source of pride to those whose privilege it was to know him.

Indian Affairs

EXTENSION OF REMARKS

OF

HON. WILBURN CARTWRIGHT

OF OKLAHOMA

IN THE HOUSE OF REPRESENTATIVES

Saturday, August 5, 1939

DECISIONS OF THE SUPREME COURT OF THE UNITED STATES

Mr. CARTWRIGHT. Mr. Speaker, I ask unanimous consent to insert in the CONGRESSIONAL RECORD decisions of the Supreme Court of the United States relative to Indian affairs. I am sure these decisions will be of interest to those interested in the affairs of the Indians of this country. The decisions are as follows:

HOW INDIAN TREATIES SHOULD BE INTERPRETED

The unbroken decisions of the Court of Claims and of the Supreme Court of the United States clearly demonstrate that the treaties should never be construed to the prejudice of the Indians; that Indian treaties should never be construed technically against the Indians; that Indian treaties should be construed as the Indians understood them.

INDIAN TREATIES—HOW CONSTRUED

In the case of *Worcester* v. *The State of Georgia* ((1832), 6 Pet. 515), Justice McLean in a concurring opinion, said:

"The language used in treaties with the Indians should never be construed to their prejudice. If words be made use of which are susceptible of a more extended meaning than their plain import, as connected with the tenor of the treaty, they should be considered as used only in the latter sense. To contend that the word 'allotted,' in reference to the land guaranteed to the Indians in certain treaties, indicates a favor conferred, rather than a right acknowledged, would, it would seem to me, do injustice to the understanding of the parties. How the words of the treaty were understood by this unlettered people, rather than their critical meaning, should form the rule of construction."

In the case of *Kansas Indians* (5 Wall. 737, 18 L. Ed. 667, (May 6, 1867) (*Charles Blue Jacket et al.* v. *The Board of Commissioners of the County of Johnson*)), the Court, in referring to the Indians, said:

"If they have outlived many things, they have not outlived the protection afforded by the Constitution."

In the case of *United States* v. *Kagama, etc.* ((May 10, 1886), 30 L. Ed. 228 (October 30, 1899)), the Court said:

"These Indian tribes are the wards of the Nation. They are communities dependent on the United States; dependent largely for their daily food; dependent for their political rights. They owe no allegiance to the States, and received from them no protection. Because of the local ill feeling, the people of the States where they are found are often their deadliest enemies. From their very weakness and helplessness, so largely due to the course of dealing of the Federal Government with them and the treaties in which it has been promised, there arises the duty of protection, and with it the power."

* * * * *

"The power of the General Government over these remnants of a race once powerful, now weak and diminished in numbers, is necessary to their protection, as well as to the safety of those among whom they dwell. It must exist in that Government because it never has existed anywhere else, because the theater of its exercise is within the geographical limits of the United States, because it has never been denied, and because it alone can enforce its laws on all the tribes."

In the case of *Jones* v. *Meehan* (175 U. S. 1, 44 L. Ed. 49 (1899)), the Court said:

"In construing any treaty between the United States and an Indian tribe, it must always (as was pointed out by the counsel for the appellees) be borne in mind that the negotiations for the treaty are conducted, on the part of the United States, an enlightened and powerful Nation, by representatives skilled in diplomacy, masters of a written language, understanding the modes and forms of creating the various technical estates known to their law, and assisted by an interpreter employed by themselves; that the treaty is drawn up by them and in their own language; that the Indians, on the other hand, are a weak and dependent people, who have no written language and are wholly unfamiliar with all the forms of legal expression, and whose only knowledge of the terms in which the treaty is framed is that imparted to them by the interpreter employed by the United States; and that the treaty must therefore be construed, not according to the technical meaning of its words to learned lawyers, but in the sense in which they would naturally be understood by the Indians (*Worcester* v. *Georgia*, 6 Pet. 515, 8 L. Ed. 483; *The Kansas Indians*, 5 Wall. 737, 760, *sub. nom. Blue Jacket* v. *Johnson County Commissioners*, 18 L. Ed. 667, *Wanzop-e-ah* v. *Miami County Commissioners*, 18 L. Ed. 674; *Choctaw Nation* v. *United States*, 119 U. S. 1, 27, 28, 30 L. Ed. 306, 314, 315, 7 Sup. Ct. Rep. 75). In the leading case of *Worcester* v. *Georgia* (1832) Chief Justice Marshall, speaking of article 4 of the treaty of Hopewell of November 28, 1785, between the United States and the Cherokee Indians, which defined 'the boundary allotted to the Cherokees for their hunting grounds, between the said Indians and the citizens of the United States' (7 Stat. L. 19), said: 'There is the more reason for supposing that the Cherokee chiefs were not very critical judges of the language from the fact that everyone makes his mark; no chief was capable of signing his name. It is probable the treaty was interpreted to them. Is it reasonable to suppose that the Indians, who could not write, and most probably could not read, who certainly were not critical judges of our language, should distinguish the word "allotted" from the words "marked out"?' (6 Pet. 551, 552; 8 L. Ed. 497, 498.) And Mr. Justice McLean, concurring, said: 'The language used in treaties with the Indians should never be construed to their prejudice. To contend that the word "allotted," in reference to the lands guaranteed to the Indians in certain treaties, indicates a favor conferred rather than a right acknowledged, would, it would seem to me, do injustice to the understanding of the parties. How the words of the treaty were understood by this unlettered people, rather than their critical meaning, should form the rule of construction' (6 Pet. 582; 8 L. Ed. 508)."

In the case of *Beecher* v. *Wetherby* (95 U. S. 517 (October 1877)), Judge Field said for the Court:

"It is to be presumed that in this matter the United States would be governed by such considerations of justice as would control a Christian people in their treatment of an ignorant and dependent race."

In the case of *Barker* v. *Harvey* (181 U. S. 481 (October 1900)), Justice Brewer said:

"It is undoubtedly true that this Government has always recognized the fact that the Indians were its wards, and entitled to be protected as such, and this Court has uniformly construed all legislation in the light of this recognized obligation."

In the case of *Seufert Bros.* v. *U. S.* (249 U. S. 197; Mar. 3, 1919), the Court quoted with approval from the case of *United States* v. *Winans* (198 U. S. 371), as follows:

"We will construe a treaty with the Indians as 'that unlettered people' understood it, and as justice and reason demand in all cases where power is exerted by the strong over those to whom they owe protection and counter poise the inequality 'by the superior justice which looks only to the substance of the right without regard to technical rules' (*Choctaw Nation* v. *U. S.*, 119 U. S. 1; *Jones* v. *Meehan*, 175 U. S. 1)."

In the case of *United States* v. *Payne* (264 U. S. 446; Apr. 7, 1924), in referring to the Indians, the Court said:

"They are an unlettered people unskilled in the use of language (*Jones* v. *Meehan*, 175 U. S. 1), with regard to whom the United States occupies the position and assumes the responsibilities of virtual guardianship bound by every moral and equitable consideration to discharge its trust and good faith and fairness (*Choctaw Nation* v. *U. S.*, 119 U. S. 1). Construing the treaty liberally in favor of the rights claimed under it, as we are bound to do (*Hanenstine* v. *Lynham*, 100 U. S. 483), we conclude that the character of the lands thereafter to be set apart for them severally was not restricted."

In *Nielsen* v. *Johnson* (279 U. S. 47 (Feb. 18, 1929)), the Court said:

"Treaties are to be liberally construed so as to effect the apparent intention of the parties, *Jordan* v. *Tashiro* (278 U. S. 123); *Geofrey* v. *Riggs* (133 U. S. 258); *Re Ross* (140 U. S. 453); *Tucker* v. *Alexanderoff* (183 U. S. 424), when a treaty provision fairly admits of two constructions, one restricting, the other enlarging rights which may be claimed under it the more liberal interpretation, is to be preferred. * * * When their meaning is uncertain recourse may be had to the negotiations and diplomatic correspondence of the contracting parties relating to the subject matter and to their own practical construction of it."

In the case of *Winters* v. *United States* (207 U. S. 564 (October 1907)), the Court said:

"By a rule of interpretation of agreements and treaties with the Indians, ambiguities occurring will be resolved from the standpoint of the Indians. And the rule should certainly be applied to determine between two inferences, one of which would support the purpose of the agreement and the other impair or defeat it. On account of their relations to the Government, it cannot be supposed that the Indians were alert to exclude by formal words every inference which might militate against or defeat the declared purpose of themselves and the Government, even if it could be supposed that they had the intelligence to foresee the 'double sense' which might sometime be urged against them."

In the case of *G. W. Choate et al.* v. *M. F. Trapp* (224 U. S. 665 (October 1911), decided May 13, 1912)), the Court said:

"It is conceded that no right which was actually conferred on the Indians can be arbitrarily abrogated by statute * * *."

"But in the Government's dealings with the Indians the rule is exactly the contrary. The construction, instead of being strict, is liberal; doubtful expressions, instead of being resolved in favor of the United States, are to be resolved in favor of a weak and defenseless people, who are wards of the Nation and dependent wholly upon its protection and good faith. This rule of construction has been recognized, without exception, for more than a hundred years and has been applied in tax cases.

"For example, in *Kansas Indians* (5 Wall. 737, 760), the question was whether a statute prohibiting levy and sale of Indian lands prevented a sale for State taxes. The rule of strict construction would have compelled a holding that the property was liable.

"But Justice Davis, in speaking for the Court, said that 'enlarged rules of construction are adopted in reference to Indian treaties.' He quoted from Chief Justice Marshall, who said that 'the language used in treaties with the Indians shall never be construed to their prejudice, if words be made use of susceptible of a more extended meaning. * * *' Again, in *Jones* v. *Meehan* (175 U. S. 1), it was held that 'Indian treaties must be construed, not according to the technical meaning of their words, but in the sense in which they would naturally be understood by the Indians.'"

In the case of *United States* v. *Lineas Winans et al.* (198 U. S. 374 (October 1904)), the Court emphasized this principle where it said:

"And we have said that we will construe a treaty with the Indians as 'that unlettered people' understood it, and 'as justice and reason demand, in all cases where power is exerted by the strong over those to whom they own care and protection,' and compose the inequality 'by the superior justice which looks only to the substance of the right without regard to its technical rules' (*Choctaw Nation* v. *United States*, 119 U. S. 1; 30 L. Ed. 309, 7 S. Ct. Rep. 75; *Jones* v. *Meehan*, 175 U. S. 1; 44 L. Ed. 49; 20 S. Ct. Rep. 1)."

In the case of *United States* v. *Choctaw Nation and Chickasaw Nation; Wichita and Affiliated Bands of Indians* v. *Choctaw Nation, Chickasaw Nation, and United States; Choctaw Nation and Chickasaw Nation* v. *United States and Wichita and Affiliated Bands of Indians* (179 U. S. 494; 45 L. Ed. 291), in reference to how treaties in general are to be construed, the Court said:

"If the words be clear and explicit, leaving no room to doubt what the parties intended, they must be interpreted according to their natural and ordinary significance. If the words are ambiguous, then resort may be had to such evidence, written or oral, as will disclose the circumstances attending the execution of the instrument and place the court in the situation in which the parties stood when they signed the writing to be interpreted.

"To what extent, if at all, have these rules been enlarged or modified when the instrument to be interpreted is a treaty between the United States and Indian tribes? In the *Kansas Indians* (5 Wall. 737, 760), *sub nom. Blue Jacket* v. *Johnson County Comrs.* (18 L. Ed. 667), *Wan-zop-e-ah* v. *Miami County Comrs.* (18 L. Ed. 674), it was said that enlarged rules of construction have been adopted in reference to Indian treaties, citing as the words of Chief Justice Marshall in *Worcester* v. *Georgia* (6 Pet. 515, 563, 582, 8 L. Ed. 483, 502, 508) (but which were in fact the words of Mr. Justice McLean in his concurring opinion in that case) the following: 'The language used in treaties with the Indians should never be construed to their prejudice. If words be made use of which are susceptible of a more extended meaning than their plain import, as connected with the tenor of the treaty, they should be considered as used only in the latter sense.'

"Mr. Justice McLean further said: 'How the words of the treaty were understood by this unlettered people, rather than their critical meaning, should form the rule of construction.' In *United States* v. *Kagama* (118 U. S. 375, 383, 384, 30 L. Ed. 228, 230, 6 S. Ct. Rep. 1109), the Indian tribes in this country are spoken of as wards of the Nation, communities dependent for their food and their political rights, as well as for protection, on the United States. And in *Choctaw Nation* v. *United States* (119 U. S. 1, 28, 30 L. Ed. 306, 315, 7 S. Ct. Rep. 75), it was said that the relation between the United States and the Indian tribes was that of superior and inferior, and that the rules to be applied in the case then before the Court were those that govern public treaties, which, even in case of controversies between nations equally independent, were not to be interpreted as rigidly as documents between private persons governed by a system of technical law, 'but in the light of the larger reason and the superior justice that constitute the spirit of the law of nations.' In *Jones* v. *Meehan* (175 U. S. 1, 11, 44 L. Ed. 49, 54, 20 S. Ct. Rep. 1), it was said that a treaty between the United States and an Indian tribe must be construed, not according to the technical meaning of its words to learned lawyers, but in the sense in which they would naturally be understood by the Indians.

"But in no case has it been adjudged that the courts could by mere interpretation or in deference to its view as to what was right under all the circumstances, incorporate into an Indian treaty something that was inconsistent with the clear import of its words. It has never been held that the obvious, palpable meaning of the words of an Indian treaty may be disregarded because, in the opinion of the court, that meaning may in a particular transaction work what it would regard as injustice to the Indians."

COURT OF CLAIMS CASES

Navarre et al. v. *United States* (33 C. Cls. 235, affirmed in 173 U. S. 77), the Court of Claims said:

"Contention arises over the use of the word 'other' in the treaty. Does it mean 'whites' only or other than their own tribe. * * * The latter view is strengthened by the rule enumerated by Vattel in treaty construction which declared: The words of a party should be construed in accordance with the general reasons and motives of the agreement; and again in *Ross* (140 U. S. 453), when the court said in referring to a treaty, 'all its provisions must be examined in the light of attendant and surrounding circumstances; and again under the well-established rule, that, as between the United States and the Indians, treaties are to be liberally construed in favor of the Indians'."

In the case of *Mille Lac Chippewas* v. *United States* (46 Ct. of Cls., 455) Mr. Chief Justice Booth, for the Court said:

"We are not dealing with acts regulating the administration of Indian property and Indian funds in the sense of their validity or invalidity. The question at issue rests upon the construction of treaties and the acts of Congress in the premises is not questioned. The jurisdiction conferred extends to an inquiry as to what, if any, damages the claimants suffered by reason of the alleged taking of their property acquired under treaties which failed of execution because of acts of Congress. It is a warrant of authority to adjudicate results, and not to determine the means employed to bring about the same.

"In *Cherokee Nation* v. *Hitchcock*, supra, the Court said:

"'There is no question involved in this case as to the taking of property; the authority which is proposed to exercise by virtue of the act of 1898 has relation merely to the control and development of tribal property which still remains subject to the administrative control of the Government. * * * *Lone Wolf* v. *Hitchcock* followed the *Cherokee case, supra*, and the court was therein dealing with administrative measures designed to control the Indian property, a mere change in the form of investment of Indian tribal property * * * (p. 476) courts are constrained to give effect to jurisdictional statutes where the intent of the legislature can reasonably be inferred from the language thereof to vest authority to judicially ascertain the merits of the controversy (*Supervisors* v. *Stanley*, 105 U. S. 305). Doubts are resolved in favor of jurisdiction unless some established law is violated (Endlech on Statutory Construction, sec. 430; *Butler & Vale* v. *U. S.*, 43 C. Cls. 497).'"

And at page 457, the court said:

"The intention and understanding of the Indian tribe of the rights secured to them by conventions of this character is of paramount importance."

In the case of *Chickasaw Nation* v. *United States* (22 C. Cls. 248) the court said:

"* * * the courts in all controversies between the Government and the Indian tribes have adopted a theory of interpretation favorable to the tribes; and while the rules of law applicable to such controversies are not so strict as those governing differences between guardian and ward, they go to the extent, as has been held, that doubts are to be resolved in favor of the Indians; that they are not to be prejudiced by mere technical construction; and that words of doubtful import are to be taken most strongly against the United States."

In the case of *Blackfeet et al. Nations* v. *United States* (81 C. Cls. 101 (1933)), the Court said:

"The courts of the United States, without a single exception, have approached the adjudication of Indian rights arising under Indian treaties with the fundamental principle of law in view, that the Indian tribe, unlettered and subordinated to a superior power, was entitled to have all doubts resolved in its favor, and that the parties to the treaty were not in all respects upon an equal footing. What the representatives of the Indian tribe understood with regard to their rights was a vital factor in determining the scope and effect of treaties. The Indians looked, as long ago said, 'to our Government for protection'; they had faith in the observation of treaties, and above all else they wanted the approval of the President 'whom they addressed as their father,' and the Congress to what was done. No court has ever held that the Indian tribes, parties to treaties with the United States, were in all respects sui juris, or to be treated as such."

SUPREME COURT CASES

In the case of *Shoshone Tribe of Indians of the Wind River Reservation in Wyoming* v. *United States* (299 U. S. 476, 57 S. Ct. Rep. 244), the Court said:

"The adoption by the United States of the wrongful act of any officer is, of course, an adoption of the act when and as commit-

ted, and causes such act of the officer to be, in virtue of the statute, a rightful appropriation by the Government for which compensation is provided." *Crozier* v. *Fried Krupp Aktiengesellschaft* (224 U. S. 290, 305, 32 S. Ct. 488, 491, 56 L. Ed. 771).

"Confusion is likely to result from speaking of the wrong to the Shoshones as a destruction of their title. Title in the strict sense was always in the United States, though the Shoshones had the treaty right of occupancy with all its beneficial incidents. *United States* v. *Creek Nation,* supra (295 U. S. 103, at p. 109, 55 S. Ct. 681, 683, 684, 79 L. Ed. 1331). What those incidents are, it is needless to consider now. Cf. *United States* v. *Cook* (19 Wall. 591, 22 L. Ed. 210); *Pine River Logging & Imp. Co.* v. *United States* (186 U. S. 279, 22 S. Ct. 920, 46 L. Ed. 1164); *United States* v. *Paine Lumber Co.* (206 U. S. 467, 27 S. Ct. 697, 51 L. Ed. 1139). The right of occupancy is the primary one to which the incidents attach, and division of the right with strangers is an appropriation of the land *pro tanto,* in substance, if not in form.

"Third. The claimant's damages include such additional amount beyond the value of its property rights when taken by the Government as may be necessary to award of just compensation, the increment to be measured either by interest on the value or by such other standard as may be suitable in the light of all the circumstances.

"The fact is unimportant that the taking was tortious in its origin, if it was made lawful by relation. *Crozier* v. *Fried Krupp, etc.,* supra. The fact also is unimportant that it was a partial taking only, and that eviction was not complete. *Jacobs* v. *United States* (290 U. S. 13, 16, 54 S. Ct. 26, 27, 28, 78 L. Ed. 142, 96 A. L. R. 1); *United States* v. *Cress* (243 U. S. 316, 327–330, 37 S. Ct. 380, 61 L. Ed. 746); *Hurley* v. *Kincaid* (285 U. S. 95, 104, 52 S. Ct. 267, 269, 76 L. Ed. 637). Finally, the fact is unimportant, there having been an appropriation of property within the meaning of the fifth amendment, that the jurisdictional act is silent as to an award of interest or any substitute therefor. *United States* v. *Creek Nation,* supra (295 U. S. 103, at pp. 110, 111, 55 S. Ct. 681, 684, 79 L. Ed. 1331); cf. *Yankton Sioux Tribe* v. *United States* (272 U. S. 351 359, 47 S. Ct. 142, 144, 71 L. Ed. 294). Given such a taking, the right to interest or a fair equivalent, attaches itself automatically to the right to an award for damages. *Jacobs* v. *United States,* supra; *Phelps* v. *United States* (274 U. S. 341, 47 S. Ct. 611, 71 L. Ed. 1083); *Brooks-Scanlon Co.* v. *United States* (265 U. S. 106, 123, 44 S. Ct. 471, 474, 68 L. Ed. 934); *Seaboard Air Line Co.* v. *United States* (261 U. S. 299, 306, 43 S. Ct. 354, 356, 67 L. Ed. 664).

* * * * * * *

"Power to control and manage the property and affairs of Indians in good faith for their betterment and welfare may be exerted in many ways and at times even in derogation of the provisions of a treaty. *Lone Wolf* v. *Hitchcock* (187 U. S. 553, 564, 565, 566, 23 S. Ct. 216, 47 L. Ed. 299). The power does not extend so far as to enable the Government 'to give the tribal lands to others, or to appropriate them to its own purposes, without rendering, or assuming an obligation to render, just compensation; * * * for that "would not be an exercise of guardianship, but an act of confiscation,"' *United States* v. *Creek Nation, supra* (295 U. S. 103, at p. 110, 55 S. Ct. 681, 684, 79 L. Ed. 1331), citing *Lane* v. *Pueblo of Santa Rosa* (249 U. S. 110, 113, 39 S. Ct. 185, 63 L. Ed. 504); *Cherokee Nation* v. *Hitchcock* (187 U. S. 294, 307, 308, 23 S. Ct. 115, 47 L. Ed. 183). The right of the Indians to the occupancy of the lands pledged to them may be one of occupancy only, but it is 'as sacred as that of the United States to the fee.' *United States* v. *Cook, supra* (19 Wall. 591, at p. 593, 22 L. Ed. 210); *Lone Wolf* v. *Hitchcock, supra; Choate* v. *Trapp* (224 U. S. 665, 671, 32 S. Ct. 565, 56 L. Ed. 941); *Yankton Sioux Tribe* v. *United States, supra.* Spoliation is not management."

What the New Deal Has Done to the Poultry Raisers of America

EXTENSION OF REMARKS

OF

HON. KARL E. MUNDT

OF SOUTH DAKOTA

IN THE HOUSE OF REPRESENTATIVES

Saturday, August 5, 1939

Mr. MUNDT. Mr. Speaker, in addition to its general disruption of the farming industry of America through paying domestic farmers to curtail production while reducing tariff barriers through the reciprocal-trade pacts, and thus encouraging foreign farmers to ship more foodstuffs into America, the New Deal has dealt a serious body blow to the poultry raisers of this country. If New Deal candidates in 1940 have the temerity to ask the question, "Are you better off than you were?" the thundering "No" which will come back from America's poultry industry will be a "shout heard 'round the world."

The following figures are reported by the United States Department of Agriculture and enable anybody from the Nation's biggest poultry raiser to the farmer's wife who looks to the receipts from the sale of eggs for her "pin money" to figure how the farm policies of the New Deal have decreased cash income from eggs. Similar figures could be compiled to demonstrate what an expensive luxury the New Deal has been to those raising chickens, turkeys, and other poultry for market.

Price of eggs, cents per dozen

1921	28.3
1922	25.0
1923	26.5
1924	26.7
1925	34.0
1926	28.9
1927	25.1
1928	28.1
1929	29.8
1930	23.7
1931	17.6
1932	14.2
Average price for last 12 Republican years	25.6
1933	13.8
1934	17.1
1935	23.4
1936	21.8
1937	21.3
1938	20.3
First 6 months of 1939	16.2
Average price for first 6½ New Deal years	19.1

Eggs averaged 6½ cents more per dozen during the 12 Republican years preceding the New Deal than in the first 6½ years of the present administration and 10.1 cents more per dozen than today's price of 15.5 cents. It should be remembered that the 15.5 cents per dozen figure is the Chicago price paid for selected eggs and many farmers are now receiving several cents per dozen less than even this pitifully low price of 15.5 cents. For example, the man on my own farm in Lake County, S. Dak., has recently been getting only 11 and 12 cents per dozen for the eggs he takes to market. It is a simple matter for each of you to revise the conclusions of this talk by inserting the price paid for eggs in your own community instead of the 15.5 cents Chicago price, which I have cited in order to give the New Deal every possible advantage in drawing these conclusions.

NEW DEAL COSTS SOUTH DAKOTA $16,932,500 IN EGGS ALONE

South Dakota produced 260,500,000 dozens of eggs in the 6½ years which the New Deal has been in power. If South Dakota farmers had received the additional 6½ cents per dozen that eggs averaged during the preceding 12 Republican years, the egg producers of my State would have had $16,932,500 more than they did with the New Deal egg prices. Eggs averaged approximately 31 percent more during the Republican years than they have during the 6½ years of the New Deal. The abundant life has proved to be an abysmal fraud for the American farmer, and foreign producers are today the only group who can sing "Happy Days Are Here Again" without choking on the words.

Egg producers of the United States received $1,059,445,000 less during the past 6½ New Deal years than they would have received if they had been paid the prices they obtained during the Republican era.

The price of eggs was 27 cents per dozen the day the new dealers were voted into office—they are 15.5 per dozen today, and lucky is the farmer who is receiving even that.

MR. FARMER—DO YOUR OWN ARITHMETIC

Mr. Farmer, how many dozen eggs were produced on your farm during the past 6½ years? How much money would you have in your pocket if you had the additional 6½ cents per dozen for the eggs produced during this time? Has the New Deal been worth the difference?

Before answering the last question above, you owe it to yourself and your children to also consider the present prices you are receiving for lard (lowest, incidentally, in 72 years), the prices you are offered for your present grain and corn crop, and the way the rest of the prices you are offered for what you raise compare with the price you are asked when

you go to town to exchange this produce for the product of the shop or factory.

THE IMPORTS TELL THE STORY

American farmers pay American taxes. They maintain an American living standard. They are entitled to an American price level. Sooner or later our American farmers are going to insist on their right to the American market, and the politicians who attempt to fool them year after year by trying to kid them into thinking that the huge increase in foreign imports of foodstuffs has had nothing to do with the ruinous price levels of today are going to find deaf ears turned toward their rantings, because any farmer can figure out on the back of an envelope with a pencil just what the New Deal has meant to him.

FROM A "MESS OF PORRIDGE" TO A "MIRAGE OF PARITY"

Taken all in all, the New Deal has reduced the farm income of this country by approximately $2,000,000,000 per year, when the average prices of the nearly 7 years since the beginning of 1933 are compared with the preceding 7 years of Republican administration; when the full 12 years of Republicanism are considered, the case against the New Deal is ever blacker. When it is considered that this $2,000,000,000 annual farm loss results even after adding in all farm parity payments, subsidies, and bounties, it is apparent that the ancient fellow who would sell his soul for a "mess of porridge" drove a shrewd bargain compared to a modern farmer who would sell his substance to the New Deal for a "mirage of parity."

Every serious-thinking citizen realizes that some day the Federal "well" is going to dry up and the program of making annual cash payments from the Government Treasury to the farmers of America will be stopped. To get an honest and complete realization of just how completely the New Deal farm program has failed to provide respectable prices for the products of American farms, each farmer owes it to himself to take time off some day to figure out just how much income he has actually been getting from the products he has sold from his farm the past few years. Such a calculation will give our farmers a "preview" of where we will be when the Government cash payments cease—and it should not be overlooked that these appropriations are not passing by alarmingly scant margins as our national debt approaches its $45,000,000,000 legal limit; it is now over $41,000,000,000. Eventually, this Nation must stop paying farmers for "not raising foodstuffs" and set up a farm program which will pay them a fair and honest price for a full and complete crop.

WOULD YOU CALL THIS FARM PROSPERITY?

Personally, I have voted for every Government parity payment and cash subsidy for farmers which has been before me in Congress, so have practically all the other representatives of farming districts. We do this because we realize that the New Deal's unpardonable program of importing competing farm products would pauperize our entire farming population were it not for these cash benefit payments. But representatives from city districts and from dairy States and other producing areas not receiving these Government checks are gradually realizing what this program costs their taxpayers and are coming within 6, 10, or 15 votes of defeating every such farm appropriation.

What will happen when the checks stop? Where will our farmers then find themselves? During this session of Congress the Government people in their desperate effort to win support for additional appropriations for benefit checks have freely admitted, "Farm prices will be worse than in 1932 if we do not get the full amounts requested." Well, they got the money they asked for and even more in some cases. But where does this leave the farm program when even its administrators admit it is the Government checks and not the farm prices which keep farmers going. And, even so, with all these Government checks who would say we now have farm prosperity?

The present program of cash-benefit checks serves a purpose as an emergency policy to keep our farmers from all being forced off their farms; it has value as a temporary expedient to meet a crisis. It can be justified as a form of "compensation" to the farmers on the part of a Government which by Executive action has given their market away to the peon laborers and coolie farmers of foreign countries. As such I have supported it and voted for its appropriations but all the time I have been working with other Congressmen from farm States trying to compel the Government to quit its ruinous policies of farm imports and to provide cost of production to the American farmers. Thus far, the administration forces have out-voted us and the New Deal has driven back every attempt we have made. But we are making headway. More and more Congressmen from the New Deal corner are discarding partisanship loyalities and joining those of us putting the interests of the farmers ahead of those of the vote-seeking politicians.

IT CANNOT LAST

Nobody seriously believes the present farm program of small Government checks instead of large grain checks either can or should be continued permanently. My mail is filled with letters from farmers saying, "It cannot last; it will not work much longer." The farming industry cannot thrive and prosper as it should on a permanent program of emergencies and crises. It needs a stable policy based on sound economics and which will enable farmers not only to stay on the farm, but which will enable them once again to make legitimate profits and earn enough from their efforts to retire in old age and move to town as had been the American tradition for many generations back. The American farmer must again have a chance to succeed and become independent. Even the most optimistic—and well paid—defenders of the present farm program do not support it as having value as a permanent American farm policy. It is time, now, to pay more attention to the economics of agriculture and less to the emergencies of the administration.

It is indeed time that we give the American market back to the American farmer, and that we replace theories which have failed with a national farm program, giving our farmers a fair price for a full crop. Unless this is done soon, America cannot survive since any lasting prosperity must come first through providing a respectable income for the producers of new wealth upon which all other national wealth is founded.

An Appeal for Our Federal Employees

EXTENSION OF REMARKS

OF

HON. WILLIAM I. SIROVICH

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Friday, June 9, 1939

ADDRESS BY HON. WILLIAM I. SIROVICH, OF NEW YORK, APRIL 14, 1932

Mr. SIROVICH. Mr. Speaker, under leave to extend my remarks in the RECORD, I include a speech made by me on April 14, 1932:

Mr. CANNON. Mr. Chairman, I yield 15 minutes to the gentleman from New York [Mr. SIROVICH].

Mr. SIROVICH. Mr. Chairman, ladies and gentlemen of the committee, from time immemorial political parties have existed. They have been the medium through which the people have expressed their hopes, their ideals, and their aspirations. In the day of the Saviour there were five political groups—the Sadducees, who represented the reactionary group of their time, and who owned and controlled all the material wealth of their day; the Pharisees, who represented the common people of their time, the Democrats of their day; the Zealots, who symbolized national consciousness, the predecessors of Patrick Henry, and who were the first to enunciate the patriotic sentiment, "give us liberty or give us death." They refused to genuflect to any alien or foreign nation, and have always fought for the freedom of their people. They were ready to die to bring liberty into the home, hearth, and fireside of their people; the Scribes, who recorded the valorous deeds of their people and preserved the traditions of their forebears; and, last, the Elders, those illustrious patriarchs, who had

grown gray in the service of God, and who were elected as judges and placed upon the tribunal known as the Sanhedrin.

Centuries passed by and we find in Greece two political groups, the hoi aristoi, or aristocratic element, and the hoi polloi, represented by the common people. When Rome was mistress of the world and her battalions and legions conquered the then known civilized world, political groups were represented by two parties, the patricians and the plebeians. The patricians belonged to the hereditary aristocracy and the plebians belonged to the common people of ancient Rome.

For almost 1,500 years when knighthood was in flower, dukes, lords, and barons represented the landed aristocracy. The common people were feudalistic slaves who had economic security but who were denied liberty or freedom of expression.

In the period the King George III we had the Tories, who represented the philosophy of absolute monarchy, and the Whigs, who represented the liberal party in England in the eighteenth and nineteenth centuries.

Since the creation of our Government our people, in my humble opinion, have been divided into two groups, those who represent the reactionary conservative views, and those who represent liberal principles and ideals. To me a reactionary conservative is one who adheres to the existing order of things and is opposed to any economic change. A liberal, on the other hand, stands not only for stability and order but for progress and reform. I am proud to proclaim myself as a liberal, progressive Democrat, free from narrowness, bigotry, intolerance, or bondage to authority, battling, for economic principles that will bring the greatest good to the greatest number, and justice to rich and poor alike. [Applause.] As a liberal progressive I am frank enough to admit that you can find reactionary conservatives on both sides of the aisle, as well as progressive liberals in the Republican and Democratic ranks alike.

Mr. Chairman, the tragedy of our terrible economic depression at the present time is that the strong are getting the assistance of our present administration, whereas it is the weak, the helpless, the hopeless, who need it most.

The barometer of the civilization of any nation throughout the ages has been the treatment that has been accorded to those who work and toil in the quarries of life. For 140 years the American workingman has struggled, toiled, and drugged to develop an American standard of living. We are all proud of that standard, and we love to see it advanced. In my opinion, labor is the producer of capital and should be entitled to a fairer share in the distribution of the wealth that it creates. [Applause.]

For almost five decades the Republican Party has boldly proclaimed its right to the suffrage of every American citizen. Its economic principles had brought about affluence and prosperity. The full dinner pail appealed to the gustatory joy of the American toiler. In the last campaign the Republican nominee for President promised two chickens in every pot, two automobiles in every garage, and the abolition of poverty. The millennium was at hand.

Now, everywhere throughout the length and breadth of our country 8,000,000 people are out of employment, pleading, begging, and crying for work. Twenty million American citizens are the victims of hunger, penury, misery, and want. Charity is knocking upon the door of self-respecting American citizens.

For 12 years the Republican Party, the reactionary conservative group, has been in control of the destinies of our Republic. They have almost ruined our country socially, economically, and financially. They are floundering in the mire of financial and economic uncertainty. They have no plan, program, or treatment that can restore our economic stability.

It remains, therefore, for the liberal and progressive patriotic element of the Congress of the United States, which is found on both sides of the aisle, to unite to bring our beloved Republic back to the happines, success, and prosperity that every thoughtful and self-respecting American is praying for it to achieve. [Applause.]

Mr. Chairman, the Democratic Party has taken possession of the House of Representatives. If it continues to remain Democratic, true to its ideals and to its traditions, liberal and progressive in its view of economic ideals, loyal to the great masses of people who are looking for new leadership to bring our ship of state, that is being buffeted by economic typhoons and political storms, into the harbor of peace and prosperity, as sure as night follows day the next President and the next House and Senate must be Democratic. [Applause.]

Mr. Chairman, ladies and gentlemen of the committee, there are three kinds of wages that workingmen receive in exchange for their labor. First, saving wages; second, living wages; and third, starvation wages. The democracy of the State of New York, from which I have the honor to come, under the supervision of the Democratic leaders who represent our great Empire State, have been instrumental in placing upon our statute books no starvation wages, yea, no living wages, but the only kind of wages that should exist in our Federal Government and our State governments, and that is saving wages that will make it possible for every man and woman who works for our country to save money from their earnings to help to maintain them when age, sickness, and disease fall upon them. [Applause.]

The Government of the United States has been derelict in its obligation to its Federal employees. It has never paid them saving wages. God knows it has not even been living wages. Post-office clerks, customhouse workers, clerical workers in the different departments of our Government; yea, 87 percent of those who work in the Federal departments receive less than $2,000 a year. The survey of Federal employees and their salaries recently made by the Bureau of the Budget tragically shows the insufficient pay that has been given to those who work for Uncle Sam. The most startling revelation made in their report shows that 221,000 civilian Government workers are paid less than $1,000 a year. Can anyone live in luxury on such a salary? Are these the princely salaries which some Members of Congress would want to cut? More than 80 percent of the civilian workers are found to be receiving less than $2,000 a year. Do the Members of Congress want to balance the Budget by slashing away at these meager and pitiable salaries that these poor people receive from our Government?

More than half of the total amount paid by the Government for civilian salaries goes to men and women who individually are paid less than $1,000 a year. Is there any Member of Congress who would state that this is an adequate amount with which to support an American family in conformity with American standards? There are about 4,000 civilians outside of Members of Congress and the judiciary who are paid more than $5,000 a year. Members of Congress receive $10,000 a year. From the work, toil, and labor that I see each man perform, there is no doubt in my mind that he earns it justly and fairly. Every Member of Congress has to maintain his home in the State from which he comes, live in Washington, contribute to every charitable institution within his district, and help every impoverished family that knocks upon his door seeking assistance. The wonder to me is how any Member of Congress can maintain himself adequately and justly upon this salary.

The absurdity of making the proposed cut apply to the military and naval forces can only be manifested when we realize that the survey shows 290,913 people in this service in which 220,673 receive less than $1,000 a year. Is the United States Government impoverished in the pay that it gives to those who have given the best years of their life to serve our country loyally and faithfully? I say our country has never done enough for its employees. The Federal Government should not join those misguided private employers who are using the present economic condition as a weapon to batter down the American standard of living, which has taken so many years for our Republic to bring into realization. [Applause.]

In 1928 I was a member of the Civil Service Committee of the House of Representatives. At the present time I am ranking member of that committee. We passed the Welch bill to increase the salaries of all working people employed by our Government, particularly those in the lower brackets. Federal employees came to our hearings from all over the country. They pleaded, implored, and besought us to give them an increase in salary during the great height of American Republican prosperity. Mr. Coolidge was President. The bill was voted out unanimously by our committee. Everywhere throughout the length and breadth of our country industrial and white-collar workers had their salaries increased very greatly. Our poor Federal employees had received no increase whatsoever. The Welch bill was reported out with increases in the salaries of our American Federal employees to the extent of $90,000,000. President Coolidge sent for Mr. Lehlbach, the chairman of the Civil Service Committee of the House of Representatives. He advised him that he would veto that bill unless the $90,000,000 of increased salaries was reduced to $18,000,000. The wish of President Coolidge was complied with by all members of our committee. That meant that the working people employed by our Government only received increases of $60, $120, and $180 per year. That was in the height of our great period of economic prosperity. Even in those days these Federal employees appearing before our committee cried that their children had very little clothing, one pair of shoes, food not of the best quality; that when their children were sick they had to go to a dispensary or be admitted as a charity case in the hospitals of our country.

Now, ladies and gentlemen, if that was the state of affairs of our Federal employees in 1928, when our country was enjoying the most prosperous period of its economic history, what would be their sad plight today if you reduce their salaries, which are now insufficient to support their wives and children and those who are dependent upon them? [Applause.]

I say to you, ladies and gentlemen of the House of Representatives, you liberals and progressive like myself, that we as Democrats do not believe in the principle of "soaking the rich." But while we do not believe in this monstrous doctrine of "soaking the rich," neither do we believe in the un-American sentiment of letting the poor starve, who are helpless and hopeless in finding work in this great Republic of ours in the so-called twentieth century of civilization.

Mr. Chairman, the Government of the United States employs about 525,000 people who are working under civil-service regulations. Of this number, 221,000 earn less than $1,000 a year, 204,000 earn between $1,000 and $2,000, 75,000 earn between $2,000 and $3,000, while 25,000 who occupy high executive and administrative positions, earn between $3,000 and $10,000 a year.

Under the present civil service retirement law, the higher-paid employees are being retired at from 18 to 25 percent of their salary, while those receiving $2,400 per annum or less are being retired on from 50 to 75 percent of their salary. An illustration of present injustice under present law is afforded by the following:

Two men in the Department of Agriculture retired for age after more than 30 years' service. One contributed $1,202.56 to the retirement fund, including interest, and received an annuity of $1,200.

The other contributed $4,440.62 to the retirement fund, including interest, and received an annuity of $1,359.31. Thus the first man paid $100.21 per $1,000 of annuity and the second was required to pay $326.68 for each $1,000 of annuity, or three and one-fourth times as much as the first.

So far as we have been able to determine, the Civil Service Retirement Act is the only one which discriminates against the higher-bracket employees. In all other systems the retirement annuity is based upon the salary earned regardless of amount, and as a result the annuity is more nearly proportionate to the value of the service that has been rendered the Government during the active career of the annuitant.

All employees receiving $2,400 per year or less at present retire at from 50 to 75 percent of their salary.

The Civil Service Commission records show that the retired rolls are a fraction less than 12 percent of those on active duty.

Mr. Chairman, from a social, from an economic, and from a political standpoint the proposed reduction of salaries of Federal employees would be instrumental in aggravating the frozen confidence of our American people by continuing longer the economic depression in which we are now floundering.

It would reduce the standard of living in every American home, which has taken us decades and decades to perfect and develop until it has been known the world over as the American standard of living.

From an economic standpoint it would diminish the purchasing power of more than a million Federal employees. It would lengthen the depression and compel the American workingman to economize now more than ever, because of the reduction of his salary. It would be instrumental in changing the living and saving wages that he formerly received into starvation wages.

From a political standpoint, we granted Europe a moratorium. We voted $2,000,000,000 for the Finance Reconstruction Corporation. We thought this tremendous monetary contribution, designed to help railroads, large banking institutions, life-insurance companies, Federal farm banks, and other similar organizations, would be instrumental in trickling down from above to help those who are below and are in destitute circumstances, impoverished, and unemployed, who would be the beneficiaries of this special legislation. This privileged legislation was a financial blood transfusion for Europe and for those great institutions. However, it looks to me as if this financial blood is being attempted to be taken from the anemic, impoverished, self-respecting American Federal employee—1,000,000 of them—to help those who have been responsible for bringing our country into this great economic depression in which we find ourselves at the present time.

Mr. Chairman, the liberalization of all Federal retirement laws through the enactment of a bill granting optional retirement after 30 years of service would save the Government $20,000,000 annually.

On the basis of 550,000 employees subject to the provisions of this act, the total number retired immediately would be about 15,000.

If no vacancies were filled or promotions made within the grades, as is now being considered, the annual saving to the Government would be at least $30,000,000.

If one-half of the vacancies were filled and appointments made at the entrance salary of $1,440, this saving would be about $20,000,000, and new jobs would have been provided for 7,500 of the unemployed.

Many of these faithful and loyal workers of the Federal Government who have worked more than 30 years have passed the peak of their efficiency. They impede the progress of the younger workers of lower salary grades who are not given an opportunity to perform important work. Many of these younger workers are competent and well qualified to perform work of a higher grade, but are held back, due to the stagnation incident to the present retirement law. This amendment provides for a substantial reduction without hardships to any and with benefits to many. The amendment that I have offered has met the approval of Mr. McDuffie, chairman of the Economy Committe, and the approval of Mr. Ramseyer and Mr. Williamson, Republican members of the Economy Committee. In my opinion, it will save at least $20,000,000 without bleeding any workingman.

It will give an opportunity to almost 10,000 to 15,000 men and women who have worked for a period of 30 years, indefatigably, loyally, and perseveringly, and who have given the best years of their lives, but who are disabled to the extent of 20 percent of their physical and mental ability, to retire on the approval of the Veterans' Administration. When you take into consideration the fact that the average earnings of 10,000 men amount to $2,600 a year, it will be seen that $2,600 multiplied by 10,000 amounts to $26,000,000, while 10,000 retired at a pension of $1,200 a year amounts to $12,000,000, a saving alone of $14,000,000 or $15,000,000. This would please the Federal employee and deprive no one of their labor. It would do justice to the Federal employee who has labored in the quarry of patriotic service to our Republic.

My philosophy of life is to aim high, as high as I possibly can, and it is not to cut down the standard of American Federal wages, which has taken years of effort to acquire. Labor has been working for hundreds of years to reach the standard that it has. Do you remember when the industrial revolution was created way back in the time of Adam Smith, Jeremy Bentham, David Ricardo, John Stuart Mill, and Thomas Malthus? Workingmen were laboring 100 hours a week. Women and children were working 60 and 70 hours a week. Men were put in prison for trying to promote the welfare of their fellow workingmen and their labor organizations. I want to protect the rights of those who have acquired property through legal process; I want to conserve the rights of those who have no one to speak for them. This is the duty of every man in Congress. I do not believe in the ipse dixit of President Hoover or anybody else. President Hoover has not shown the great leadership that compels us as Democrats to follow him. We ought to follow the old ideals of Jeffersonian democracy, which have always been our refuge in every hour of need. That is why I am going to plead with you liberals, you Republicans, you progressive Democrats, you who sympathize with those who toil and struggle to keep a standard of living that will make the world better for our having lived in it.

Let us not follow this blind leadership, whether it is on the Republican side or on the Democratic side. Let us follow the instinct of justice and righteousness, so that when you and I retire from Congress and are lying unconscious on our beds, and hear the music of the angels calling and beckoning to us from above, we will hear the voices of those whom we have helped in their hour of need crying and praying for us. Ladies and gentlemen of the House all of the Federal employees are appealing to you as Republicans and to my party as Democrats, in their great hour of need, not to reduce their salaries. I for one, as a Democrat, am going to listen to their appeal. What will you Republicans do to help them? [Applause.]

Rehabilitation Program for Northern Minnesota

EXTENSION OF REMARKS

OF

HON. WILLIAM A. PITTENGER

OF MINNESOTA

IN THE HOUSE OF REPRESENTATIVES

Saturday, August 5, 1939

Mr. PITTENGER. Mr. Speaker, under date of July 31 President Roosevelt transmitted to Congress a report of the Northern Lakes States Regional Committee to the National Resources Committee. This report was submitted to the President, who, in a transmittal message to Congress, calls attention to the fact that three States—Minnesota, Wisconsin, and Michigan—have an unemployment problem which has been brought about with changing industrial and economic conditions. The area affected is the so-called cutover lands in these States where lumbering in the days gone by furnished work and income for thousands of people. Now there are more people than jobs, and President Roosevelt stated in his report that the problem is one of trying to take such steps as will make the people of the territory self-supporting rather than one of having the population moved elsewhere. I do not here go into detail with these constructive suggestions found in the National Resources Committee studies, but I do want to direct the attention of Congress to the need of legislation to carry out the suggestions for rehabilitating this territory. I submit herewith a communication just received from the Eveleth Chamber of Commerce calling attention to a resolution adopted by a civic association whose membership is composed of all communities on the Iron Range.

This communication is as follows:

EVELETH CHAMBER OF COMMERCE,
OFFICE OF RAYMOND BENNY, SECRETARY,
Eveleth, Minn., August 2, 1939.

Hon. Congressman WILLIAM PITTENGER,
House of Representatives, Washington, D. C.

DEAR SIR: All residents of this area have read with a great deal of satisfaction, recent newspaper reports that the President has submitted the recommendation of the National Resources Committee to Congress relative to the proposed study and rehabilitation of the cutover timber areas, in the northern parts of Minnesota, Wisconsin, and Michigan.

This is a matter that has engaged the earnest interest and attention of many citizens of this district for several years, and it is gratifying to know that this matter has reached the point where something definite can be done, to remedy a situation that is fast becoming a social problem.

At a meeting held in Virginia, Minn., on Tuesday, August 1, the Range Civic Association, which embraces every community in this part of St. Louis and Itasca Counties, a resolution was adopted, a copy of which is enclosed, urging the active support of Senator HENRIK SHIPSTEAD, Senator ERNEST LUNDEEN, and Congressman WILLIAM PITTENGER, in the interests of putting such a plan as outlined by the National Resources Committee into immediate operation.

We are also enclosing a copy of a resolution adopted at a meeting held in Eveleth, Minn., on July 9, 1935, which may be of interest

to you, and which proves that this problem is one that all thinking citizens of this district are vitally concerned with finding a solution to alleviate this condition.

We trust that this approval will have your active support and can assure you of the gratitude of this entire organization.

Respectfully yours,

GROVE WILLS,
HOWARD SIEGEL,
G. P. FINNEGAN,
Resolution Committee.

RESOLUTION ADOPTED BY THE RANGE CIVIC ASSOCIATION, HELD AT THE RECREATIONAL BUILDING, VIRGINIA, MINN., AUGUST 1, 1939

President Roosevelt having submitted the recommendations of the National Resources Committee to the Congress of the United States relative to the proposed study and rehabilitation of the cut-over timber areas of Minnesota, Wisconsin, and Michigan, the Range Civic Association, in regular meeting assembled, adopted the following resolution:

"Whereas the present unemployment and economic condition of the northern section of Minnesota is at present one of the most depressed in the Nation; and

"Whereas the many problems involved are of such scope that we feel the leadership in studying this problem should be undertaken by the Federal Government; and

"Whereas the many governmental agencies have in the past evidenced a willingness to cooperate in finding a solution of this problem; and

"Whereas we feel that these vast iron ore deposits are in reality a national asset, and as such the Federal Government should be concerned in the future of this district; and

"Whereas we are at present faced with antagonistic legislation now under consideration in the Minnesota Legislature, such legislation known as the Carley Webber bill, the Dietz bill, the occupational tax bill, all such measures which will make the problem of this district far more difficult to solve: Now, therefore, it is hereby

"*Resolved*, To urge the active support for the above program by our two United States Senators and Congressman from this district, to the end that this program may be immediately started."

Respectfully submitted.

RANGE CIVIC ASSOCIATION.

Quezon and Elizalde

EXTENSION OF REMARKS

OF

HON. JOHN G. ALEXANDER

OF MINNESOTA

IN THE HOUSE OF REPRESENTATIVES

Saturday, August 5, 1939

ARTICLE BY PORFIRIO U. SEVILLA

Mr. ALEXANDER. Mr. Speaker, at this time, when world politics and international relations are in such a chaotic state, when we are asking whether to give independence to the Philippine Islands, it is incumbent upon us to keep our eyes open and see just what is going on in our island possessions.

It is our duty, if we are to do justice to ourselves as well as the Filipinos, to ascertain why such things as I have previously reported and recent events are allowed to happen. According to recent dispatches, the Japanese have started regular radio broadcasts from their own stations throughout the islands. This is about the last straw and something should be done by loyal Filipinos about the situation.

Preeminent among those fighting for the social, political, and economic welfare of his people, as an integral part of the United States, is Porfirio U. Sevilla, publisher of the Philippine American Advocate. Untiring in his efforts, Mr. Sevilla has left no stone unturned to insure the Philippines of leadership of unquestioned merit. Through his efforts, legal action now pending in the United States Court of Appeals, has been brought against the gentleman from the Philippines, Mr. J. M. ELIZALDE, contesting the validity of his appointment on the grounds of his being a foreigner, and through the medium of his publication Mr. Sevilla will continue to work that his people might be equitably ruled either by Americans or by real Filipinos.

In the following article, Mr. Sevilla has presented his findings in the case of the gentleman from the Philippines, Mr. ELIZALDE, a Spaniard who, until the day before his appointment as Resident Commissioner, had no interest whatsoever in the Filipinos and who, Mr. Sevilla says, in his present office, is more concerned with the transcendence of his own personal and political ambitions than he is with the welfare of the people he is supposed to represent in the Congress of the United States. Much credit is due Mr. Sevilla for his relentless persistence in pointing out the sore spots of Philippine politics and for the courageous manner in which he has presented his material.

Mr. Sevilla says in the following article that the gentleman from the Philippines, Mr. ELIZALDE, is not only a non-Filipino, but is a failure in his office here in Washington:

The first session of the Seventy-sixth Congress is adjourned until next year, and the people of the Philippine Islands with their eyes and ears keenly attuned to far horizons, search in vain for the spectacular accomplishments of Quezon's representative in Congress, the spokesman of the Filipino people, Spaniard JOAQUIN "MIKE" ELIZALDE. An unbiased, but nonetheless penetrating investigation into the net results of ELIZALDE's tenure of office reveals sadly—nothing. But, "nothing" is too innocent a word. A man of high ideals, full of honest purpose, may accomplish nothing in an adding-machine tabulation of great and thrilling deeds, but when swaying to the manipulations of an arch-politician, a puppet with a kindly face and malicious intent accomplishes the total of an absolute zero then this man has served a "debit" term of office, the burden of which will be borne by true Filipinos, who do not deserve this injustice.

A cleverly controlled Philippine press pictures ELIZALDE as the most successful Resident Commissioner ever appointed to Congress by Quezon. This is no less than Senor Quezon would permit them to print. Carefully circulated reports and public gossip in the Philippines further deceives the gullible, ELIZALDE's wealth and social prominence cause his supporters to claim that Congressmen and Senators flock to his yacht each week end in sufficient quantities to overflow the ship. This is propaganda of wide variance from reportorial fact.

On the scene in Washington it is at once apparent that ELIZALDE is by far the most damaging Resident Commissioner ever appointed to Congress in the 40 years of American administration in the Philippines. ELIZALDE does not so much represent the Filipino cause as he does himself and his mentor, Quezon.

For reasons that we make clear in an editorial printed herewith, we vigorously oppose the appointment of Spaniard ELIZALDE, as we have done from the very beginning. Our warning to the Congress of the United States and other high public officials resounds once again, making the issue as clear as they must admit to themselves.

The passage of House Resolution 7096, amending the Independence Act for the manifest purpose to politically and economically adjust the Tydings-McDuffie Act, was due to the painstaking efforts of Hon. Sergio Osmeña, Vice President of the Philippine Commonwealth and other true Philippine leaders, as well as American statesmen in Washington interested in Philippine-American affairs.

[From the Philippine-American Advocate]

THE ULTIMATE LIMIT OF STUPIDITY

The appointment of Señor JOAQUIN "MIKE" ELIZALDE, a 100-percent Spaniard, both by blood and tradition, and who is only a 3-year-old "Filipino" citizen this year, is only one of the many evidences of the political renaissance of foreign influence taking place in the Philippines ever since the birth of the Commonwealth of the Philippines.

Philippine Commonwealth President Manuel L. Quezon is no more a Filipino, both by blood and by tradition, than the great Toussaint l'Ouverture was the Napoleon Bonaparte of the French. Proud of his Latin superiority, President Quezon has chosen foreigners as his advisers, numbering 30 strong, at the three-century-old Malacanang Palace, from his military adviser down to his Chinese cook.

FOREIGN INFLUENCE IN PHILIPPINE ISLANDS

The appointment of his Spanish protégé, JOAQUIN "MIKE" ELIZALDE, as his government's envoy at Washington in the face of the overwhelming opposition of the people, speaks louder than words of the corrupting influence of foreigners in the political, social, and industrial life of the Philippines.

We would not like to believe that President Quezon appointed Señor ELIZALDE to the second highest post within the gift of the Filipino people simply because of the well-known fact that the first lady of the land is on the pay roll of the ELIZALDE firm in the Philippines. * * * Financial alliances of the President and his family with foreign capitalists and businessmen, we would like to believe, did not influence the President in elevating

an eleventh-hour Filipino citizen to the coveted Philippine-Washington post. * * *

But it strikes us as remarkable, if not mysterious, that the President should have appointed a foreign capitalist, alien to all Filipino feelings and aspirations, as the Resident Commissioner to the United States, instead of a real Filipino whose heart beats for his native land * * * a Jose Rizal, who would fight and die for his "Pearl of the Orient Seas."

MERRY AS A MARRIAGE BELL

The foreign-dominated Malacanang Palace staff of advisers of President Quezon has reason to be merry as a marriage bell over the ELIZALDE appointment. However, it might be the beginning of the end of the nefarious influence of foreigners in Philippine politics as well as in the social and economic life of the country.

President Quezon is not getting any younger; he is now an old gray-haired man, trembling, tottering, on the verge of the grave. And no human has ever succeeded in discovering the spring of immortal youth. So, when he goes to meet his God, to whom he will render an accounting of his worldly sins, which, we confess unabashed, are many and varied, his foreign puppets, half-breed sycophants, and pay-roll parasites, will also meet their doom. They will be stranded and engulfed by the waves of Philippine nationalism as a result of the impending storm. Even now we can hear its distant rumbles.

The new Filipino Resident Commissioner to the United States has been, we venture to opine, aware of that fact right along, which was one of the reasons why he never wanted to become a full-fledged Filipino citizen until he was urged to do so by President Quezon upon his ascension to the presidency of the Commonwealth of the Philippines.

FILIPINO CITIZENSHIP FORCED UPON

In spite of the tragic happenings in Spain, the land of his proud forefathers, Señor ELIZALDE had never given up the hope of retaining his Spanish citizenship in order to avoid being one of a race of "Indios," as his ancestors were wont to call the despised Filipinos for 400 years. But President Quezon is gifted with the truly remarkable power of making people eat out of his hands, and Señor ELIZALDE, like all other weaklings, fell into the Quezon trap. He applied for "Filipino" citizenship simultaneously with the inauguration of the new Quezon government, thus making him a 3-year-old Filipino citizen this year.

THE ELIZALDES EMPLOY FILIPINOS

Señor ELIZALDE may reply that the ELIZALDE firm which has been operating in the Philippines for many years, employs native Filipinos, thereby contributing, in a large measure, to the economic stability and independence of the Filipino people. That's true, but inasmuch as the ELIZALDE firm is doing business in the Philippines, the employment of Filipinos is taken for granted, because that would be in accordance with the axiomatic principle of good business or any business that would survive in an alien land. Were it otherwise, Filipinos would not tolerate the ELIZALDES in the Philippines.

A SACRIFICE?

Señor ELIZALDE has said that in accepting the job as "Filipino" Resident Commissioner, he did so at a great sacrifice, because it means the temporary renunciation of the personal attention which he would dedicate to the vast interests of his firm in the Philippines. He claims that he accepted the position in order not to refuse the compliance of a public duty imposed on him as a Filipino citizen.

Pray, outside of President Quezon, who was or who were the other Filipinos who asked Señor ELIZALDE to become a Filipino citizen and to accept a job with the Philippine government at a great sacrifice because he could not refuse the compliance of a duty imposed on him by the Filipino people? Certainly the Filipinos did not ask Señor ELIZALDE to make such a sacrifice on their behalf. We know we didn't.

CITIZENSHIP FOR CONVENIENCE

The truth of the matter is that Señor ELIZALDE became a naturalized Philippine citizen for convenience—for the convenience of the vast business firm that bears his name. A news article in Time for October 10, 1938, stated that Señor ELIZALDE "became a Philippine citizen to protect the family business, Elizalde & Co., Inc., a corporation engaged in the hemp, sugar, coconuts, lumber, mining, ranching, shipping, distilling, insurance, etc., business." If it was not for convenience or for the good of his business empire, why didn't the señor become a Filipino citizen long ago, instead of waiting until only 3 years ago, after he had passed 40 or 45 years of his life in the Philippines?

The Elizalde family has been in the Philippines for almost the past hundred years, but it was only 3 years ago when one of its members took naturalization papers for Filipino citizenship. The Elizaldes are proud Castilians and have had no desire to be citizens of a country peopled by what they believe an inferior race. It is probable that during the many revolutions which were staged by Filipinos against the Spanish tyrannical domination, Señor ELIZALDE's forebears fought on the side of Spain and contributed not a little to the misery and oppression of the Filipinos in those tragic times.

LACK OF PATRIOTISM

Certainly, Philippine history does not bear any record testifying to the bravery and patriotism of the Elizaldes as they fought side by side with Aguinaldo's forces or with General Luna's ragged army, or making the supreme sacrifice at Biacnabato, the Philippines' Bunker Hill, or at Tila Pass, Philippines' Thermopylae.

As a naturalized Filipino citizen, Señor ELIZALDE is entitled to possess all the rights and privileges to occupy any position in the government of the Philippines which may legally be offered him in the interests of the people and to work with loyalty as Resident Commissioners heretofore have done in Washington for the progress and prosperity of the Nation. But it is quite another thing when Señor ELIZALDE says that he accepted his Washington job only at a great sacrifice, because it is not true.

FILIPINOS APPREHENSIVE OF NATURALIZED FOREIGNERS

Highly indicative of a truly dangerous trend in the problem of proper exploitation of the Nation's natural resources, the Solicitor General has recently promised a determined opposition to dubious petitions for Philippine citizenship as a measure for proper conservation of the country's patrimony.

Federico Mangahas, Manila's only columnist worthy of the name, has the following to say regarding applications of foreigners like JOAQUIN "MIKE" ELIZALDE, etc., for Filipino citizenship.

"It is worthy of notice that in all these citizenship cases the chances are 100 to 1 that the question which decides the application invariably is not what the applicant can contribute to the Nation but what he can get out of the country and its people by swearing to the articles of citizenship."

THE ELIZALDES AND NATURALIZED AMERICANS

The Elizaldes in the Philippines cannot be compared with naturalized Americans who have made good in politics, in industry, in science, in commerce, in education, and in the service of the Government. Take for instance, United States Senator ROBERT S. WAGNER, of New York. He is a naturalized American citizen, but, as a citizen, he made real sacrifices to show his love for America and for the American people. He paid for his citizenship at the cost of much sweat and blood. The same thing is true with F. H. LaGuardia, New York City's militant and dynamic mayor, and one of the outstanding American statesmen of this era. LaGuardia fought in the World War; he was in Flanders field and faced the grim realities of actual warfare. Furthermore, these two great Americans became American citizens, not for the convenience of their private business interests, for they have never had any to boot, but for love of America, for love of human liberty, fraternity, and justice. Alexander Hamilton, Thomas Paine, Andrew Carnegie, Nicola Tesla, Steinmetz, and other kindred spirits were all naturalized American citizens who paid for their citizenship dearly, without counting the cost.

THE ELIZALDES' PATRIOTISM HAS YET TO BE SHOWN

The Elizaldes will have yet to show their love for the Philippines; their patriotism will have yet to be tested; their sacrifice for their adopted country will have yet to be made.

MALACANAN AND CAPITOL HILL

After all is said and done, the Elizaldes' contributions to the economic and social happiness of the Filipinos have nothing to do with the determination of their political status in the American colonial or territorial system. Their economic, industrial, and social life is bound up inextricably with that of their political destiny, the determination of which lies not so much with Malacanan officialdom as with the American statesmen on Capitol Hill.

A QUESTION

Naturally, the question arises: Is Señor ELIZALDE—an eleventh-hour Filipino citizen, a Spaniard, a 100-percent alien to all Filipino feelings and aspirations, and a capitalist who has never had any political experience whatsoever nor has ever held any public office in the Philippines through means of the ballot—the proper official to be the spokesman for Filipino interests on the floor of the American Congress?

Señor ELIZALDE may be a man of an exceptionally brilliant intellect; able, fearless, efficient, and aggressive in the business world, but we regret to note that his activities have been solely in the field of making money through barter and that he has no political record which might give us encouragement to hope for a happy solution of pending Philippine problems in Washington.

FIRST BLUNDER

Even long before he was sworn in at the War Department as Filipino Resident Commissioner, Señor ELIZALDE already had committed his first political blunder when last summer he stated to the American press for American consumption that Philippine independence would bring tragic consequences to the Filipino people and that he was heart and soul for the realistic reexamination of the Philippine problem as advocated by American High Commissioner Paul Vories McNutt and his cohorts of imperialists.

ELIZALDE VERSUS UNITED STATES CONGRESS

That statement alone attributed to Señor ELIZALDE would have been enough to disqualify him as the Filipino representatives in the American Congress. By that statement, Señor ELIZALDE has alienated whatever influence powerful Members of Congress may have upon the determination of a happy solution of the ever-present Philippine problem. Such powerful Senators as BORAH, NYE, FRAZIER, NORRIS, LA FOLLETTE, WHEELER, and other great liberals like Congressmen LEMKE, O'MALLEY, ROBINSON of Utah, WOOD, etc., who have worked assiduously for Philippine independence, could not be expected to have love and affection for or to be very fond of Señor ELIZALDE. These stalwarts of the United States Congress are certain to fight any proposal to be advanced by Señor ELIZALDE to delay independence beyond 1946 as provided in the Tydings-McDuffie Independence Act, and which delay is now being urged and advocated by President Quezon and his clique of Manila politicians.

ELIZALDE'S MONEY TO BUY CONGRESS?

It has been often intimated in Philippine political circles, both in Manila and in Washington, that Señor ELIZALDE, being a millionaire, might use his millions to lobby for his cause. This is an insult to the dignity of the American Congress and the vaunted intellectual freedom of the American people. Imagine Senators BORAH, LA FOLLETTE, NYE, NORRIS, FRAZIER, LODGE, WHEELER, TYDINGS, Congressmen LEMKE, O'MALLEY, ROBINSON of Utah, WOOD, etc., selling their souls for a couple of tea parties or a joy ride to the Philippines across the Pacific. Such audacity, such impudence is incredible.

THE "REGALO" EVIL

The regalo or "gift-giving" system is as thick as a swarm of locusts in the Philippines, and native politicians never fail to encourage it as a means whereby they would condescend to pass legislation desired by rich Filipinos and unscrupulous foreigners. It is a trait handed down from generation to generation, inherited from the venerable forefathers of Señor ELIZALDE—the Spaniards.

A WARNING

But the señor had better not resort to that kind of monkey business in the United States Congress, or he would find himself out on a limb.

Americans and Filipinos live in two separate worlds. Americans are a bit more refined, more intelligent, and more civilized than Filipinos. Americans have more common sense, greater mental balance, and are ever conscious of their role in the world. Filipinos are flibbertigibbets.

LIABILITY OR AN ASSET?

Would ELIZALDE's business connections or activities help the señor in the discharge of his duties in the American Congress toward the Filipino people? Or would they be more of a hindrance than an aid? A liability rather than an asset?

Señor ELIZALDE's firm in the Philippines is engaged in the shipping, rope, sugar, and gold-mining business. Wouldn't it be natural for the señor to look out more for his rope, sugar, and gold whenever these commodities were jeopardized in a congressional legislation affecting Philippine-American relations?

CHARITY BEGINS AT HOME

There's a saying familiar to all that "Charity begins at home," and as Señor ELIZALDE's income just now is in the Philippines (insofar as his business is concerned), it would be tantamount on his part to turning his back against his "country" if he did not fight with the resources at his command for his rope, sugar, and gold. That would not be human. Señor ELIZALDE is, without doubt, a human, unless our scientific knowledge is sadly mistaken.

If and when that occurs, Señor ELIZALDE will come at grips with powerful Members of Congress from the beet-sugar States from the cane-sugar States, from the rope-manufacturing States, from the gold-producing States. And as Señor ELIZALDE is a poor public speaker (certainly, he does not have the ready tongue of one Manuel Louis Quezon, who once upon a time fooled the American people about Philippine independence), he will have a tough time putting over his pet propositions, if not actually making himself the laughing stock of Congress.

THE SEÑOR HATH CHARM

Señor ELIZALDE possesses personal charm and suavity and social aplomb, culture, and wealth that would make him an ideal diplomat to represent any nation in the big capitals of the world. But the Philippine post in Washington is not a diplomatic job, the Philippines being not yet an independent country, but merely a colony.

The Philippine Washington post requires a man of the political experience and ability of a Pedro Guevara, a Manuel Roxas, a Sergio Osmena, a Juan Sumulong, who, when standing on the floor of the House to speak, would command the respect and admiration of his listening colleagues. A man who has no ax to grind, and one who has no private business interests to work for; a man who would devote his time to the study and solution of problems affecting his country.

DANCING AND POLO PLAYING

Playing polo on Long Island, America's playground, with America's dashing young millionaires, or dancing in the pavilions of foreign embassies in Washington, or giving swank parties at the Mayflower or the Shoreham would not, to our way of thinking, contribute to an equitable solution of the Philippine problem. Brains, hard work, and diligent study of problems confronting him are the only means by which a Member of Congress can hope to accomplish something for his constituents.

Again, the same news article in Time for October 10, 1938, previously mentioned here elsewhere, had the following to say on "MIKE" ELIZALDE'S dancing and polo-playing proclivities:

"More striking, however, than the economic talents are the extracurricular talents "MIKE" ELIZALDE will bring to the job of Resident Commissioner, which fun-loving Manuel Quezon plans to take over himself when his presidential term ends in 1941. A millionaire sportsman, Señor ELIZALDE can play as well as trade with United States tycoons. With his brothers, Juan, Angel, and Manolo—one of whom married a Spreckles of San Francisco—he used to have a polo team, rated at 19 goals, which won the Far Eastern title. Besides enjoying the right to speak (but not vote) in Congress, to be entertained by Washington's lion-hunting matrons, Commissioner ELIZALDE will be able to enjoy better golf and tennis (Editor's note: And also dancing) at Washington's country clubs than be could at Manila's."

ELIZALDE CAN LEARN HOW TO LOVE HIS WORK

ELIZALDE's admirers and boosters might say that Señor ELIZALDE could learn how to love his work on Capitol Hill. Supposing it is true, for the sake of argument, but not admitting it, we still maintain that ELIZALDE's lack of political experience, coupled with his well-known business activities in conflict with the best interests of American farm and industrial labor, would militate against his making a success of his job at Washington.

At a time when a man with the best mind of the Philippines should have been chosen to be the Filipino spokesman in the American Congress, President Quezon should have preferred an inexperienced Filipinized Spaniard who has yet to show his ability in the field of Philippine-American relations to a real Filipino of proven ability and statesmanship. President Quezon has made many mistakes during his scintillating political career, but the ELIZALDE appointment will stand out like a huge mountain in an American prairie as the greatest and most stupid blunder ever perpetrated upon the Filipino people.

It is the ultimate limit of stupidity.

If waspy, wily, essentially politically minded and foreign-loving President Manuel L. Quezon and his cohort of evils and coterie of sycophants at the Malacanang had sat down with deliberate intent to think of asinine things to do they could not have devised anything better than the appointment of JOAQUIN "MIKE" ELIZALDE to the coveted Washington post.

ELIZALDE's appointment and presence in Congress is, indeed, a detriment to all true Filipinos and catastrophe to the welfare of the Philippine Islands. Spaniard ELIZALDE cannot and should not claim any credit because he has done nothing so far for the cause of the Filipino people. His appointment and presence on the Capitol Hill as spokesman of the Filipino race is truly an "insult."

ELIZALDE as official spokesman of the Government of the Philippines and of its people is a dismal failure.

A LA BEETHOVEN

It has been said of Beethoven that he composed his Third Symphony to be dedicated to Napoleon Bonaparte as a "hero" in the cause of human freedom, and canceled the dedication when he saw that the hero had turned tyrant. We live in high hopes that those who have criticized us in our vehement opposition to ELIZALDE becoming the "Filipino" Resident Commissioner at Washington, will, a la Beethoven, cancel their criticisms when the vision that we saw turns out to be a reality. We have need in the Philippines of a dynamic magazine like the Philippine-American Advocate to bring back victory to the banners of the Filipino people.

Transportation Bill

EXTENSION OF REMARKS
OF
HON. EDWARD A. KELLY
OF ILLINOIS
IN THE HOUSE OF REPRESENTATIVES

Saturday, August 5, 1939

Mr. KELLY. Mr. Speaker, I wish to express my admiration for the chairman of the Interstate and Foreign Commerce Committee, the Honorable CLARENCE LEA, and the subcommittee he appointed to handle S. 2009, otherwise known as the bill to regulate and improve the transportation situation of our Nation. To these men, namely, the Honorable ROBERT CROSSER, chairman, Hon. ALFRED BULWINKLE, Hon. WILLIAM COLE, Hon. CHARLES WOLVERTON, Hon. PEHR HOLMES, and the Honorable CHARLES HALLECK. They deserve great credit for the splendid work they did in their earnest and diligent way in bringing out this bill to at least try and solve the problems of transportation.

I, as a member of the Committee on Interstate and Foreign Commerce, listened very attentively to the hearings that were held on this bill up until the time of my recent illness.

I wish to state, Mr. Speaker, that in view of the enormous amount of testimony that had been presented by both the proponents and opponents of this legislation, it became a mighty hard task to try and bring out a bill that would satisfy the wants of all concerned. In the many long hours the subcommittee wrestled with the problems before them, I think they have done a remarkable job; true enough, the wants of all could not be satisfied. It all depended, of course, as to what group the regulation fell upon.

I note particularly in the hearings some people representing various carriers wanted the other fellow regulated but not the group he represented. This same theory was practical of the shipper and the manufacturer.

The President of the United States, Franklin Delano Roosevelt, on the 7th day of June 1935, declared to Congress, "It is high time to deal with the Nation's transportation as a single, unified problem." That is exactly what this committee tried to do. Dealing with the great transportation agencies, railroads, highways, waterways, pipe lines, and airways, revenues from the available traffic cannot sustain all the facilities they offer, and their economic situation calls for careful and systematic readjustment in the national interest. The committee, through careful consideration and study, has tried to define the issues that must be met in striking a fair balance among the different agencies with respect to costs, rates, service, regulation, taxation, dependability, and public usefulness, Therefore, Mr. Speaker, this bill tries to adjust the agencies to one another and establish and maintain a smooth and workable relationship between them.

I come from a district in Illinois—namely, the third—that comprises a very large railroad center; many railroads have their yards and offices in it. I also have the Calumet River and the Sag Channel that is being improved today at a great cost by the taxpayers for the purpose of ship and barge transportation.

The railroads more than anything else are responsible for the built-up towns in the south end of Cook County, Ill., that are industrial centers today, with a large population of industrial workers. Mr. Speaker, I listened to Mr. Splawn, of the Interstate Commerce Commission, reiterate the growth of the transportation system in America from its very beginning in the rude and humble way of the canoe on the waterways to the most modern methods of transportation that we have today.

A great factor entering into this legislation is to extend cheap transportation to those who will benefit most. Let it be understood that for 150 years of our Government it has extended to the people hundreds of millions of dollars in the building up of rivers and harbors and canals through inland waterways to satisfy the public welfare; while these projects cost the taxpayers billions of dollars, only a few really benefit for them; and remember the taxpayers have to keep these agencies going for the benefit of the few. I have no quarrel with water carriers, but under the terms of this bill only 3 percent of these water carriers will be regulated, namely, the inland water carriers.

I was one of the first Members of Congress to acquire funds for the building of the Sag Channel and the Calumet Ship Canal, and in view of these facts they will be maintained by the taxpayers. Still, I do not see why they should not be regulated as common carriers, just as well as the railroads are regulated, that pay taxes on its property and pays for its own upkeep.

When Congress passed the Motor Carrier Act of 1935 both Committees on Interstate and Foreign Commerce of the Senate and House ended their reports recommending to each House the passage of the above-mentioned act in similar phrasing to that of the message of the President on June 7, 1935. In the Senate report of the Motor Carrier Act it stated that the bill was a part of a complete and coordinated program of legislation touching all forms of transportation in which will ultimately give the Nation a system of efficient transportation of the lowest possible cost consistent with fair treatment of labor and earnings on investment, which will support adequate credit for expansion and improvement in equipment for the convenience and service to the public.

Mr. Speaker, I supported the committee in its report and supported this bill because I think it is a step in the right direction to solve the serious problems today confronting the transportation agencies of our Nation.

Bonneville Power at Cost for Portland and Salem

EXTENSION OF REMARKS

OF

HON. WALTER M. PIERCE

OF OREGON

IN THE HOUSE OF REPRESENTATIVES

Saturday, August 5, 1939

EDITORIAL FROM THE SALEM (OREG.) CAPITAL PRESS

Mr. PIERCE of Oregon. Mr. Speaker, under leave to extend my remarks in the RECORD, I include as supplemental to my address on page 3789 of the Appendix of the CONGRESSIONAL RECORD, on Bonneville Power Contracts With Private Utilities, an editorial from the Salem (Oreg.) Capital Press of August 4, 1939:

[From the Salem (Oreg.) Capital Press of August 4, 1939]

BONNEVILLE POWER AT COST FOR PORTLAND AND SALEM—A PUBLIC DISTRICT—THE ONLY WAY

In full-page ads—paid for by every person who turns an electric switch—the power companies in Portland have told how low their rates are and what a horrible failure public ownership is. Your power bill at the end of the month speaks for itself. The Portland General Electric Co. recently had an entire section of the Portland Journal devoted to their Fifty Years of Progress. But the records of the bankruptcy court—where Pepco now is for the second time in 5 years—and the Federal Power Commission figures showing the rates you pay are a much better index of the progress of these private companies.

Here are the bills for public and private plants in Oregon and Washington:

Electric bills in your home

	40 kilowatt-hours (lights and small appliances)	100 kilowatt-hours (plus refrigeration)	250 kilowatt-hours (plus electric cooking)
Eugene public plant	$1.10	$2.12	$3.92
Pepco:			
Portland and Salem	1.88	3.37	6.07
Hillsboro and Newberg	2.00	3.56	6.26
Tacoma public plant	1.10	1.70	3.20
Mountain States Power Co.: Corvallis and Albany	2.20	4.15	7.85

What is the Bonneville objective rate set for public districts? Here is how it compares to what you now pay Pepco in Portland and Hillsboro:

	Kilowatt-hours per month		
	40	100	250
Pepco:			
Portland and Salem	$1.88	$3.37	$6.07
Hillsboro	2.00	3.56	6.26
Bonneville objective rates	1.00	2.25	4.75

Are these rates possible? A fair question. In the Tennessee Valley 39 cities and public districts are buying T. V. A. power (at rates higher than the wholesale cost of Bonneville power) and here are the prices they charge:

	Kilowatt-hours per month		
	40	100	250
Public districts using Tennessee Valley Authority power	$1.20	$2.50	$5.00

The T. V. A. districts pay full taxes, interest, and principal on their bonds, plus a profit on these rates. What can be done in the Tennessee Valley certainly can be done here in Oregon, where we have cheaper power, higher per capita income, and a progressive citizenry that realizes power is too valuable a resource to be exploited by a few at the expense of our industrial, commercial, and agricultural developments.

But if you listen to the advertising of the Portland power companies you will be told that electricity for your refrigerator is less than the cost of your lipstick, that it is cheaper than a cigarette, or that you can hardly notice it in your annual budget. What are the facts? At Bonneville rates, the present consumer in Portland and Salem will pay $2.25 instead of $3.37 a month, a saving of over $13 a year—enough for a year's supply of silk stockings for the housewife, or Christmas presents for the entire family. Rural residents in Hood River County, who formed a power district on June 19, pay Pacific Power & Light Co. $4.47 for electricity that costs $2.25 at Bonneville district rates. Eugene's public system already has lowered the Bonneville rate, charging $2.12, while the Tacoma system charges $1.70. A half dozen Tacoma rural systems charge $1.80 for electricity Pepco retails for $3.37 to $3.56 and the Mountain States Power Co. charges $4.15.

Let's put it another way: How much extra power can you get for the price you now pay if we form a public district and sell Bonneville power without profit? Suppose your bill is now $3 a month, which is considerably below the average. From Pepco you get 79 kilowatt-hours, hardly enough for lighting and refrigeration. T. V. A.'s city-owned systems and public districts are now selling 125 kilowatt-hours for the same price. Bonneville, under a public district, could give you 138 kilowatt-hours, nearly twice as much. And Tacoma's public system already gives 230 kilowatt-hours against Pepco's 79 kilowatt-hours. So the slogan seems to be "More power to you * * * if you have a public district for Bonneville power."

Cheap power means plentiful consumption. In Oregon in 1937 power in the home cost an average of 2.87 cents per kilowatt-hour, with an average use of 1,307 kilowatt-hours per year. In Ottawa the average cost in 1937 was 0.9 cent—less than a cent a kilowatt-hour—while the average use was 4,080 kilowatt-hours.

ELECTRIC BILLS IN YOUR STORE

How about the businessman? Electricity has become more important than ever in modern stores, yet official Federal Power Commission figures show that the average store in Portland and Salem pays a higher electric bill than nearly anywhere else in Oregon—$59 for 1,500 kilowatt-hours, as against $26.28 in Eugene, $17.50 in Tacoma, and $51 in Corvallis.

Mr. Merchant, here is what light means in your store budget:

	Kilowatt-hours			
	150	375	750	1,500
Eugene public plant	$3.33	$7.16	$13.53	$26.28
Portland Electric Power Co.:				
Portland and Salem	7.50	16.13	30.75	59.00
Hillsboro and Newberg	7.50	16.13	30.75	59.00
Tacoma public plant	3.75	6.25	10.00	17.50
Mountain States Power Co.: Corvallis and Albany	7.00	16.00	28.50	51.00

All official Federal Power Commission quantities.

POWER FOR INDUSTRY

Power is the Northwest's greatest single resource. The Columbia River system has 12,000,000 potential kilowatts, worth nearly $200,000,000 a year to us if we use it. A few people—the Portland Chamber of Commerce and the power companies which dominate it—have been urging that all the power be sold at the dam site to some aluminum factory. They proclaim that they are interested in bringing industries out here to give jobs to the people. Most of us, however, realize that this chorus for dumping Bonneville power in the Columbia Gorge is prompted by their fear of bringing cheap electricity in competition with Pepco's present schedules.

All of us want industrial development. What has the Portland Chamber of Commerce done to bring industry to Portland or Salem? What has Pepco done? For years we have heard how the Hooker Electrochemical Co. went to Tacoma instead of Oregon; how the Pennsylvania Salt Manufacturing Co. brought pay rolls to Tacoma instead of Portland and Salem; how the Nicolai-Neppach Manufacturing Co. moved its Portland plant to Tacoma. Why has Tacoma one of the biggest electric smelters in the world, while Oregon's vast iron-ore beds are not even developed? A good part of the answer lies in a comparison of industrial power costs in Portland, Salem, and Tacoma.

Again, here is indisputable evidence, the 1938 figures of the Federal Power Commission:

	Kilowatt-hours		
	60,000	120,000	200,000
Pepco—private system	$640	$1,150	$2,245
Tacoma—public plant	344	597	1,180

Pepco charged industries these rates, ranging 96 to 110 percent higher than Tacoma's public system.

WHERE YOUR MONEY GOES

Figures are tiresome, but sometimes they are surprising and interesting. Sometimes they show why Pepco's power rates are twice as high as Tacoma's, why 39 cities and public districts in the T. V. A. are successfully selling power far below Pepco's so-called low rates.

Look into Pepco's report to the Public Utilities Commissioner and you will find that President Franklin T. Griffith receives $19,800 a year from the Portland General Electric Co. in addition to $4,500 from the Portland Traction Co. (a subsidiary of Pepco), to say nothing of some $16,670 paid to Mr. Griffith's legal firm by the Portland General Electric Co. Similarly, James H. Polhemus and O. B. Coldwell, P. G. E. vice presidents, get $10,000 and $9,000 each, not to mention another $1,000 Mr. Polhemus gets from the traction company.

Seattle's public plant paid Mr. Ross only $7,500, and the administrator of the whole Bonneville system gets only $10,000.

Pepco may publish full-page newspaper advertisements boasting of 50 years of progress, but while they pay these fancy salaries they are firing scores of their employees and talking of eliminating pensions and insurance on the rest, to which employees have contributed.

While the Eugene public system has paid off nearly the entire cost of its system, Pepco is again in bankruptcy. While Tacoma has paid off almost $20,000,000 of its $24,000,000 system, Pepco stockholders all over Oregon have lost their life savings. The best way to appraise the efficiency of private and public systems is to compare the selling price of Pepco bonds with those of public plants such as Tacoma, Eugene, and Knoxville—and every other public system in the United States.

Why has Pepco defaulted on its bonds and brought despair to all the people unfortunate enough to have purchased its stocks? Look into the Portland General Electric Co. report and you will see where funds which should have been used to pay off bonds and pay dividends to stockholders have been spent for propaganda and perpetuation of the present management. In 1938 that one power company gave $3,669 to the Edison Electric Institute, which is dedicated to fighting the public-power program.

Similarly, strikebreaking organizations like the Industrial Relations Association and the reactionary National Association of Manufacturers received financial support from the power companies.

To gain public favor, Portland General Electric Co. donated $7,500 of its stockholders' funds to the Portland Community Chest—to say nothing of contributions to the Old Ship Zion Mission, the Pisgah Home Colony, the Salvation Army, the battleship *Oregon*, the Portland Junior League, the Crusaders, and even the semipro ball tournament down at Silverton.

When F. H. Young, of the Oregon Business & Investors, Inc., goes around the State (last month he was "Johnny on the spot" at Hood River, forming taxpayers' leagues to fight public districts), remember who is paying the piper. Last year the Portland General Electric Co. paid Oregon Business & Investors, Inc., $10,572.66 for this service. They paid newspapers all over Oregon, roughly, another $10,000 to fight establishment of public districts.

Only last October the Oregonian carried a column-long story telling how the Reverend S. C. Williams, the service supervisor of the Portland General Electric Co., had been convicted and fined in Vancouver, Wash., for assaulting a Townsend leader who had refused to enlist the Townsend movement in Pepco's behalf.

In 1938 the Portland General Electric Co. paid A. A. Smith, former head of the Oregon State bar, $5,074.48 for "legislative services." Some of us wonder how much more was spent last spring at Salem fighting the power district law.

THE OLD TAX BOGY

The people of Portland and Salem—as well as the rest of Oregon—can get the benefits of Bonneville power only if they are willing to fight for it. In every community club, in every fraternal organization, and in every business group are the paid agents of the power companies. Public-spirited citizens must answer these paid agents and give the people the facts. Housewives who want the benefits of electric cooking instead of the old wood range must see that Bonneville power is distributed at cost. School directors who want adequate lighting to safeguard children's eyesight must make sure that no part of their electric dollar goes to pay lobbyists and propagandists and eastern holding companies. Merchants and industrialists who want factories in Portland and Salem and other communities must ask why Pepco rates are twice as high as Tacoma's public system.

The last refuge of the power companies—the tax argument—has been taken from them by the new people's utility district law passed by the Oregon Legislature. Under the new law public power districts will pay exactly the same taxes as private power companies. In addition they will have to pay off their bonds within 30 years—something the private power companies never have been able to do.

At last the public districts can issue revenue bonds, which are payable solely out of electrical earnings.

WE MUST ACT NOW

The only thing that stands in the way of giving the full benefits of the Bonneville system to all the people is their own lethargy, their own unwillingness to fight the huge machine which the power companies have built.

With Bonneville power lines already under construction, with the substations rising in Portland, Salem, and Albany, the time has come for the people to act. If they sit idly by while their greatest natural heritage is brought within their reach, they deserve no further assistance from the Federal Government. The President has given us Bonneville Dam. If we choose to turn it over to the Griffiths, the Youngs, and the eastern holding companies, we can blame no one but our own stupidity and our own shortsightedness.

Bonneville power at cost means more than saving a dollar or two every month on your home light bill.

Bonneville power at cost means more than a saving of a few hundred dollars a year for every merchant.

A people's utility district will mean that Bonneville power will give Portland and Salem and the rest of Oregon one of the lowest power rates in the country. And that means new industry, with jobs for men now out of work.

With our timber resources being cut away rapidly, power is our last great resource—more valuable than the oil wells of Texas or the coal fields of Pennsylvania.

As public-spirited citizens we must not permit Bonneville power to be used by Pepco to enrich a few buccaneers who have defrauded thousands of Oregon citizens out of their life savings.

Just a few days ago the Portland News-Telegram published a full page advertisement, paid for by the Portland General Electric Co. Pepco is in bankruptcy, unable to pay its stockholders, yet it can pour out unlimited funds for lobbying and propaganda to thwart the will of the people.

Worst of all, the power company brazenly tries to deceive the people about President Roosevelt's stand on public distribution of Bonneville power. They say President Roosevelt has not asked for any people's utility districts in Oregon—that he recognizes their low rates.

What are the facts? Where does President Roosevelt stand? Here are his own words, cleverly omitted in Pepco ads, and indicated by a row of asterisks * * *: "Where a community—a city or county or a district—is not satisfied with the service rendered or the rates charged by the private utility, it has the undeniable right as one of its functions of government, one of its functions of home rule, to set up, after a fair referendum has been taken, its own governmentally owned and operated service. That right has been recognized in most of the States of the Union. Its general recognition by every State will hasten the day of better service and lower rates."

As to Pepco's low rates: In November 1930, just after Governor Meier was elected on a public-power program, Pepco charged $3.39 a month for home power (100 kilowatt-hours). Today, 10 years later, Pepco charges $3.37—a saving to you of 2 cents a month. Pick up your pencil and write Mr. Franklin T. Griffith, Pepco president, "Thanks for the postage stamp, but we want Bonneville power at half Pepco rates—such as Tacoma's public system charges."

Bonneville power at low cost will not automatically come to us. Unless we have a people's utility district Pepco will continue to take its toll.

If you want to help save Bonneville for the people of Oregon, get behind formation of a people's utility district. That means Bonneville power for all the people—not a selfish few.

Write the Bonneville project at 811 Northeast Oregon, Portland, for copies of the Bonneville Power News, showing what other towns and districts are doing. If you live in Portland, pick up your phone now and call the information division at Lancaster 2161. Read the pamphlet Bonneville Power—What It Costs, How to Get It, and learn the truth. There is no charge for this pamphlet.

In Portland a people's utility district is being formed by the Bonneville-for-Portland Committee, of which Bertha J. Beck, of the Oregon State Grange, is secretary. Her address is 1135 Southeast Salmon Street, Portland. At the same address is the Oregon Committee of the Public Ownership League ready to help all local groups interested in forming public power districts or in getting information.

In Marion, Wasco, Linn, Lane, Umatilla, and Washington Counties similar steps are being taken to form peoples' utility districts.

In Coos, Columbia, Benton, and Clackamas Counties organizations are under way to market Bonneville power at cost through people's utility districts.

If your county has not started to form a district, do it yourself. Talk to the businessmen, labor unions, granges, and women's clubs.

Remember Bonneville is our greatest treasure—let's use it. If it's worth having, it's worth fighting for.

The Farm Program

EXTENSION OF REMARKS

OF

HON. PHIL FERGUSON

OF OKLAHOMA

IN THE HOUSE OF REPRESENTATIVES

Saturday, August 5, 1939

Mr. FERGUSON. Mr. Speaker, under general leave to extend my remarks, I wish to do so on the farm problem. I feel that every Member of the House from a farming district was challenged by the gentleman from Virginia [Mr. WOODRUM] the last day of Congress in discussing the appropriation to provide loans supplying $119,000,000 on agricultural commodities.

The gentleman left the direct inference that Congress has failed miserably to solve the farm program. To quote the gentleman from Virginia:

In other words, I might say we do not know anything about it. Now, if that is true, then should we continue spending money for something that we do not know anything about? Personally I was anxious to center the spotlight on this question with the hope it would stimulate thinking upon the subject, and that we should come to a point some time where we would try to do something for the farmer except to have as our objective each session of Congress as piling up additional gifts and subsidies, because that is not helping him. I hope that some place, somewhere, there will be a solution and that we shall be able to find it.

The gentleman from Missouri [Mr. CANNON], in speaking on the same conference report, took a different attitude. If we had followed the gentleman from Missouri, this money for loans would have been included in the House, but the Republicans en bloc opposed his amendment, and thus the Senate had to place the money in the bill. In the closing speech in the adoption of the conference report the gentleman from Missouri said:

The farmer is not asking primarily for loans or subsidies. If you will give him a decent wage for the 14 hours a day he works in rain and sun, through the heat of summer and the frost of winter—if you will give him a fair price for the food his patrons have been mooching at his expense ever since the war, you may keep your loans and subsidies so far as he is concerned. And until you do we can have no permanent economic progress in the Nation.

REPUBLICAN PARTY OPPOSED TO ANY FARM BILL

I am very happy that the Democrats pulled themselves together and came in united to sustain the Senate in providing these funds for loans on wheat, cotton, corn, and so forth. Only this cooperation by the Democrats stopped an attempt by the Republicans to break the price of all farm commodities by refusing loans. The Republicans at this whole session of Congress have tried to cripple the farm program on every important measure before the House. On March 28, 140 Republicans—almost the entire Republican group in Congress—voted against any parity payments. This same group voted against sending the bill to conference, and again 140 Republicans refused to agree to parity payment money when the bill came back for final passage. Three times the Republican Party, en masse, said to the farmers of the Nation, "We are opposed to any farm program," by a vote of almost their entire group in Congress.

Allow me to quote some of the Republican leaders on the farm program. On March 23, the gentleman from Pennsylvania, Mr. DITTER:

Today the Appropriations Committee, for the Department of Agriculture, comes with a bill carrying the largest appropriation in the history of the country. The spenders are loose again. They are having another field day at the expense of the taxpayers.

Mr. Lord, on March 23:

The whole New Deal farm program is unsound and has ruined many thousands of farmers.

The gentleman from Pennsylvania, Mr. RICH, on March 24:

If the Congress would leave the farmers of the country alone and simply let them work out their own salvation, stop importation of farm commodities the farmers produce, and take away all the political leeches, the farmers would benefit greatly.

These statements represent the Republican philosophy on the farm program.

FERTILITY OF SOIL NATION'S GREATEST RESOURCE

As a member of the Agriculture Committee, I accept the challenge of the Republicans who are opposed to all farm legislation and the Democrats who are dubious of the road we are now traveling on agriculture legislation. There are a few fundamental principles that I want to establish in the minds of the Congress. First, the fertility of the soil is just as much a natural resource as coal, iron, or oil. Fertility cannot be restored once it is destroyed. Some things help, such as fertilizer, rotation of crops, legumes, restoring to grass, proper farming methods, such as terracing, plowing

on the contour, but the natural fertility that requires thousands of years to build cannot be restored by man's effort.

THE NATION MUST BE FED

Second, on the farmer rests the responsibility of feeding this great Nation. Through years of both drought and plenty, through the years that insects destroy the crops and nature is bountiful, a constant supply equal to the needs of the Nation must be available. Thus the law of supply and demand runs counter to the safety of the Nation. The very surplus that insures this Nation against want and starvation prevents the farmer from receiving a fair price for his products. When business picks up, factories hang out the sign "Men wanted," orders go out for steel, for parts, and machinery. Engines are speeded up and within a few weeks or months the gears of industry are turning at a rate to supply the Nation's want. Man absolutely controls the production of industry to meet the demands of the Nation. No such system can be arbitrarily applied to agriculture. The bountiful harvest of one year may be followed by a total failure the next, caused by drought, by insects, by heat, by wind, by any number of natural causes over which the farmer has no control. Thus the farmers of this Nation who by their ingenuity and labor have set the national table with a greater variety, a better quality, and a more bountiful supply of food than that supplied to any nation of the world, are penalized for their enterprise because their surplus depresses the market and causes more than half the farmers of this Nation to continue to produce year after year at a loss.

INTELLIGENT CONTROL NECESSARY FOR FAIR PRICE AND TO CONTROL FERTILITY

I do not want to leave the impression that production cannot be intelligently controlled, leaving plenty of margin and security between the domestic requirements and the requirements necessary to carry the Nation through periods of crop failure. This has been the first objective of the present Farm Act. The Secretary of Agriculture allots to every farm what he considers sufficient acreage to produce the amount necessary for domestic consumption, plus a reasonable carry-over, plus the amount of our prospective exports. In my opinion, controlled production must be the cornerstone of any farm program. As I pointed out in my first big principle underlying agriculture legislation, the fertility of the soil is a natural resource. Producing more than we have use for is an unjustified, wanton destruction of a natural resource. Because of this objective, preservation of the fertility of the soil alone, all farm appropriations under the farm act are justified. Economic pressure that forces the farmer to plant every acre of his small plot in soil-depleting crops has been relieved by soil-conservation payments so that the farmer may retain or increase by proper methods the fertility of his soil. The attitude of previous administrations drained the Nation's soil of its fertility and we have reached the point of continuous abandonment of land and decreased production that means this Nation in the not-too-distant future will face a definite food shortage or greatly increased cost of production because of the necessary use of greater quantities of fertilizer.

HOW TO GIVE THE FARMER A FAIR PRICE

I want to discuss for a minute the possible methods of giving the farmer a fair price for the amount of his product domestically consumed. There are three ways of achieving this end. This administration first tried a processing tax. By this method the processor paid a tax when he converted the farm product into something that could be consumed. And this money was returned to the farmer to make up the difference between what his crop brought and a reasonable price for the amount he was allowed to raise. The Supreme Court declared this method to be unconstitutional. In order to continue the farm program, Congress provided that soil-conservation and parity payments should be appropriated from the general funds of the Treasury. It always seems strange to me that the very Members of Congress who are bitterly opposed to reimposing processing taxes are the same Members who wail the loudest because of appropriations out of the general funds of the Treasury. The other possible method is the price fixing, making it illegal for wheat, corn, cotton, and agricultural products to go into the channels of trade at less than a certain fixed price. This method has considerable support in the House, but those who advocate price fixing have all lost sight of the main principle that must be embodied in any farm legislation, that is, first, control of production, and second, maintaining fertility of the soil. There two things, of course, are closely interwoven, because every year a field is planted to soil-depleting crops its fertility is decreased. Not alone, of course, because of the material drawn from the soil by the plant but because cultivation leaves the field open to constant erosion by water and wind.

Thus when we plant every year more acreage than is necessary to supply the requirements of this Nation, we are depleting a natural resource that cannot be restored and a natural resource upon which the greatness of this country depends.

The Department of Agriculture under the present administration, for the first time in history has recognized this great fundamental truth. The Nation is at least becoming faintly conscious of the need of soil conservation, of retaining the soil fertility for a time it will be needed in the future.

But we were discussing how to give the farmer a decent price for his products and what has been done along this line. I realize as well as anyone the weakness in a loan program. I realized this when I urged the Congress to appropriate sufficient funds for parity payments. With this in view I led the fight for larger parity payments in the House of Representatives, and made the following speech:

Mr. FERGUSON. Mr. Chairman, I offer an amendment to the amendment.

The Clerk read as follows:

"Amendment offered by Mr. FERGUSON to the amendment offered by Mr. CANNON of Missouri: On page 91, line 3, in the amendment to the amendment strike out '$250,000,000' and insert '$500,000,000.' "

Mr. FERGUSON. Mr. Chairman, I ask unanimous consent to proceed for 8 minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Oklahoma?

There was no objection.

Mr. FERGUSON. Mr. Chairman, the Committee on Agriculture last year brought before the House the Farm Act of 1938, which, in section 303, provides for making parity payments to farmers. When the Naval Affairs Committee authorizes funds for the construction of battleships the money is voted without question. When the Military Affairs Committee authorizes expenditures for the Army the money is voted without question. The Committee on Agriculture should have the same treatment. As a new member of the Committee on Agriculture this year, I listened to statement after statement about the pitiful condition of the farmer. No member of the committee or no Member of the House that heard these statements or has knowledge of the farm situation will question the pitiful condition of agriculture in this Nation. The average price for cotton sold in the Nation for 1938 was 8.6 cents per pound, the average price for corn was 47.3 cents a bushel, and the average price for wheat was 53.4 cents a bushel. These prices spell disaster, suffering, and actual want for the farmers of the Nation.

These prices, as far as the farmer is concerned, have the same result on the farmer's standard of living as a dollar-a-day wage would have on labor. Another year of these disastrous prices means thousands of farmers abandoning the farm to go on relief in cities or small towns. If the Republicans in this House wish to balance the Budget at the expense of the relief workers and the farmers, let that be their responsibility. The country will not long tolerate a party based on negation, opposed to everything, advocating nothing. In spite of the continuous wave of economy propaganda in the newspapers, the people of this Nation realize that the Democratic Party, the Democratic Members of this House, must accept the responsibility of providing the funds necessary to save this Nation from disaster, and we must not be perturbed by propaganda emanating from those who are not sharing the disasters of the farmer and relief worker.

Realizing that section 303 of the 1938 Farm Act authorized parity payments, I canvassed the members of the committee. I talked to the distinguished chairman, the gentleman from Texas, and the distinguished ranking minority member, the gentleman from Kansas. I talked with every member of the committee. A majority, including the chairman and the minority ranking member, agreed that parity payments should be made. Not a single member of the Committee on Agriculture definitely said he would vote against parity payments. With this in view I asked the Secretary of Agriculture for an estimate of the amount required to pay parity payments that would bring the price of wheat, cotton, corn, tobacco, and rice, the five products included in the bill, to parity.

The Secretary informed me it would require a billion dollars. After talking with many members of the Agriculture Committee we agreed we could not hope to get more than $500,000,000. I was informed by the Secretary of Agriculture, through his Statistical Bureau, that $500,000,000 would bring the price of agriculture products to about 85 percent of parity. If the Congress meant what it said in the Farm Act of 1938, it is the duty of this body to appropriate this $500,000,000 to relieve the shocking conditions of agriculture by raising the prices of these five commodities. If we do not provide these funds, this $500,000,000, a large percent of the next crop of cotton, the next crop of corn, and the next crop of wheat will be stored under Government loans. This means that the warehousemen and elevators will be the main recipients of benefits from the farm programs through storage charges.

The Government already has loans on 207,000,000 bushels of corn 11,000,000 bales of cotton, and 81,000,000 bushels of wheat.

Add to this another crop in 1939 such as we had in 1938 and it will mean huge additions to the storage of farm products under loans, and this will mean absolute disaster for farm prices in this country. The chairman of the Committee on Agriculture [Mr. JONES] himself made the statement on this floor that he thought it might be cheaper to accept this amendment appropriating $500,000,000 than to continue the loan policy. When you take crops out of the loan and let the 1939 crop go into commerce, it will flow into the channels of trade, both foreign and domestic, without ruining the farmer, because parity payments will take up the slack between what he has to sell his product for and what he receives. This $500,000,000 will cost less in the long run than a continued loan policy.

The House has been told that to vote $500,000,000 will jeopardize the chance of getting $250,000,000. I, for one, am not going to let a parliamentary situation keep the farmer from getting a semblance of justice. I cannot believe that any Member of this House in either party—and both parties are pledged to a farm program that will help the farmer—I cannot believe that any Member will vote for an amendment in the Committee of the Whole and then reverse his position when the roll is called in the House.

The condition of agriculture today, with its disastrously low prices, challenges the Democratic Party and the Congress to do something about it. This is your opportunity and probably the only opportunity that will present itself at this session of Congress. Let us accept our responsibility to the 30,000,000 farmers of this Nation by voting up this $500,000,000 amendment.

Mr. COOLEY. Mr. Chairman, will the gentleman yield?

Mr. FERGUSON. I yield to the gentleman from North Carolina.

Mr. COOLEY. How much is it costing the Government at the present time for storage of the one crop, cotton, which is now in storage?

Mr. FERGUSON. I understand it costs around $30,000,000 to $35,000,000 a year for storage.

Mr. COOLEY. Is it not $45,000,00 a year?

Mr. FERGUSON. Forty-five million dollars may be correct. I may say to the gentleman and to the Committee that when a man receives a payment under the agricultural program he is no longer eligible for relief, and this appropriation would obviate the necessity of spending a lot of relief funds. [Applause.]

[Here the gavel fell.]

As you know, only $225,000,000, instead of the $500,000,000 I proposed, was granted for parity payments. Thus we have to continue the loan policy which we all know is a very dangerous one to follow—a program that will act only as a stopgap until Congress follows one of the three courses I outlined a few minutes ago; either putting a processing tax on to make up the difference between what the farmer receives from his crop and what he is entitled to receive as a fair price, appropriating sufficient money out of the Treasury to actually make up the difference of what the farmer receives and what he is entitled to; or if Congress will not follow through on these methods, we must turn to price fixing, which will be a very difficult problem to work out.

I believe if the Congress could realize how dependent the future of the Nation is on continued production of its necessary food and conservation of its greatest natural resource—its soil—it would not hesitate to appropriate sufficient money to give the farmer his fair share of the national income and at the same time relieve the economic demand now on the farmer and enable him to follow the practices necessary to conserve our greatest natural resource—our soil.

A DEMOCRATIC COMMITTEE ON AGRICULTURE TRYING HARD TO SOLVE THE PROBLEM

As a member of the Agriculture Committee I know that the committee and the majority of the farmers believe that the present administration is intelligently trying to solve the farm problem, and I know that the farmers of this country will recognize the danger signal flaunted in the face of the farmers at this session of Congress by the Republican Party. The votes of 80 to 90 percent of the Republicans against all money to carry out the farm program this year should make the farmers of this Nation realize when and if the Republicans gain control of the Congress there will be no farm program. The Nation will return to its old method of dissipating its greatest natural resource, the fertility of the soil, of the farmer being forced by economic pressure and low prices of his product to put in more and more acres at lower and lower prices and try and feed his family and maintain his farm in operation.

As long as the Democrats are in power, as a member of the Committee on Agriculture, I will have a voice in the continued effort to increase the farmer's income and at the same time save our valuable soil fertility for the use of future generations.

How Canby, Oreg., Did It—The Story of a Public Power Plant

REMARKS

OF

HON. WALTER M. PIERCE

OF OREGON

IN THE HOUSE OF REPRESENTATIVES

Friday, August 4, 1939

Mr. PIERCE of Oregon. Mr. Speaker, many of us who live in the Northwest believe that the greatest achievement of this administration is the construction of the great dams on the Columbia River for irrigation, navigation, and power. If we can get the people to distribute that power cooperatively without going through the sticky hands of the Wall Street utility group, we shall have cause to rejoice over Bonneville Dam.

A few weeks ago in this Well I made a statement about the municipal electric system of the little town of Canby, Oreg., having less than 1,000 people. The figures I put in the RECORD at that time have been questioned on the ground that that little town did not make a clear profit of $196,000 in the sixteen and a half years it distributed its power cooperatively. They claim now the exact figure should be about $158,698 clear profit for the little town. They now modestly state that, since the money earned by the light plant was only a loan to the other city departments, the light plant possibly should not have full credit for supporting other agencies. They think, however, they should have credit for one other $1,500 item. Apparently the light plant is sort of a municipal bank.

I now ask unanimous consent to extend my remarks in the RECORD, Mr. Speaker, and to put in the revised figures showing the exact amount they found that this little town has saved by cooperatively distributing its power. Now it will take power from Bonneville, as the transmission line is being built, and they will be able to save even more money.

This little community in Oregon started the work of distributing its own electricity during the year I was elected Governor of Oregon, in 1922. I encouraged them all I could during the 4 years I was Governor. I lived near this little town while at the State capital.

I call this statement to the attention of my colleagues in the House who are interested in electricity, particularly the gentleman from Michigan, and I ask them to read this showing of the little town of Canby, Oreg., with a population of under a thousand people, that in less than 20 years has saved out of the operations of its electric plant almost $200,000.

The SPEAKER. Is there objection to the request of the gentleman from Oregon [Mr. PIERCE].

There was no objection.

The statement referred to follows:

HOW CANBY IN OREGON DID IT—A REMARKABLE STORY OF SUCCESSFUL MUNICIPAL OWNERSHIP IN A SMALL CITY

(By A. C. Heyman, of Albany, Oreg.)

(The following article is a summary of four addresses delivered by Mr. M. J. Lee, of Canby, for the chambers of commerce in Brownsville, Harrisburg, and Halsey and the Lake Creek Grange in Linn County, Oreg. It was prepared by A. C. Heyman, chairman

of the sponsors committee of the proposed Linn County people's utility district. The figures have been confirmed by the mayor, the city treasurer, and the superintendent of the water and light department of Canby.)

One of the most outstanding achievements in public ownership of power is that of the little town of Canby, Oreg.—population 744—as told to several Linn County audiences by Mr. M. J. Lee, of Canby, who was one of the city council in 1922 when the new venture was made and who is still a leader in the civic improvement projects. Mr. Lee was chairman of the light and water committee and sought to serve his town to the best of his ability. On investigation he found that the citizens of Canby were paying $3.30 for 20 kilowatt-hours of electricity when other neighboring towns were paying to other private utilities only $1.49 for the same amount of energy. This appeared to the committee very much like discrimination, and so it sought to correct the matter.

TURNED OFF THE LIGHT—TURNED ON THE HEAT

The franchise of the private utility serving the town had expired and the committee decided to use this leverage to get free street lighting for which it was paying $75 a month before renewing the charter. The private utility bluntly refused, with the excuse that it could not be done. At the following council meeting the matter was further discussed with the owner of the private utility, with the result that both parties went home that night furious with anger. The owner was so enraged that he turned off the street lights the next night and left the town in darkness. This was his Waterloo.

The townspeople then became even more enraged, and the next night, through the initiative of Mr. Lee, the whole town turned out to a mass meeting. The result of this meeting was an organization setting on foot a movement for public ownership of light and power. It also confirmed the conviction of many that private utilities cannot be controlled or regulated by State public-utility commissions or any other regulating bodies. From here on action was speedy.

HOW THE CITY GOT A REASONABLE PRICE

The owner of the private utility bought his "juice" wholesale from the Portland Electric Power Co. and served seven other small towns besides Canby. The light committee dickered with the owner for his distribution system in Canby. He wanted $25,000. The price was outrageously high. A survey was made of the property and it was found to be worth only $5,500. Then the owner came down to $14,000. No agreement could be reached. The city, therefore, called an election to vote general-obligation bonds for $10,000 to build an entirely new distribution system. Bids for construction were received.

While still trying to bluff, the owner saw that the city meant business and became more amenable to reason. The committee recommended the purchase of the going business if a reasonable purchase price could be agreed upon rather than enter into competition and all kinds of litigation. After considerable wrangling $7,000 was offered by the city for the system and this was finally accepted by the owner. This was in the middle of October 1922. On the 1st of November the city of Canby became the owner and operator of its own distribution system.

THE CITY BEGINS OPERATION

Of the $10,000 bonds voted by the citizens only $8,000 was issued; $7,000 for the distribution system, $500 for engineering services, and $500 for some immediate improvements.

Thus, by January 1, 1923, with the acquiring of the water system 6 years previously, Canby had a debt with bonds and outstanding warrants drawing 6 percent interest of $56,000, together with an interest payment of $3,360 due on January 1, 1923. The city-owned water system had only enough income to pay interest and operating expenses and when new mains were laid or extensions made new bonds had to be issued. The water system therefore increased rather than diminished the city debt.

When the city took over the light system the two systems—light and water—were put into one department and under one management. The previous manager of the private system was retained as the superintendent of the newly created department of light and water and has now been serving the city for 17 years.

A 30-PERCENT INITIAL REDUCTION IN RATES

The first stroke of the new department was to reduce the light rates 30 percent, give the city free street lighting, besides extending the street lights and doubling the watt capacity of the lamps. This saved the city immediately $100 a month on street lighting. It also gave the city free electricity to run three motors for the water system, which was also costing the city another $50 a month.

OTHER RATE REDUCTIONS

To the question, "Did you make any further reductions in rates after the first reduction of 30 percent?" Mr. Lee replied: "Yes; we made four or five reductions, amounting in all to something like 10 percent. Whenever the people protested that rates were too high we made a reduction, and then we published the fact loudly far and wide, just as the private companies do. But we did not reduce the rates any faster than we had to because there were other things that we wanted to do. We wanted to pay off our debt and get rid of the interest burden; also, we wanted the other things mentioned below. Our citizens are now glad that we have these things, and it is not particularly hard for them to get them in this way."

The following rate reductions have been made since taking over the system November 1, 1922:

October 1922, 20 kilowatt-hours	$3.30
November 1922, 20 kilowatt-hours	2.25
September 1930, 20 kilowatt-hours	1.25
April 1933, 18 kilowatt-hours	1.00
March 1939, 20 kilowatt-hours	1.00

LAST YEAR'S NET PROFIT $5,464

Hearing of the success of the municipal plant at Canby, the citizens of Woodburn, a considerably larger city about 12 miles away, sent a committee down to Canby to inquire into the matter. An examination of the books showed the Woodburn committee that the plant was making an annual profit of $5,464 a year, besides saving the city in many other ways.

In the calendar year of 1938 the committee found Canby's gross receipts from electric customers were $16,025.50. Expenditures the same year were $8,802.38 for the purchase of power and $1,759 cost of administration, a total of $10,561.38—leaving a net profit of $5,464.12. To this could be added the free street lighting, which would have cost the city $1,104 under private ownership; also the electricity used to light the city hall and to pump the city water. This would bring the net profits for the year up to $7,480.87. However, Canby ignores the items of free service and figures its net profit for the year at $5,464.12.

Out of the net profit the city spent $1,868 for various improvements and extensions, equipment, etc., including transformers, poles, wire, meters, labor, and other necessities to keep the system in good working order. Subtracting these items leaves still a net of $3,595. But if the value of the free services is added this would bring the figure up to $5,611.

MAKES AND SAVES $158,698 IN 16½ YEARS

Speaking of the final results of the municipal-ownership enterprise in Canby for the period of 16½ years that the city has owned the system, Mr. Lee submits the figures below to show that the city has made and saved a total of $158,698.

PAID FOR IN 10 YEARS

The following are the payments made on the system during the 10 years to pay for it:

Date	Bonds and warrants outstanding	Payments on principal	Payments on interest	Total payments
Jan. 1, 1923	$56,000	----------	[1]$3,360	[1]$3,360
Jan. 1, 1924	49,000	$7,000	3,360	10,360
Jan. 1, 1925	42,500	6,500	2,940	9,440
Jan. 1, 1926	40,000	[2]2,500	2,550	5,050
Jan. 1, 1927	35,000	5,000	2,400	7,400
Jan. 1, 1928	28,000	7,000	2,100	9,100
Jan. 1, 1929	18,500	9,500	1,680	11,180
Jan. 1, 1930	7,500	11,000	1,110	12,110
Jan. 1, 1931	1,500	6,000	450	6,450
Jan. 1, 1932	----------	1,500	90	1,590
Total	----------	56,000	20,040	76,040

[1] Paid by city warrants and later repaid out of income.
[2] In 1926 Canby built a 10,000-gallon steel water tank and tower paid for out of earnings of light department.

Of the above $76,040, all but $14,292 has been paid out of the earnings of the light and water plants.

Mr. Lee's audiences marveled at this remarkable showing in a city the size of Canby in paying off such a large debt in less than 10 years. "But wait," said Mr. Lee, "the half has not yet been told. We had money to do other things as well as pay off the debt. The following improvements and donations have been made from money coming out of our light income:

Improvements to light and water system:	
189 light and water meters, at $10	$1,890
317 water meters, at $16	5,377
43 transformers, at $125	5,375
1 100,000-gallon steel tank and 110-foot tower	10,000
Spring for water reservoir, pump, and motor	8,500
Engineering fees	500
Total	31,642
Donations to high school:	
Water main and hydrant	819
Transformer	587
Total	1,406
Other donations:	
20-acre cemetery for city	$4,000
Part payment on city hall	6,500
Riverside Road paving	1,000
Total	11,500
Savings:	
16½ years' street lighting	16,500
16½ years' power for water system	9,900
Cash reserve in bank	21,000
Total	47,400

Losses covered by plant earnings:	
Bank failure	$2,000
Damage suit for personal injury	3,000
Total	5,000

SUMMARY

Summarizing the above figures we have amounts made and saved by the plants:

Payments on bonds, warrants, and interest	$61,750
Improvements to system	31,642
Donations to high school	1,406
Savings on light and power	47,400
Other donations	11,500
Losses covered	5,000
Grand total for 16½ years	158,698

This money was saved for the benefit of the Canby community and not contributed to the profiteers and holding companies.

IS IT A GOOD POLICY?

Several individuals asked Mr. Lee if he thought it was a good policy "to keep rates up in order to raise money for other city expenses?" To this Mr. Lee replied: "There are two theories in setting rates and use of revenues of publicly owned utilities. One theory is to set the rates just high enough to care for operating, maintenance, interest, amortization, and depreciation. In this manner the people get the benefit of the lowest rates possible as is the case in Eugene (Oregon municipal plant). The other theory is to keep the rates high enough so that after taking care of all operating and other fixed charges there remains a surplus for other purposes. Your choice of the two methods will depend on your circumstances. The citizens of Canby choose to have a surplus for other purposes."

"How do your rates compare with those in surrounding towns?" was another question asked of the speaker. To this Mr. Lee replied: "Our last reduction brought our rates down in every respect to the rates of the Portland Electric Power Co., from whom we buy our energy wholesale, costing us about $8,800 a year. With this rate we still made a surplus last year of $5,464, and at the present time (April 1939) we are making a net profit of $1,000 a month."

He further explained that Canby is seeking a contract with the Bonneville project for energy at the announced rate of $17.50 per kilowatt-year. At this cost the city would save another $4,000 annually.

WILL AID IRRIGATION

Mr. Lee also brought out another interesting and unique feature of this Canby municipal plant. It proposes to aid the surrounding rural and farm population by helping them to develop their irrigation system. With the savings effected already and additional savings that would result from the lower rates for power purchased from the Bonneville project, he said, there will be some surplus power at off-peak periods which the city will give to an irrigation project of some 2,500 acres adjacent to the town. "Canby has agreed to furnish free of cost," he said, " half of the energy required to pump the water for this proposed project."

A WARNING

"But there is a final warning," said Mr. Lee. "Look out for the agitators who undermine the public sentiment for public ownership. After we were running smoothly for 5 years our success looked too good to the private power company. Our example, they thought, would very likely stimulate other communities to undertake municipal ownership, as indeed it already has done. So the Portland Electric Power Co. offered to buy our water and light system for $45,000. The Canby council refused. But the hired agitators succeeded in bringing the sale to a vote. No one thought the city would sell out and so the vote was very small. We saved our plant by only two votes.

"This vote being so close, the power company agitators called another election as early as possible, hoping to gain the few votes necessary for victory. But by this time the Canby voters awakened to what was going on and we beat the sell-out by a 2-to-1 vote."

The reproduction value of the Canby light and water plants is figured at $64,500, the actual value at $54,000. The reproduction value of the light plant alone is figured at $19,988 and the actual value at $15,450.

Warehousing of Government-Owned Cotton

EXTENSION OF REMARKS

OF

HON. FRED L. CRAWFORD

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Saturday, August 5, 1939

Mr. CRAWFORD. Mr. Speaker, the more one digs into the labyrinth of King Cotton in this country the more amazing the story becomes. It bears out the old story that truth is stranger than fiction. Little did the unsuspecting public ever dream that the ever-normal granary and loans on cotton would lead to the unbelievable situation which now governs.

One needs only to refer to a bill just reported out by the House Banking and Currency Committee. It is one of those short so-called noncontroversial bills which the chairman called up on short notice and rushed through committee without permitting anyone to appear and be heard on the bill. Using unusual tactics, the chairman of the committee even refused to grant congressional courtesy to Members of Congress to appear for the specific purpose of showing how the Government and taxpayer are being fleeced through the racket which is being carried on. Although a formal demand was made by one of the committee members—who had unearthed a lot of damaging information—that officials of the Commodity Credit Corporation be called before the committee to present further information which would run contrary to the interests of the firms drawing dividends from the racket which has been legalized, the chairman refused to permit anyone to be heard.

The whole proposition hinges about the storage of some 12,000,000 bales of cotton on which the Commodity Credit Corporation has made loans. When it comes to storing such a vast quantity of cotton at rates of 25 cents per bale per month, that means $3 per bale per annum, or a neat little sum of, say, $36,000,000 per year. Of course, it is difficult to get Congress to even respect a sum so small as this. If it were $3,600,000,000 or thirty-six billion, it might draw some attention. However, the sum of $36,000,000 is something when it comes to running a few strings of warehouses.

But to the taxpayer the warehouse fee is not the controlling factor. It is the influence the warehousemen exercise in preventing cotton from being fed into the market. You can understand that if 1,000,000 bales of cotton are sold, shipped, and consumed it ceases to draw storage rates for the warehouse from which it was shipped. Cotton is worth so much more to the warehouseman when stored than when located on some ship going to the foreign mills or when located at a mill ready for consumption. Therefore the warehouseman is very friendly to the idea of greater storage stocks, a sluggish market, more loans, and incidentally more storage fees.

The farmer gets a loan on a bale only once, but the warehouseman gets his year after year so long as the cotton remains on storage.

It is not difficult therefore to understand the warehouseman's interest to keep the cotton on storage indefinitely and, above all, to prevent its removal to some other place of storage no matter how much saving that might mean to the Government.

The cotton-storage racket is a new one but a very powerful and very profitable one. Obviously, the interests who are fattening at this Government trough will not give up such a rich morsel without a struggle.

An enormous vested interest has been created in the continuance of the cotton-loan program and in the freezing of the loan stocks tighter and tigher, right where they are.

The story really starts with the first Government cotton loan in 1933.

It is not known to what extent the interior warehouse lobby influenced the decision at that time to make the loan at a flat rate all over the South, regardless of location. It is known that interior warehouse interests strongly urged this course.

Under this plan a farmer, for instance, in Lubbock, Tex., gets exactly the same loan on his cotton as a farmer at Greenville, S. C. Nevertheless, the market price of cotton in Greenville, S. C., is $5 per bale more than at Lubbock. The same is true of all points in North and South Carolina and to somewhat less degree of Georgia points.

As one prominent gentleman from South Carolina expressed the matter:

> Under this plan not only is the South Carolina farmer "gypped" when he makes his loan, but the South Carolina warehouseman is also "gypped" because the very first cotton to be sold out of the loan is South Carolina cotton, due to its higher value on the market, and then our South Carolina warehousemen lose the storage.

For the same reason cotton at Lubbock, for instance, is the first to go into the loan and the last to come out of it.

It is common gossip in west Texas that the most profitable business in that community is the storage of Government-loan cotton.

There is a facetious saying in west Texas that if the Government loan will only hold out for a few years more there will be a substantial increase in the value of west Texas farm lands, not for agricultural purposes but as sites for new warehouses in which to store Government cotton.

Most of the west Texas production now goes into the Government loan and stays there.

Meantime concrete, fireproof, sprinklered cotton warehouses will have unoccupied space for many hundreds of thousands of bales of cotton which they would be glad to store at an enormous saving to the Government if storage and insurance are available, but the political power of the interior warehouse lobby, with their swollen profits, is so great that the hands of administrative officials are tied.

Having supported the idea of storing cotton those in the know proceeded to build additional cotton storage space. Rates have been assessed and are being collected on somewhat of an emergency basis. Like when you build a plant for the production of arms and ammunition during a war period. You try to jack up the price sufficiently high that if the war ceases rather suddenly, you will have sold your production at such a high price over cost as to enable you to amortize the cost of your plant and equipment, and then have it as a gift so you may convert it to the production of peacetime goods.

It is interesting to note that one company was paid $467,338.60 for one period and for the following period it was paid $2,874,748.35, and for the period about to be settled for this same warehouseman is to receive $5,176,631.18. Another warehouseman is to receive a total of $942,271.16 for the period up to July 31, 1939; still another is to receive $1,296,087.88. The first-mentioned company is the Federal Warehouse & Compress Co., of Memphis.; the second is the Southeastern Compress & Warehouse Co., of Atlanta; the third the Union Compress Warehouse Co., of Memphis. If this is illustrative of how the ever-normal granary is to work out in the interest of the primary producer—the farmer—then we must admit it is a new type of subsidy, but not one that will increase the purchasing power of the man who tills the soil.

The amazing part about this whole program comes to the surface when the Government, acting through its agency, the Commodity Credit Corporation, desires to deliver cotton under the provisions of the barter deal recently made with England. The Commodity Credit Corporation finds its hands tied. To meet the quality, staple, and fiber requirements of the purchaser—England—the Commodity Credit Corporation must procure title to the cotton on which it has heretofore made loans to cotton growers. So, S. 2697 is approved by the Senate and sent to the House for action. The Senate approves a bill which carries provisions that would enable the Commodity Credit Corporation to procure, convey, transport, handle, store, maintain, or rotate the cotton on a basis as would cost the Government and taxpayers much less for storage and insurance charges than has heretofore been paid under acts which were so designed as to give particular warehousing-fee benefits to this small group of operators who have exercised and continue to exercise such an extraordinary influence over the Congress. The Banking and Currency Committee of the House has absolutely refused to allow the present law, which was written in a manner to protect the warehousemen at the cost of the taxpayer and the farmer, to be amended by the Senate bill so that the Commodity Credit Corporation could effect savings and prevent exploitation by the warehousemen.

Under the bill as reported by the Banking and Currency Committee, the Government agency is powerless to proceed on a program of obtaining reasonable rates on storage and insurance on cotton actually owned by the Government or one of its agencies. It is almost unbelievable that a group of warehousemen, through their Representatives here in Congress, could be so powerful as to exercise such arbitrary control over commodities actually owned by the Government. With the Government becoming the largest holder of so many of these commodities, such an influence exerted by the warehousemen can become all-controlling in preventing these goods from finding their way into the normal channels of trade. As in the case of cotton, the warehousemen can prevent the Commodity Credit Corporation from reconcentrating the fiber at points where prospective buyers can have access to quick selection by sampling. In the legislation under consideration, the warehousemen, acting through their strong control over Congress, are proposing to say to England just what cotton she shall have access to, just what stocks she shall select from, the position of the warehousemen being to force England and other buyers to take from such stocks as may be selected by the warehousemen instead of letting England have freedom of choice, as any other buyer would want to enjoy.

So we have here another form of trade barrier dictated by an entrenched group of warehousemen who deny to the Government—as a result of legislation they have been able to have enacted into law—the right to say what it shall do with its own cotton; who say to prospective and actual customers for this cotton that they shall have to take such cotton as the warehousemen stamp with approval and are willing to release; and all of this because of the fat warehousing fees being enjoyed by the warehousemen in control.

The House should, of course, reject the bill which has been reported out by the Banking and Currency Committee and accept the Senate approved bill and in this manner break the control now exercised over the cotton in storage by the warehousing group.

It is reasonable to assume that English agents sent to this country will want to make inspection of the actual cotton to be exchanged for tin, rubber, or other strategic and critical materials for which we may wish to barter. If barter is to become the order of the day, it is reasonable to assume that other countries may wish to trade for some of our lard, cottonseed oil, fruits, and many of the other commodities the Secretary of Agriculture will be called upon to place on the "surplus" list. If undue control is to be exercised by a string of warehousemen who prefer much more to have the goods in storage in their warehouses than traveling through the channels of trade and into consumption, as in the current case of cotton with which we are now dealing, then in that case we are serving notice on our prospective customers that, while the Government may be the greatest single holder of these surplus commodities, freedom of action with reference to reconcentration at strategic points acceptable to the prospective customer will not be forthcoming. The "ring" will be the controlling factor.

One fundamental fact should not be overlooked; that is, if the farmer pays off the loan and takes back the commodity, he will either have to pay these excessively high storage and insurance charges or the Government will have to absorb them and charge the fancy fee to the taxpayer. If the Government takes control of the commodity through acquiring ownership from the farmer and proceeds to export the goods on a subsidy basis, as Secretary Wallace has announced he will do with cotton, surely under those circumstances the taxpayer will be burdened not only with the subsidy but with all of the unreasonable carrying charges. So, anyway you look at this, the matter becomes a "racket" in behalf of and for the specific benefit of the warehouse "ring."

This case further illustrates the impossibility of a free flow of trade on or in basic commodities when politics and government control dictate the terms by which the trades shall be made. Politics and government move too slowly, impose too great a burden in the form of time-market risk and excess charges for the traffic to bear. The will to make the trade, move the goods, and assume the natural risks involved ceases to function because the buyer has no chance of profit. It all operates contrary to the rules which have governed in a trading economy since its inception. Perhaps we, the people, still have this lesson to learn.

William F. Kopp

EXTENSION OF REMARKS

OF

HON. FRED C. GILCHRIST

OF IOWA

IN THE HOUSE OF REPRESENTATIVES

Saturday, August 5, 1939

Mr. GILCHRIST. Mr. Speaker, shortly after the close of the Seventy-fifth Congress and before the convening of the Seventy-sixth Congress there passed from this life into immortality the Honorable WILLIAM F. KOPP, of Henry County, Iowa, who served for 12 years in this House.

When I came into Congress he was old in membership and he gave me out of his great store of experience, friendship, love, and knowledge, most valuable help, counsel, and advice.

He was one of the great men whom my State has sent here. He was born in Iowa, lived in Iowa, served Iowa, and died there. His father was a veteran of the Civil War and was in the earlier days a member of the house of representatives in the State legislature. Mr. KOPP himself later served in the State legislature before he came to Congress, and in April this year the house of representatives at Des Moines passed resolutions of tribute to him from which I quote the following:

From the rural school Mr. KOPP came to the middle preparatory school of the liberal arts department of Iowa Wesleyan University, Mount Pleasant, Iowa, in 1885, graduating from this college with his bachelor of arts degree in 1892. In 1894 he graduated from the law department of the State University of Iowa.

On December 4, 1894, he was married to Miss Clara Regina Bird. Together they made an ideal home for nearly 44 years. It was a home of love, hospitality, books, culture, and warm friendships. Here students, who came to the campus of Iowa Wesleyan College, shared the idealism and companionship of this Christian home.

He began the practice of law at Mount Pleasant, Iowa, in 1894; he served as county attorney of Henry County, Iowa, from 1895 to 1899; was a member of the Henry County bar for 44 years; was postmaster at Mount Pleasant, Iowa, from 1906 to 1914; represented Henry County in the Iowa Legislature in the Thirty-sixth General Assembly, 1915–1917; was elected to Congress of the United States from the First District (1921–33), Sixty-seventh to Seventy-second Congresses.

Mr. KOPP achieved a splendid record during his years of political service, making lasting friendships while serving as legislator and representing his county in the State and his district as Congressman from the First Congressional District. He always promoted the good of the farmers of Iowa. He was a leader in Congress during his 12 years in office. At the beginning of his second term he was made chairman of the committee to investigate expenditures of the Navy and was chairman of the Labor Committee from 1925 to 1930. He was chairman of the Pensions Committee in 1930. He rendered notable service in flood-control work.

He was ever a friend of ex-service men. The Civil War veterans knew him as a friend, and the Legionnaires knew him and loved him. He marked this verse in a recent publication:

"I ask not pomp nor power
Like kings, to give command;
The wealth I crave is power
To serve my fellow man.
I want to feel the hand clasps
That joys and sorrows blend;
I want to hear him saying,
'Ah, sir, you've been my friend.'"

A member of the Methodist Curch of Mount Pleasant, Iowa, for nearly half a century, Mr. KOPP was active in every department. For many years he was a member of the official board. He was a friend of Christian education and for 30 years was a trustee of Iowa Wesleyan College.

It is evident that three absorbing interests possessed the life of WILLIAM F. KOPP—his home, his church, and his country. He loved to serve others, particularly those whose lives were shadowed by sorrow and poverty. The needy and unfortunate found in him a friend. One of the gifts that endeared him to his friends was his recognition of merit in others. In his heart was a happy, joyous, witty strain which brightened the atmosphere about him.

With WILLIAM F. KOPP there was simplicity and integrity. There was always a fidelity to the highest in patriotism, justice, honor, and Christianity. There was no pretense in his make-up. He never compromised with his convictions nor retreated from responsibility. Whenever a noble cause needed support he never counted the cost. He was a man of high ideals, and his devotion to those ideals was constant and abiding.

Certainly we may join in the text selected by his pastor at the time of his funeral and say with Samuel:

Know ye not that there is a prince and a great man fallen this day in Israel?

Debt and Inflation

EXTENSION OF REMARKS

OF

HON. ABE MURDOCK

OF UTAH

IN THE HOUSE OF REPRESENTATIVES

Saturday, August 5, 1939

Mr. MURDOCK of Utah. Mr. Speaker, recently Stuart Chase treated us to a delightful and instructive study of "the tyranny of words." It seems to be characteristic of human beings that they should allow themselves to be oppressed by highfalutin phrases. When we hear a word that tinkles on the tongue we are quite apt to let its melody, or its awful harmony, seduce and lead away our thinking powers, like the children who followed the Pied Piper of Hamlin. There was a time when all that was necessary to ostracize a man from decent society was to label him "abolitionist." The late President Harding, in his campaign for the Presidency, aroused enthusiasm for his plankless platform by repeatedly pronouncing the magic term "normalcy." Later, to our sorrow, we discovered that "normalcy" was a word that covered a multitude of—well, the Teapot Dome scandal, for instance. History is replete with similar examples. Strangely enough, we seldom analyze these rabble-rousing terms, but troop along after them like a herd of sheep follows a bell wether. Of all the fields of human endeavor certainly politics is most subject to the tyranny of words.

For instance, at the present time large numbers of people have harkened to the siren song about the public debt, which has lured many men on to the rocks of shoddy thinking. It seems that one has only to refer to the public debt, even in the jolliest gathering, to produce long faces and watery eyes. One of the most successful of the public-debt heart wringers is a certain Mr. W. L. Crum, who is said to be a professor of economics and consulting expert of the United States Treasury. His connection, however, has not prevented this oracle of woe from uttering frequent and ever more pathetic prophesies of the doom of the United States. In the RECORD of July 19, on page 9506, we were treated to his prediction that "inflation and repudiation of the public debt lie ahead."

Again, in the Appendix of the RECORD, page 3742, under the auspices of the gentleman from Montana [Mr. THORKELSON], we were given an opportunity to read what, it is hoped, is Mr. Crum's latest and most fearful lament. Most calamity howlers are satisfied if they can hit upon one nerve-racking word of doubtful meaning. Mr. Crum has gone further. He has selected two words of horrible timber and little meaning. He has blended together the words "inflation" and "repudiation" to produce a truly sensational political dirge. The only trouble is that Mr. Crum, soaring around on the wings of ambiguous phrases, is unable to get down to the lowly level of facts. Let us have a look at his record. He says "inflation is already here; rise in the public debt is inflation." What can this possibly mean? Inflation, according to ordinary common-sense language, is a drastic rise in prices. The only possible relation between debt and inflation is through the effect of debt on prices. Let us look at the facts. The total public debt in this country today is almost twice what it was in 1929, and the debt of the Federal Government alone is about two and one-half times as great. And yet the wholesale price index which stood at 95 in 1929, 1926 being 100, is only 75 at the present time. Obviously there must be something wrong with the idea that a rise in debt in itself constitutes inflation.

If Mr. Crum meant anything at all, certainly he did not mean what he said. Since the public debt has mounted, what

Mr. Crum says is that we are already wallowing in the mire of inflation. But when "inflation" means a rise in prices, and prices have actually fallen, the absurdity of the statement shines through even the misty veil of meaningless words. So Mr. Crum and the other prophets of doom try to persuade us that we are trembling on the brink of inflation, and that the building up of the public debt will surely plunge us into the abyss. He says:

Some set of circumstances will set it (inflation) off—don't ask me when.

The same warning has been repeated several times every day for the past 6 years, and some of its terrors have been tamed by time. Perhaps we can discover just how ridiculous it is by comparison.

We hear much in these days about the prosperity of England, which, we are told, has made a phenomenal recovery from depression without resort to the policies of the New Deal. Let us examine for a moment conditions in England. The total public debt of England, including local units as well as the National Government, amounts to $1,050 per capita as compared with $450 in this country. In other words, the per capita debt in England is almost two and one-half times what it is here. Surely if there is anything in the theory that our debt is rapidly becoming so large that inflation and repudiation are just around the corner, England must already be engulfed in a disastrous inflation accompanied by the repudiation of her public obligations.

The actual facts are quite different. In the last 5 years England has been enjoying one of the most extraordinary periods of prosperity in her history. Prices have been steady, production has been at all-time high, and employment is above the 1929 level. Government bonds are selling at remarkably low yields. And all this has taken place with a public debt almost two and one-half times as large as ours. In other words, when we have a public debt of $125,000,000,000 we will still be short of the "crushing burden" under which England has enjoyed such extraordinary prosperity.

If inflation and repudiation are just around the corner, it is strange that the bankers, insurance-company executives, and wealthy capitalists of this country are so stupid that they are willing to pay continually higher prices for Government bonds. Yield on the average long-term Government bonds recently got down to 2.07 percent, an all-time low, which means that the Government is selling its obligations on the most favorable terms in its history. And yet we are told that the policies of this same Government are leading us to financial ruin.

What we are suffering from at the present time is a deficiency, and an excess, of demand for goods. As long as we have a deficiency of demand or, in other words, a surplus of commodities, prices, instead of soaring to inflationary levels, are going to lag in their present depressed condition. The distribution of purchasing power by the Government, through its borrowing and spending operations, tends to sustain demand at something like a tolerable level. But with the tremendous productive power that both industry and agriculture in this country have developed, the amount of purchasing power necessary to raise prices, even by a small amount, would have to be much greater than at present. As the money that consumers have to spend increases, the flow of goods which industry and agriculture will put on the market will also increase. Only when we have absorbed all of our idle men and resources and the factories and the farms of the Nation are producing at full blast can there ever begin to be talk of inflation.

But consider for a moment what would happen to the Federal Government's finances if we reached that happy condition of full employment and full productive activity. Tax yields, without any increase in tax rates, would increase so tremendously that the necessity for further borrowing to finance expenditures would automatically cease. If there be any doubt as to the accuracy of this statement I need only call attention to studies of the Treasury which show that the Budget will be balanced with an $80,000,000,000 national income. This level of income, according to the estimates of exports, will still be somewhat short of the amount necessary to employ our men and our resources fully.

Putting the whole thing in a nutshell, any increase in the total spending of the Nation that would tend to make prices rise would call forth a tremendous increase in industrial and agricultural production. Slightly higher prices, together with increased production and increased employment, would mean larger incomes and hence larger revenues for the Treasury. The necessity for further borrowing would cease and the danger of inflation through further increases in the public debt would automatically disappear.

Delay of Legislation for Dairy Farmers Regrettable

EXTENSION OF REMARKS

OF

HON. MERLIN HULL

OF WISCONSIN

IN THE HOUSE OF REPRESENTATIVES

Saturday, August 5, 1939

RADIO ADDRESS BY KENNETH W. HONES

Mr. HULL. Mr. Speaker, among the numerous important measures awaiting consideration as Congress adjourns is my own bill, H. R. 6500, which would make dairy products a basic commodity, and permit the dairy farmers to share in the general agricultural-adjustment program, parity payments, and so forth, along with the growers of corn, cotton, wheat, and so forth. Extensive hearings were held on this measure by a subcommittee of the Committee on Agriculture, but the subcommittee has postponed further consideration until the January session.

Still another measure on which I had hoped to obtain action is H. R. 6871, designed to stop the flood of farm foreclosures in the Middle West by readjustment and refinancing of farm-mortgage indebtedness. My bill H. R. 7455 to the same end, which was included by the Banking and Currency Committee as an amendment to the spending bill, failed when the House declined consideration of the latter measure, although a similar amendment had been adopted in the Senate by a vote of 74 to 7.

Realizing the distressed condition of thousands of dairy farmers in the Northwestern States, I sincerely regret that adjournment of Congress postpones consideration of these as well as numerous other measures also designed to aid in the relief of this difficult and devastating farm situation.

In support of H. R. 6500 I shall insert in my remarks a radio speech by Kenneth W. Hones, president of the Wisconsin Farmers Equity Union, over the National Broadcasting Co.'s network on the Importance of Dairying as a Basic Commodity. Mr. Hones is a dairy farmer of wide experience in the farm movement of Wisconsin and knows well his subject.

The address is as follows:

THE IMPORTANCE OF DAIRYING AS A BASIC COMMODITY

The dairy industry of the United States is the greatest single unit of agriculture from the standpoint of national gross income, number of farmers engaged in it, and the importance that it plays, not only in the diet of the children but the general consuming public as well.

Thus being this important, it is relatively important that we protect the producer in maintaining this great plant and protect the consumers in giving them an adequate supply of quality product at fair prices.

The vast investment that dairy producers have to make in order to produce this important food makes it extremely important that he be fairly compensated for his efforts if he is to stay in the business of producing a quality product.

Under the past and present conditions of running this great plant in a disorganized manner the producer, as well as the consumers, have received a deal that is not to the advantage of either one.

The dairy farmers throughout the Nation are losing their farms by the thousands under past and prevailing prices paid to them. Especially is that true in the great areas producing milk for manufacturing butter, cheese, and condensed milk.

There are those who will say that they can't understand how farmers can be losing their farms when prices that consumers pay are taken into consideration. That is just the point consumers do not understand, but we, as producers of milk for manufacturing, know that we cannot continue long to produce at prices we now receive, with the exception of special areas and specially protected markets. The dairy industry is on the verge of bankruptcy and unless we can receive assistance to adjust the industry very soon the whole situation will become a serious national problem.

Seasonal and annual surpluses have caused undue low prices to producers, while on the other hand consumers have paid exorbitant prices for certain types of dairy products in off-season production, due mainly to the lack of a national dairy program participated in by individual farmers. We have been dictated to in both cases by processors of all types and other groups of handlers who only look for commissions and profits on volume, regardless of the producers' milk check or the consumers' ability to pay. The dairy farmers of the Midwest have themselves finally decided to call a halt to this kind of operation, and through meetings recently held in Wisconsin and Minnesota voted overwhelmingly to seek the assistance of Congress to pass legislation which will give us a share in the benefits as well as the responsibilities in a national agricultural economy. We believe it is possible for us dairy farmers to have a program that is fair to us and also fair to the consumers. It is good national economy to use an ounce of preventative rather than a pound of cure. It is evident now that our present production capacity may be on the verge of throwing the dairy industry on an exportable-surplus basis, and if this happens it will be far more serious than the problem confronting cotton or wheat, because we produce a perishable product that cannot be stored only temporarily. We believe we are just entering the stage of annual surplus production, and unless we as farmers rally collectively to prevent this there will be hectic days ahead.

Whether this is absolutely the case or not, it is important that we as producers organize in a national way to improve our situation and work out a correlated program; therefore we seek to make dairy products a basic commodity under the present farm bill. We ask that we receive our proportionate share of moneys appropriated for price-adjustment payments. We ask that the cow population be stabilized at its present level until economic purchasing power and increased consumption permits more production to be absorbed at prices fair to the producers.

There is much to be done within the industry itself in improving the production unit and raising standards of quality; therefore we seek as a part of the program such practices by producers as herd improvement, herd health, and the use of production-bred sires. This will lower the cost of producing a pound of butterfat and increase farm efficiency. To safeguard the consumers we advocate and stress practices to improve quality and sanitation, to be a part of the program and for cooperating farmers to receive recognition for same, by practice payments for compliance.

If stabilizing cow numbers through farm allotments does not produce the desired results, we have made provision for marketing quotas to be invoked only after dairy farmers themselves vote to do so. The allotment to be set only on that portion of the production that is marketed and that portion of the production consumed on the farm is not to be considered. We believe that stabilization of price is as essential to the consumer as to the producer. Out of the experience with past programs, especially under the Farm Board, it has been proven that stabilization of price without stabilization of production is as ineffective as stabilization of production without stabilization of the market. Due to this experience we now have, for those basic commodities named in the act, provisions for marketing quotas, loans, farm and terminal storage, and surplus removals. For the dairy industry stabilization of price means to keep the price of dairy products within the range of the consumers' purchasing power throughout the year. Consumers have paid exorbitant prices for products during off-production periods of the year and the producers receive their low price when their plants are producing at full capacity. By stabilizing the market we would raise the general price level, but would prevent undue high-price periods to consumers, which do not to any appreciable degree reflect in the producers' annual income.

To bring the stabilization part of our program about we have provided for such operations through an agency composed of cooperative dairy processing associations, to be financed in such manner as may be determined to be in the best interest of the industry.

Other basic commodities now named in the act have a program of storage on the farm, with loans to each farmer for his share of the national, seasonal, or annual surpluses. Because dairy products are of highly perishable nature, it is impossible for dairy farmers to store on the farm their share of these annual or seasonable surpluses; therefore, it is important that the dairy industry have a collective national agency for all producers to use in the storage of such surpluses, and to regulate in an orderly manner their return to the channels of trade.

It is also very important that the Federal Surplus Commodity Corporation has sufficient funds with which to remove any burdensome surpluses from this agency and distribute to the needy through relief channels as now being currently worked out by the Secretary of Agriculture.

Our program is primarily designed to assist farmers whose milk goes into the channels of manufactured products. We are making no attempt to disturb the fluid milksheds but to strengthen their position by stabilizing the market for the manufactured products, because milkshed contracts are based on current prices of butter and cheese.

When we present the program to Congress in a few days now, we are convinced that they are going to have before them in this bill the most complete picture of any commodity so far presented. We are not tackling our problem by parcels, nor have we any one patent-medicine remedy. This is a picture of the whole situation as it now stands.

The program is fair and just from every angle both to the producer and consumer; it covers the complete route from participation by the individual dairy farmer to the marketing of the product. We have made provisions for taking care of the family-sized herd through exempting from the program anyone who does not produce for market in excess of 500 pounds of butterfat or its equivalent during any one year. Because dairy products are so essential to the general welfare of all of us we are not advocating a program of scarcity, but one to bring about a better balance in the dairy industry for everyone. There is certainly no consumer who does not want the producers to have a healthy, prosperous industry with purchasing power sufficient to maintain industry.

This program has been discussed at length with producers and businessmen of the Midwest. It has the endorsement of the National Farmers Union, the National Wheat Conservation Committee, the Northwest Farmers Union Legislative Committee, and other farm groups from different sections of the Nation. In meetings completely covering the States of Wisconsin and Minnesota the farmers themselves, irrespective of organization affiliation, have endorsed the program and have raised nickel, dime, and quarter contributions, the funds necessary to send our committee to Washington. Creameries, cheese factories, condenseries, fluid milksheds, farm organization locals, and last, but by no means least, many small-town businessmen have put on drives to assist in raising these funds.

We have been here in Washington for some time now working out the draft for the bill and analyzing the whole agricultural picture. I do not believe it is unfair to say that if the American farmer wants any farm program he had better wake up. There are potent forces at work to destroy what we now have and they are using the same old game to do it. They are advocating programs of general phrases which have no underlying philosophy or principle common to the farmers' best interest. We farmers have at times been led away from our sane objectives by false and malicious propaganda that seems to us very unfair to the Secretary of Agriculture and the President.

Only to be here in Washington working closely with them can one understand their keen desire to do what farmers need to have done. Sincere farm groups seem to be having no trouble in securing the attention and assistance of the Secretary of Agriculture in preparing proper amendments to improve the present farm program. Remember that Congress, after all, has the responsibility of making any program work. It is not just enough to pass a piece of legislation, but the appropriations that go with it are the meat of the whole program as to whether they work or not. Why not ask your Representatives in Congress, "If the farmers of this Nation are the ones on whose heads the Budget must be balanced?" The lack of proper funds to operate a farm program will be more reason for its lack of effectiveness, if any, than any other reason.

We are certain that our dairy program is going to have militant opposition, as has already been intimated, but it is up to every dairy farmer to get behind this program if they ever expect to have a well-balanced agricultural program on a parity with other industries.

Let us keep what we now have and perfect it from time to time as conditions change, but let's work for more equality for more farmers and more commodities. Our dairy program needs your support at this time. Let your Congressmen know that you want it by hearing from you by card or letter. The whole agricultural program is in danger not because it isn't doing any good but because Congress is hearing from its enemies more than from those who want a program. We farmers are sleeping at the switch. I was in a Congressman's office the other day and in the great stack of letters he received from all types of national industry there was not one from his farmers. It is because of our negligence and indifference that Congress is failing to give our farm program the proper support, so it is important to let your Representative know that you want the agricultural program saved and improved, and that you want dairying made a basic commodity with a program designed to meet our objectives of stabilization.

In 1934 the Government brought forth a dairy program and presented it in a series of meetings to the dairy farmers of this Nation. Many of us attended those meetings as actual producers. The processors, dealers, speculators, market operators, and every type of commercial interest packed the meetings and consumed the time to where the farmers had but little opportunity to voice their views, and when they did the farmers were booed, hissed, and heckled down. Well, the program was defeated at that time because the meetings were packed with three processors or their office help to every one farmer. The dairy farmers did not turn the program down and we charged the processors with having headed off a program at that time, and they have never answered that charge to this day. Some of us did not accept that defeat as final. Since that time a number of us producers have been working out

a program that we felt would meet the needs of our industry at the present time, and one that was broad enough to meet changing conditions. We think we have it now and it will be presented to Congress next week. The dairy farmers of this Nation have a present responsibility perhaps greater than ever before. They will enlist, by their interest in our present plans, many sincere defenders of the rights of dairymen to sit at the national dinner table and partake of their fair share of the national income.

Ladies and gentlemen, I thank you.

American Lumber Industry Helped by Trade Agreements

EXTENSION OF REMARKS

OF

HON. ROBERT L. MOUTON

OF LOUISIANA

IN THE HOUSE OF REPRESENTATIVES

Saturday, August 5, 1939

ARTICLE FROM THE TIMBERMAN

Mr. MOUTON. Mr. Speaker, there has been a great deal said concerning so-called adverse effects of the reciprocal trade agreements program in its relationship to the American lumber industry. Statements have been placed in the CONGRESSIONAL RECORD in an attempt to stir opposition to the program. In many instances conclusions are hastily drawn from incomplete information that the American lumberman has been "sold down the river." To anyone with a rudimentary knowledge of foreign trade in lumber it must be apparent that the trade-agreements program has substantially helped the lumber industry. Biased and incomplete information, used by a small group of opponents, serves no useful purpose.

Mr. Axel H. Oxholm, managing director, Pacific Forest Industries, an outstanding authority on the lumber industry, in an article carefully analyzing the relationship between trade agreements and the lumber industry and recently published in the Timberman, stated:

[From the Timberman for December 1938]

RESULTS OF OUR TREATY NEGOTIATIONS

Pacific Northwest export industries as a whole undoubtedly feel disappointed in regard to the results of the United Kingdom trade agreement, and naturally everybody is looking for the proverbial goat. Few people take the trouble of studying the agreement as a whole, but are considering the value of the treaty, based on the effect on their particular industry, or, at best, on their particular region. Neither do they take a long-range viewpoint. This is natural and inevitable in a large country where most industries are organized on the basis of watertight compartments and have little relations with each other. Everybody agrees that closer commercial relations with the United Kingdom and the British Empire will be of the greatest importance also from the point of view of international politics.

The greatest achievement of the trade agreement is, unquestionably, that it caused a reversal of the strong tendency to build up preferences within the British Empire. While the treaty, in its present form, may not have broken down Empire preferences to the extent hoped for by certain groups, it does leave "the foot in the door," and subsequent agreements and a possible revision of the present agreement may lead to better direct results for the American export industries involved, especially those in the Northwest. Unquestionably, the treaty will have indirect benefits to practically every industry in the United States. If, for instance, our wheat farmers should succeed in disposing of their surplus crops of wheat in the United Kingdom under the duty-free arrangement secured by the agreement, the economic effects will be felt by every branch of industry catering to our farmers' needs. The same reasoning applies to all other of our industries directly benefited by the agreement.

For once has the American Government taken the lead in an intelligent and consistent foreign tariff policy. If, as majority of experts agree, we must maintain a foreign trade, it is obvious that our foreign policy, which is largely concerned with trade and commerce, must be conducted on a sensible and consistent basis. The industries catering to foreign markets cannot possibly exist on the basis of a temporary advantage gained at the expense of some foreign country during times of stress because such agreements and advantages are of short duration. Likewise an export industry cannot afford to be tied up with a political party so far as the tariff question is concerned. A glance at our tariff schedules for the past 25 to 30 years will clearly show the abrupt changes in our own import tariff, and the retaliatory steps taken by foreign countries against us, all of which has led to a disruption of our trade relations with foreign countries. Particularly during the last few years it has been evident that our representatives in both Houses of Congress are overworked. For this reason alone it should be evident that a highly technical and intricate matter such as our foreign policy cannot possibly be handled by Congress because very few men in political life today have even a superficial knowledge of international trade, tariffs, and related matters. Happily, Congress relieved itself of this work, placing it in the hands of the most competent men available for the purpose. Business leaders, who have studied the present set-up in Washington, are convinced that our negotiators are capable, impartial, and free from political bias. The mere fact that the results of the United Kingdom trade agreement came as a complete surprise to even the largest of our industries is in itself a tribute to the manner in which politics were kept out of this tariff question. The reciprocal trade agreement matter is neither an orginal idea of the New Deal nor is it a political issue, since it has strong supporters among keymen in both parties.

In conclusion let it be said that it is no easy task for our negotiators to achieve favorable results. Foreign nations, rightly or wrongly, charge this country with having started the tariff war and that the barriers which they have placed in the way of American merchandise are merely in the nature of retaliation. We should also remember that in international trade relations the same principle applies as in any other business deal—unless an agreement is fair and equitable to both parties, it cannot be of lasting value. The countries of the world today are keyed up to the maintenance of an export trade. Our negotiators are not dealing with impractical theorists but with men in the closest position possible with business interests in their respective countries. Our Northwest export industries, therefore, should continue the close relations with our negotiators and sooner or later this part of the country will receive valuable direct benefits. If anyone should be of the opinion that it would be better to take a chance on the spoils of war and have the tariff question revert to politics, they should first make a simple calculation and ascertain the relative number of voters in the Northwest compared to other districts in the country, often having foreign-trade interests opposed to ours. There is no important country in the world today where the foreign-tariff matter is handled by politicians, and in our own country it is more and more realized by responsible interests that important questions of a technical nature should be handled by experts and divorced from politics. The handling of the foreign-tariff matter is a case in point.

Felicitating the Taxpayers

EXTENSION OF REMARKS

OF

HON. JOSHUA L. JOHNS

OF WISCONSIN

IN THE HOUSE OF REPRESENTATIVES

Saturday, August 5, 1939

Mr. JOHNS. Mr. Speaker, after listening to the complimentary remarks and those who have congratulated others for efficient services rendered in this House, I am reminded of an incident in the life of the late Will Rogers, in which it was my privilege to participate. He had been invited and accepted an invitation to address the Kiwanis International Convention at Los Angeles. Prior to being introduced he had listened to the international secretary introduce some 100 persons on the stage. It seemed to impress Will, and when he arose to speak he said:

I have listened to this bald-headed man introduce all the people on this stage. He gave them all a name; whether it is their right name or not I do not know. But he has introduced them all; and now, if it will not take too much time, I would like to introduce the audience.

So this afternoon as I listended to these congratulations, after we had appropriated over $13,000,000,000, exceeding the Budget estimate by some $300,000,000, I felt, if it would not take too much time, I would like to congratulate the taxpayers of the country upon the fact we are adjourning tonight and going home.

What Is Economy?

EXTENSION OF REMARKS
OF
HON. USHER L. BURDICK
OF NORTH DAKOTA
IN THE HOUSE OF REPRESENTATIVES
August 5, 1939

Mr. BURDICK. Mr. Speaker, with 11,000,000 out of work, I wonder what the reaction to a self-styled economy Congress will be. This Congress, in effect, left the unemployed to shift for themselves in the name of economy. Yet, on the whole, it appropriated $250,000,000 more than the Government asked for.

It might be well to find out what economy really means. The dictionary defines this term "economy" as follows:

> The management of the affairs of a community, estate, or establishment directly concerned with its maintenance or productiveness.

The test of what is economical cannot be determined by immediate conditions alone nor by mere prophecy. The test must include both the present and the future. For example, in a city like Cleveland, with thousands hungry and no work, what is the economical thing to do so far as the Government is concerned? To let the people starve; is that economical? To refuse to supply them with jobs so they can help themselves; is that economy? To provide a loan fund to loan to States, counties, and cities to aid their waning relief funds; is that economy?

To wash our hands of the whole consideration of relief, the unemployed, the distressed, as the conservative Members of Congress have determined to do, is that economy? Some Members of Congress believe in letting the people shift for themselves, and therefore their voters back home believe in that. Is that economy?

As I view the situation, our greatest asset and our greatest list of values in the United States are the lives of the people. My greatest pledge, which I have sworn to defend, is defined by the Declaration of independence, "life, liberty, and the pursuit of happiness" for the people. Every move I have ever made, or ever shall make while a Member of this body will be designed to accomplish this guaranty to the people of the United States. Are we doing that when we refuse to assist those who cannot help themselves because of conditions which they did not create and which they cannot prevent?

I am still convinced that our greatest wealth is the condition of the great mass of human beings living in this country.

One of our greatest weaknesses of government is found in the rules of the Congress. Many times a majority cannot grant needed assistance to the people because of the rules under which Congress and particularly the House is governed. Under these rules any man can become the chairman of a committee who lives long enough and is elected long enough. He obtains his rank on the committees in the same way. We had a good demonstration of that in the defeat of the appropriation for commodity-credit loans to assist in preventing a wholesale price slump. The House defeated the appropriation of $119,000,000 for that purpose. The committee handling this matter was headed by the gentleman from Virginia [Mr. WOODRUM], as the majority spokesman, and by the gentleman from New York [Mr. TABER], the ranking Republican member. Both spoke the same language—one a Democrat, the other a Republican—differing in name only, but united to defeat this measure to save a collapse of the price structure this year among the farmers. These men convinced enough Members to follow them and the appropriation was defeated. The Republican Members voted a stone-wall vote, only a few Members breaking away.

The gentleman from Virginia [Mr. WOODRUM] was in his position because of his length of service, so was the gentleman from New York [Mr. TABER]. Both were creatures of our committee system.

When the Senate restored this appropriation by an overwhelming vote, the conferees were compelled to restore the appropriation, and when this restoration was made in the House, both the gentleman from Virginia [Mr. WOODRUM], and the gentleman from New York [Mr. TABER], spokesmen, asserted that they did not know anything about the farm problem, and were sure that no one else in Congress knew what to do about it. The first part of their statement was true—that they did not know anything about the farm problem. Everyone in Congress will admit that, since both have confessed to it. Their second statement was not true—that no one else knew what to do. There are a hundred Members of Congress who know what to do, but under the rules they cannot do it. The gentleman from Virginia [Mr. WOODRUM] holds the key position on the Democratic side and the gentleman from New York [Mr. TABER] holds the key on the Republican side. No one can speak one line on the matter of a conference report unless these two gentlemen yield time. Those who know what to do are shut out of all debate, while those leaders who confess they do not know a thing about the farm problem do all the talking.

The friends of the farmers in Congress have never tried to arbitrarily fix a price for their crops that will insure them prosperity, while all other lines of our public business suffer, including the consumer. All the farmer has ever asked for is a price for his products that shall be fair and just as compared to all other commodities. On this question there are over 100 Members of Congress who know what to do. The farmer will not complain of 50-cent wheat if with that price he can buy a binder at a corresponding price. But he remembers when wheat was $1 and binders were $150. Now wheat is 40 cents and a binder $400. In other words, this is a clear-cut demonstration that the farmer's price is unjust and unfair as related to other commodities. It seems to me that this unfairness should finally percolate through the brain cells of these leaders in Congress who say they do not know anything about it. That unjust and inequitable relation between the price the farmer gets and what he has to pay out ought not to be too difficult for these leaders to comprehend. I admit that it is a great tax on their thinking ability, but for the welfare of the whole country they should diligently try to understand.

When it comes to other questions they show a brilliancy of mind that is phenomenal. When we come to the questions of issuing Government bonds drawing interest for the next 50 years, when we do not have to issue one bond, these leaders understand that. They refuse to let the Congress issue greenbacks, drawing no interest, which are as sound as the bond. These leaders insist that the control of the flow of our money shall be privately handled. They insist upon deflation, which results in low agricultural prices and low wages. When crop prices are low, wages small, money commands a premium. When money is scarce and hard to get—that makes it worth more. If we reverse the process and cheapen money, crop prices rise and wages increase, and everyone benefits except the Shylocks who loan money. Their business falls off, but the people prosper. These leaders understand this all right, as every move either one of them makes carries out the needed protection to the private control of our circulation.

How long the people of the United States can be humbugged by party names, I do not know. Whenever the people rise up in their power and vote for men and not a party label they will control the Congress of the United States, and not before. If the people do not soon wake up to the deceit practiced upon them by the two-party system, their Government will come to a tragic end. We are headed in that direction now. There are a few truths that these reactionary Democrats and reactionary Republicans must be made to understand. They must be told with full authority of the people backing up that statement:

First. Honest people have a right to live and not be hungry in a land of plenty.

Second. God created all the massive resources of this continent for the people who should inhabit it, and no class or clique should have the right or authority to obtain control over these resources to the detriment of all the people.

Third. Private enterprise and initiative should be allowed to have free expression in this country until such time as such individual activity interferes with the public good; when that time arrives the general public good is paramount to all other rights and privileges.

Fourth. We have gained nothing in our fight to throw off feudalism and establish personal liberty if we allow a more devastating feudalism to obtain a permanent hold in the United States—a financial feudalism that, through the control of the flow and value of our money, can make prices high or low, wages fair or wages unfair, employment or unemployment at will.

I believe the people of the United States are going to insist upon these rights, and the sooner the reactionaries understand it the better it will be for all, including those who want to perpetuate this unjust and unlawful and unconscionable principle of individual interference with the workings of democracy.

Will Rogers

EXTENSION OF REMARKS

OF

HON. WILBURN CARTWRIGHT

OF OKLAHOMA

IN THE HOUSE OF REPRESENTATIVES

Friday, August 4, 1939

Mr. CARTWRIGHT. Mr. Speaker, when I became a Member of Congress in 1927 I was surprised one day when Will Rogers called on me. He said, "I wanted to see the color of the man's hair that could beat my old friend Charley Carter. You know us Indians have got to stick together." He was very proud of his Indian blood, and my predecessor, Hon. Charles D. Carter, was five-eighth degree. I had never met Will personally, though his picture hung on the wall of the Masonic lodge room where we were both members, at McAlester, Okla. I had read most everything that he had written and I had heard so much by word of mouth from his old friends and associates I felt that I knew him. After our first meeting I knew I knew him.

He told me about having bought the old home ranch place and how he had recently fixed up the old well in the yard. He said when he went back there he always drew himself a fresh, cold drink and drank out of the bucket, that it seemed more natural than using a dipper. He spoke of many pleasant memories of the old home. One thing in particular was how he used to rope the hogs, when they got in the field, and drag them out on his horse.

He was then high on the roll of fame and his taking time to talk with a freshman Congressman convinced me that his greatness was largely his commonness in an uncommon degree.

I next heard him convulse hundreds at the Jackson Day Dinner in Washington in 1928. Mrs. Cartwright and I attended the Will Rogers Day celebration in connection with the opening of the Will Rogers Hotel in Claremore, where people had gathered from all over Oklahoma. It was interesting to see him mix with his old cronies. He put on a pair of blue denims and he and his son, Bill, played polo to the satisfaction of the vast crowd. Mrs. Cartwright and I were seated in the grandstand with his daughter, Mary, and his sister, Mrs. McSpadden. Will was solicitous of their comfort and came around every little bit to see how they were enjoying the game.

The last time I talked with him was shortly before his untimely death. I was going through Statuary Hall to the Senate Chamber and saw him wandering around among the statues. He spoke and began to tell me about having been in to see Vice President GARNER. He said: "I asked to see the V. P. and a clerk told me I could see him all right, but he was asleep and 'I have orders not to wake him until 3 o'clock.' I said, 'I don't want to see him like that; I'll come back at 3.'" When I saw Will he was looking at the statue of Sequoyah, another Cherokee Indian. Since then I have wondered if he ever entertained the idea that he might be the other one in the Hall of Fame from Oklahoma.

I told him Speaker Byrns was in and I would return with him to the House Chamber and call the Speaker out. I left Will at the east door while I went in to notify the Speaker. The Speaker said he would be delighted to see him. I returned and conversed with Will until the Speaker could arrange to come out. I asked him how his sister, "Aunt Sally" (Mrs. McSpadden) was getting along. He said: "Ain't she fine! She is 17 years my senior and when my mother passed away Sally took mother's place in my life. I have her in my home in California just now on a visit, and I am afraid she will go back to Oklahoma while I am gone. I wish she would live with us." The Speaker came out and took Will to his private office.

Next came the awful news of the terrible plane crash in Alaska, at the top of the world, when he was at the top of the world in fame and glory. I could not express my feeling at the sad news of the passing of Will Rogers and Wiley Post, Oklahoma's two world characters.

Mark Twain is probably the widest read of all American humorists. Will Rogers was the widest seen and heard. When he came by Congress one time he said, "They are passing out appropriations like hot biscuits at a farm home." It was he who said, "Congress opened with a prayer and ended with an investigation." Relative to foreign affairs he said: "This country never lost a war or won a conference." So typical of him is the inscription on his statue: "I never met a man I didn't like."

I think perhaps if his now silent tongue could speak he would say to the thousands that gather before his statue: "Howdy, folks," and then start off in that familiar vernacular and homely philosophy. When asked how he won his unique position, he drawled: "Jes' gum an' gumption." And that was literally true. No man in the public eye had more gumption or chewed more gum.

It is painful to meet the realization that we can never see and hear him again. As I gaze on his statue, as I so often do, I think as Anthony must have felt when, looking upon the silent form of the man whom once he loved, he said:

> His life was gentle, and the elements
> So mixed in him that Nature might stand up
> And say: "This was a man."

Correcting the Record on Farm Imports

EXTENSION OF REMARKS

OF

HON. BEVERLY M. VINCENT

OF KENTUCKY

IN THE HOUSE OF REPRESENTATIVES

Saturday, August 5, 1939

Mr. VINCENT of Kentucky. Mr. Speaker, in the Appendix of the CONGRESSIONAL RECORD, page 3544, there appeared a table showing some imports of farm products in 1933 and in 1937 with the inference that the increases were the results of trade agreements. The person who prepared this table should be made to qualify as a witness. To indicate that such person was not qualified I present herewith a few outstanding errors in the import side of the table. The part referring to acreage displacement does not deserve honorable mention.

Error 1: For 1933 the table shows imports of wheat as 10,286,236 bushels—all of this was imported in bond for milling and exported to foreign countries. In showing 1937 imports of wheat the table shows 17,423,837 bushels—this figure includes both wheat imported in bond for milling and exported to foreign countries and wheat imported for domestic uses. Less than half of this figure was imported for domestic uses. It should be remembered that the severe drought of 1936 made necessary imports of wheat in 1937 to supplement domestic shortages of a particular type.

Error 2: The table lists imports of soybeans for 1933 at 42,630,809 pounds. This figure represents imports of sesame seeds. The 1937 figure of 109,418,304 pounds of soybeans represents imports of soybean oil cake and meal.

Error 3: The table reports imports of cottonseed for 1933 at 7,004,025 pounds. This figure represents cottonseed oil cake and meal. Imports for 1937 are listed at 194,030,618 pounds which, in reality represents cottonseed oil, not cottonseed.

Error 4: The table shows imports of molasses—which should be listed as inedible molasses—for 1933 as 169,936,000 gallons. This total appears to be an addition of both quantity and value figures.

Error 5: The table in showing imports of eggs and products reports for both 1933 and 1937 a figure which in addition to eggs and products includes $604,546 worth of meat extracts and gelatin for 1933 and $2,543,251 for 1937.

It is difficult to imagine that men of responsibility would descend in their attacks to presenting alleged facts with a total disregard for accuracy.

It is somewhat shameful that certain caustic critics of the reciprocal trade-agreements program, having failed to discredit the efforts of Secretary Hull to restore our foreign markets for farm and factory commodities by logic and calm reasoning, continue to misrepresent and appeal to prejudice and engage in statistical manipulations. Not content with attempting to mislead farmers by showing a list of selected imports of farm products, and drawing therefrom hasty deductions which cannot be supported, these same critics hope to undermine the program by padding and diluting trade data. Public opinion in America, when the facts are known, has never countenanced the use of unfair methods to win even worthy objectives.

Douglas Henry Johnston

EXTENSION OF REMARKS

OF

HON. WILBURN CARTWRIGHT

OF OKLAHOMA

IN THE HOUSE OF REPRESENTATIVES

Friday, August 4, 1939

FUNERAL ADDRESSES AT OKLAHOMA CITY AND TISHOMINGO, OKLA.

Mr. CARTWRIGHT. Mr. Speaker, the death on June 29, of Hon. Douglas H. Johnson, of Tishomingo, Okla., removed a figure that had long been associated with the Chickasaw Indians of Oklahoma. For 40 years he had been Governor, or chief, as it would be called among other tribes. He was the last elected Governor in the Indian Territory before statehood in 1907, and continued to administer the duties of that position up to the hour of his death. His administration, which marked his great fidelity and devotion, gave to him recognition as a champion of the cause of his people and made him a familiar figure in Washington.

I was reared from the age of 12 in Johnston County, named after this illustrious Chickasaw, and he was one of my boyhood heroes. He was a very distinguished-looking man, always immaculately dressed, smoked cigars, and drove fine horses.

His personal qualities were of that loving nature which wins the warmest attachment. His social and business relations were characterized by a geniality and courtliness of bearing and conduct which tended to make both official and personal contact with him more than ordinarily agreeable. His work was always faithfully and honestly performed. He will long be remembered, loved, and respected by the Indians, as well as all others who had the pleasure to know him.

Governor Johnston's body lay in state in the State capitol building of Oklahoma and Hon. William H. Murray, ex-Governor of Oklahoma, who had married into the Johnston family, delivered the funeral address which was as follows:

ADDRESS OF HON. WILLIAM H. MURRAY AT THE STATE CAPITOL, OKLAHOMA CITY, OKLA., ON THURSDAY, JUNE 29, 1939, AT THE FUNERAL OF DOUGLAS H. JOHNSTON, GOVERNOR OF THE CHICKASAW NATION

Ladies, friends, and countrymen, we have gathered here to pay last but sad memory to the departed—something that will befall all of us. My remarks on this occasion will be more historical and biographical rather than eulogistic, for the reason that eulogy is but a reflex by rhetorical means of one's real character. The history of this corpse, his true biography, bespeaks to the analytical mind his real character.

The departed I have known for more than 40 years, during that entire time perhaps more intimately than any other man living. I have often said in his lifetime and I repeat it now, "He was the most generous man I ever knew, the most diplomatic man I ever knew, and the greatest judge of men I ever knew." And he believed in the ultimate and final preservation of justice as strongly as Calvin, the great minister, believed in the "final preservation of the saints." In the course of my remarks I will give you incidents that will make that clear to you.

My first meeting with Douglas H. Johnston was when I was practicing law with Madison Lucas and S. C. Treadwell, of Tishomingo, and I observed him walking and I said to them: "Who is the man so eloquently and yet so tastefully dressed?" They said, "That is Douglas Johnston, candidate for Governor of the Chickasaw Nation." Later on he came into our office from time to time. At that time his opponent, the candidate of the opposing party, lived in Tishomingo; all of the great merchants belonged to the opposition party; all of the minor tradesmen and citizens of the town lined up for his opponent, white and Indian, and they all commended him. The only men in the Chickasaw capital who were for Douglas H. Johnston was Dr. W. Poyner (long since gone to his last reward; may God have mercy on his soul), and the others, Treadwell, Madison Lucas, and myself. After the campaign was over and he was elected Governor in 1898, he walked in the office one day and said to Lucas: "Why don't you equip your father so he can sell goods to these Indians at a reasonable price?" Lucas replied that he had no money. Said Johnston: "I will go your note for all you need." That illustrates the Indian gratitude, for no man ever suffered from being Johnston's friend; and I am pleased on this occasion to pay these tributes to him, because he was the greatest financial friend in my youth, due to my loyalty and faithfulness in friendship to him.

Said he to Lucas: "I am going to see that the debts of the Nation are paid." Warrants were canceled at 40 cents; and he said: "Don't you cancel them for more than 25 percent; I will see they are paid within 2 years"; and within 2 years they were paid.

Their first legislature passed numerous laws. They were sent up under the Atoka agreement that was negotiated in 1897, to be approved by the United States authorities, all except the general appropriation bills. One day, while it was gloomy and rainy, Ed Bradley, his bodyguard, drove up to my office in a closed carriage, and he said: "Governor Johnston wants to see you at the mansion, and wants you to remain overnight; come, go with me."

When I went down, with my customary business directness, I said: "What will you have?" "Time enough yet," said he. We talked about various things that didn't relate to any public matters, ate the customary supper, and came in and conversed until about 10 o'clock. I was impatient then to know the business. I have since learned why, not from him but by his custom, he was studying me.

Finally he drew a letter out of a drawer from the Secretary of the Interior, saying, "Read that." The Secretary, in very harsh language, said: "We are returning certain papers purporting to be laws. They are disapproved because they lack form, and are therefore void." And when I looked up, the Governor said: "Can you write those laws?" My reply was rather egotistical; I said: "I can write anything, from a political platform to the constitution of a republic."

Said he, "How do I know?" I said, "If I can't, it won't cost you a cent." Again he told of his policy; and he said: "I will have only a portion of these bills passed. One bill I will have written by the United States attorney, who is interested in the bill of $30,000. The others I want you to write, and I want them put through as quickly as the legislature can enact them." Said I: "If you will let me have a talk with them, we can pass them under your constitution in 5 days, but that is the shortest possible period."

I drew those laws and the United States attorney drew his. They were all sent up, and all I had written were approved; the others were turned down for reasons that I would not now care to mention. The Governor asked me what I charged, and said I, "Five

hundred dollars." "Well," he said, "this legislature has usually hired a draftsman at $4 a day. They won't pay it, but I possibly can pay it." I said, "Governor, you can't pay me anything." And I therefore refused anything.

Then, calling the legislature again, other bills were written by other people, and they were again disapproved. He called me in one day and said: "If you will write these bills, I will see sometime, some way, that you are paid." One day he said: "Now, I am getting ready to pay the debt. I want you, or advise you, to go to this old Commission, the Dawes Commission, Chickasaw, that negotiated the Atoka Agreement, and tell them you will collect their money within 2 years, charging them 25 percent. They will readily agree, because, if they had the warrants today, they would have to cancel them at 40 percent."

I got it signed up and inside of a week the legislature passed that appropriation for the Commission, and my part was $3,600. I, as you see, was fully paid. Every man who ever befriended him has been fully paid.

Illustrating again his method, he never quarreled with anybody; he never resented any kind of effort to treat him unfairly, but invariably punished the man without the man's knowing it. I recall a young man that worked for him by the month. He noticed the young man paying attention to a half-blood girl, and thought it would be a good match; and he said to his hired hand, "If you need a buggy and team to go see the girl, we'll let you have it."

So he drove this girl in a fine rig. (He was very fond of horses; in fact, Biby offered him $600 for one team.) And finally, the marriage was consummated, and Governor treated him as an equal. One day he said: "I want you to bring a little bag of alfalfa seed from Milburn." The former hired man brought it over, and when the Governor and his family were talking to him, he said: "Governor, you forgot something." The Governor said, "What is it?" "You owe me for bringing the seed out." "Oh, how much is it?" "Fifteen cents."

He paid it, but that was the dearest 15 cents that he ever accepted in his life. Talking to me later, he said, in disgust, "Think, Murray, of a man charging 15 cents, a landowner charging another landowner 15 cents for a little courtesy." That fellow never knew, but he did know later and felt very sorely the lack of friendship of a noble soul, in whom there was no guile; no littleness.

Governor Johnston has been Governor, with the exception of one term, since 1898. He has had fewest enemies I ever knew any man who held office or was in public life half that length of time. Indeed, he had fewer enemies, and yet he was always firm. Indeed, if he had been Governor of Oklahoma, he would have made as good a Governor as anybody, and he had gone out more popular than any Governor ever elected in this State because of his even balance, of his discretionary diplomacy, and of his wonderful judge of men.

Again, when I was in Congress, Senator Owen wanted to honor a certain politician of this State and said he: "I wish you would get Governor Johnston to appoint him as attorney." Because the Governor, whenever Republicans were in power, always appointed a Republican attorney in good standing; when Democrats were in power, he appointed a Democrat attorney; and, as he intended to appoint one upon the election of Wilson and about whom to select, I said: "Senator, I wouldn't presume to tell Governor Johnston whom to appoint; I will advise him on any other question, but he knows men better than I ever knew them. I know men when I have had experience with them; he knows men by looking at them; every man to him has a window that he looks through to his soul; I will mention it to him and leave it with him."

The Governor replied when I approached him: "I will be pleased to befriend Senator Owen; you tell that fellow that I am going to give a dinner; that you and Cornish and McMurray and one or two others will be present, and the Governor especially asks you to be present." When we got to the dinner this fellow wanted to show "Mr. Injun" that he was a wonderful fellow. He began to tell the Governor about living in North Dakota, and the best I could get out of it, that politician made the State of North Dakota, dug the Red River of the North, and spread out the valley that grows the finest seed Irish potatoes in the United States; and when he stopped talking the Governor pulled his mouth around to one side and tells a dry story and the fellow would start again. Finally, when he had concluded he adjourned the meeting.

I said to the Governor next morning: "What about it?" "Murray, he won't do," he said. "That man couldn't spell the word faithfulness. He would be running around telling everybody he was running my office. I know what policies I want to lay down; I want a lawyer that will lay down the law to govern those policies." He had read that politician perfectly. Within 2 years I experienced the truthfulness of his observation about that politician, and that is one of the things that marked his success.

He said, "Do you know another lawyer that is a Democrat?" I said, "The only one suitable I know is a Chickasaw Indian by the name of Reford Bond, at Chickasaw." He went home and went up to Chickasaw and walked into Reford Bond's office and said, "I am looking for an Indian that lives out about Minco, I think; somebody told me you know him well." Reford said, "Have a seat."

That was what he went in for, and he talked to Reford a while, never having before seen him, and then went to the hotel and wrote me a letter and said: "You go to the Interior Department and tell them that I have selected Reford Bond as my attorney." That illustrated his uncanny knowledge of men, because all men had a glass window into their soul through which he could look.

I remember two other occasions of observing around his house that white people, Indians, and Negroes for miles about almost lived upon him. I have seen as high as a hundred and twenty-five people dining at his house at one time. Such was his generosity. I know of only one other man in history who could duplicate it, and that was Thomas Jefferson in his career. In fact, Thomas Jefferson's friends ate him out of house and everything; and they pretty near ate Governor Johnston out of house and home, because he died a poor man after serving all but one term from 1898 to 1939.

That one exception was due to this: The constitution of the Chickasaws provided that no Governor could succeed himself more than once. He was elected twice and then he put in Moseley, Palmer S. Moseley. The vote on Moseley was a tie, but showing 47 illegal votes against him, he was elected. He served one term, then Johnston "went to the bat" again, with everybody in the Nation knowing that election would be the last, and whoever was elected would hold for life.

I happened to be the manager of the Johnston party. We went for it with the idea of electing everybody on the ticket. Indeed, we elected the 20 members of the house, 12 senators, attorneys, probate judges in each county, constables in each county, high sheriffs, and everything except one little constable in Pontotoc County. To give you an idea of how popular he was as a result of his first two terms—yet his party was a minority party—you may wonder what elected him. For years he had been head of Bloomfield Academy, an academy for girls, most of whom were of mixed blood, and he educated a thousand or so of these girls; they married, many of them, white men, and all of them the most prominent members of the tribe.

These women elected him, although he was a minority party candidate. The best politician I ever knew was a Chickasaw woman. She never played politics; she doesn't care to vote, she would rather not have the vote; but in her modest way she controlled more husbands than any other woman in this State; and they elected Johnston Governor, although he was of a minority party. I am illustrating—all of them saying, "I want to see Uncle Doug," as they call him, "elected again." That made him Governor for life; that made the legislature until the legislative authority ceased; that made the judges until they ceased. And let me state at this time that the district judge in felony cases was Judge I. O. Lewis, the late father of Attorney William Lewis, who resigned, I believe, last year, as United States attorney in Judge Vaught's court. Judge I. O. Lewis admitted me to practice in the Indian courts, and only Chickasaw citizens could practice therein.

Johnston was left for the purpose of signing titles. Understand the Five Civilized Tribes were the only Indians in the United States that owned the lands in fee simple. They were the sovereignty of the soil, and every allotment had to be signed by the governors in their respective nations. In the Chickasaw and Choctaw Nations, as they held their lands in common, they had to be signed by the governor of the Chickasaws and principal chief of the Choctaws. There have been some five or six principal chiefs of the Choctaws since Green McCurtain, a great man, last elected by the Choctaws.

Every allotment, every town lot, every parcel of land sold or transferred from the nation from west of Duncan and Chickasaw to Arkansas; every foot of land south of the Canadian River bears the name of Douglas H. Johnston, as grantor, representing the sovereignty of that soil. That in itself is a monument.

Again, to illustrate his patriotism, when the Government called upon everybody to register that was subject to registration under law, he busied himself for weeks notifying the Chickasaw Indians of that fact. One day he walked in, a little thrilled, more than common for him, and said he: "Murray, I am a happy man, I have just checked the tribal rolls—the tribal rolls show the name and age of everybody—with the Government rolls, and I find that every Chickasaw has enrolled for the war."

PUSHMATAHA

Let no man ever say that the Chickasaws lacked patriotism, and again that illustrated the prophecy of the greatest Indian that ever lived, Pushmataha. Pushmataha was always a friend of the United States. Pushmataha, who died on Christmas eve, 1824, and was buried with a military escort more than a mile long, with a monument in Congressional Cemetery at Washington to commemorate his memory. Pushmataha was a brigadier general, helped the Government whip the Creeks at Horseshoe Bend, and was in the Battle of New Orleans with Andrew Jackson; came into the western country and spent 3 years, from 1815 to 1818, looking out for his tribesmen. He approached General Jackson to buy the western lands for the Choctaws.

Of course, Jackson would be glad to do anything for him, and he and General Hinds negotiated a treaty, in which he traded lands in Mississippi for lands west. On October 18, 1820, Pushmataha bought every foot of land in this State south of the Canadian River. Some day Oklahoma will honor Pushmataha with a monument. He was not only a statesman but a great warrior, a great general, and a man of high honorable character. When he concluded everything he called on Jackson to agree to take 50 square miles of their land east of the Mississippi and sell it and reinvest the funds and let the interest become a perpetual fund for the education of Choctaw youths; he rose and complimented the Indians and said to Jackson, "This treaty for a new home in the West, with that provision for education, I predict there will grow from that the time in the future when the Indians of that section

will be 'holding office in the white man's Government and fighting in the white man's wars.'"

How true was that in the Spanish War, when Ben Colbert, a Chickasaw Indian, was the orderly of Col. Theodore Roosevelt; how much more true in the World War. Out of all of the heroes, white or otherwise, that went on the fields of France there are two outstanding characters that have the record of honorable portion, both in France and in America. They were Joseph Oklahombi, at Wright City, McCurtain County, a Choctaw, and Otis Leader, a Chickasaw. Oh, but you may reply that the record showed Otis Leader was a Choctaw. That is meaningless. I knew him from his birth, born on Blue, now in Johnston County, where he resided with his father all his life; and in that connection let me state Turner McLish was enrolled as a Chickasaw and his twin brother, John, as a Choctaw. Those mistakes often occur, because they got an equal amount of land, and it didn't make any difference; but, in keeping with that prediction of Pushmataha's, the Chickasaws and the Choctaws as well gave the greatest heroes of the World War. A far-seeing statesman was he and such was Johnston.

In the matter of education, the Chickasaws had common schools that went through the grades, never allowed less than 10 nor more than 35. Then, with only 6,000 citizens, they had two male academies and two female academies and an orphan's home. They gave the pupil in the common school $8 a month to attend school. The finest compulsory system I ever heard of. My wife, I remember, was teaching school when I married her, tells the story of a full-blood woman bringing a little boy over with his foot cut, so as not to lose his week, as that excused it. Then they could go to the academy and were furnished free board, all they had to furnish was their clothing. Then they selected 12 of the most promising boys every year to go somewhere in the States and gave them $30 a month. From that contribution Charley Carter, long-time Congressman, was educated. From that contribution Judge William Bourland became a graduate from Leland Stanford in California. Most of them went to Vanderbilt; but, when you speak of their educational system, their educational system was educational with the stress on the word "education."

We have a system now among white men that is a fine educational system without the word "education" to it. Not so with those Indians.

Again, Johnston was the most diplomatic man, and he could do it in such a shrewd way. All the treaties of the Five Civilized Tribes specified that preparatory to allotment the schools of their nation should be given up at the end of a certain period—8 years. The Government of the United States, and particularly through the Interior Secretary, Secretary Hitchcock, sought to grasp every authority, legal or illegal, and they sent a superintendent down to take charge of the schools from Washington, some politician from somewhere, and all the four nations surrendered. Governor Johnston never surrendered.

He came down when I was aiding the Governor with his work. He lived in the Governor's house. The Governor would take him for a drive in his carriage, but he never would "talk business" with him. He stayed there 2 years, then went back to Washington without control of the Chickasaw schools. Governor Johnston kept those schools for 8 years after the other nations had surrendered, because he said: "I am determined that the Government shall carry out the law." And he carried it out without fussing. Hitchcock wanted to dismiss him, but he found he couldn't do it. He matched many "scraps" with Hitchcock and won every "scrap." I know, because I wrote the briefs at his direction.

To illustrate his belief in the "ultimate preservation of justice," he said to me one day, "I am going to do all in my power to wipe from the rolls 4,300 fraudulent claimants to citizenship, taking some $30,000,000 in property." That case had been tried before the different courts in the Indian Territory, had gone to the Supreme Court on the question of constitutionality of the legislation, and it was decided against them before he went into office. The Governor preceding him had surrendered. I said to the Governor: "It occurs to me that the fight ought to have been made at the other end of the line." He slapped his chair arm with his fist, and he said: "Murray, I do not believe that injustice can prevail with an honest citizenship." He said, "I don't want any advice about what ought to be done; I want you to tell me how best to do it." And there appeared for the first time a new court to try the cases, through efforts of Mansfield, McMurray, and Cornish, who were employed to represent them, and they finally found the loophole.

That loophole was that, while the law said—and very fortunate for the Indians later—that in the Chickasaw Nation service could be had only on the Chickasaw governor and in the Choctaw Nation on the Choctaw chief, when, as a matter of truth, the property was owned in common. They raised the question that the court didn't have jurisdiction, because they didn't have all the owners of the soil, and by that method they were all wiped off and tried anew; and all of them were finally wiped off on an individual trial of each claimant but 133. He was right in his belief that "justice will finally prevail." These characteristics can only be known by giving the facts underlying them and by giving the history of the transactions as they occurred, otherwise words and rhetoric would be meaningless and but a shadow of the character of the man.

To me he comes as nearly as any man I have ever known being a perfect man. He had a shrewd way of advising the white men that lived around him, and they frequently consulted him. One of the best stories was: A white man came up living near Emit, when he came home, as a number of others did, and, said he: "Governor, how are you going to vote?" "Well," the Governor said, "I am a Democrat, but I never talk about it, because I have to deal with the Republicans." The man said, "Well, I am a Democrat, too, but what about Al Smith?" This illustrates his method: "Well, what of Al Smith? They tell me if he is elected he will move his family over to Washington."

The Governor said, "There must be some mistake, because I know he is an old bachelor." And the fellow went off shaking his head and saying, "What lies they tell in political campaigns." By that method, they usually followed it, because he was a wise counselor. He was truly diplomatic, he was just in his actions, he was superb in his conduct. He was one of God's souls. I never knew a man so long in politics who did not swear oaths, except Woodrow Wilson, and yet so well balanced in all of his actions. I never heard him utter an oath. I know I couldn't do it, and Woodrow Wilson didn't do it.

Again in 1929, when a few men wanted to put him out of office and called a meeting that was held in Tishomingo in order to send to the Department of Interior serious objections to his continuing in office. The Governor did not make a speech; he had someone else to read his report to the body. The house was about half full-blood men and women, and the other half mixed-blood and white citizens. The greatest orator of the Chickasaws at that time—and he, too, has gone to his "long sleep" (may God rest this good man's soul in peace)—a noble soul, was Robert Imotichee, a full-blood. He was the greatest orator I have ever heard, and I said, "Robert, you take the floor and tell those full-bloods in their own language the things that Governor Johnston has done, and we'll rest it with them"; and pretty soon those full-bloods began, "Ugh," a grunt which meant "yes."

When the vote was called—all having been brought there by the opposition—every full-blood voted for Johnston and more than half of the mixed and white citizens. In truth, they came to "condemn but left to praise." Such was his method and his wonderful career. Speaking of white and full-blood, his party was always primarily a full-blood and white man's party, and nearly all of the full-bloods were for him, nearly all of the white citizens. The mixed-blood for the most part belonged to the other party, but he whipped them invariably with this backing.

When you speak of the full-bloods, he had the best idea of less selfishness of what ought to be done about tribal property. I had one of them say to me, "Murray, the coal lands, we can never sell them; what ought to be done is to turn them over free to the Government with the understanding that it shall be a perpetual fund to educate full-blood children." You could not get a mixed-blood to say that; he had too much white man's selfishness, but the full-bloods' idea is a benevolent one, it's a sound one, and so you cannot wonder that they stood behind a man like Johnston.

Oh, if Oklahoma would stand by their faithful servants and not listen to those who want public office who have no interest in government except to draw pay from the taxpayers; if they would quit listening to the tax eaters and listen more to taxpayers and consider their own interest, there would be a different state of conditions in Oklahoma; because, as old Solomon said: "The law of no country is better than its citizenship." If you have no better, the voter is to blame, not the politicians; because the politician is following what he thinks the active people will approve. He will sell his soul to get their approval. He follows blocs because there are votes; and always ignores the needy because there are no votes there. When asked if he gave Greece the best law, Solon, the world's first great lawgiver, replied: "No, I have given them the best they would have." So has it been in every government since.

We are long on educational institutions because there are votes there. We are short on the poor orphans. We have nearly 4,000 orphans in private homes in this State. We have less than a thousand in homes. Why? Because the orphans cannot vote and their parents are dead.

Johnston was one man who could carry out his policies successfully because he had a noble citizenship, a discerning citizenship, a citizenship that would stand behind his wholesome policies, not a state of citizenship "hunting loaves and fishes." I fear, in modern times among the whites, there are too many that turn back as when Christ told them they must be born again. "Whatsoever you sow, so also shall you reap." I would like to continue with this historical recital because I know it, perhaps, as no other man knows it; but I have said a lot and some day I will add to it for the benefit of my fellow citizens who may in the future profit by the script. Therefore I will conclude by repeating again that Johnston was the most generous man I ever knew, the most diplomatic man I ever knew, the greatest judge of men I ever knew, who believed in ultimate "preservation of justice among men"; a man who never flinched, yet at the same time gave no one offense; who was a noble soul, indeed, and, if service on earth among the creatures of God Almighty counts with Him, certainly the soul of Johnston will be found there when the last call is made for us all to face Him who quieted the madness of the multitudes and stayed the tempest; who will in the end call unto Himself His own, wiping from the slate the corrupt, whether it be in politics or religion or what not.

When that time comes those who have the same hope may expect to shake hands again with one of the noblest men of our State, Douglas H. Johnston.

May the grace of the Lord, Jesus Christ, the Redeemer; the Peace of God the Father, and the Communion of the Holy Spirit be with him, and with us, now and forevermore.

After the funeral ceremony at the State capitol, his body was carried to the old Chickasaw Indian capitol at Tishomingo, where it again lay in state; and before burial in the Tishomingo cemetery, Hon. Melven Cornish, of McAlester, Okla., who had been Governor Johnston's attorney for many years, delivered the following funeral address:

ADDRESS OF HON. MELVEN CORNISH AT THE OLD CHICKASAW CAPITOL, TISHOMINGO, OKLA., ON FRIDAY, JUNE 30, 1939

With bowed heads and with hearts filled with sorrow, we stand in the presence of the last mortal remains of our departed friend and your fallen leader, Douglas H. Johnston, the last elected Governor of the Chickasaws.

I find it difficult to utter the words that come to me upon this sad and solemn occasion; and I only hope that I may be able to say something that may be of some comfort to his loved ones in their grief, and at the same time help others to know something more of the private life and public services of this great and good man.

The private life of Governor Johnston is an open book, which has been read by and is known to all who have come in contact with him.

He was gentle and kind in all of his personal contacts, and throughout more than 40 years of intimate association with him I have never heard his voice raised in anger or reproof; yet he had "nerves of steel and the heart of a lion," and by precept and example he upheld—and inspired others to uphold—the highest standards of human relationships.

Like old Abou Ben Adhen, of song and story, in his love for his fellow man "his name led all the rest."

Few men have been so privileged as I to know the extent and value of his public services, and for more than 40 years I have been called upon to assist in my humble way in their performance. Based upon the recorded history of the United States, in its relations with Indians and Indian nations, and in the presence of his last mortal remains, it is my considered conclusion that, when gaged by actual results, Douglas H. Johnston was the greatest American Indian that ever lived.

In the veins of Governor Johnson were intermingled the best blood of the Old South and the best blood of the proud Chickasaw Tribe of Indians.

His father, Col. John Johnston, Sr., was closely related to Generals Joseph E. Johnston and Albert Sidney Johnston of the Confederate Army.

After assisting in the emigration of the Chickasaw and Choctaw Indians from Mississippi to Indian Territory, and over the Trail of Tears, Colonel Johnston returned and settled among the Indians and married Mary Cheadle, a Chickasaw Indian, and a member of the well-known family of Kemps.

Toward the end of the Civil War Colonel Johnston died and was buried at old Fort Washita, near the present city of Durant, leaving a family of four boys, of which Douglas H. Johnston was one.

He was named for Gen. Douglas H. Cooper, who commanded the Chickasaw and Choctaw troops in the Civil War.

Governor Johnston grew to manhood in the Chickasaw and Choctaw country and was educated in the Indian schools and academies.

In 1884, at the age of 26 years, he was made superintendent of old Bloomfield Seminary, an institution for the education of Chickasaw Indian girls. This institution was, in later years, moved to the city of Ardmore, and it is now maintained by the United States Government.

He held this position for 13 years, or until 1897.

When first elected Governor of the Chickasaw Nation in 1898, the tribal reign was supreme over the old Chickasaw Nation, which comprised the southwestern one-fourth of Indian Territory.

Since then the Chickasaw government has been forced to go the way of all other Indian governments, notwithstanding solemn treaty guaranties.

The election of Governor Johnston at the beginning of these trying times and his opportunity for service during those trying years, has been no less than providential; and no general of a defeated and retreating army has ever been confronted with more harassing and perplexing problems in the leadership of his people from the peace and contentment of an isolated tribal citizenship to the new and strange responsibilities of State and United States citizenship.

De Soto and his followers, when beset by hunger and the perils of the western wilderness, found the Chickasaws on the banks of the Mississippi River, where they had lived for many generations. Later on, after the organization of the United States Government their lands were set apart to them and guaranteed by treaties.

Early in the preceding century, the Chickasaws and Choctaws were forced to surrender their eastern homes to make way for the States of Mississippi and Alabama; and they were given homes in the West, likewise guaranteed by treaties, in which it was agreed that they should never be disturbed.

It is generally understood that the Government promised the Indians that they might occupy these new homes "so long as grass grows and water runs." That is not correct. What the Government really promised the Indians (in the treaty of 1855) was that they might occupy these western lands, "so long as they exist as a nation and live upon it."

The Chickasaws organized a government patterned after the governments of the surrounding States. Their lands were improved, the cattle ranges were stocked, and they became a prosperous and happy people.

Schools and academies were organized and many of their sons and daughters were sent to eastern colleges; and there prevailed, among these contented and kindly people, an atmosphere of culture and refinement that provoked the wonder and admiration of all who had the privilege of knowing them as they really and truly were.

Notwithstanding the treaty guaranties of the great Government of the United States, this strange condition of an isolated civilization in this strange western land could not last. The tide of so-called white civilization, propelled by the greed of the white man for Indian lands, again arose as it had arisen and swept them from Mississippi and Alabama several generations before.

Settlers from the surrounding States of Arkansas, Kansas, and Texas ventured into the Indian country and begged to be permitted to occupy surplus lands. Others came as the years passed, and the Indians received them kindly, and, not foreseeing what must be the inevitable result, permitted them to remain and prosper.

Railroads were built, towns sprang up, and before the Indian owners of the lands realized what had come to pass, the whites overwhelmingly outnumbered the Indians, and began to assert their "rights," which had no foundation except in the charitable tolerance of a kindly people.

Congress heard and heeded. The act of 1893, creating the Dawes Commission, was the entering wedge. Other congressional acts followed, and slowly and sadly the Indians realized that their dream of the peaceful and isolated occupancy of their western homes, "so long as they shall exist as a nation and live upon it," was at an end.

Then came the treaty of 1898, to which the Indians were forced to agree, providing for allotment, for abolition of tribal governments, and paving the way for Oklahoma statehood.

Governor Johnston, having been elevated to the governorship at the same time this treaty was adopted, realized that further actual resistance to the plans and policies of the United States Government would be futile, and, throughout the intervening period of more than 40 years, he has consecrated his life, and applied those splendid powers with which Providence has endowed him, to the service of his people, in conducting them and their affairs through the perplexing difficulties that arose and overwhelmed them.

When his administration began, McKinley was the President. He witnessed the going of McKinley, the coming and going of Presidents Theodore Roosevelt, Taft, Wilson, Harding, Coolidge, and Hoover, and has witnessed the coming and reign of the present incumbent of the White House.

He has, likewise, witnessed the coming and going of scores of Cabinet officers and scores and hundreds of Senators and Representatives in Congress.

Throughout all of these years he has established and sustained intimate friendships with all who have been officially connected with Indian affairs. His manners were those of a southern gentleman of the old school and of the highest type, and his persuasive powers were those of a finished statesman and diplomat. By the exercise of the courage of one who knew the rights of his people and dared contend for them, and, by preserving at all times the dignity of his high office and never forgetting the splendid traditions of the Indian tribe which he has so long and ably represented, he won and held the sympathy and friendship of the most powerful leaders of the United States Government, and thus the rights and interests of the Chickasaws were guarded and protected.

Early in his first administration both the Indians and the United States realized that the Atoka Agreement of 1898 was defective and must be superseded by a new agreement.

Therefore, in 1902, the supplementary agreement was negotiated and ratified.

Under this agreement, the wrongs contained in the former agreement were righted, and the lands and moneys of the Chickasaws and Choctaws have been divided and distributed among the enrolled members.

It is deemed appropriate to set out some of the most notable achievements of Governor Johnston on behalf of his nation and people.

(1) When the life of the Chickasaw tribal government was endangered by the nonpayment of tribal taxes and the surrender of Chickasaw schools was demanded, he went direct to President Theodore Roosevelt, and Executive orders for the collection of tribal taxes and the retention of the tribal schools were made; and thus the life of the tribal government was saved and the control of tribal schools was retained to the end of the treaty period.

(2) When some 4,000 white adventurers from the surrounding States, by fraudulent representations and perjured testimony, forced themselves upon the tribal rolls, through judgments of the United States courts, and took possession of the tribal lands of the value of many millions of dollars, Governor Johnston again appealed to President Theodore Roosevelt, that apostle of the "square deal."

The "supplementary agreement" of 1902 was made, and a new court for the retrial of the cases was created. The cases were retried, the claimants were ousted from Indian lands, and the rights of the tribe and the good name of the United States Government were again preserved.

(3) When Oklahoma statehood came on in 1907, the new State, sorely in need of taxes, sought to tax Indian lands, in violation of treaty guaranties.

Governor Johnston, single handed and alone, challenged the right of the State to trample under foot solemn treaty guaranties and to confiscate the lands of a helpless people.

The memorable Choate case was filed and carried through the intermediate courts to the Supreme Court of the United States. In 1912 the great Court rendered its opinion, holding that treaty guaranties relating to taxation were binding on Oklahoma; and thus again were the rights of the Indians made secure and the good name of the Government, in dealing with its wards, saved from reproach.

(4) When the period of tax exemption expired in 1926 and 1927, many original Indian allottees were still alive and in possession of their lands.

Restricted Indians of half-blood and more were still unable to pay taxes, and taxation still meant confiscation.

The President and Congress were again appealed to. The result was the passage of the act of 1928, making inalienable and nontaxable 160-acre homesteads of restricted Indians, and thus these helpless people were made secure in the possession of their homes for another period of 25 years.

(5) When it appeared that the affairs of the tribes were drawing to a close, Governor Johnston asserted, to the President and before Congress and the departments, that considerable moneys were due and payable to the tribes, because of illegal and unauthorized acts of the Government in the administration of their property.

The act of 1924 was passed, providing for the trial of all claims against the Government. These suits, involving many millions of dollars, have been prepared and filed and are now pending in the United States Court of Claims, and it is expected that they will be finally disposed of in the near future.

The wife of Governor Johnston, who was Betty Harper, of distinguished Chickasaw Indian ancestry, was a teacher at Bloomfield Seminary at the time of her marriage to Governor Johnston, and she and the children and grandchildren, while they are left to mourn, are comforted by the deepest sympathy of mourning friends throughout the old Chickasaw Nation, the State of Oklahoma, and extending on to the National Capital.

Mrs. William H. Murray, the gentle and cultured wife of former Gov. William H. Murray, was a graduate of Bloomfield Seminary, and was a niece of Governor Johnston.

She was called to her reward a year ago, and now rests in the same cemetery where the remains of Governor Johnston will be laid.

Governor Johnston has served as the chief executive of his nation continuously since his first election in 1898 to the present time, with the exception of 2 years, from 1902 to 1904. He was still serving at the time of his death, with the consent of the President of the United States, being the last elected chief executive of his tribe under the Chickasaw constitution; and it is gratifying to an overwhelming majority of the members of the nation that he has been permitted to serve them to the end of his long and useful life.

I dare say that it is their wish that his plans and policies for the protection of his nation and people be carried forward without interruption or change.

Thus, throughout all the years from 1898 to the present time Governor Johnston has stood as the accredited representative of his nation in all matters affecting the well-being of his people.

Gentle, courteous, and kindly, he was revered by all who came into personal contact with him.

By the exercise of a courage of the highest order and an immovable firmness in the official conduct of all matters affecting the rights and interests of his nation and people he has won and held the respect and admiration of all public officials, both in Oklahoma and at Washington.

William Cullen Bryant, the poet, in that classic Hymn of Death, wherein he admonished the traveler upon how to approach the awful hour of death, must have had in mind just such men as Governor Johnston when he said:

"So live that when thy summons comes to join the innumerable caravan that shall move to that mysterious realm where each shall take his chamber in the silent halls of death, go thou not like the quarry slave—scourged to his dungeon—but soothed and sustained by an unfaltering trust, approach thy grave like the traveler who wraps the drapery of his couch about him and lies down to pleasant dreams."

Work of Congress

EXTENSION OF REMARKS

OF

HON. SAM RAYBURN

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Saturday, August 5, 1939

RADIO ADDRESS BY HON. SAM RAYBURN, OF TEXAS

Mr. RAYBURN. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following radio address to be made during the National Radio Forum arranged by the Washington Star and broadcast over a National Broadcasting Co. network next Monday night, August 7, 1939:

It has become customary for the majority leader of the House of Representatives to give the people over the radio an account of his stewardship and that of his colleagues after the close of each session of Congress.

I would like here to express my sincere thanks to the Evening Star National Radio Forum and the National Broadcasting Co. for giving me this opportunity to review the work of the first session of the Seventy-sixth Congress—and I say "work" advisedly, because this has been a working Congress. We have not been able to accomplish all that we would have desired. Some measures that we hoped to enact have at least gone over for later consideration.

To prove this has been an industrious and working Congress I will now review some of the outstanding accomplishments of this session.

The first two things that I shall discuss are the amendments to the Social Security Act and the revision of the revenue laws. Let me say to you that I think these acts are so outstanding that if they had been our full work the Congress just adjourned would have deserved the thanks of the American people.

This is the first administration in the history of the country that ever undertook a real program of social legislation. Under this administration the first Social Security and Old-Age Pension Acts were passed—one of the most far-reaching and beneficial steps ever taken in this or any other government.

At this point I should like to summarize the most significant features of the social-security amendments.

The three principal phases relate to the tax changes, the liberalization of the Federal old-age insurance system, and the augmentation of the Federal-State program of social security.

The old-age insurance taxes have been frozen for the next 3 years at 1 percent on employer and 1 percent on employee, which results in an estimated reduction for the 3-year period of some $825,000,000. The unemployment-compensation taxes have been limited to the first $3,000 of an employee's wages, in conformity with the old-age insurance tax provisions. The resulting annual savings are some $65,000,000, and, in addition, provision is made for refunds and abatements, which means an additional saving to taxpayers of some $15,000,000. In addition, what might be termed "nuisance contributions" of fraternal and certain other nonprofit organizations are eliminated.

The liberalization of the old-age insurance provisions is of the utmost importance. Not only is the date for beginning monthly benefit payments advanced from 1942 to 1940 but the benefit provisions for retired workers are liberalized and eligibility requirements are made easier for those retiring in the early years. In addition, the new law provides for auxiliary benefits in the case of the retired worker with an aged wife or children under 18 years of age. Of vital interest to all people covered in the Federal insurance system, regardless of age, are the survivor's benefits that will now be payable to a young widow with children, to aged widows, and to dependent parents (if there is no widow or children) on the death of a covered worker.

The effect of paying additional benefits to the married older workers who retire and of paying benefits to the survivors of workers is to afford lifetime family protection, instead of only individual old-age protection. This extension of the Federal old-age insurance system increased by millions those who will be protected and makes the protection that is afforded now more complete, since it recognizes the family circumstances.

Moreover, the coverage of the expanded Federal old-age and survivors' insurance system has been extended to include thousands of employees who were not included under the former language of the law. The main groups of employees which are now covered are sailors and national-bank employees and employees of Federal building and loan associations.

Another main category of changes relates to the cooperative Federal-State program of social security, which covers millions of men, women, and children in this country. The amendments authorize increased Federal financial aid for public health, maternal and child welfare, crippled children, and vocational rehabilitation. The amendments also increase from $30 to $40 a month the maximum monthly amount for old-age assistance and blind assistance for which a State may obtain 50 percent financial aid. Another amendment increases the Federal matching ratio to States for aid to dependent children from one-third to one-half of the aid granted.

In my opinion, the social-security amendments of 1939 represent as great an advance in providing security to the people of this country as did the original Social Security Act enacted in 1935. The tax relief granted should be of tremendous value in helping the general economic situation of the country. The increased benefits provided will not only furnish greater security to millions of individuals but also do much to assist the general purchasing power of the country as a whole.

Another important act of the present session of Congress was the removal of tax deterrents to business expansion and investment.

For many years a business with alternating profit and loss was required to pay higher taxes over a period of years than a business with stable profits, although the average income of the two firms might be equal. This was especially true with respect to new enterprises and the capital-goods industries which are especially subject to wide fluctuations in earnings. The new tax bill corrects this situation by allowing corporations, partnerships, and individuals in business to carry over their net operating business

losses for a period of 2 years. Under this provision, a taxpayer sustaining a net operating loss in 1939 is permitted to carry over such operating loss in reduction of his income for 1940 and if such net loss is in excess of his income for 1940, he can carry over such excess in reduction of his income for 1941.

Another provision of the existing law which resulted in hardships to corporations and for which relief had already been extended to individuals and partnerships by the Revenue Act of 1938, was the provision limiting capital losses in excess of capital gains of corporations to be applied against other income only to the extent of $2,000. The new tax bill removes this tax deterrent and permits corporations which have sustained capital losses on assets held for more than 18 months—known as long-term losses—to apply such capital losses in full against their ordinary income for the taxable year in which the loss was realized. In the case of capital losses on assets held for not more than 18 months—known as short-term losses—the corporations are permitted to carry over the excess loss into the next year to be applied against short-term gains of such year. The effect of this change is, of course, to place corporations upon a parity with individuals and partnerships with respect to capital losses.

There have been many complaints against the undistributed-profits tax. While in the form of the Revenue Act of 1938 the tax produced little return, it had acquired prominence as a psychological irritant largely because of the widespread emotional criticism directed against it. Legislation recently enacted at this session removes the undistributed-profits tax and substitutes for it a flat tax of 18 percent upon corporations with net incomes above $25,000. The small corporations, that is, those having net incomes below $25,000, were not subject to the undistributed-profits tax under the Revenue Act of 1938, but were subject to graduated rates ranging from 12½ to 16 percent. These small corporations which comprise about 90 percent of all corporations filing taxable returns, were left undisturbed by the new act. However, banks and insurance companies which, under the old law were subject to a flat rate of 16½ percent, even though their income was below $25,000, are now permitted to be taxed at the rates applicable to small corporations where their incomes are not in excess of $25,000. This will afford considerable relief to small banks and insurance companies.

Another feature of the new Revenue Act will materially aid railroads and other corporations whose bonds can be purchased at the present time at less than their face value. This provision permits a corporation in an unsound financial condition to redeem its bonds, notes, or other evidences of indebtedness in existence on June 1, 1939, at less than their face value without the recognition of gain if such redemption occurs after the enactment of the law and in a taxable year beginning prior to January 1, 1943. This provision will result in a real incentive for railroads and other corporations to liquidate their indebtedness and place themselves upon a firm financial basis.

Under the old law the capital-stock tax provisions were found to operate harshly against corporations which were unable to anticipate their earnings accurately over a period of years. Under the Revenue Act of 1938 the capital-stock tax is based upon a declared stock value, which the taxpayer may revise every 3 years. An excess-profits tax applies to the profits in excess of 10 percent of such declared value. Therefore, if a taxpayer is unable accurately to anticipate his profits and declares too low a capital-stock tax value, he may be subject to a heavy penalty tax on such profits. To remedy this situation corporations were given the right to increase their capital-stock tax valuations for the fiscal years ending June 30, 1939, and June 30, 1940, but not to decrease such values for such years. This will afford relief to corporations which have declared too low a capital-stock tax value for those years and should result in an added stimulus to business.

I do not believe that the American people want Government ownership of railroads. I certainly do not. One of the surest ways to prevent it is to enact fair and just transportation legislation that will bring under Government control all instrumentalities of interstate commerce.

The railroads are now and have been for some time what may be called a "sick" industry. Many railroads have not been able to collect enough revenue to even meet their fixed charges, much less pay dividends.

The recent session of Congress—both House and Senate—enacted legislation bringing under regulation all forms of transportation in an effort to stop cutthroat competition and have a well-rounded transportation set-up in the country. These bills are now in conference between the House and the Senate and it is the hope that an effcient and workable law will come out of these deliberations.

A railroad reorganization bill was passed, which, in my opinion, will save two or three railroads in this country from going through tortuous and expensive bankruptcy proceedings.

This transportation legislation, in my opinion, is of major importance.

Another outstanding accomplishment is the measure known as the reorganization bill. For 40 years every President has recommended a reorganization of the executive branch of the Government. Under this act the President was given the authority to group, coordinate, and consolidate agencies with a view to reducing expenditures to the fullest extent possible and to increase the efficiency of the operations of the governmental departments.

This reorganization is now under way. It will enable citizens to contact proper departments and get their information at one place instead of having to go from one department to the other in order to complete an answer to a question raised.

Another measure of great importance to agriculture and business as well is the one authorizing the Commodity Credit Corporation to exchange surplus agricultural commodities held under loans for stocks of strategic and critical materials which the Government of the United States needs to hold in reserve. By what is known as the Barter Act the United States Government will get rid of from six to seven hundred thousand bales of surplus cotton in exchange for rubber of equal value supplied by the British Government.

Another 150,000 bales of surplus cotton will be gotten rid of under an amendment to the Commodity Credit Corporation Act, authorizing it to sell at a price slightly under the market level on condition that the foreign governments purchasing such commodities commit themselves to hold the stock acquired in reserve completely apart from the market.

Another outstanding act passed by this Congress was the extension of the power of the President relating to the stabilization fund and the power to alter the weight of the dollar. The extension of these powers will enable the President and the Secretary of the Treasury to continue to cope with any world monetary emergency which may arise in the next 2 years and thus maintain the position of the United States in world trade and protect domestic interests from the damaging effects of currency-depreciation wars which may threaten.

The function of the stabilization fund, consisting of $2,000,000,000, is to prevent undue day-to-day fluctuations in the foreign-exchange value of the dollar. The devaluation power was originally granted and exercised to stabilize the dollar at its former international level after drastic depreciation of their currencies by other leading nations had seriously altered that level. Such depreciation proved extremely detrimental to American industries producing for domestic or export consumption in competition with foreign producers. The power to revalue the dollar and the stabilization-fund powers make a long step forward in the promotion of national welfare.

Last month the Congress passed a bill amending the Tennessee Valley Authority Act. It was a bill welcomed by the utility industry as well as by the Authority. To the Authority it meant that its electricity program could go forward in an orderly manner. To the utilities it meant relief from doubts and fears. The amendment permitted the T. V. A. to join with almost 40 other public agencies to purchase the electric properties of the Tennessee Electric Power Co. from the Commonwealth & Southern Corporation. There is no longer any reason for the private utilities to fear that they will be damaged because of the Government's power program in the Tennessee Valley. The passage of this legislation proved that the Congress agreed with T. V. A.'s intention to purchase at a fair price the facilities it required to distribute its power. There will be no duplication of lines and services—no destructive competition.

On August 15 the properties will be conveyed. T. V. A., an agency of the Federal Government, will acquire the company's generating plants and its high-tension transmission lines. Municipalities and rural cooperatives will purchase the distribution systems. The Commonwealth & Southern Corporation will receive $78,600,000, with which it will pay the company's bondholders and preferred stockholders—the public investors—100 cents on the dollar.

The merchant-marine bill provides for rehabilitation of domestic vessels so that vessels nearly obsolete might be turned in to the Commission and replaced by a modern fleet. Another bill modernized motorboat legislation, preserving all security features of existing law but materially relieving from the burdens of unnecessary fines and penalties.

Other legislation in the interest of the fishery industry provided through the medium of the Surplus Commodity Credit Corporation benefits similar to those accorded agriculture and provided for an educational and promotional campaign in the interest of increased consumption of fishery products.

Legislation was passed authorizing construction of additional and larger locks at the Panama Canal, so constructed as to provide so far as humanly possible ample accommodation for the transit of the largest naval vessels contemplated in the next 75 years. They will be bombproof and located so as to be immune from any damage which might be sustained by the existing locks in the event of attack.

President Roosevelt has recently written a letter to Chairman LEA, of the Committee on Interstate and Foreign Commerce of the House, recommending legislation to prevent waste in oil. In response, Mr. COLE of Maryland introduced a bill known as the Conservation Act of 1939. An able subcommittee is now considering this whole question with the thought of reporting legislation to the next session of Congress. It is the hope that this will be done.

The Connally law, known as the Connally "Hot Oil" Act, expired this year, but has been renewed to June 1941. It prohibits shipment of petroleum in interstate commerce which has been produced in violation of the State conservation laws.

The interstate oil compact, which expires on September 1, 1939, has been renewed. The existing compact included New Mexico, Kansas, Oklahoma, Illinois, Colorado, and Texas. Michigan, for the first time, is named in the new compact.

Extension of the Civilian Conservation Corps' activities will take another quarter of a million youths off of the streets and highways. It will direct the energies of this youthful legion into various channels of improvement—for self and country. It is an investment in humanity. Clean-cut manhood is the C. C. C. dividend.

The youth of today is the counselor of tomorrow. That led also to the establishment of the National Youth Administration.

Convinced we are on the right path, this Congress wisely guaranteed the continuation of the N. Y. A. for another period. It is taking care of an army of young people that could not go to school at all. It provides a job paying them $15 a month, so educational opportunities which might otherwise be lost can be theirs. N. Y. A. has laid low the barriers of social caste and financial consideration.

The appropriation bill for W. P. A. provides for reducing the number on relief rolls from ?,000,000 in 1939 to 2,000,000 in 1940, for the reason it is believed that a million more people on work relief will be employed in private industry in the fiscal year of 1940 than in 1939.

It has been demonstrated that when one person on relief is taken into private employment, three people unemployed—not on relief—are employed in private industry. It is our hope and belief that these 4,000,000 people will be absorbed by industry, thus reducing the number of unemployed by 4,000,000 in the year 1940 over 1939.

As a result of the realinement of European powers and the constantly changing world economic conditions, the links in the chain of national defense were greatly augmented by Congress, so that today the United States is in a better position to protect its national interests than it has been at any time in its history.

The Congress authorized an increase in the Air Corps of the Army by providing for a total of 6,000 Army planes.

Legislation was passed providing for the use of civilian flying schools for the primary training of pilots, instead of having to expend additional sums to increase the size of the existing Air Corps training center.

Provision was made for an increase in personnel to take care of our air force.

Additional air bases are also to be constructed under this program. These new bases will provide a judicious distribution of flying facilities in every section of the United States and its possessions, to be available immediately to the Air Corps.

We have enacted a program here for the Air Corps and the Navy that will put this country in the position where it can defend itself against any country on earth that might attack us. I believe in the adoption of this program that the Congress met the wish of every patriotic American citizen. We want no war with any nation on earth. We covet the territory of no nation of the globe, but we are determined that this country, its people and its liberty, shall be protected by building up a line of national defense that no nation on earth will dare attack us. This program of national defense is the greatest insurance against war that could have been enacted.

These are only a few of the high lights in the program that has been adopted in this session of Congress. These alone would justify me in saying that this has been a working Congress and has passed a tremendous amount of remedial, far-reaching, and beneficial legislation.

The fundamental principles of the founders of the two parties were diametrically opposed to each other. It has come on down to now. It has been the theory of the Republican Party, from Hamilton to now, that the way to make the country prosperous is to make the rich very rich and prosperous and their prosperity will trickle on down to the fellow at the bottom. The theory of the Jeffersonian or Democratic Party has been and is now that in order to make the country prosperous the first thing is to have all of the people reasonably prosperous so that they have buying power. If you give the man in the lower income brackets sufficient prosperity and give him buying power, that buying power spreads. Farm prices had become so low in 1930, 1931, and 1932 that the 33,000,000 people on the farms of the country had no buying power, or had it reduced to the very vanishing point. That, of course, closed factories and banks and brought about general conditions of unemployment and distress.

Let me say something right here about business improvement.

The best barometers of general business conditions in this country are current tax receipts, movement of durable goods, and employment among nonagricultural workers.

During the first half of this year estimated Federal revenues increased $958,000,000, the sale of durable goods was up half a billion dollars, and employment among nonagricultural workers increased a million and a quarter.

We have made mistakes. Everybody in the administration admits that. All the things we tried have not worked—as we hoped they would—but we tried and when one thing has not worked, we have abandoned it and tried something else, if it were sound. All in all the program of the last 7 years is unmatched by any administration in this Republic in trying to do something for all the people and especially the average man.

The officials of the Republican organization have brought forward Dr. Glenn Frank as their head "brain truster" and program developer, if any.

Dr. Frank up to this good hour has brought forth no settled program, but has contented himself with the issuance of statements that can have no more force than the cryptic generalities which they are.

I note my friend, JOE MARTIN, the Republican leader of the House, has issued a statement to the tune of 14 points. I challenge any unbiased person to say he has enunciated a program. Most of the things he says the Republicans have done during the last session of Congress were all reported by Democratic committees and almost unanimously supported by Democrats.

In 1933 Franklin D. Roosevelt came to the Presidency and Democrats came into control of the Senate as well as the House. President Roosevelt brought hope to a Nation where there was only despair. He brought action to solve the problems of the depression where there had only been inaction and bewilderment.

Not only did he move to solve the problems of the depression, but he furnished leadership to solve great social problems that had accumulated in 12 years of Republican inaction. You know what that program of legislation has been. Would the Republican Party, if it came into power, repeal any of the legislation which is now on the statute books as a result of President Roosevelt's leadership?

In addition to the many achievements that I have briefly related the first session of the Seventy-sixth Congress has done much to perfect and carry on programs previously undertaken by this administration.

Our program has been based on the Democratic principle of doing the greatest good to the greatest number of our people.

The Republicans have offered no substitute program except to advocate a return to the old economic order of giving special privileges to the favored few at the expense of the underprivileged many.

They have not sought to repeal the permanent and monumental acts by which the Roosevelt administration will be judged in time to come.

Have they tried to repeal the Social Security Act, with its assistance to the aged, its unemployment insurance and its benefits to crippled children, the blind and other unfortunates? They have not.

Have they tried to abolish the Civilian Conservation Corps, which has taken hundreds of thousands of young men off the street and road and given them useful employment and wholesome training? They have not.

Have they tried to abolish the Federal Deposit Insurance Corporation, which has saved thousands of banks from ruin and protected the hard-earned funds of millions of depositors? They have not.

Have they tried to repeal the Securities and Exchange Act, which protects millions of honest American investors from the manipulators of the stock market? Still the answer is: They have not.

Since this administration found the country in chaos and despair in March 1933, the farm program has conserved our soil and turned agriculture back on the road to recovery.

With the aid of the Federal Housing Administration, the Home Owners' Loan Corporation, the public-works and the work-relief agencies, the Reconstruction Finance Corporation, and many other agencies created or revitalized by this administration, banks and private business firms have been put back on their feet; homes, schools, bridges, roads, and dams have been built, and the material wealth of this Nation has been increased from the Atlantic to the Pacific.

I might cite other long overdue reforms and accomplishments of the Roosevelt administration, which the Republicans will not and dare not oppose for the simple reason that these reforms and accomplishments are sound and supported by an overwhelming majority of our people. They will remain as monuments to this administration and will continue to be administered in the future no matter what party may be in power.

There are those who do and will criticize. Criticism and fault-finding will not satisfy the American people. What they want and what they are determined to have is action when action means progress.

In 1939 we stand where we will stand in 1940, as a party, proud of and defending the accomplishments of this administration.

Sense Versus Nonsense About Reciprocal-Trade Agreements

EXTENSION OF REMARKS

OF

HON. BEVERLY M. VINCENT

OF KENTUCKY

IN THE HOUSE OF REPRESENTATIVES

Saturday, August 5, 1939

Mr. VINCENT of Kentucky. Mr. Speaker, slightly more than 5 years ago Congress enacted the Reciprocal Trade Agreements Act authorizing the President to enter into trade agreements with foreign countries for the purpose of liberalizing world trade and restoring foreign markets for the products of the United States. This vitally important objective to our whole economy—agricultural and industrial—is being accomplished in the only practical way—that is, by reciprocal modification of excessive trade barriers.

Our national leaders failed to recognize the implications of excessive trade restrictions when they placed the Hawley-Smoot Tariff Act on our statute books in 1930. Foreign nations finding they could no longer sell their customary products in the United States quickly took retaliatory steps to exclude our products from their markets. Our foreign trade—exports and imports—dropped to a fraction of its former level.

In terms of resulting economic repercussions throughout the Nation this collapse of world trade represented a major phase of the depression. Nevertheless a vociferous handful of opponents, who would be the last to admit that no effort should be made to restore our foreign trade, persistently continue to snipe at Secretary Hull's efforts to reverse the trend toward disastrous economic isolation and seek to turn American farmers against the program by artfully compiling misleading trade data. Such devices may fool the unwary and deceive the unsuspecting, but it does not require much reflection to pry beneath the plausible appearance of such misleading propaganda and recognize the trickery involved. This procedure has brought into sharp focus the weaknesses of the charges made against trade agreements.

I should like to call the attention of the membership of this House and the farmers of this country to a statement by the gentleman from South Dakota, Representative KARL E. MUNDT, appearing on page 3761 of the Appendix of the CONGRESSIONAL RECORD, in which he decries the use of misleading data. One would imagine, after such a praiseworthy exposition of a rule of procedure, that he would be guided by it. How disappointing to find he ignores his own principle.

In presenting his indictment against trade agreements and the imaginary injurious effects it has had on the farmer, Mr. MUNDT adopts a study made by the American Good Government Society, and by conveniently giving to it the appellation "nonpartisan" hopes to inspire confidence in its conclusions. The truth is that the study is cunningly devised propaganda to stir farm opposition against the trade-agreements program—propaganda wholly unsound in its premises, wholly deceiving in its deductions, and fundamentally opposed to the real welfare of both the farmer and the Nation. Such shameful bias is inimical to true Americanism.

FARMERS SHOULD HAVE THE TRUTH

Simple honesty and ordinary fairness require that any valid conclusion demonstrating the effects of trade agreements on farm income must take as a basis of comparison the trade-agreements period against the Hawley-Smoot tariff period. The Hawley-Smoot Tariff Act was placed on our statute books in 1930 and continued to function uninterrupted until September 1934, at which time the first trade agreement—that with Cuba—was signed. By the close of 1935 three more trade agreements were added.

In the light of these facts is it obviously clear and irrefutable that the only sound basis of comparison in order to measure the effects of the trade-agreements program is to examine the farm situation under the 4 years of Hawley-Smootism and the 4 years under trade agreementism.

What are the facts? Total cash farm income under Hawley-Smootism amounted to $25,049,000,000; under trade-agreementism the total is $30,976,000,000—a gain to farmers of $5,927,000,000. These figures do not include Government payments.

I present here a table showing the farm situation under Hawley-Smootism and trade agreementism broken down into the totals for various classifications of crops.

Cash farm income

Commodity	Income received by farmers		Gain to farmers, 1935-38
	Under Hawley-Smootism, 1930-33	Under trade-agreementism, 1935-38	
Grains	$2,469,000,000	$3,272,000,000	$803,000,000
Cotton and cottonseed	2,360,000,000	3,168,000,000	808,000,000
Fruits	1,445,000,000	1,821,000,000	376,000,000
Vegetables	2,074,000,000	2,187,000,000	113,000,000
Tobacco	673,000,000	1,098,000,000	425,000,000
Meat animals	6,608,000,000	8,632,000,000	2,024,000,000
Dairy products	4,912,000,000	5,678,000,000	766,000,000
Chickens and eggs	2,614,000,000	2,885,000,000	271,000,000

Free discussion concerning the trade-agreements program transcends partisan politics, because there is too much at stake to jeopardize the economic well-being of the Nation for the sake of political gain. Honest differences of opinion may reasonably arise, and such a difference of opinion will command respect. Innuendos, half truths, and misleading information, on the other hand, can serve no useful purpose.

Accomplishments of the First Session of the Seventy-sixth Congress

EXTENSION OF REMARKS
OF
HON. SAM RAYBURN
OF TEXAS
IN THE HOUSE OF REPRESENTATIVES

Saturday, August 5, 1939

Mr. RAYBURN. Mr. Speaker, it has been my custom for the past several years at the close of each session of Congress to extend my remarks upon the work done by the House and by the Congress.

The most cursory examination of the records will show that this session has been a working one. It is manifest, from the character of bills considered and passed, that no Congress has had any more important problems with which to deal than have we in this session of the Seventy-sixth Congress.

You will appreciate that obviously it would be impossible for me to discuss here every bill considered and enacted by the House, since we have made so many laws during this session. However, I do wish to discuss some of these measures. It may be that I will overlook some important ones and it may be that I will include some relatively unimportant ones. It is my hope, however, that I shall forget none having a general effect upon the country. I shall not discuss them in any particular order or with any reference to their relative importance, but shall call them to your attention as the occur to me.

As a result of the realinement of the European powers and the constantly changing world economic conditions, the links in the chain of national defense were greatly augmented by Congress during this session, so that today the United States is in a better position to protect its national interests than it has been at any time in its history.

The House Committee on Military Affairs held extensive hearings on the new problems concerning national defense. The committee heard American Ambassadors to France and England, the Secretary and Assistant Secretary of War, as well as General Craig, recently retired Chief of Staff of the Army, General Arnold, Chief of the Air Corps of the Army, and other ranking officers.

As a consequence of these hearings, the Congress authorized an increase in the Air Corps of the Army by providing for a total of 6,000 Army planes. Funds have been made available to increase the present 2,000 planes to an actual strength of 5,500 by the end of the year 1941. Approximately 4,000 planes will actually be delivered to the War Department during the next 2 years.

To increase the Air Corps personnel in order to obtain pilots for the new planes, legislation was passed, providing for the use of civilian flying schools for the primary training of pilots, thus obviating the expense of increasing the size of the existing Air Corps Training Center at San Antonio, Tex. Aircraft may be loaned to these schools as well as military instructors. After successful completion of the primary training the officers would then follow the regular secondary training of the Army as heretofore.

The expansion of the Air Corps has necessitated an increase in the officer personnel of the Army as a whole. Hence the total number of officers has been increased from 14,659 to 16,719, of whom the Air Corps shall comprise 3,203, an increase of 1,111. These additional Air Corps officers are to be commissioned over a period of 10 years. To obtain the officers needed immediately, Reserve officers are to be called to active duty so that 3,000 Air Reserve officers will be on duty instead of the present 1,350. Instead of 5 years, these Air Reserve officers may be kept on active duty for 7 years during the period of expansion where necessary. This year

nearly 300 Reserve officers will be given commissions in the Air Corps after taking a competitive examination, and approximately 125 will be commissioned each succeeding year, until the 10-year expansion program is completed.

The strength of the enlisted men in the Air Corps will be more than doubled by increasing the present 21,500 men to a total of 45,000. These men will be enlisted through the regular recruiting channels and will be trained in a variety of trades in order to provide the skilled mechanics necessary to maintain the aircraft in perfect flying condition at all times, as well as to perform observation, photographic, and gunnery work in actual flying.

Additional air bases are also to be constructed under this program—one in the southeastern United States, one at Puerto Rico, and another in Alaska. These new bases will provide a wide scattering of flying facilities to be immediately available to the Air Corps, so that it may carry on its operations in any section of the United States or its possessions.

Legislation providing for construction, rehabilitation, and installation of more adequate defenses for the Panama Canal department has been enacted; $23,750,000 will be expended to construct necessary buildings and appurtenances to house antiaircraft, seacoast defenses, and auxiliary units, and the defense garrison will be augmented by 7,000 men and 200 officers, which will require the expenditure of nearly $4,000,000 for their pay and equipment.

In order to prepare industry for the part which it must play in the event this country should again be faced with armed combat, the Congress has authorized the expenditure of $34,500,000, which sum will be used to purchase from private industry those technical munitions not ordinarily manufactured during times of peace. It will also be spent to purchase gages, dies, jigs, and tools necessary in such manufacture. These tools will be stored in readiness for immediate installation, so that in case of need private industry can commence quantity production in such munitions. These educational orders thus will provide for the procurement of 55 critical items, noncommercial in character, from about 250 separate industrial firms.

To further carry out the defense program the Congress appropriated $10,000,000 for the procurement of strategic war minerals, which are not produced commercially in this country but which are essential to our everyday needs, such as rubber, tin, and so on. This will provide for a reserve supply of these minerals which must be imported into this country, so that in the event our merchant marine is needed for other purposes we shall have on hand an adequate supply of these minerals in case of necessity.

I want to call to your attention certain figures which I believe you will find interesting in connection with the program for our national defense.

[In millions of dollars]

	1938	1939	1940
Interest of debt	927	976	1,050
Retirement of debt	581	583	585
Navy Department	520	624	773
War Department	418	532	732
Veterans	586	548	561

Authorized for purchase of airplanes, $300,000,000.

Between $50,000,000 and $60,000,000 has already been expended in construction of necessary housing, airplane hangars, and similar buildings on Army posts in providing the necessary facilities for the Army expansion program.

The Seventy-sixth Congress, first session, appropriated a total of $815,157,461 for the United States Navy; of this sum, $209,593,712 was for new construction and machinery. This includes 2 battleships, 2 light cruisers, 8 destroyers, 8 submarines, 1 repair ship, 2 small seaplane tenders—a total of 23 new ships, as well as 121 vessels previously laid down.

Many detached observers consider that United States naval aviation is the most efficient and best in the world. To maintain this position and keep abreast of the unprecedented building of foreign airplanes and seaplanes, Congress has appropriated $82,798,000 for naval aviation.

The board of which Admiral Hepburn was senior member submitted to the Congress, in compliance with the direction of Congress, a detailed and well-reasoned report on the bases that were needed by the Navy from which to defend our coasts and our sea frontiers. With the exception of Guam and Wake, approval was given to all those bases which the Navy Department recommended as of immediate importance.

The Secretary of the Navy has been authorized to proceed with certain of these bases. Other public works to increase the efficiency of the fleet and overhaul facilities were appropriated for to the sum of $53,719,500. This will increase employment of civil personnel and stimulate certain industries. Under the public-works portion of the bill, to carry out the provisions of the Hepburn Board report, Congress made provision for establishment of air bases in the Pacific at Kaneohe Bay, Hawaii; Midway Island; Johnston Island; Palmyra Island; Kodiak, Alaska; Sitka, Alaska; Pearl Harbor, Hawaii; and Tongue Point, Oreg.; as well as San Juan, P. R.; Pensacola, Fla.; Jacksonville, Fla., and Banana River, Fla.; acquisition of land at Norfolk, Va., and Quonsett Point, R. I., in the Atlantic. Work has already begun in certain localities to insure that those vital strategic points of our defense will be protected at the earliest practicable date.

In the closing days of Congress, in the third deficiency bill, provision was made for drydocks at Pearl Harbor, Mare Island, Puget Sound, and drydock facilities at Boston; a naval supply base at Oakland, Calif., which will increase the readiness of the Navy for an emergency in either ocean.

The navy yard facilities for ship construction were brought up by Congress to a point where they can adequately handle the increase of the fleet which is now under way in accordance with the Naval Expansion Act of the last session of Congress.

Major overhaul and modernization of five battleships and three submarines was authorized in order to bring the fleet to as efficient a state as possible.

It is well that the fighting efficiency of a navy is dependent upon its personnel. In order to man the Navy's ships and airplanes the annual appropriation bill provided for a total enlisted strength of 116,000 men. The Chief of Naval Operations in his report to the Secretary of the Navy said that "The battle efficiency of our fleet and the training and morale of our men are believed to be unequaled by any major naval power."

In an emergency the Navy must have a trained reserve. The new Naval Reserve material law will increase greatly the efficiency of the Naval Reserve and contribute much to our national defense.

A condition whereby excellent young men with broad educational background, taken into the naval service and trained as aviators, were being sent to the fleet with commissioned officer's duties, but without commissioned officer's status, was corrected by the enactment of the Naval Aviation Reserve Act of 1939, which authorized the commissioning of naval aviation cadets in the Reserves.

This session of Congress has maintained the policy of the administration in insuring that this country is safe from any aggressor and that the Navy, the first line of defense, is able to guard positively our sea frontiers. This session of Congress was of the majority opinion that the Navy built and building will be able to intercept any force that might proceed to attack our coasts. This Congress saw fit to appropriate for a United States Fleet that will be of sufficient strength and efficiency to defeat the fleet of any single power wherever it can be brought into action.

In a chaotic world, it is the will of the American people as expressed through their duly elected Representatives that the country have sufficient force to protect its interests and its national policies and insure peace for the Nation. That has meant a Navy "second to none" and Congress has in all essential points after hearings and due deliberations enacted necessary legislation toward this end.

So far as national defense is concerned in relation to the Navy no other Congress since the days of the World War has made such advanced provision for the readiness of the fleet.

The Congress has enacted a bill, reported by the Banking and Currency Committee, which authorizes the Commodity Credit Corporation to exchange surplus agricultural commodities held under loans made by it for stocks of strategic and critical materials which this Government needs to hold in reserve, whenever the President has concluded a treaty for the exchange of such commodities between this Government and a foreign government. The act conveys the necessary authority to carry out a treaty with the British Government, ratified by the President on July 17, which provides for the exchange of 600,000 bales of cotton supplied by this Government for an amount of rubber of equal value to be supplied by the British Government. The act will also enable the Commodity Credit Corporation to carry out any further treaties which this Government may be able to negotiate with foreign governments for similar exchanges.

Arrangements of this nature will have the advantage of providing a new market for American cotton and perhaps other agricultural surpluses now held under loan. Such purchases by foreign governments will be entirely in addition to the ordinary commercial demands, and those governments will at the same time commit themselves to hold such stocks in reserve, completely apart from the market, for a period of at least 5 years. The British Government has agreed to hold the cotton for a minimum period of 7 years, unless it is needed in the meantime to meet a major war emergency, and even after 7 years the cotton can be sold by the British Government only after it has consulted with this Government regarding means of disposing of such cotton and after taking all steps to avoid disturbance of the markets.

At the same time that this Government is enabled to dispose of some of its surplus agricultural commodities, it will receive in return stocks of raw materials of great importance to American industry which are not available in this country. Such stocks will be held in reserve by this Government against an emergency created by war involving this country or war elsewhere in the world which interrupts the supply of such commodities from the usual foreign sources.

The Congress has adopted another act authorizing the Commodity Credit Corporation to sell surplus agricultural commodities held under loan by it to foreign governments at a price slightly under the market level on the condition that the foreign governments purchasing such commodities commit themselves to hold the stocks acquired in reserve, completely apart from the market, for a minimum period of 5 years unless their use is required in the meantime to meet a major war emergency. I understand that enactment of this bill clears the way for the sale of 150,000 bales of cotton immediately and there is the possibility that much larger amounts will be disposed of in the near future.

The effect of sales of cotton under these terms will also be to increase the world market for American cotton since this demand will be entirely in addition to the ordinary commercial demand. Cotton sold under these terms will still be held in storage but the carrying charges will be borne by the foreign government instead of by this Government.

Among other measures sponsored by the Banking and Currency Committee were:

A bill extending for 2 more years the existence of the Commodities Credit Corporation and the Export-Import Bank; increasing from $500,000,000 to $900,000,000 the amount of bonds, notes, debentures, and so forth, which the Civilian Conservation Corps may have outstanding; and limiting the outstanding loans of, or other obligations of the Export-Import Bank to $100,000,000, the capital for which the Reconstruction Finance Corporation may continue to supply through loans or subscription to preferred stock.

A bill permitting extension or renewal of loans made prior to June 16, 1933, to executive officers or members of the Federal Reserve System to June 16, 1942, but such extension or renewals must be accompanied by written agreement for regular amortization payments on the principal.

A bill that continues the existence of the R. F. C. to June 30, 1940, and allows the maturity date of the Corporation's surplus to be subsequent to its existence; also continues the existence of the Electric Home and Farm Authority to the same date; and increases the maximum authorized capital stock of the Disaster Loan Corporation by $20,000,000, and extends the authority of such Corporation to make flood or other catastrophe loans through 1940.

A bill providing for a national census of housing to aid in the formulation of a national housing program in order that we may improve the living conditions of the American people.

A bill extending to June 20, 1941, a period during which direct obligations of the United States may be used by Federal banks as collateral security for Federal Reserve notes.

Legislation of the Committee on Merchant Marine and Fisheries involves the merchant marine, fisheries, Coast Guard, Panama Canal, Coast and Geodetic Survey, Lighthouse Service, and marine hospitals. Two hundred and twenty bills were referred to the committee, 54 reported to the House, 49 passed by the House, and 40 acted on by the Senate. Forty-seven public hearings were held on 82 bills, and 85 bills were considered in 30 executive sessions. In the first session of the Seventy-sixth Congress more bills had been considered and more reported than in the first session of the Seventy-fifth.

Bills reported, passed, and enacted into law comprehended the merchant marine bill, amending in many particulars existing legislation and providing for rehabilitation of domestic vessels similar to that existing in other maritime countries, whereby vessels nearly obsolete might be turned in to the Commission and replacement provided with a modern fleet. Public, No. 99, authorized allotment of wages by seamen to savings banks and depositaries, thus encouraging thrift. Public, No. 16, implemented the Officers' Competency Certificates Convention, 1936, looking to further safety. Another bill modernized motorboat legislation, preserving all security features of existing law but materially relieving from the burdens of unnecessary fines and penalties. H. R. 4983, which passed the House and Senate, made definite provisions for requisitioning of vessels by the Government in time of emergency. The number of seagoing vessels required to abide by the standards of the Load Line Act were increased.

Legislation was enacted authorizing any two or more of the Atlantic Coast States to enter into compacts or agreements for the uniform regulation of fishing and other matters connected with the industry with a view to better market conditions, superior quality of fish products, and the conservation of fishery resources.

Other legislation in the interest of the fishery industry provided for that industry through the medium of the Surplus Commodity Credit Corporation benefits similar to those accorded agriculture and provided for an educational and promotional campaign in the interest of increased consumption of fishery products. Provision was made for further study during the recess of fishery matters and an investigation into the Alaskan fisheries with a view to the stabilization of the industry generally and improvement in conditions of the fisheries throughout the United States.

New Coast Guard stations were established in Grand Traverse Bay, Mich., near the city of Monterey, Calif., and at Wrightsville Beach, N. C.

One bill provided a modernized and efficient promotion and retirement system for enlisted members and offered greater opportunity for advancement.

Another provided for a Coast Guard Reserve to be composed of owners of motorboats and yachts instructed in maritime laws, rules, and regulations and operated as an aid in the dissemination of information on maritime matters with a view to more comprehensive observance of law.

Another bill consolidated the former Lighthouse Service with the United States Coast Guard pursuant to the plan of the President effecting economies in the administration and operating costs and increased efficiency.

Other legislation authorized the Coast Guard base in Alaska, provided for the celebration of the one hundred and fiftieth anniversary of the Lighthouse Service and increased

the efficiency of the Coast Guard in the interest of national defense and the performance of its maritime police functions.

Coast and Geodetic Survey: Legislation was enacted authorizing construction of new vessels needed to continue the survey of many thousands of square miles of uncharted Alaskan waters.

Panama Canal: H. R. 5129 authorized construction of additional and larger locks at the Panama Canal so constructed as to provide so far as humanly possible ample accommodation for the transit of the largest naval vessels within contemplation within the next 75 years—bombproof, protected from sabotage, and located so as to be immune from any damage which might be sustained by the existing locks in the event of attack.

Other legislation gave greater recognition to civilian employees and increased efficiency of administration of affairs of the Panama Canal and Canal Zone as well as provided for the celebration of the twenty-fifth anniversary of the opening of the Panama Canal.

On April 3 the President signed the reorganization bill. For 40 years every President has recommended a reorganization of the executive branch of the Government. Authority was given the President in this law to group, coordinate, and consolidate agencies with a view to reducing expenditures to the fullest extent consistent with the efficient operation of the Government, to increase the efficiency of the operations of the Government and to reduce the number of agencies by placing together those having similar functions under a single head and to abolish such agencies as may not be necessary for the efficient conduct of the Government, in order that overlapping and duplication of effort be eliminated. Under the terms of this act Congress did not abrogate any of its powers but it delegated to the President the right to place his own branch of Government in order, subject, however, to disapproval by the Congress in the event his recommendations were not considered in the public interest.

In less than a month the President submitted to Congress his first recommendations. In this plan the President provided for a new set-up in the executive office, for a Federal Security Agency, a Federal Works Agency, and placed all lending agencies under one head.

On May 9 the President submitted to the Congress plan No. II. Scores of Government agencies were affected by the two Executive orders. They met with Nation-wide approval, and Congress, by resolution, provided that both plans should become effective July 1.

As a result of this first step under the reorganization law millions will be saved to the taxpayers in future years.

The President has announced that throughout the summer and fall he will be continuing his investigations and when Congress reconvenes in January he will submit additional plans to the Congress. Thus this Congress has accomplished what Presidents since the days of President McKinley, without exception, have endeavored to accomplish.

The Congress enacted a bill extending until June 30, 1941, the time within which the powers of the President relating to the stabilization fund and alteration of the weight of the dollar may be exercised. The extension of these powers will enable the President and the Secretary of the Treasury to continue to cope with any world monetary emergency which may arise in the next 2 years and thus maintain the position of the United States in world trade and protect domestic interests from the damaging effects of currency depreciation wars which may threaten.

The function of the stabilization fund, consisting of $2,000,000,000, is to prevent undue day-to-day fluctuations in the foreign-exchange value of the dollar. At the present time practically every country in the world has abandoned the pre-1931 gold standard. Consequently the values of foreign currencies depend chiefly upon the day-to-day decisions of governments based upon continually shifting economic, political, and monetary considerations. Under such conditions the operations of the stabilization fund are necessary to protect American trade by maintaining the dollar's position in the world market.

The devaluation power was originally granted and exercised to stabilize the dollar at its former international level after drastic depreciation of their currencies by other leading nations had seriously altered that level. Such depreciation proved extremely detrimental to American industries producing for domestic or export consumption in competition with foreign producers. Likewise, American producers of agricultural commodities, such as wheat, cotton, sugar, and so forth, suffered greatly and the domestic prices of such commodities were severely depressed. Countries tempted to further depreciate their currencies in order to acquire competitive advantages in the world market are discouraged from undertaking such action when the United States is ready to meet promptly any such challenge.

By extending the power to revalue the dollar and the stabilization fund powers, Congress took a long step forward in the promotion of the national welfare.

Legislation pertaining to our great petroleum industry has again occupied a most important part in the deliberations of Congress.

The Connally law, known as the "hot oil" law, which expired on June 30, 1939, was renewed for a 2-year period to June 30, 1941. This law prohibits shipments of petroleum in interstate commerce which has been produced in violation of the State conservation statutes. The law functions through the Tender Boards set up where needed by authority of the President under the supervision of the Secretary of the Interior. At the present time the sole Tender Board is operating in east Texas and has been doing very effective work. Under authority of the same law, investigators have been busy in other fields.

The interstate oil compact, which expires on September 1, 1939, was renewed by a resolution of Congress consenting thereto for another 2-year period. The existing compact included the following States: New Mexico, Kansas, Oklahoma, Illinois, Colorado, and Texas, and the new compact includes the State of Michigan for the first time.

On July 22, 1939, President Roosevelt addressed an important letter to the chairman of the Committee on Interstate and Foreign Commerce, from which letter I quote:

> As you know, despite the progress which has been made toward oil conservation under State law and regulation the production of petroleum is attended by waste. In view of the vital part which petroleum plays in the national defense as well as its importance in commerce and industry, the prevention of waste in petroleum production should be the subject of an enactment by the Congress.
>
> I appreciate the thoroughness with which the Committee on Interstate and Foreign Commerce conducted the petroleum investigation in 1934 in response to H. R. 441, but in the light of changes that have taken place, I believe the committee may wish to study developments since that time by investigation and hearings prior to the next session of the Congress. To this end, and with a view to the enactment of suitable legislation in the next session of Congress, I request that the petroleum conservation bill which I today discussed with you and Representative COLE of Maryland be introduced at this session.

In compliance with the foregoing recommendation by the President, Representative COLE of Maryland introduced H. R. 7372, known as the Conservation Act of 1939.

Because of the importance of this subject, as demonstrated by the letter from President Roosevelt and in compliance with his request that the investigation of the petroleum industry as conducted by the Cole Committee in 1934, the House authorized, under House Resolution 290 of the Seventy-sixth Congress, further investigation of the petroleum industry along the lines indicated. A subcommittee composed of Congressmen COLE of Maryland, KELLY, of Illinois, PEARSON, of Tennessee, MAPES, of Michigan, and WOLVERTON of New Jersey was appointed to conduct this investigation and will report thereon at the next session of Congress.

It is my understanding that in the important study which this committee will make, that testimony will be taken during the interim between the adjournment and the convening of the next session in Washington and possibly in one or two other cities convenient to the large number of witnesses who will appear and be heard by the committee.

For years all well-informed persons have recognized acute problems in our great transportation system. The situation

has been intensified by the depression, by the development of new competitive conditions in the last two decades, and by an incomplete system of regulation. There has been a widespread demand for Congress to meet this situation so far as there might be a legislative remedy.

In the spring of 1938 the President initiated a series of studies which culminated in the passage of comprehensive measures by both Houses of Congress during this session. The measure passed in the House is a substitute for the Senate bill. These measures, now in conference, are well on the road to enactment in the early weeks of the next session.

The transportation bill as it passed the House establishes a national policy of equal treatment to all types of carriers and the preservation of the inherent advantages of each form of transportation. It provides a more practical plan of consolidation of carriers, with approval of the Commission. It looks toward the adjustment, equalization, and stabilization of our freight-rate structure.

Perhaps the more far-reaching and progressive feature of this legislation is that it provides for bringing all our domestic interstate carriers, whether by water, highway, or rail, under one unified system of regulation. It provides for the coordinate control of competitive transportation agencies. It prepares the way for more effective and comprehensive regulation to increase its efficiency and give all forms of transportation greater stability and certainly in their operations. It takes more effective control of competitive regulation. It makes the Interstate Commerce Commission the regulatory body and prepares it for more prompt decisions. It attempts to lessen, to some extent, at least, the expense to persons having matters before the Commission.

For many years rails alone were under interstate regulation. A few years ago we took over highway transportation and pipe lines. There has heretofore been a partial regulation of our intercoastal and coastwise carriers by the Maritime Commission. Certain other water carriers were under the regulation of the Interstate Commerce Commission, and still others have been unregulated. The result has been an interchange of traffic without a comprehensive or a unified system of regulation and without coordination of competitive agencies. The resulting chaos has become a menace to the financial stability of all our carriers and without any comparable benefit to the public.

The bill as it passed the House includes what is known as the Ramspeck resolution, which directs the Interstate Commerce Commission to investigate the rates on manufactured and agricultural products between points in one classified territory to another and to rates within such territories. The Commission is directed, by appropriate orders, to remove any discriminations in rates it finds to be unjust or discriminatory.

The bill amends and broadens the present law prohibiting discriminations so as to include regions, districts, and territories as areas against which discriminations are prohibited.

This part of the bill grew out of many complaints from the southern and southwestern parts of the country against alleged discriminations in freight rates.

Students of our transportation system are pretty well agreed that our rate structure can be revised and readjusted in justice to both shippers and carriers. Greater equality in treatment between different sections, industries, and classes of traffic can be established. The unified and coordinated control of our transportation agencies which this bill provides, looks positively to this end as one of the most available means for the improvement of our transportation situation.

This does not present a spectacular remedy for transportation ills but it does provide a just approach to improve the situation substantially on a sound, conservative, and practical basis.

This transportation measure is a distinct, progressive, forward step toward more definitely sound and stabilized conditions.

The American people are paying $7,000,000,000 a year for our public transportation service. Is it not possible for this essential, useful service of the Nation to be so regulated that the public will be well served, and the carriers placed upon a fairly stabilized and sound basis of operation? A fundamental problem of regulation is to place these carriers on a fair self-supporting basis. The unified control of coordinated regulation that this measure provides looks to that end.

The committee on Interstate and Foreign Commerce was busy with other legislation also. For your information permit me to comment that during the session this committee had 89 bridge bills referred to it for consideration, of which number 14 were superseded by Senate or later House bills, 14 are awaiting consideration by the subcommittee, and 61 have been reported to the House. Three are on the calendar awaiting House consideration, 23 have been approved, and 35 have passed both the Houses and are awaiting Presidential consideration.

During the first session of the Seventy-sixth Congress there were referred to this committee 149 other bills and resolutions. Of this number 112 are awaiting committee or subcommittee consideration, 22 have been superseded or otherwise disposed of, and 15 have been reported to the House. Of these 15, 1 was defeated on the floor of the House, 2 are on the calendar, 2 awaiting consideration by the Senate or concurrence by the Senate to House amendments, and 1 is in conference. Seven have been approved and 2 are currently awaiting Presidential consideration.

At this point I should like to summarize the most significant features of the social-security amendments.

The three principal phases relate to the tax changes, the liberalization of the Federal old-age insurance system, and the augmentation of the Federal-State program of social security.

The old-age insurance taxes have been frozen for the next 3 years at 1 percent on employer and 1 percent on employee, which results in an estimated reduction for the 3-year period of some $825,000,000. The unemployment compensation taxes have been limited to the first $3,000 of an employee's wages, in conformity with the old-age insurance tax provisions. The resulting annual savings are some $65,000,000, and in addition provision is made for refunds and abatements, which means an additional savings to taxpayers of some $15,000,000. In addition, what might be termed "nuisance contributions" of fraternal and certain other nonprofit organizations are eliminated.

The liberalization of the old-age insurance provisions is of the utmost importance. Not only is the date for beginning monthly benefit payments advanced from 1942 to 1940, but the benefit provisions for retired workers are liberalized and eligibility requirements are made easier for those retiring in the early years. In addition, the new law provides for auxiliary benefits in the case of the retired worker with an aged wife or children under 18 years of age. Of vital interest to all people covered in the Federal insurance system, regardless of age, are the survivors' benefits that will now be payable to a young widow with children, to aged widows, and to dependent parents—if there is no widow or children—on the death of a covered worker.

The effect of paying additional benefits to the married older workers who retire and of paying benefits to survivors of workers is to afford lifetime family protection instead of only individual old-age protection. This extension of the Federal old-age insurance system increases by millions those who will be protected and makes the protection that is afforded more complete, since it recognizes the family circumstances.

Moreover, the coverage of the expanded Federal old-age and survivors' insurance system has been extended to include thousands of employees who were not included under the former language of the law. The main groups of employees which are now covered are sailors and national-bank employees and employees of Federal building and loan associations.

Another main category of changes relates to the cooperative Federal-State program of social security which covers millions of men, women, and children in this country. The amendments authorize increased Federal financial aid for public health, maternal and child welfare, crippled children, and vocational rehabilitation. The amendments also increase from $30 to $40 a month the maximum monthly amount for old-age assistance and blind assistance for which

a State may obtain 50 percent financial aid. Another amendment increases the Federal matching ratio to States for aid to dependent children from one-third to one-half of the aid granted.

In my opinion the social-security amendments of 1939 represent as great an advance in providing security to the people of this country as did the original Social Security Act enacted in 1935. The tax relief granted should be of tremendous value in helping the general economic situation of the country. The increased benefits provided will not only furnish greater security to millions of individuals but also do much to assist the general purchasing power of the country as a whole.

Another bill of importance passed at the present session of Congress was the enactment of legislation removing tax deterrents to business expansion and investment. For many years a business with alternating profit and loss was required to pay higher taxes over a period of years than a business with stable profits, although the average income of the two firms might be equal. This was especially true with respect to new enterprises and the capital-goods industries, which are especially subject to the wide fluctuations in earnings. The new tax bill corrects this situation by allowing corporations, partnerships, and individuals in business to carry over their net operating business losses for a period of 2 years. Under this provision, a taxpayer sustaining a net operating loss in 1939 is permitted to carry over such operating loss in reduction of his income for 1940; and if such net loss is in excess of his income for 1940, he can carry over such excess in reduction of his income for 1941.

Another provision of the existing law which resulted in hardships to corporations, and for which relief had already been extended to individuals and partnerships by the Revenue Act of 1938, was the provision limiting capital losses in excess of capital gains of corporations to be applied against other income only to the extent of $2,000. The new tax bill removes this tax deterrent and permits corporations which have sustained capital losses on assets held for more than 18 months—known as long-term losses—to apply such capital losses in full against their ordinary income for the taxable year in which the loss was realized. In the case of capital losses on assets held for not more than 18 months—known as short-term losses—the corporations are permitted to carry over the excess loss into the next year to be applied against short-term gains of such year. The effect of this change is, of course, to place corporations upon a parity with individuals and partnerships with respect to capital losses.

There have been many complaints against the undistributed-profits tax. While in the form of the Revenue Act of 1938 the tax produced little return, it had acquired prominence as a psychological irritant largely because of the widespread emotional criticism directed against it. Legislation recently enacted at this session removes the undistributed-profits tax and substitutes for it a flat tax of 18 percent upon corporations with net incomes above $25,000. The small corporations, that is, those having net incomes below $25,000, were not subject to the undistributed-profits tax under the Revenue Act of 1938, but were subject to graduated rates ranging from 12½ percent to 16 percent. These small corporations, which comprise about 90 percent of all corporations filing taxable returns, were left undisturbed by the new act. However, banks and insurance companies which, under the old law, were subject to a flat rate of 16½ percent, even though their income was below $25,000, are now permitted to be taxed at the rates applicable to small corporations where their incomes are not in excess of $25,000. This will afford considerable relief to small banks and insurance companies.

Another feature of the new revenue act will materially aid railroads and other corporations whose bonds can be purchased at the present time at less than their face value. This provision permits a corporation in an unsound financial condition to redeem its bonds, notes, or other evidences of indebtedness in existence on June 1, 1939, at less than their face value without the recognition of gain, if such redemption occurs after the enactment of the law and in a taxable year beginning prior to January 1, 1943. This provision will result in a real incentive for railroads and other corporations to liquidate their indebtedness and place themselves upon a firm financial basis. Under the old law the capital stock tax provisions were found to operate harshly against corporations which were unable to anticipate their earnings accurately over a period of years. Under the Revenue Act of 1938 the capital-stock tax is based upon a declared stock value which the taxpayer may revise every 3 years. An excess-profits tax applies to the profits in excess of 10 percent of such declared value. Therefore if a taxpayer is unable accurately to anticipate his profits and declares too low a capital stock tax value, he may be subject to a heavy penalty tax on such profits. To remedy this situation corporations were given the right to increase their capital stock tax valuations for the fiscal years ending June 30, 1939, and June 30, 1940, but not to decrease such values for such years. This will afford relief to corporations which have declared too low a capital stock tax value for those years and should result in an added stimulus to business.

Last month the Congress passed a bill amending the T. V. A. Act. It was a bill welcomed by the utility industry as well as by the Authority. To the Authority it meant that its electricity program could go forward in an orderly manner. To the utilities it meant relief from doubts and fears. The amendment permitted the T. V. A. to join with almost 40 other public agencies to purchase the electric properties of the Tennessee Electric Power Co. from the Commonwealth & Southern Corporation. There is no longer any reason for the private utilities to fear that they will be damaged because of the Government's power program in the Tennessee Valley. The passage of this legislation proved that the Congress agreed with T. V. A.'s intention to purchase, at a fair price, the facilities it required to distribute its power. There will be no duplication of lines and services, no destructive competition.

On August 15 the properties will be conveyed. T. V. A., an agency of the Federal Government, will acquire the company's generating plants and its high-tension transmission lines. Municipalities and rural cooperatives will purchase the distribution systems. The Commonwealth & Southern Corporation will receive $78,600,000, with which it will pay the company's bondholders and preferred-stock holders, the public investors, 100 cents on the dollar.

This is one deal that seems to please everybody. After August 15, 145,000 consumers who have been buying electric energy from this company will be served by public agencies. T. V. A. rates will be in effect at once, and during the coming fiscal year the savings of those consumers will total over $4,000,000. The consumers like that—in factories, in stores, in homes, they like it. T. V. A. is gratified because next year these new customers are estimated to raise the Authority's power revenues to a new high of almost $12,000,000. The utilities should be satisfied, because they know now, and the investing public can see how groundless were their fears of disaster as a result of T. V. A.'s operations.

Private utilities have not been hurt by the T. V. A. program, except as the dire predictions of some of their managers have discouraged investors and hindered expansion. Rather, they have benefited. Since T. V. A. put in its low rates 6 years ago the earnings of the companies operating in the area have steadily increased and the manufacturers and dealers in electric appliances have experienced a genuine boom. The reason is simple. The companies reduced their rates, not to T. V. A. levels but enough to increase the average customer's consumption to more than double the 1933 figures and to swell the companies' revenues.

In spite of that benefit the private companies saw in T. V. A. an agency which might destroy them by duplicating their own facilities. They saw a future of parallel lines erected down country lanes and city streets, they visioned a conflict which would have impaired if not destroyed their investment. From the beginning the T. V. A. has said that it would purchase existing facilities; that wherever possible direct competition would be avoided. That policy has been announced and followed. But still the utilities were timorous. They feared the Government would not be fair in its dealing, that they would be ruined by a forced sale. No sensible man can

longer be afraid. The price and terms of the contract were fair. And T. V. A. now has an integrated market which will absorb substantially all the power the Authority will have to market.

The utilities can go ahead with the program of expansion they have promised but delayed. The promises of this administration have been carried out and this great public project is under way without loss to investors.

At this point I want to call to your attention some of the great acts handled by the Committee on Agriculture.

The Cotton Net Weight Act, which authorizes the Secretary of Agriculture to establish official cotton-tare standards, including specifications and tolerances of weight, strength, and so forth, or materials used for bale coverings. It also directs him to establish standard specifications for markers or other tags to identify different types of bales of cotton. The bill grants adequate authority to enforce the standards and prevent the movement in interstate commerce of cotton that does not conform to the standards and specifications established by the Secretary.

A measure providing that interest rates in excess of the rates set forth in notes or other obligations taken by the Federal Farm Board or the Farm Credit Administration for loans made from the revolving fund authorized by section 6 of the Agricultural Marketing Act shall not be charged or collected, whether such loans have been heretofore or are hereafter paid in whole or in part, except that in those cases where a borrower by special contract has agreed to pay a higher rate of interest, the contract rate shall be charged for the period agreed upon; and any excess interest collected over the rates thus set forth or contracted for shall be refunded out of the revolving fund or credited on the borrower's indebtedness.

A bill authorizing the Secretary of Agriculture to use funds made available or to be made available for eliminating white-pine blister rust by preventing, wherever necessary, the spreading to or eliminating such rust from all forest lands, irrespective of ownership, provided that, in his discretion, matching funds may be required for such work on private or State lands. Such work on Indian lands is to be subject to the approval of the Federal agency or the Indian tribe having jurisdiction over such lands.

A bill which reduced from $10,000 to $5,000 the maximum soil conservation and domestic allotment payment which may be made to any one person and reduces by 25 percent the amount in excess of $1,000 due as such a payment. It further provides that in computing a payment the amount representing a landlord's share of an approved tenancy shall not be included, and there shall also be excluded amount representing payments to cooperatives having at least 50 participating members or stockholders with substantially equal interest, if 75 percent of the persons actually engaged in its farming operations are participating members or stockholders or children or members of their families.

A bill providing that the $1,800,000 for the retirement of cotton pool participation trust certificates shall be available until December 31, 1939, and the authority of the manager of the cotton pool to purchase such certificates to be continued until September 30, 1940. Without this law the $1,800,000 fund would have not been available after June 30, 1939, and the manager's authority would expire December 31, 1939.

A bill providing that wheat marketing quotas shall not be applicable to farms on which the normal production of the acreage planted to wheat is less than 200 bushels. Without this measure such quotas would not be applicable where the normal production of wheat was less than 100 bushels.

A bill providing special marketing quotas for burley, fire-cured, and dark air-cured tobaccos shall not be proclaimed in any marketing year in which there is a general marketing quota for tobacco.

A bill providing that a determination of an excess supply of tobacco necessitating the proclamation of a marketing quota may be made at any time. Another providing that the Secretary of Agriculture may convert the State marketing quotas for tobacco into State acreage allotments, using past acreage in lieu of past marketing. Another providing an amendment to section 314 of the Agricultural Adjustment Act whereby the penalties for the marketing of any tobacco in excess of a marketing quota shall be subject to a penalty of 10 cents per pound in the case of flue-cured, Maryland, or burley, and 5 cents per pound in the case of all other kinds of tobacco.

Numerous bills from the Agricultural Committee with reference to soil conservation in connection with our national forests were passed by the House during this session.

For the protection of the great 4–H clubs among our boys and girls on the farm, a bill was reported and passed by Congress to prevent the use of 4–H club emblems and signs by nonmembers.

The Federal Seed Act, for the purpose of protecting our farms from the results of unfit and undesirable seeds moving in interstate commerce.

A bill providing that handling orders issued pursuant to the Agricultural Marketing Agreement Act shall be applicable to hops until September 1, 1942.

A bill providing for the eradication and the control of the pink bollworm.

A bill amending the Commodities Exchange Act to extend its provisions to fats and oils (including lard, cottonseed oil, and peanut oil), cottonseed meal, cottonseed, and peanuts.

One which authorizes $500,000 annually to be allotted to the several States for cooperative extension work in agriculture and home economics.

A bill providing that the cotton allotments not to be used by original allottees shall be apportioned to farmers, under the Secretary, who received inadequate allotments for their compliance with the curtailment program.

Provides that orders of the Secretary of Agriculture under the Agricultural Marketing Agreement Act regulating the handling of agricultural commodities shall be applicable to Pacific Northwest boxed apples.

One which authorizes the Secretary of Agriculture to make advances to producers who are participating, or who agree to participate, in a program formulated pursuant to section 8 of the Soil Conservation and Domestic Allotment Act for the purpose of assisting them to insure their crops with the Federal Crop Insurance Corporation.

A bill providing that the additional 25-percent allotment of planted acreage granted producers of wheat, cotton, corn, or rice, whose planted acreage is less than 80 percent of their allotments under the Soil Conservation and Domestic Allotment Act, is discontinued.

A bill providing that the cotton acreage allotments, the additional county and farm acreage allotments, and the minimum county and farm acreage allotments prescribed by section 344 of the Agricultural Adjustment Act and applicable to 1938 and 1939 are extended to subsequent years.

A bill providing that handling orders issued pursuant to the Agricultural Marketing Agreement Act shall be applicable to hops until September 1, 1942.

A bill whereby the Secretary of the Interior is authorized to consider the money or any part thereof made available to settlers or prospective settlers for the Farm Security Administration as all or a portion of the capital required of settlers under the act of December 5, 1924, and to require a reentryman, before an entry is allowed, to enter into a mortgage contract with the F. S. A. to secure the advance made by the administration.

Now, I would like to direct your attention to some of the principal bills originating in the Judiciary Committee.

First, a bill providing that benefits under the Bankruptcy Act for the composition of obligations issued by local taxing units to defray the cost of local improvements, and payable out of the proceeds of special assessments, shall be sufficient if they aver that the property liable for payments is not of sufficient value to pay the principal and interest, and that the accrued interest on such obligations is past due; and if they contain a list of creditors, a separate list of creditors who have accepted the plan of composition and a list of the recorded owners of the real estate involved.

A bill making it a crime to advocate or teach the desirability or propriety of overthrowing the Government by force, violence, or assassination of governmental officers; to print or knowingly circulate any pamphlet advocating such overthrow by force; to openly or deliberately justify the unlawful killing of any Government officer because of his official character or act or to justify any other crime with intent to teach the desirability of overturning the Government; to organize or become affiliated with any group advocating the overthrow of the Government by force or unlawful means. The bill has many other provisions for the protection of the Government and its stability and further provisions of the disseminations of disloyal information in the Army and Navy. Further, the bill prevents aliens from becoming naturalized when they do not believe in our form of government or bodily engage in or seek employment and directs the deportation of aliens who engage in crime or espionage or who belong to an organization advocating change in the form of our Government.

A measure permitting the Government to appeal in criminal cases to the circuit court of appeals from a decision or judgment of a district court quashing, setting aside, or sustaining a demurrer or plea in abatement to any indictment of information or arresting judgments of conviction, where validity of a statute or construction of a statute upon which the indictment or information is filed is not involved. This bill broadens the right now enjoyed by the Government to appeal those cases direct to the Supreme Court wherein the validity of a statute or construction of a statute is involved by extending it to pleas in abatement and informations.

A bill increasing from 2 to 10 years the term of imprisonment which may be imposed for espionage.

A bill amending the Propaganda Agency Act so as to redefine the meaning of "foreign principal," as meant by the act, to include a domestic organization subsidized directly or indirectly, in whole or in part, by a foreign government, political party, or group. Under the amendment, register is to be required every 6 months. The Secretary of State is authorized to withdraw from public record the registration statement of persons who cease to be required to register under the act when he deems it appropriate to save such persons embarrassment.

A great many bills providing for changes in location and times for holding court in various judicial districts were reported from the Judiciary Committee and passed by the House in the interest of speeding up the machinery of the courts and the implementation thereof.

A bill extending the National Stolen Property Act to cover feloniously converted property, money, and securities and forged or counterfeited securities of the value of $5,000 or more—other than securities of governments, banks, or corporations. Conspiracy to violate the act is made punishable also.

Among the responses made by Congress, upon recommendation by the Judiciary Committee of the House, to the urgent need for improved judicial procedures, is a bill providing that the Chief Justice, the circuit justices of the judicial circuits, and the senior circuit judges thereof may assign circuit judges to hold district court within their circuits when requested to do so by or with the consent of the senior district judge for such district; and it is further provided that district judges and retired judges within each circuit shall be competent to sit as judges of the circuit courts of appeals when a circuit judge is disabled or disqualified or a vacancy exists.

A bill providing that all laws which result from bills and joint resolutions, prior to the beginning of the Seventy-sixth Congress, were presented to the President less than 10 calendar days—Sundays excepted—prior to an adjournment—other than a final adjournment at the end of a Congress—of the House of Congress in which the same originated, and were pocket vetoed by him, are repealed as of the date of their enactment. This bill clears up a most important technical question and quiets a doubt of the invalidity of bills so pocket vetoed in the past.

A bill providing that the rules of civil procedure promulgated by the Supreme Court shall apply to the Federal District Court for Puerto Rico industrial appeals therefrom.

A bill providing that certain aliens of an obnoxious character whose deportation cannot be effected within 90 days shall be taken into custody and transported to a place of detention. Detained aliens under the bill may obtain relief by giving a bond and by making approved arrangements to leave the United States.

A bill setting forth that in actions against a common carrier for injuries or death of an employee such employee shall not be held to have assumed the risk of his employment, except those risks incident to the employment, where the negligence of the common carrier, its officers, agents, or employees, have contributed to such injuries or death.

A bill providing that at the time any person is convicted of a felony any firearms or ammunition found in his possession may be confiscated and disposed of by court order.

A bill providing that any permanently disabled judge appointed to hold office during good behavior shall be permitted to retire with full pay after 10 years' service. Judges so disabled who have served less than 10 years may retire under the provisions of the bill at a sum equal to such proportion of his salary at the date of retirement as the total of his years service bears to 10 years.

A bill providing that an indictment for any Federal offense punishable by death may be found at any time without regard to any statute of limitations.

A measure which makes it unlawful—

First. For any person to promise employment or compensation provided for by an act of Congress to any other person as consideration for political activity.

Second. For any person to intimidate, threaten, or coerce others in their right to vote.

Third. For any Federal administrative employee to use his official authority for the purpose of intefering with elections, and makes numerous other provisions for the protection of Government employees and W. P. A. workers.

A bill providing that the suspension of the prohibition against directors, officers, and employees of member banks of the Federal Reserve System serving as directors, officers, or employees of other banks with respect to those serving in dual capacities on August 23, 1935, is extended until February 1, 1944.

A bill creating the Administrative Office of the United States Courts to speed up administration in the offices of clerks and to take care of disbursements and purchases of supplies, as well as audit all vouchers and preparation of Budget estimates.

A bill providing that the Supreme Court shall be competent on petition of all the parties to require by certiorari that the Court of Claims certify cause to it for determination of all errors assigned, and the Court of Claims shall include in such certification the findings of fact, conclusions of law, the judgment, or decree, as well as such other parts of the record, as are material to the errors assigned.

This bill gives the Supreme Court authority to review errors assigned to the effect that there is a lack of substantial evidence sustaining the finding of fact, that an ultimate finding is not sustained by the findings of evidentiary or primary facts, or that there is a failure to make any finding of fact on a material issue.

A bill increasing authorized appropriation for the temporary National Economic Committee.

A bill providing that the rules of civil procedure promulgated by the Supreme Court shall apply to the Federal District Court for Hawaii and to appeals therefrom.

The Committee on the District of Columbia has proceeded with its usual diligence during this session, and as a result a new record in the number of District bills passed was established—43 enacted.

A few of the most important of these are:

A District of Columbia revenue act revising the tax structure for the District in many particulars. The greatest in-

ovation of the bill is the imposing of an income tax. This bill repeals the intangible personal-property tax and continues the present business privilege tax upon gross income but with a change of rates.

A bill providing that personal-property taxes shall not be collected from insolvent District of Columbia building or homestead associations if such tax would diminish the assets necessary to pay in full amounts due on share accounts. Taxes heretofore levied are abated.

A fair-trade act was passed at this session for the District of Columbia in order to eliminate unwholesome and unfair trade practices.

A bill which extends the law prescribing a penalty for commission of crimes of violence while armed with a pistol to crimes committed while armed with a knife, razor, or other weapons of dangerous kind. This bill also increases the penalty on first conviction. This bill also contains a provision that any person now possessing a pistol in the District of Columbia must present it to the police department for registration within 60 days, and that all pistols purchased or brought into the District hereafter must be presented within 10 days.

A bill which provides that probation may not be permitted to malefactors guilty of crimes of violence while armed.

A bill covering damages and condemnation proceedings in the District of Columbia for alleys and minor streets.

A bill requiring certificates of authority for foreign building and loan associations to transact business in the District of Columbia.

Right here I want to mention some of the changes made in our immigration and naturalization laws. These changes were sponsored by the Committee on Immigration and Naturalization and will result in great benefits to our country and its citizens.

A bill authorizing a person under 21 years of age to petition the district court for determination of his citizenship whenever a doubt relative thereto may exist. Upon satisfactory proof thereof the court may render an order to that effect and grant such petitioner a special certificate of citizenship for the purpose of quieting doubt as to his status.

A bill amending the Alien Exclusion Act so as to deny admission to, and authorizes deportation of, those aliens believing in or advising in the making of any changes in the American form of government.

A bill amending the immigration laws regarding repatriation of native-born women by providing that such women who are married to aliens but who have resided continually in the United States since their marriage shall be deemed citizens.

A bill providing that native Filipinos residing in the continental United States may, at their request, be returned to the Philippines and that those so returning shall be entitled to reenter the United States only as quota immigrants.

A bill amending the naturalization laws respecting the registration requirements of citizenship-seeking aliens at the port of their entry by allowing waiver of such requirement for those entering before July 1, 1924. Our present law allows such waiver if entry was made prior to June 3, 1921.

Experience in the administration of the immigration and naturalization laws has developed the need for perfecting amendments and corrections in those laws from time to time. In addition to the many important new laws reported from the Immigration and Naturalization Committee and passed by the House have been a number of such correctory pieces of legislation to make more effective our immigration and naturalization laws and to modify many unnecessary burdens in the administration of those laws.

A bill extending until May 25, 1940, the time for naturalization of alien veterans of the World War and alien veterans of allied armies who were lawfully admitted to the country for permanent residence and then departed for the purpose of and did serve in the armed forces of the United States during the World War.

Among these bills I might mention one which provides that women born in Hawaii prior to June 14, 1900, who have lost their citizenship by marriage and for other reasons shall be considered to have been citizens of the United States at birth and shall not be barred from naturalization because of racial reasons. Another I might mention is one amending the Immigration Act of 1924, which authorizes admission to the United States of any person ineligible to citizenship who is Chinese wife of an American citizen married before May 26, 1924, by making it applicable to any alien wife so married.

A bill providing for the deportation of aliens found to be guilty, under certain circumstances, of espionage or sabotage, or who have violated any narcotic laws or who are drug addicts.

Of the many acts originating in the Committee on Ways and Means during this session of the Congress, a most important one is that providing for a consolidation and codification of our internal-revenue laws. There has long been a great need for this measure in order that better enforcement of our tax laws might result, and in order also that a better understanding among lawyers and the laity might result. A certain result of this measure will be shown in the increased revenues accruing to the Federal Government and in the fewer violations of law due to misunderstanding of applicable statutes in the collection of Federal taxes.

Another Ways and Means bill which has become law originated by this committee, which redefines "gross income" for the purposes of the Federal income tax to include salaries, wages, or compensation for personal services as an officer or employee of the State or any political subdivision thereof or any agency or instrumentality of any one or more of the foregoing. It repeals the exemption granted compensation of teachers in Alaska and Hawaii from the Federal income tax. Also it provides for taxing of compensation of Federal judges who took office on or before June 6, 1932. Likewise it concedes to the imposition of nondiscriminatory income taxes by the States on the compensation of all officers in the Federal Government, in a Territory or possession, the District of Columbia, or any agency of the foregoing, including legislators, judges, and court officers. It contains reciprocal provisions operating to prevent taxation of salaries held prior to January 1, 1939, by Federal or State employees. Let me call your attention to some other measures from this great committee.

A bill deleting the limitation of $30,000,000,000 on the face amount of bonds issued under the Second Liberty Bond Act.

A bill extending for 10 years the time within which application for benefits under the World War Adjusted Compensation Act may be filed.

A bill authorizing appropriations for the purpose of assisting States in the administration of their unemployment compensation laws.

To relieve small distillers and rectifiers, a bill was reported from Ways and Means and passed by the House providing for the refund of taxes paid on spirits lost or rendered unmarketable by reason of the floods of 1936 and 1937 while in the possession of the person originally paying the tax or of a rectifier for rectification and bottling.

While we have not been able to get all the legislation we have desired to regulate our foreign relations, the Foreign Affairs Committee has been instrumental in bringing before the House and Senate for enactment many important measures, a few of which I propose to mention here.

A bill authorizing the Secretary of State to consider, adjust, and pay any claim not exceeding $1,000 accruing after March 31, 1937, resulting from damages caused by the activities of the International Boundary Commission, United States and Mexico.

A number of bills from this committee have been passed at this session affecting the Foreign Service personnel, its efficiency, opportunities, advancements, and operations.

A bill making available the facilities of the Public Health Service to ill and injured officers of the Foreign Service who become disabled as the result of service on foreign assignments.

For the promotion of better understanding and closer cooperation, a bill was passed at this session authorizing the President to utilize the various departments of the Government to render a closer relationship between this country and

the 21 American republics, and to create such advisory committees as may be necessary.

The limitations of time prevent me from mentioning all the measures enacted or all the committees of the House which have all been so diligent, constructive, and cooperative as I would like to do. However, before closing, I want to mention a few more important bills and give a few tabulations which I believe will be of interest.

A bill increasing the pensions to widows and children of World War veterans dying of known service-connected disability, who at the time of death would be entitled to compensation for 10-percent disability directly or presumptively incurred in or aggravated by World War service, upon a schedule of rates considerable in excess of those previously in force. The bill also increases the payments to widows of veterans who died from service-connected disabilities as well as other provisions of minor character.

A bill amending the Civilian Conservation Corps Act so as to eliminate the restrictions upon the length of time the act is to be operated, and providing that the corps—except Reserve officers, enrollees, and unskilled laborers—shall be governed by the Civil Service Commission laws and the Classification Act of 1923, and making certain minor changes in the operation of the act.

A bill authorizing payment to Spanish-American War volunteers—or parent, widow, or child—who were held to service in the Philippines after conclusion of peace with Spain, or certain benefits.

Among other bills, one providing that claims for funeral expenses of veterans may be filed at any time subsequent to death—under present law such claims must be filed within 1 year, which is entirely too short a time—and increasing from 6 months to 1 year the period within which to file evidence necessary to complete application on request of the Veterans' Administration.

A bill giving domiciliary care, medical treatment, burial benefits, and protection of term yearly renewable insurance in the same manner as now applied to veterans of any war to Spanish War veterans not qualified under sections 6 and 17 of the Economy Act.

A great many bills for the equalization of hours of service, pay schedules, and duties have been reported by the Post Office and Post Roads Committee for the benefit of various classes of employees in our Postal Service.

Officers and clerks in the Railway Mail Service and the Postal Inspection Service have long been subject to arbitrary transfers from one place to another for permanent duty. This practice unfortunately has resulted in great burdens and unreasonable expenses to individuals in those services at times. At this session, to remedy this situation, a bill has been passed to allow personnel in such circumstances necessary expenses for moving household goods, not in excess of 3,500 pounds.

A bill abolishing the Village Delivery Service and instituting City Delivery Service in lieu thereof.

A bill amending existing laws penalizing communications relating to kidnaping, extortion, and like offenses by broadening their scope and in some cases reducing penalties.

A bill declaring firearms capable of being concealed to be mailable matter when mailed for the use of the Coast Guard.

The House Committee on the Post Office and Post Roads had 97 bills referred to it at this session of the Congress. Of this number 20 bills were reported favorably by the committee, 18 of those reported have passed the House, one is now in conference, and 1 is still awaiting action by the House while 10 of these bills successfully managed through the House by Post Office and Post Roads are now public laws.

Other bills of importance are:

A bill to provide that the Secretary of War shall accomplish without delay all excessive-cost public works located outside the continental limits of the United States and authorizing him to enter into contracts upon a cost-plus-a-fixed-fee basis without advertising for proposals. Such fee shall not exceed 10 percent of the estimated cost.

A bill providing for pensions for minor children of Spanish War veterans to continue during minority.

A bill authorizing the construction, repair, and preservation of 68 works of improvement on rivers, harbors, and other water ways in 26 States and Alaska.

A bill providing authority for the Secretary of War to allot funds for snag removal in navigable waters and further provides that flood-control funds shall be made available for authorizing examinations and surveys and makes section 2 of the Rivers and Harbors Act of 1938 applicable to authorizing works of flood control. This bill authorizes 23 preliminary flood-control surveys in 16 States and Hawaii and Puerto Rico.

A bill making extensive changes in retirement system for Government employees. Among some of the important provisions of this act is that extending to classified employees who have rendered 30 years' service the option to retire at age 64 in general; that an employee at the time of retirement may elect to receive in lieu of a life annuity a reduced annuity payable to him for life and on his death to a designated beneficiary; that increasing the contribution of Federal employees to the retirement fund from 3½ percent to 4 percent; that permitting employees to deposit additional sums in multiples of $25, but not to exceed 10 percent of their salaries, for the purchasing of additional annuities at the time of their retirement; and that providing if employees who transfer to a position not subject to the retirement laws or who resign shall be repaid sums deducted for retirement purposes with 4-percent interest on amounts contributed to July 1, 1939, and 3 percent on amounts deposited thereafter.

A bill making certain amendments with reference to retirement annuities for Alaska Railroad employees to correct certain inequities and injustices.

A good many other bills for the perfection of the civil service in Alaska and elsewhere were reported favorably at this session by the Committee on the Civil Service and the large majority have already passed the House.

A bill setting up local grazing district supervisory boards in connection with the administration of the Taylor Grazing Act.

A bill permitting of the transfer or lease to States or political subdivisions thereof certain recreational demonstration projects for recreational purposes.

A bill granting approval to the Rio Grande compact between the States of Colorado, New Mexico, and Texas with reference to the apportionment of the waters of the Rio Grande.

A bill transferring the local offices of the United States Employment Service to the States.

The Patents Committee has been active during this session in reporting long-needed amendments to our patent and copyright laws. The large majority of these bills have been passed by request of the Commissioner of Patents, the American Bar Association, and other interested patriotic organizations. Without doubt these new laws will result in many needed reforms for the better protection of inventors and for greater efficiency in the Patent Office.

A bill providing for a general revision of the trade-mark laws.

A bill authorizing the Commissioner of Public Lands of Hawaii to sell such lands for cash to citizens who possess the qualifications of homesteaders and who have received loans under the Bankhead-Jones Farm Tenant Act of 1937.

A bill providing that Alaskan municipalities, corporations, and public-utility districts that have an outstanding bonded indebtedness which is subject to be paid or redeemed may issue negotiable refunding bonds for the payment of such indebtedness.

A bill which amends the Toll Bridge Eradication Act by providing that regular and secondary Federal-aid funds shall be made available thereunder.

The Trust Indenture Act, which offers protection to investors by requiring registration of indentures and prescribing strict qualifications. Certain exemptions are provided by the act for securities issued under mortgage insured by F. H. A., securities issued in amounts of less than $1,000,000, securities exempt from the provisions of the Security Act of 1933, securities issued prior to or within 6 months of en-

actment hereof, and securities issued by foreign governments or their subdivisions.

A bill authorizing the acquisition of the library and historical collection of the President and providing for the upkeep thereof.

A great many bills have been passed by the House at this session which originated in the Library Committee and which provide for various and sundry matters relating to expositions, historical work of art, and statues commemorating our great heroes and historical events.

The Committee on Expenditures in the Executive Departments has shown its customary diligence in reporting numerous bills, which the House has passed, relating to routine matters in the executive establishment of the Federal Government. These bill will result in increased economy and higher efficiency in the many activities of the executive branch of the Government.

The Public Lands Committee of the House has been extremely diligent, as it always is, during this session in successfully managing a great many bills to final enactment, affecting the improved administration of our national forests. Many needed boundary corrections and necessary inclusions have been effected thereby as well as other worthy purposes.

Data on legislation handled by the Committee on War Claims is as follows: House bills reported favorably, 23; House joint resolution reported favorably, 1; Senate bills reported favorably, 3; total, 27. Of these 27 bills there were: House bills passed by House, 18; House bills passed by Senate, 11; Senate bills passed by House, 2; House bills recommitted, 8; Senate bill recommitted, 1; House joint resolution still in House unacted upon, 1; House bills approved by President, 2; House bills vetoed by President, 2; Senate bill vetoed by President, 1. Re-reported to House in omnibus bill; House bills, 5; Senate bill re-reported in omnibus bill, 1; recommitted bills still in committee, 1; bills on which committee has held oral hearings, considered fully and reported adversely (estimated), 15.

As of this date there have been 1,370 bills referred to the Committee on Claims, including the usual type of claims against the United States growing out of personal injury, property damage, or death inflicted by agents or instrumentalities of the Government; claims growing out of contracts of individuals or corporations with the United States Government; bills asking for jurisdiction to be conferred upon the Court of Claims or the United States district courts; claims for refunds of bonds, fees, or fines; bills waiving the time limitations of the Employees' Compensation Act in order to allow the claimants to have their claims otherwise considered on merit by the Commission; bills to provide for adjustment and settlement of accounts of disbursing officers, postmasters, or other agents of the United States; claims for services performed for the Government which for some reason could not be compensated for under the existing laws; bills representing reimbursement for supplies or goods furnished the Government; and many other miscellaneous claims.

Three hundred and eighty-one bills were favorably reported by the committee, 287 of which have passed the House.

Seventy-eight bills were adversely reported by the committee as the result of full committee consideration, and 267 bills were rejected under the committee's rules.

Forty-three bills were re-referred to other committees.

Eighty-three bills and resolutions were referred to the Committee on Rivers and Harbors during this session. Seven bills were reported to the House by this committee—4 special bills and 3 omnibus river and harbor bills. Two bills passed the House. These were omnibus river and harbor bills, and in them the provisions of 42 of the bills mentioned were embodied.

The record of the Irrigation and Reclamation Committee for the first session of the Seventy-sixth Congress is as follows:

Bills referred to committee, 22; bills considered by committee, 8; reported out by committee, 6; enacted into law, 4; passed House, pending in Senate, 2; recalled by author of bill, 1.

In closing, I want to take this opportunity to thank the committees, their chairmen, and membership for their cooperation in helping to put over the majority program in the House during this session. They have been as helpful and as fine as is humanly possible.

A study of the following statistical recapitulation will demonstrate beyond all doubt that the Seventy-sixth Congress is a working Congress:

The total laws of the first session, Seventy-sixth Congress, numbered 279.

The House passed 615 House bills and 46 House joint resolutions and 279 Senate bills and 18 Senate joint resolutions.

There were introduced in the House 7,541 bills, 297 resolutions, 381 joint resolutions, 35 concurrent resolutions.

The House committees made 1,471 reports.

Fourteen Senate bills and Senate joint resolutions were pending on House calendars.

There were 500 bills entered upon the Consent Calendar, of which 448 were acted upon, leaving 52 upon the calendar.

Nineteen motions to discharge committees from consideration of bills were filed, 18 of which did not receive a sufficient number of signatures for entry on the calendar of such motions. One motion to discharge committees was placed on the Discharge Calendar.

The President transmitted to the House 5 messages, which were referred to the Committee of the Whole House on the state of the Union; executive departments transmitted 1,061 communications.

Petitions filed numbered 5,188.

The Spending-Lending Bill and What We Should Do to Bring About Recovery

EXTENSION OF REMARKS
OF
HON. LOUIS LUDLOW
OF INDIANA
IN THE HOUSE OF REPRESENTATIVES
Saturday, August 5, 1939

Mr. LUDLOW. Mr. Speaker, in taking my position against the enormous increase in our national debt and our national contingent liabilities that inevitably would have resulted from the so-called "spending-lending bill" I had in mind the sorry picture of 10,000,000 or 12,000,000 good Americans—as good as you or I—out of work and not knowing in their despair where to turn or what to do to earn their daily bread; the picture of 2,000,000 more struggling to maintain themselves and their families on the synthetic employment and meager wages of W. P. A. work-relief rolls, and 950,000 more equally good and true Americans who have been certified for W. P. A. employment in the various States and localities and who, after suffering the anguish of a long and seemingly interminable period of waiting, find that they cannot get the work for which they have been certified.

These people have been, and are, on my mind and my heart to the exclusion of all things else. They are the tragic victims of our economic maladjustments. They are the ones who are groping through the Garden of Gethsemane, with spirits drooping and minds heavily laden, hoping against hope, with no sign or signal pointing the way out.

Mr. Speaker, I speak sincerely when I say that I would rather be a true friend of these people in the darkness of their night than anything else I can imagine. They are America's No. 1 problem. They deserve the very best we can give them in sound thinking and sound action. They are our brothers and sisters, our flesh and blood, innocent victims of the indescribable economic cataclysm which they had no part in creating. If there be Members of Congress whose hearts fail to warm up to them in love and sympathy, I can only say that such Members deserve no place in this great legislative body.

Let us not minimize the importance of the problem presented. Let us not imagine that it is a problem from which anyone can disassociate himself. Let us not forget that

unless the maladjustments are corrected and times get better, any one of us may find himself ground under the millstone. As an approach to the subject we would do well to turn for inspiration to sacred philosophy and remember this injunction:

Whatsoever ye would that men should do unto you, do ye even so unto them.

What, then, can we do to help these unfortunates? The answer, I believe, is this:

We can help them most if we will assist business and industry to take over into regular jobs the millions now on work relief or without employment of any kind. Until such time as that transfer can be made we must appropriate generously for relief, for people living under the American flag must not be allowed to go hungry and naked.

I yield to no one in my admiration of the many fine constructive things that have been done by our national administration. The handling of the bank situation, the guaranty of bank deposits, the regulation of "blue sky" vendors, the saving of countless thousands of homes and farms from foreclosure, and other achievements I might mention were services of the highest order for which President Roosevelt will be entitled to a permanent place in history. As a Member of Congress, I was glad to cooperate and to do my part in bringing about these reforms.

But the time comes when there must be an end of the spending program—when every additional dollar appropriated, except for imperative necessities, becomes a nail to fasten and perpetuate conditions that are intolerable. I believe that time has arrived. My vote against the spending-lending bill was a vote against debt.

It was a vote against debt, because I believe that debt, with threat of still more debt, is the biggest factor now retarding recovery and normal reemployment.

The railroad trainman, if he be a sound thinker, does not want to run the railroad. But he wants the railroad to run. He wants it to run so he may have regular employment, under the best of working conditions, at a wage that will enable him to raise and educate his children and save something for the rainy day. So it is with our friends in all of the laboring crafts. They do not want the miserable wages of a relief worker. They do not want anything tinged with charity. They want constant employment with compensation sufficient to support themselves and their loved ones, and they have a God-given right to that employment. What they want is that factories shall open and that all businesses and industries shall operate, so as to furnish a labor market that will give work under happy conditions to all who want work.

But business and industry are now atrophied with fear and will never thaw cut until assurance is received that there will be an end of debt increases and colossal deficits. We have tried spending for 6 years, and candor compels the admission that our employment situation is improved little, if any, compared with what it was 6 years ago.

I sincerely believe that a cessation of spending is the only policy that will save us; the only policy that will restore general employment in private industry; the only policy that will bring about general recovery, contentment, and happiness.

It was reasoning along this line that led me to vote against the spending-lending bill. My vote was not a hasty and inconsiderate act, but was cast after much thought and reflection. In voting against this measure, which would impose colossal new debts and liabilities on the country, I voted to give business and industry an opportunity to revive and to reopen millions of jobs to those who are now on work relief pauper wages or who have no jobs at all.

I believe that the passage of that bill carrying $1,950,000,000 would have been a final knock-out blow to business and industrial revival. As competent experts on national financing as we have in America have agreed that $45,000,000,000 is as large a national debt limit as this country could safely impose upon itself and that any debt beyond that limit would cross the border line of danger. In recognition of that consensus Congress passed a law fixing $45,000,000,000 as the debt limit of the United States. Our national debt, with the legislation encompassed in bills passed at the recent session, is now about $44,500,000,000, or within half a billion of the limit.

The spending-lending bill, if enacted, would repeal the statutory debt limitation by indirection and would fasten upon the taxpayers of our country contingent liabilities that would be appalling. This would darken our whole business and industrial prospect, and would be very, very bad.

Undoubtedly the bill was born of the best intentions and the noblest humanitarian purposes, but I believe its passage would have had a most unfortunate effect in preventing, or at least in retarding, the recovery for which we all so fondly pray.

The "Nerve" of Moley

EXTENSION OF REMARKS

OF

HON. EMANUEL CELLER

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Saturday, August 5, 1939

Mr. CELLER. Mr. Speaker, I read with increasing disappointment, if not disgust, the articles by Raymond Moley appearing serially in the Saturday Evening Post. One is assuredly impressed with Moley's faithlessness and brazen conceit. He probably received a goodly sum for his efforts from the antiadministration Saturday Evening Post. He barters away the fine and gracious tokens of the friendship that existed between him and the President. Secrets of state are for anyone's gaze. He sells for a mess of porridge the confidence Roosevelt reposed in him.

Moley grudgingly praises Roosevelt, but only when necessary. He never fails to smudge him with mean phrases and snide remarks; for example, Roosevelt's "facts and knowledge were neither exact nor orderly"; he "is often inaccurate in conversation." He ever strives to disparage the Roosevelt administration and most of its adherents.

Moley makes of himself the "cock of the walk." He struts and preens his feathers. No one is correct but he. One wonders how in thunder Roosevelt has managed without him these last few years. He thumbs his suspenders and practically says, "Without me Roosevelt, in the earlier period of his administration, would have been like a ship without a rudder."

Thank goodness, Washington is well rid of his bluster and conceit. Roosevelt finally plucked his plumage. That is why, in all likelihood, Moley is so angry and bitter.

Moley's belittling of some of Roosevelt's main supporters is contemptible. His allusions to Hull are wretched. His recital of events leading up to the London Economic Conference is the climax of perfidy. No confidence is sacred. He strips himself of every garment of fairness and decency and stands naked in his sordidness.

Roosevelt made him—lifted him out of obscurity. He becomes a beggar on horseback. He rewards his benefactor by trying to stab him in the back. A facile pen and an easy flow of language does not excuse his meanness.

I paraphrase a story he tells of a newly elected alderman who prayed: "O Lawd, keep me from temptation. But if de traction company"—in Moley's case the Saturday Evening Post—"tempts me and ah fall—and write these articles of my faithlessness—let it be a big fat temptation that ah falls to."

We Should Expand Our Good Samaritan Program While Enacting Remedial Legislation

EXTENSION OF REMARKS
OF
HON. JOHN R. MURDOCK
OF ARIZONA
IN THE HOUSE OF REPRESENTATIVES
Wednesday, August 2, 1939

Mr. MURDOCK of Arizona. Mr. Speaker, all Members no doubt feel great concern about the social-security measure now in conference. The conferees have been devoting much time and energy to this highly important and complicated bill, with nearly 200 amendments proposed by the other body, and will bring the best that human judgment can furnish in the solution of the problems, and undoubtedly they have the prayers of all of us who believe in the great social program for a correct solution of some of our difficulties. There are several amendments which I hope the conferees will accept and concur in. For my own part, I would like to see a larger proportion of funds contributed by the Federal Government. It will be pleasing to me to have the United States put up two-thirds to match the State's one-third, within reasonable limits, for most of these benefits.

There is one field of division, as for instance, in regard to crippled children and also in regard to vocational rehabilitation of disabled persons, in which the Federal Government has been contributing one-third to match the State's two-thirds. Now it is proposed in those two respects that the Federal Government should contribute 50 percent to the State's 50 percent, up to a certain limit. I certainly favor this move to increase the Federal contribution. I notice also that the Senate has been more generous than the House in that for vocational rehabilitation the minimum for each State has had a suggested increase from $20,000 to $30,000. From a fairly intimate knowledge of the situations in certain States, I heartily approve of this Senate amendment and hope it may be concurred in.

I am glad to note that certain increases have been suggested over and above the provision in existing law amounting to $1,020,000 in the case of crippled children and $2,000,000 in the case of vocational rehabilitation, which will be thrown in as a part of the matching program, and I further notice that in the case of crippled children an additional million dollars has been set up which does not require matching on the part of the States and that this extra sum will be apportioned according to the existing need. Now, I have knowledge of certain recent surveys concerning crippled children, especially in the State of Arizona, and I am inclined to feel that the need is greater than is officially recognized at this moment. Therefore, I am more than pleased with this proposal to furnish a million dollars to be divided among the States without matching for the further help of crippled children.

It is a well-known fact that whenever a census is taken there are usually some individuals who are not counted and some items of the inquiry overlooked. If that is true of our carefully planned official counts, it is likely to be true also of the count of crippled children or other unfortunates enumerated. I feel sure, in my own mind, that there are more crippled children in the State of Arizona than the official records show.

Great and humane as the task is of caring for crippled children, in mending broken bodies and improving their physical well-being, there is another task which ought not to be neglected. The schooling of crippled children is not so well taken care of, and it stands to reason that it ought to be considered by a humane government along with hospitalization and medical care. Naturally, I would put it first, but at least it is equally important and I feel that too little is being done along this line. Usually every thinking person realizes that the proper care of the oncoming generation is one of the great functions of government, a function which has been too long neglected. It is to be hoped that this proposed increase of appropriation and enlargement of the function and scope of the program is but an earnest of what may yet be done by a humanitarian effort to improve the lot of all of our people.

Canadian Commodity Labeling Law—Industry Asks Regulation—Wool First

EXTENSION OF REMARKS
OF
HON. JOHN A. MARTIN
OF COLORADO
IN THE HOUSE OF REPRESENTATIVES
Saturday, August 5, 1939

Mr. MARTIN of Colorado. Mr. Speaker, when Congress undertakes legislation to prohibit unfair and deceptive acts and practices in any branch of industry, there is such a hue and cry set up by the beneficiaries of these acts and practices, and by Members of Congress who mistakenly take their side in the controversy, that it is difficult for a Member overloaded with other duties—and every Member is overloaded—to make his own investigation and determine where the truth lies.

When the Securities and Exchange Acts were in process of passage through Congress, the president of the New York Stock Exchange came to Washington and publicly proclaimed that the enactment of these laws would destroy the stock and bond exchanges of the country, and do vast and irreparable injury to the great stock and bond business and the investments of the people. Nothing has been destroyed, except the president of the New York Stock Exchange, who lost his job over the attack and afterward went to prison. The stock and bond business and the exchanges of the country are still doing business at the old stand, but under rules and regulations which give the people of the United States who invest their savings in stocks and bonds a fairer chance than they had before; protection against practices which destroyed tens of billions of dollars of their savings in the great explosion of 1929. A proposal to repeal the Securities and Exchange Acts would meet with the instant protest of the exchanges themselves.

The story of the securities and stock exchange legislation is the story of regulatory legislation in all other fields of finance, commerce, and industry. The same hullabaloo, propaganda, lobbying, and all the other tricks of the trade to confuse and to frustrate.

Applying these observations to the Wool Labeling Act, it is almost incredible how long and successfully the game can be played in the face of seemingly overwhelming odds. I know of no legislation before Congress in the past 7 years which has received such overwhelming support. The farm organizations of the country, which are a unit for wool labeling, comment that it is the first time that agriculture and labor have united in support of a piece of legislation. In addition to these is such a great organization as the National Federation of Women's Clubs.

Representatives of all three of these great organized groups testified before the subcommittee of the House Committee on Interstate Commerce that they have been pressing for this legislation for 20 to 25 years. In addition to these, there are many large consumers' organizations in the country endorsing this legislation. Even the textile workers' organization joined all these others in support of fiber-identification legislation.

Equally significant is the fact that not a single organization, large or small, representing the farmers, the workers, the women, or the consumers of the country, have protested the legislation in the 3 continuous years it has been before the committees of the House and Senate.

The movement is by no means confined to the United States. Only recently Canada, our great neighbor to the north, has put into effect legislation governing the grading

and marketing of commodities and establishing commodity standards, under a commission known as the Dominion Trade and Industry Commission. This commission was established in 1935. In the last session of Parliament the commission was implemented with legislation supplementing the act.

Wool, the first industry affected, itself sought the fixing of rigid standards. The regulations finally recommended by the commission resulted from conferences attended by the Canadian Woolen and Knit Goods Manufacturers Association, experts from the National Research Council, and the commission itself. The textile manufacturers are working out among themselves the basis for standards in fabrics. As experience is gained from the application of this first set of regulations affecting wool fabrics, it is expected gradually to extend the application of standards to many commodities. Not only wool but all other fibers used in fabrics are to be defined and regulated.

Wool means the product from the fleece of a sheep or lamb, Angora goat, camel, or like natural animal fiber. Cotton means the product made from the fibrous material of the cotton plant. Linen means the product made from the fibrous material of the flax plant. Silk means natural silk, the product from the cocoon of the silk worm. Rayon means the textile fiber of yarn produced chemically from cellulose or with a cellulose base.

When a combination of two or more textile fibers is used, all must be indicated, providing they each amount to more than 5 percent.

Descriptive terms, such as botany, lisle, mercerized, crepe, chiffon, must be used only in combination with the description of the fiber; for example, botany wool, lisle cotton, mercerized cotton, rayon crepe, silk chiffon.

Trade names or brands may not suggest a fiber content except in combination with the word or words authorized for describing the actual fiber content.

This will give an idea of the scope and character of the Canadian law. The legislation has grown out of the necessity of protecting the consumer. Unless the United States follows suit, we may anticipate American money crossing the line to get what it pays for.

An Answer to "Reactionary"

EXTENSION OF REMARKS

OF

HON. GEORGE H. BENDER

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Saturday, August 5, 1939

Mr. BENDER. Mr. Speaker, those who are more interested in propaganda than in honesty have been asserting for years that the Republican Party is reactionary. We have been labeled in the public prints as a group devoted to the preservation of the status quo in industry, finance, and government. Students of government have known for years that this charge is utterly untrue.

Republican leaders have pioneered in dozens of the most progressive movements of American history. We fostered and developed the direct primary; we battled for legislation designed to curb child labor. G. O. P. leadership is responsible for much of the minimum-wage regulation which prevails in the States of the Federal Union. The so-called "liberals" like to forget that the first anti-injunction-labor bill was passed by an overwhelmingly Republican Congress. They seek to make us forget, too, that such devices as the Reconstruction Finance Corporation were first conceived and introduced under Republican national leadership.

If further proof is needed to demonstrate the active interest of the Republican Party in forward-looking steps for industry and government, the conclusions of the special subcommittee of the United States Senate, created to study industrial profit sharing, should serve as convincing evidence. In the deliberations of this committee, Senator ARTHUR VANDENBERG, of Michigan, one of the leading Republicans in the upper Chamber of our Congress, was the most active participant. His thought guided the investigation, stimulated its thinking, and aided greatly in determining its conclusions.

The Senate subcommittee found that, surveying industrial conditions by and large, peaceful relationships and labor efficiency were materially promoted where profit-sharing plans have been in operation for a considerable time. Of course, it was not the purpose of this group to discover how to earn the profits for sharing. Yet the first point is clearly made. Republicans are not in opposition to the progressive development of industrial programs. They are no less eager than their liberal colleagues to enhance American business prosperity and to hasten the day when labor will enjoy its right to work to the fullest possible extent.

Meanwhile, the question continues unanswered, How shall we gain the profits which will make possible a profit-sharing scheme on any tangible basis? The New Deal remains as silent on this vexing question as ever. Until this problem is solved, the work of progressive Republican thinkers will be wasted on the desert air.

The myth of reactionary Republicans has been steadily created by the subtle propagandists of the New Deal. It is high time that it were laid to rest along with the sorry corpse of the New Deal itself.

Alcohol Blends and the Carbon Monoxide Hazard

EXTENSION OF REMARKS

OF

HON. JAMES A. SHANLEY

OF CONNECTICUT

IN THE HOUSE OF REPRESENTATIVES

Saturday, August 5, 1939

Mr. SHANLEY. Mr. Speaker, I wish to place in the RECORD at this time an answer to a resolution printed in the CONGRESSIONAL RECORD of July 17, 1939, on a subject that is of vital importance to the Nation. The answer comes from the pen of one of the foremost authorities on carbon monoxide in the country, Prof. L. C. Lichty, associate professor of mechanical engineering at Yale University. Undoubtedly one of the great students of the entire subject, Professor Lichty's remarks will prove of great value to the country.

I appreciate the unanimous consent given to me to present this brochure and thank the Members.

The matter referred to follows:

A resolution of the Multnomah Civic Club, of Portland, Oreg., printed in the CONGRESSIONAL RECORD of July 17, 1939, which resolution urges Members of Congress and the President of the United States to make mandatory the blending of 10 percent of alcohol with gasoline on grounds that are not only false but also dangerously misleading. The resolution erroneously states that blending 10 percent of alcohol with gasoline eliminates the carbon monoxide present in exhaust gases and the attendant hazard to health and life.

Extensive research under rigidly controlled conditions which assure scientific accuracy has conclusively established that the amount of carbon monoxide in exhaust gases is dependent upon the carburetor setting and condition of the engine and not on the type of liquid fuel used; further, that when carburetors are comparably adjusted for the particular air-fuel requirements of gasoline, 10-percent or 20-percent alcohol blends, there will be no sensible difference in the carbon-monoxide content of exhaust gases. These findings resulted from exhaustive tests on the products of combustion of gasoline, 10-percent alcohol blends and 20-percent blends, which were made at the School of Engineering, Yale University, by a co-research worker, C. W. Phelps, and myself, and which were published by the American Chemical Society in its official journal, Industrial and Engineering Chemistry, May 1937 issue.

The results of these tests clearly show not only the complete lack of truth of propaganda that alcohol blends will eliminate carbon monoxide from exhaust gases, but point to the vicious danger that such propaganda might lead to a false sense of security in motorists purchasing alcohol blends. encouraging carelessness, which might

result in death. I quote the findings of the tests most pertinent to this point:

"2. The carbon monoxide present in exhaust gases will be practically the same for both gasoline and alcohol blends if comparable air-fuel ratios are used. At maximum power air-fuel ratios, about 2.7 and 3.8 percent carbon monoxide is found in the exhaust of a single- and a multi-cylinder engine, respectively, regardless of the fuels used. In other words, at the same richness of mixture the carbon monoxide will be practically the same for all fuels used.

"7. Under conditions in which a health hazard from carbon monoxide does exist from the operation of automobile engines on gasoline, the substitution for gasoline of gasoline-alcohol blends containing 10 to 20 percent of alcohol would not eliminate or sensibly reduce this hazard. Obviously, therefore, it is dangerous to operate an automobile engine in a closed room or garage because of the carbon monoxide in both the exhaust and blow-by gases, regardless of whether gasoline or alcohol blends are used."

The unwise resolution of the Multnomah Civic Club states "* * * that the poison gas known as carbon monoxide is the product of imperfect combustion, and is present in all kinds of smoke, especially in the exhaust of internal-combustion engines," and "* * * the form of monoxide given off by the combustion of gasoline or petrol is one of the worst forms of this poison," and "* * * that the only remedy is to augment the combustibility of the fuel in the engine by the addition of alcohol, so that the combustion will become so perfect that all monoxide and soot will be consumed."

Only the first statement is correct. The second and third are absolutely false. Incomplete or imperfect combustion is an inevitable result of normal operation of present-day internal-combustion engines using any liquid fuel, and is controllable within limits by carburetor settings, although dependent to same degree on engine conditions. Thus carbon monoxide is always present in exhaust gases at adjustments for satisfactory performance, particularly in automobile engines.

Proponents of alcohol fuels would do well to curb their enthusiasm and confine their claims to well-established technical facts. This is especially true in regard to carbon monoxide in exhaust gases, where public health and human life are at stake.

What the Roosevelt Administration Has Meant to Minority Groups

EXTENSION OF REMARKS

OF

HON. ARTHUR W. MITCHELL

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Saturday, August 5, 1939

Mr. MITCHELL. Mr. Speaker, in turbulent times such as the world is passing through at this moment, I think it is well for this body to give attention to the security, the welfare, and justice to minority groups. You will probably recall that on April 10, when I was eulogizing the life and work of the late Senator James Hamilton Lewis, of Illinois, I used these words: I quote, "I am in position to know real friends as many of you might not be. I have come in contact with men of all races and of all nations, in this country and in many foreign countries. Because of the color and hue of my skin and the race with which I am identified, I have an opportunity to see the bigness of men's hearts as a great many people cannot see it." Minority groups must study and understand the trend of national affairs of this day in order to survive. I have always manifested a deep interest in the welfare of minority groups.

Mr. Speaker, permit me to call attention to a telegram which I sent to the President of the United States from Chicago, Ill., October 12, 1938, with reference to another minority group.

OCTOBER 12, 1938.

HON. FRANKLIN DELANO ROOSEVELT,
President, United States, Washington, D. C.:

As representative of a minority group in America, an underprivileged group which has been subjected to prejudice and mistreatment from time to time, we are interested in the attitude of majority groups throughout the world toward minority groups. At the present time we are greatly disturbed because of the intolerance of certain major groups toward the Jewish people residing in European countries and wish to have our voice heard in the interest of justice and fair play for all racial groups. We believe that the same spirit of intolerance which is working so tremendously against the safety and sacred rights of the Jewish people, if permitted to go unchallenged, will manifest itself sooner or later against all minority groups, perhaps in all parts of the world. Your fairness toward all human beings, the good-neighbor spirit between nations and races which you have been foremost in proclaiming and promoting, causes us to request you, the highest representative of our Government, to use every reasonable and peaceable means at your command in securing protection for the Jewish people in this hour of sad calamity.

ARTHUR W. MITCHELL,
Congressman, First Illinois District.

THE WHITE HOUSE,
Washington.

MY DEAR MR. MITCHELL: I fully appreciate the concern expressed by you in your telegram of October 12, 1938, regarding the Palestine situation. I have on numerous occasions, as you know, expressed my sympathy in the establishment of a national home for the Jews in Palestine, and, despite the set-backs caused by the disorders there during the last few years, I have been heartened by the progress which has been made and by the remarkable accomplishments of the Jewish settlers in that country.

As I have had occasion to inform a number of Members of Congress within the past few days, we have kept constantly before the British Government, through our Ambassador in London, the interest which the American people have in Palestine, and I have every reason to believe that that Government is fully cognizant of public opinion on the matter in this country. We were assured, in the discussions which took place in London a little more than a year ago, that the British Government would keep us fully informed of any proposals which it might make to the Council of the League of Nations for the modification of the Palestine mandate. We expect, therefore, to have the opportunity afforded us of communicating to the British Government our views with respect to any changes in the mandate which may be proposed as a result of the forthcoming report of the Palestine Partition Commission. I understand, however, that, under the terms of our convention with Great Britain regarding the Palestine mandate, we are unable to prevent modifications in the mandate. The most we can do is to decline to accept as applicable to American interests any modifications affecting such interests unless we have given our assent to them.

You may be sure that we shall continue to follow the situation with the closest attention.

Sincerely yours,

FRANKLIN D. ROOSEVELT.

The attitude taken by the President, as expressed in this letter, is indicative of the fine tolerant spirit of fair play and justice which he has shown to minority groups throughout his entire administration. It takes more than ordinary courage for a white American in office to deal with absolute fairness and justice toward Negroes. This should not be the fact, but everyone at all conversant with conditions in America knows this is a fact.

It is to the everlasting credit of this administration that President Roosevelt has been fair and just to all the minority groups in America, including my group. There have come many matters before him for consideration which tested his tolerance, patience, and absolute justice toward racial groups. In every case he has measured up to the standard. It is my opinion that the Negro has received more consideration, a larger degree of justice and actual help from the administration of President Franklin Delano Roosevelt than he has received from all of the other administrations since Lincoln. What, then, has the Negro to quarrel about insofar as the continuation of this administration in power is concerned? This administration has not only given a larger number of Negroes responsible and well-paying jobs than any other administration but it has reached down to the sharecroppers and day laborers, whether white or black, and said to them: "This is your Government; you are entitled to benefits and protection from this Government the same as the richest man in the Nation."

I ask once more, What has this administration done during its 7 years of handling the Nation's affairs to offend my group—the Negroes of America? Has any administration other than this one ever given attention to the type of houses in which Negroes live, and has said to them "the Government will assist you in the acquisition of homes and will build for your use decent quarters in which to rear your families"? Does the Negro quarrel with the administration for this? Does the Negro disapprove the thousands of colored high-school and college boys and girls who have been aided in their struggles through school by this administration? Is the Negro displeased with the administration because it has

opened up thousands of schools for adults and today hundreds of thousands of Negroes who could not read nor write are being taught at the expense of the Federal Government? Should the Negro quarrel with this administration because it has created more than a million jobs for them and saved them from starvation?

I wish to say again that I am at a loss to find a single reason why the Negroes of America should look with disapproval upon the administration of Franklin Delano Roosevelt. I stand here speaking in my humble capacity and hail our great President as being the greatest humanitarian this Nation or any other nation has seen. He is second only to the Christ. [Applause.]

Un-American Activities

REMARKS
OF
HON. SAMUEL DICKSTEIN
OF NEW YORK
IN THE HOUSE OF REPRESENTATIVES
Wednesday, August 2, 1939

Mr. DICKSTEIN. Mr. Speaker, the city of New York during the past several months has become the victim of an experiment that has long passed the stages of rumor. This experiment is singularly identical with the one which took place in Rome, Berlin, and Madrid—Fascist inspired, they rapidly swept beyond the confines of mere experiment, became threats, and eventually reality. In order to prevent such realization of the aims of Europe's totalitarian states from occurring in America, the truth behind this latest Fascist experiment must be revealed.

The nucleus of this activity, fostered by the misnamed Christian Front, takes on a new meaning when the methods, membership, and aims of this organization are studied and analyzed.

To many outside of New York City the name "Christian Front" may have no meaning. In New York it is rapidly spelling fear, bewilderment, and a form of persecution of certain of New York's minorities. The persecution of the Jews has suddenly arisen in our own country. Here in a democratic country settled by peoples fleeing from persecution of one form and another it arises and threatens to outstrip any former menace of racial or religious persecution experienced by the inhabitants of these United States. Those who were ashamed of the wild night rides of the perfidious Ku-Klux Klan or the terrorism of the Black Legion can well prepare their bending heads for another mechanical dip if the present spread of the Christian Front is not curtailed.

Our committee on un-American activities has thus far reported the possibility that General Moseley has Fascist leanings, and has provided the press with occasional news items of investigations to come and more frequently with some commonplace item of almost universal knowledge that supposedly was echoed by the gentleman from Texas [Mr. DIES], or one of his associates. More frequently, however, the public has been made to feel that the committee was a farce and the Government was willing to ignore the open operations of undeniably Nazi-Fascist groups.

It does not take $125,000, or an extensive investigation to uncover un-American activities in New York City. One week spent attending open meetings and speaking to the leaders of these meetings would convince any sincere American that something un-democratic was afoot.

What is the Christian Front? Why is it ignored? Why are its leaders—well known in New York City—permitted to openly plot the overthrow of democracy? Must independent citizens be forced to carry on a fight to subdue these un-American individuals themselves, or is their government willing to give the help and cooperation it owes her citizens. It would be well to keep in mind that the history of revolution in democratic countries arose directly from the unfulfilled promises of democracy.

THE CHRISTIAN FRONT

The Christian Front in New York City is an autonomous militant structure whose purpose is to link together a group of independent organizations into a closely knit unit with the aim of inspiring a Nazi form of government in America. This organization has no offices, and handles its business through P. O. Box 69, Station G, New York City. Its leaders are Walter D. Ogden, secretary, and Marcel Honore, president.

Operating independently but directed by the Christian Front as to methods are the following organizations: Father Coughlin's Social Justice Distributors Club, Crusaders for Americans, German-American Bund (O. D. storm troopers), German-American Business League, American Nationalists, American Nationalists Youth Division, Citizens Protective League, American Patriots, Christian Mobilizers, Christian Workers' Alliance.

As you will note, the names of these organizations in no way signify their purpose. However, taken separately and analyzed, their true purpose is easily ascertained.

First, the American Patriots—certainly a desirable name for a worthy organization, but not for a group whose history has been smirched with un-American mire ever since its inception. Its leader is A. Allen Zoll, at present indicted for attempted extortion of $7,500 from radio station WMCA, which refused to carry Father Coughlin's radio program without first approving the script. This same Zoll visited Goebbels in Berlin at the Hotel Adlon in 1936. Shortly thereafter he offered the services of his organization to Dr. Roy Akagi, Japanese propagandist, for $5,000 a month. Zoll's bail was taken care of by Seward Collins, who last year put up $5,000 bail for Mrs. Maria Griebl, held as a material witness in the Nazi spy case. The American Patriots had attained notoriety earlier this year when they were refused meeting space at Carnegie Hall, due to suspicion as to their true patriotism, and went instead to the Hotel Great Northern. State Senator John J. McNaboe expressed surprise, as did other eminent speakers who were invited as guests and found the American Patriots the antithesis of their name.

The Crusaders for Americanism is headed by two individuals, George A. Van Nosdall and Edwin Westphall. This organization plays to the group of its followers in typical Nazi fashion. They appeal to the underdog instincts of their group and give them artificially inflated egos by supplying a scapegoat in the guise of the Jew.

Let us examine Van Nosdall: Van Nosdall, a member of the German-American Bund, refers to Fritz Kuhn as the greatest living American and idolizes Hitler. A violent anti-Semite, he stated from the platform of their meeting place—Tri-Boro Hall, One Hundred and Thirty-eighth Street, the Bronx:

> When we get through with the Jews in America, they will think the treatment they received in Germany was nothing * * * Judaistic gore will soon flow in the gutters of New York City.

Edwin Westphall, another of the Crusaders for Americanism leaders, said on June 20, 1939:

> When you are in a crowd, yell "Kill the Jews" * * * what we need here is another Franco or Hitler * * * three cheers for Moseley, our new leader, and three cheers for Coughlin, who is our new Hitler.

Another frequent speaker for the Crusaders for Americanism is Wilhelm Kunze, press agent for the German-American Bund. He admits making numerous trips to Germany in the last 6 years, and has learned to emphasize the importance of the Aryan theory. He eulogizes America's "patriots" (?), Moseley, Deatherage, Kuhn, Edmondson, and Coughlin, and warns the audience to stick by their organizations as the time is rapidly coming for a show-down. He then rushes into a discussion of the advantages of national socialism to Americans, the abolition of States' rights, and the forming of a strong central government. "When the new wave finally sweeps the country," Kunze said, "the so-called defense weapons of Jews and Communists, such as liberalism, democracy, and tolerance, will be thrown into

the ashcan." Frequent "heils" and use of the Fascist salute punctuate Kunze's talks.

This same organization boasts that it was the first to sell Father Coughlin's Social Justice at Times Square and to establish the Sunday picket line on radio station WMCA.

The German-American Bund has already achieved notoriety through its encampments, its leader, Fritz Kuhn, and its most recent violation of the uniform laws of New Jersey, which resulted in the removal of the camp's liquor license. Possibly this punishment was reasoned on the basis that without a little inebriating fluid the bund members would not drill, plan for the downfall of democracy, or indulge in their favorite pastime; that is, Jew-baiting. The German-American Bund boasts in its membership such men as Fritz Kuhn, James Wheeler-Hill, Wilhelm Kunze. In the past they have had such members as Severin Winterscheidt, of the Julius Streicher entourage, and twice arrested on immorality charges; Dr. Griebl; and J. C. Fitting, the phony minister from North Bergen, N. J.

Fritz Kuhn, presently awaiting trial for mismanagement of the bund's funds, was pronounced guilty of larceny in Germany, fled Germany when he committed his second theft and entered the United States from Mexico, falsifying his citizenship papers. This record of Kuhn's is known to Government authorities but no action has been taken on it.

James Wheeler-Hill specializes in his contacts with Count Vonsiatsky's White Guard Russian troops. He was called before the McNaboe investigating committee in June 22, 1938, and claimed to have been born in the United States, although there is a record that he was born in Baku, Russia. On January 13, 1937, he addressed a White Guard Russian meeting in the Russian language, inciting racial hatred against the Jews.

On October 8, 1937, he gave a like speech before the White Russian Officers' Club in New York City. Wheeler-Hill is also valuable to the Nazis in America because of his Italian Fascist connections. On September 7, 1937, he was guest of honor of the Circulo Mario Morgantini. For his character reference, one can apply to the Star Printing Co., of New York City, from which firm he was fired because of incompetence.

Kuhn has issued edicts to bund members all over the United States—there are at present 93 locals of the bund, called Ortsgruppen, each headed by their Ortsgruppen-Fuehrer—warning all German-Americans to oppose the melting-pot principle and to form a strong racial bloc. In this way Kuhn hopes to form a German minority population in the United States. His plan is simple. If the German-Americans cannot Americanize, they must of necessity isolate themselves in opposition to democracy. Then they are to play the same part played by the German minority in the destruction of the Czechoslovakian democracy.

This report on the German-American Bund is in no manner to be construed as an attack on German-Americans in the United States. I am firmly convinced that not more than one-tenth of the German-American population in the United States sympathizes with the bund or with the Nazi form of government. However, this nine-tenths must be protected from the strong-arm methods of the organized one-tenth, who employ techniques ranging from terrorizing to the packing of meetings in order to gain control of various German societies. The slogan "My country, right or wrong" in reference to Germany is first applied. Failing to convince with this weak bit of propagandizing, they resort to threats of bodily harm to those relatives and friends visiting in Germany. Proportionately few of our German-Americans do not have relatives abroad.

In New York City alone the list of German-American societies controlled by Nazi sympathizers is quite impressive—the United German Societies of Brooklyn, the League of Sudeten Germans, the League of the Saarlanders, the Citizens' Protective League, the German-American Voters' League, the German-American Business League, the Grovewood Social Club, the German-American Settlement League, the United German Societies of Westchester County.

The Christian Front as an autonomous unit was organized in August 1938. It was set up ostensibly with Marcel Honore as its president and Walter D. Ogden secretary and treasurer. Its earliest platform was one to establish a boycott listing of Jewish shopkeepers and manufacturers in addition to an index—a pledge to be signed by Christian shopkeepers to buy only Christian-made commodities—published by the Greater New York Committee for Christian Action.

When various interested organizations set up to combat nazi-ism in the United States began to study the growth of nazi-ism the Christian Front organization became more pronounced in its Fascist leanings.

Odgen, secretary of the Christian Front, is also one of the directors of Zoll's American Patriots. The Christian Front also boasts membership of several ex-radicals: First, Osher, president of the Old Transport Workers' Union; second, Joe E. McWilliams, a bund speaker and leader of the Christian Mobilizers; third, Stanley E. Smith, president of the American Nationalists; fourth, Edward Smythe, president of the Protestant War Veterans, an alleged criminal; and, fifth, a Mr. Burke, retired, United States Navy, and a member of the Pelley Silver Shirts.

The American Nationalists, headed by Stanley E. Smith, meets weekly at the Tri-Boro Palace, One Hundred and Thirty-eighth Street, the Bronx. One of the frequent speakers for this group is Joe E. McWilliams, organizer of the Christian Mobilizers. Henry Clinton, one of the American Nationalists speakers, was cheered lustily June 14, 1939, when he told of the need for an armed force to carry out the designs of the organization. Smith, their leader, preaches the fact that Canada really belongs to the States and should be taken back from Great Britain.

Other leaders of the American Nationalists include Arthur Goadby, treasurer; E. Andrews Moriarity, secretary; and Robert Edward Edmondson, recognized Nazi propagandists, Louis A. Zahne, a Nazi agent, was loaned to this organization for public speeches by the bund. Other speakers include Major Crandall, former Army officer and former relief official in the Home Relief Bureau of New York, fired by Mayor LaGuardia for incompetence, and Judge N. W. Rogers, of Putnam, N. Y., who is a frequent contributor to the Weckruf, official paper of the German-American Bund.

The Christian Mobilizers is one of the most recent hate groups to organize in New York City. Its leader, Joe E. McWilliams, claims to be a former Texan, and at an American Patriot meeting at the Hotel Great Northern stated that his boys from Texas would be able to clean out the Jews in New York City when they arrived in the fall. McWilliams is a former Communist Party speaker and a member of the National Socialist Party. McWilliams also uses the name of Joseph R. MacWilliams.

Associates of McWilliams are Joseph Paul Antonio, lawyer, who makes emotional appeals for members to unite as Christian knights against the Jews as Franco's group did in Spain; Arthur Dykman, secretary; Joseph Hartery, allegedly the person who threw bottles at Mike Quill, New York City councilman and American Transport Workers' Union leader, also member of the German-American Bund; Edward Smythe, Christian Front member who praises Coughlin and speaks frequently about one Rosenfeld—in re the President—with an adjective that would indicate illegitimate birth. The membership of the Christian Mobilizers is limited to men 18 years of age and over.

It will be noted that all of these groups that operate as independent units are tied together by an interlocking group of speakers. Leaders of these groups do not limit their membership to one group, but frequently appear as members of two or three or more of these groups.

Literature is ever present at these meetings. Customarily, there are two tables flanking either side of the entrance to the meeting hall. Displayed on these tables are the following publications: Weckruf, official organ of the bund; National American, newspaper of the American Nationalists Party; Liberation, official magazine of Pelley's Silver Shirts; Social Justice, Father Coughlin's weekly magazine; Black

Shirt, publication of the Italian Fascists; Illustrierter Beobachter, published in Munich; in addition to the latest anti-semitic literature published by such personalities as Colonel Sanctuary or James True. This indicates the cooperation between these groups. The purpose of establishing so many of these groups, as explained by their own members, is to confuse the public as regards their strength, their purposes, and to make it difficult to keep abreast of their plans. However, the Christian Front autonomous unit is so constructed that all of the groups could be welded together within a few hours' notice.

There is also a frequent exchange of meeting places, as for example: The Crusaders for Americanism meet every Tuesday evening at the Tri-Boro Palace at One Hundred and Thirty-eighth Street, the Bronx; the American Nationalists meet every Wednesday night at the Tri-Boro Palace, and the American Nationalists' youth division (under the directorship of the American Nationalists) meets several Thursday evenings of each month at the same place. The German-American Bund meets in various places, including the Turnverein Hall on Lexington Avenue; Camp Nordland, Andover, N. J.; and Ebling's Casino, One Hundred and Fifty-sixth Street and St. Ann's Avenue, the Bronx. The Citizens' Protective League meets at the Turnverein Hall, the Christian Mobilizers meet at the Tri-Boro Hall, Ebling's Casino, and at Donovan's Hall, 308 West Fifty-ninth Street at Columbus Circle. The Coughlin Social Justice Distributors' Club also meets in Donovan's Hall, as does the Irish Republican group in New York City. This again indicates a closely knit group of units operating separately in order to confuse the public.

One interesting point that has not been answered by investigators of these groups is, Who supports their cause financially? They do have expenses, ranging from the cost of printing broadsides, magazines, newspapers to the expenses incurred by their leaders who for the most part have no visible means of financial support. As, for example, how can Edwin Westphal, who less than a year ago peddled razor blades on Times Square, afford to give all of his time to the Crusaders for Americanism without reasonable compensation?

Their publications carry little or no advertising and sell for less than their cost of production, so that they must operate at a loss. Membership fees for these organizations could not support them for a week. Who does support them? Private individuals who desire to spread racial hatred or foreign powers who must spread their dogmas if they hope to perpetuate their politics? Every indication points to this last-named group—methods used, sympathy of members, leaders frequently trained in Germany or directly in the Nazi employ, literature disseminated frequently of German origin or styled after similar propaganda pieces that led to the downfall of the German Republic.

Have these groups actually started riots? Have they damaged property? Have they harmed individuals? How and when have they infringed on other citizens' rights?

In May the front of the Lyceum Theater, where Brown Danube was being played, was smeared with swastikas.

On June 12, at One Hundred and Sixty-third Street and Amsterdam Avenue, a young girl asked a question of a Christian Front speaker and was thrown to the ground and pummeled. Two policemen rescued her, but no arrests were made.

On June 14, Samuel Applebaum, a French instructor at the New Utrecht High School was walking through Union Square. A small group were slandering the Jews and Applebaum protested. He was thrown to the ground and stabbed in the hand.

On June 22, at Two Hundred and Fourth Street and Perry Avenue, a woman protested against the abusive language used by a speaker in reference to the Jewish race, and was thrown down and beaten.

On the evening of June 26, a Christian Front meeting was being held with an attendance of approximately 500. At the height of the evening, a group of hoodlums, several identified as Coughlin Social Justice vendors were found hiding among parked cars with over-ripe fruit, bottles, and other dangerous missiles. Quick action on the part of a police sergeant and his patrolmen prevented any damage.

These are but a few incidents that are occurring nightly in New York City.

Father Coughlin, on the evening of July 30, finally openly allied himself with the Christian Front. Coughlin claims his fight is against Communism, but in effect it has every indication of a Nazi inspired movement. He said, "If you persist in carrying on your fight by denying us liberty of speech, liberty of press, and consequently, liberty in politics, we will fight you in Franco's way, if necessary." Father Coughlin seems to forget that followers of democracy are not inclined to sanction Franco's way, and may be somewhat skeptical about Coughlin's real aims if he advocates recourse to Franco's way.

It is interesting to note, in speaking of Coughlin, the close parallel between some of his material included in Social Justice and that released by Goebbels. On December 5, 1938, Coughlin published a defense of nazi-ism in Social Justice entitled "Background of Persecution." On September 15, 1935, Paul Joseph Goebbels, Reich Minister of Propaganda, delivered a speech before the Nazi Party Congress at Nuremburg. This speech was published September 10 by the Franz Eher Press, Munich. The speech of Goebbels and the resultant article by Coughlin are so closely parallel that the source of Coughlin's material can scarcely be denied. Let us examine a small portion of this speech and the later article by Coughlin.

Goebbels said:

> On April 30, 1919, in the courtyard of the Luitpold Gymnasium in Munich, 10 hostages, among them 1 woman, were shot through the back, their bodies rendered unrecognizable, and taken away. The act was done at the order of the Communist terriorist Agelhofer and under the responsibility of the Jewish-Soviet commissars Levien, Levine-Nissen, and Axelrod.

Coughlin wrote:

> On April 30, 1919, in the courtyard of the Luitpold Gymnasium in Munich, 10 hostages, among them 1 woman, were murdered. The act was perpetrated by the direct order of the Communist terrorist Agelhofer and under the responsibility of the Jewish-Soviet commissars Levien, Levien-Nissen, and Axelrod.

The following magazine piece continued to parallel the speech of Goebbels so closely that no doubt is raised as to the source of Coughlin's material. Articles appearing in Social Justice are constantly of an anti-Semitic or pro-Nazi nature, and yet Coughlin persists in disclaiming anti-Semitism or pro-Nazi relationships.

Coughlin has made many incongruous statements if he chooses not to be termed a Fascist. In the October 17, 1938, issue of Social Justice, Coughlin defended Hitler's seizure of Austria and the dismemberment of Czechoslovakia. He praised Mussolini for his attack on the Ethiopians as was reproduced on pages 17–19 of A Series of Lectures on Social Justice, by Charles E. Coughlin. In the March 6, 1939, issue of Social Justice a pro-Japanese article appears under the by-line of Leon Hamilton. His February 13, 1939, issue compares the democracies unfavorably with the Fascist powers. In a radio speech September 26, 1935, Coughlin advocated the use of bullets when any upstart dictator in the United States—referring to the President—makes this a one-party Government. This would scarcely indicate a prodemocratic sentiment on the part of Father Coughlin.

All of these organizations direct their vitriolic speeches against the New Deal and every liberal-minded statesman; attacks on Mayor LaGuardia, Thomas Dewey, President Roosevelt, and so on, are frequent. Policy in reference to the Jew ranges from those who advocate killings and tortures

more brutal than those directed by the Gestapo and the Uschla to the less violent members who advocate imprisonment or deportation for all those of the Semitic race, and for the "gentile bastards" who will not support "our" cause.

It has been interesting to note the typical Nazi ideology followed in the past months, starting with mere hatred of international Jewry and now slowly encompassing all peoples in the United States who will not back their plan of a strong centralized government with the elimination of States' rights. A conflict does arise, however, as to who the leader would be. Will it be Fritz Kuhn, the national fuehrer, or Coughlin, or, less likely, Joe E. McWilliams, who would be satisfied to start as mayor? Whoever it will be, Kuhn promises his loyal followers that they will be rewarded with Governorship and mayoralty posts in major metropolitan areas.

It is a well-known fact that the work of the Gestapo is carefully divided into three groups—the "termites," the "torpedoes," and the "harbor patrols." New York at the present time is overrun with the "termites," and unless the work of this insidious group is counteracted the people of New York City may well expect frequent bloody street riots, sabotage, and violence of all sorts within a period of months. This can be laid to the following sources: The racial hatred and pro-Nazi propaganda spread by Father Coughlin's group, and the "termites" branch of the Gestapo whose purpose is to spread Nazi propaganda and submit reports to their cell head, who in turn reports to Nazi propaganda headquarters in Germany.

There is no room in a democracy for racial hatred, the spread of various "isms," and striving for dissension or planning of sabotage. This situation in New York City must be remedied if violent mass rioting is to be prevented.

"Roosevelt Propaganda Attempts To Deceive the People"

EXTENSION OF REMARKS

OF

HON. JOHN TABER

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Saturday, August 5, 1939

Mr. TABER. Mr. Speaker, in his press releases recently, the President has stated that because of Congress' reduction in the amount of appropriations for alleged relief, that it was necessary to reduce the number of people to whom benefits could be given, and that the failure of Congress to pass the so-called housing bill and the so-called spending-lending bill would be apt to throw us into the depths of a depression.

What are the facts?

For alleged relief, the President's original Budget submitted to the Congress on January 5, appearing on page 121 of the CONGRESSIONAL RECORD called for $1,750,000,000 for the W. P. A., the N. Y. A., and the Farm Security Administration. The amount finally agreed upon and appropriated by Congress called for W. P. A. the exact amount that Mr. Roosevelt asked for originally in January—$1,477,000,000; for N. Y. A.—$100,000,000, or $23,000,000 below the amount recommended by the President; for the Farm Security Administration—$143,000,000, or $20,000,000 above the amount recommended by the President. For other agencies:

Puerto Rico, $7,000,000, as against a Budget estimate of $10,000,000.

Administrative expenses, $25,650,000.

The total ran to $1,752,000,000, or $2,000,000 more than the President's original Budget estimate and $3,000,000 below his final estimate.

The cut in the suggested appropriation for the N. Y. A. still left them $25,000,000 above their previous year's appropriations, and the cut did not stop relief activities but only the establishment of more camps, which were not relief activities at all, and more theater projects, and such things as that.

Why the President should make such statements and say that the failure of Congress to provide the funds that he asked for for relief can only be attributed to one purpose, an absolute determination to deceive the people.

With reference to the matters about which some ill-informed relief workers have been striking, I will say that the requirements for the 130-hour week and the elimination from the bill of the so-called prevailing wage will be shown by an examination of page 20 of the hearings of the Appropriations Committee to have been made upon the recommendation of Colonel Harrington, the President's W. P. A. Administrator. When you give him just what he asks for and just the way he wants it you still have him trying to dodge and shift the responsibility because he has neither the character nor the courage to stand by his own recommendations. Is it not time that the people ceased to be deceived?

The President has berated Congress for failure to pass the so-called housing bill. This would have provided for the expenditure of $2,500,000,000 of Federal funds which never could have come back into the Treasury. The average cost under this program for housing facilities for 1 family to the Federal Treasury—entirely out of pocket, with nothing coming back—would have been approximately $16,000. How many of our people live in a $16,000 house? The facilities provided through the Housing Authority, only in rare occasions, provide housing for the poor people who are obliged to give up the cheap quarters they have occupied. In one community with which I am somewhat familiar, where they actually did tear down some low grade dwellings, the poor people who were driven out are now herded 12 families to a single house, at higher rent and with poorer quarters than they had before. They will, none of them, ever be able to live in the gorgeous quarters that are being provided at great Federal expense.

Instead of being a proposition to get rid of slums and provide quarters for the poor people, the program is nothing but a racket. It had a sob appeal which the President has made the most of in his attempts to deceive the people. Out of the $800,000,000 which the United States Housing Authority has had available for a year and a half, only $68,376,200 had been spent by June 30, 1939. As far as providing employment goes, it has been a very minor factor. As far as creating a big debt and obligations goes, it has done fine. As far as providing permanent obligations against the Treasury goes, it has been a great success. As far as relieving the housing conditions and providing for the general welfare goes, as compared with the amount of disbursements required, it has been a colossal failure.

The so-called spending-lending bill as reported to the House called for $1,950,000,000, as follows:

(1) To the Public Roads Administration, $500,000,000, to be loaned to the State, municipalities, and other public bodies to build roads, at a time when all of these outfits that are entitled to credit in any way are able to borrow all the money that their debt limits will allow in the open market at low rates of interest. This would not have provided one single job.

(2) To the Public Works Administration, $350,000,000, which could only be used for loans at a time when all of these corporations can borrow money up to the debt limit from private sources.

(3) For railroad equipment, $250,000,000, at a time when the R. F. C. already has authority to make such loans and has at present a borrowing capacity of $2,640,000,000.

(4) To the Rural Electrification Administration, $350,000,000, to take the place of an authorization for annual

appropriations of $40,000,000 for which there has already been appropriated and allocated upward of $200,000,000. There is now $40,000,000 available for this purpose, an amount sufficient to take care of all the loans which would be made under normal circumstances.

(5) For tenant farmers and sharecroppers, $400,000,000, to be used to loan, mostly in the sections of the South, for the building of houses in places where they already have more housing facilities than there is demand. It will thus be seen that this bill was not a bill which would relieve anything except as it would provide a racket in the building of farmhouses, and where there would be nothing ever coming back to the Treasury. The plans were for $2,000 houses for tenant farmers who would have no facilities whatever to pay back the money.

The whole program was just a grand fraud upon the people of the United States. The only way it was self-liquidating was that the minute it went out of the Treasury never a cent could have come back. Is it not time that the people of America woke up to the way they have been deceived and the way the administration has tried to avoid responsibility for the complete failure of its economic policies?

The program of Tommy Corcoran and Benny Cohen, who control Mr. Roosevelt and his policies, has been to destroy private initiative, private business, and to do away with the private employment of our people. It has brought nothing but distress upon our people.

When Congress does something constructive in stopping crazy schemes, it should get the credit for it; and the President should be blamed for proposing Tommy Corcoran's and Benny Cohen's destructive schemes.

Our Economic Problem

EXTENSION OF REMARKS
OF
HON. FRANK W. FRIES
OF ILLINOIS
IN THE HOUSE OF REPRESENTATIVES

Saturday, August 5, 1939

Mr. FRIES. Mr. Speaker, Congress' 10 years of wandering in our economic jungle leaves us still with no path out of the wilderness.

Hate, fear, insecurity, and distress in a land of abundance—a deplorable condition existing in our great America.

This condition is not an accident. It is a situation made possible by and through the stupidity of public officials responsible to their people—officials who have proved incompetent to deal with our economic and social problems.

To maintain government those in charge of government must recognize their responsibilities and give their best to the people they represent if respect of government is desired.

Equality of opportunity is a principle which every statesman and representative of the people advocates, but it does not exist in this land of plenty at the present moment.

It seems to be the consensus of opinion amongst businessmen, professional people, and the country as a whole that the method of Congress in dealing with our economic and social problems is a miserable failure.

Our economic problem is entirely different than that of any other country in the universe.

Many who are unfamiliar with the issues which now concern our American people are of the opinion that we have an overproduction of goods. I fail to subscribe to this philosophy. The maldistribution of the necessities of life is the major problem of our Government.

It is not overproduction but rather underconsumption of the necessities of life which troubles our whole economy and our whole people.

The disgraceful thing is that it would be a very easy matter for the United States Congress to make it possible to correct all of the irregularities which now exist in our economic and social program.

Most countries of the universe are troubled with the problem of adequate natural resources and adequate production of the necessities of life for their people, but our Government in our great land is blessed with all of the necessities of life man could wish for.

The distribution of these necessities is pathetic, and the United States Congress' haphazard manner of dealing with the problem of economic sufficiency and stability for from one hundred and thirty to one hundred and forty million people is a discredit to our democracy.

Many are of the opinion we should continue the old program of attempting to dispose of our surplus products by reciprocal-trade agreements with other nations. Such an attempt is impossible of completion, and such a program is worse than useless.

Facts prove beyond contradiction that revolutionary conditions in the economic and social life of the entire world have deprived America of the right to participate in the world markets.

Many are of the opinion we should subsidize our agricultural products in order to preserve a place in the world markets.

To me this is the height of fallacy.

Since the World War many countries—to name some, Russia, Germany, Italy, and Japan—have established fertile agricultural areas which produce, among other supplies, all of the cotton they can consume.

Prior to the World War, the world was solely dependent upon America for its cotton. Today that situation does not exist. The countries above mentioned have developed their own cotton fields, and today are our competitors in the world's cotton market. In other words, we have lost the cotton business throughout the world.

The same situation exists in the industrial fields. Many of the countries who were solely dependent on America to furnish them machinery, automobiles, electrical appliances, and so forth, today are producing their own industrial goods, and that market is gone and will never be regained for America.

To think we can regain this market is not to face the facts. It can never be regained, and it is wishful thinking to think we can recover it.

AMERICA—A GREAT NATION, AND NOT JUST A LOOSELY CONNECTED SYSTEM OF 48 STATES

Those of us who honor and love our form of government have a responsibility which we must recognize and accept. It is absolutely essential that we deal forthrightly and earnestly with the problems which beset America if we desire to continue our form of democracy. The time has arrived when every true American must assist in correcting the irregularities now existing—must deal with these problems as they concern a whole people—a whole Nation, and not simply for the benefit of one section, one State, one district, or one class. If we are to survive we must face our problems as one family, and not as unrelated groups trying to take advantage, each of the other.

We Members of Congress have attempted to cope with the problems which beset our American people by a method of "guess" and taxation—a policy, which, whenever it has been pursued, has led to the destruction of governments since the beginning of civilization.

No citizen in private industry would attempt to carry on in the same manner we have carried on as representatives of our Government.

It is immediately necessary that we ascertain what the problems are which concern our American people. When I first came to Congress I introduced a bill which would give to the American public a true picture as to what and why we have this deplorable economic and social condition in this great land of abundance.

My bill would give to the United States Congress true and definite information as to the number of people we have employed, the number of hours they are employed, and the nature of their employment. It would also give the number of people unemployed, why they are unemployed, the number of years they have been unemployed, and what they are qualified to do.

If we had this information, which should be obtained through a committee appointed by the United States Congress, I am confident the Congress could then deal with our economic and social problems in an intelligent, businesslike, and efficient manner.

It is highly important that we find the number of hours it is necessary for man to toil, with the assistance of modern machinery, to produce the necessities of life.

If we find—to illustrate my point—that it takes 300,000,000 hours a day for man to toil, with the assistance of modern machinery, to produce all the necessities of life, and we have in America 50,000,000 people who are qualified to participate in our economic program, then I am confident—and I think everyone will agree with this philosophy—it is the height of fallacy to compel two-thirds of our people to work 8 and 9 hours a day, and force them, through taxation, to contribute to a fund to maintain an army of ten to twenty-five million unemployed people, who are willing, able, and well qualified to participate in our economic program.

Unless we deal with this problem in a manner which will make it possible for all of our people to participate in a program in which all of us are concerned, we cannot expect the underprivileged people of our country, who are solely dependent on charity and relief measures, to respect our Government.

I would recommend to the United States Congress that immediately after learning the number of hours necessary for man to toil so every citizen may be employed at a living wage that Congress subsidize business, and go to its rescue; that we help rehabilitate every industry in our Nation, making it possible for private industry to absorb this vast army of unemployed people.

With such a program in operation we could abolish the W. P. A. and other purely relief measures.

I think a program of this kind would meet with the approval of every red-blooded American citizen who is desperately trying to combat communism, fascism, nazi-ism, and other un-American "isms."

It is my conscientious belief that the citizens of this great America are not desirous of having a change of their form of government, and that they desire, in every way humanly possible, to aid in maintaining our democracy.

A program, such as I have mentioned, would enable the farmer to receive a decent price for his product, and give the laboring man the fruits of his labor. Business in every way would enjoy greater returns if we began to legislate on the basis of one hundred and thirty to one hundred and forty million people and their needs, and not on a basis of sectional or any other kind of prejudice or preferment.

The Answer of the Coal Industry to the Question, "Has T. V. A. Injured Coal?"

EXTENSION OF REMARKS

OF

HON. ANDREW J. MAY

OF KENTUCKY

IN THE HOUSE OF REPRESENTATIVES

Saturday, August 5, 1939

Mr. MAY. Mr. Speaker, under leave to extend my remarks in the RECORD, I wish to submit herewith a statement concerning the viewpoint of the Bituminous Coal Industry with respect to the effects of T. V. A. on that industry, as follows:

The T. V. A. and its proponents continue to dispute the contentions of the bituminous-coal industry with respect to loss of coal markets implicit in T. V. A.'s hydroelectric power program. They have recently come forward with renewed assertions that T. V. A. is a blessing in disguise for the coal industry. They bolster this preposterous claim with figures supplied by the Federal Power Commission and other sympathetic Government agencies purporting to show that—

(1) Twice as much coal is now being utilized in electric power generation in the Tennessee Valley as in 1929.

(2) That more than twice as much electricity was generated by coal last year in the four States of Alabama, Georgia, Mississippi, and Tennessee than in 1929.

(3) That whereas only 7.3 percent of total electric generation in these four States in 1929 was by coal, 12.8 percent of the 1938 output was by coal.

(4) That whereas only 1.4 percent of the total coal output in these four States in 1929 went into the generation of electric power, 4.5 percent of the total coal output in these States in 1938 was utilized for electric-power generation.

By making similar comparisons between 1932 at the bottom of the depression and 1937 and 1938, the percentage gains on this method of reckoning are even larger. For these gains (magnified out of all proportion) in the consumption of coal, in steam generation of electricity, in the four principal States in the Tennessee Valley, T. V. A. takes all the credit to itself.

These figures are well calculated to distort the real picture, to pervert the real facts, and to deceive the casual reader. The truth of the matter is:

(1) That the gains as recited are relatively infinitesimal;

(2) That the gains came about through factors wholly unrelated to the T. V. A. and in spite of the T. V. A.;

(3) That the real impact of T. V. A. hyro power upon coal and coal markets in the Tennessee Valley is on the way but has not yet arrived (because T. V. A.'s hydro-power output is still in its infancy);

(4) That the figures in nowise refute the basic contentions of the bituminous-coal industry as to the comparative economy of steam power over T. V. A. hydro power, and as to the inescapable and self-evident fact that when and if T. V. A. completes its electric-power program and gets into full operation and generates, distributes, and sells upward of 8,100,000,000 kilowatt-hours of electricity annually, it thereby has deprived the coal industry in perpetuity of a vast future outlet for coal.

The essential facts with respect to past, present, and future relationship of coal to electric-power generation in the Tennessee Valley are exceedingly simple.

We have first the fact that prior to the advent of hydro power promotion by the Federal Government, the question of hydro power versus steam power rested entirely upon the comparative costs. The private-utility companies naturally sought the most economical medium.

Twenty years ago it required 3 pounds of coal to generate 1 kilowatt-hour of electricity. Today, thanks to the great strides in plant efficiency, it requires less than 1½ pounds of coal to generate 1 kilowatt-hour (the national average in 1937 was 1.42 pounds of coal equals 1 kilowatt-hour), and in some new steam plants it takes only 1 pound of coal per kilowatt-hour.

Inasmuch as the principal item of cost in the generation of electricity by coal is the fuel, this cut in fuel consumption of 50 percent or more has completely altered the picture when it comes to figuring comparative cost of steam power to hydro power.

The principal item of cost in hydroelectric-power generation is in the building of dams and reservoirs, which vary widely according to the physical characteristics of the site, the flow of water, etc.

Twenty and thirty years ago, when the cost of steam-power generation was more than double what it is today and when so-called cheap water-power sites were readily at hand in the Tennessee Valley, the private utilities in that area turned to water power. They made extensive developments and hydroelectric power occupied the major position in the total power output.

But the coal industry, prior to the initiation of the T. V. A., surveyed the future with confidence (1) that electric output in the Tennessee Valley in the years to come was bound to double and treble; (2) that with the greatly lowered cost in steam generation and the absence of further water-power sites in this area susceptible of really economical development coal would inevitably be the medium for providing the new increments of electric power.

The advent of the T. V. A. destroyed this prospect. T. V. A. is proceeding to build hydroelectric-power facilities regardless of unit cost and regardless of comparative cost with steam plants. It is foreclosing any chance for coal in supplying the future needs of this area for electricity. It is projecting a hydroelectric-power supply so large as will more than meet the requirements for generations to come, granting these requirements will be greatly augmented by the progress of the age we live in.

Under these circumstances, the statistics which the proponents of the T. V. A. are now publicizing are entirely beside the point.

Figures showing the combined coal production in the four States of Alabama, Georgia, Mississippi, and Tennessee, year by year, since 1920, and the big drop after 1930, and partial recovery in the last 2 or 3 years, are utterly meaningless as respects the relation of the T. V. A. to the coal industry. They are the product of many factors and a small segment of a national picture, the explanation and consideration of which has no bearing on the T. V. A. issue.

The totals as to coal consumed in the generation of electric power in these four States, ranging from 1,360,000 tons in 1925, 213,000 tons in 1935, and 677,000 tons in 1938, are similarly of no probative force because they are the product of many diverse factors.

The coal industry knows from sad experience that when the Alabama Power Co. purchased hydroelectric power generated by T. V. A. at Muscle Shoals, the Alabama Co. shut down its Gorgas steam plant which ordinarily burned 20,000 tons of coal every month, and when the Alabama Co. terminated its purchase of T. V. A. power, it reopened its Gorgas steam plant.

The coal industry knows from sad experience that when T. V. A. supplies a municipality with T. V. A. power which had previously generated its own electricity from coal, this outlet for coal is gone forever. It is pertinent to recall the recent case at Nashville where the private company, prior to its acquisition by the T. V. A., had proposed to build a new steam-generating plant which would have consumed upward of 100,000 tons of coal annually.

To the coal operator and his mine workers who for years have been supplying the requirements of some nearby steam-generating plant—small perhaps, but large enough to keep going this particular mine—and when this steam plant is superseded by T. V. A. hydro power and this mine loses its principal customer and can find none to take its place and is obliged to close, there is no comfort in a lot of statistics of national averages and trends and comparative percentages. The miners and the mine owner face the hard fact that the miners are permanently out of jobs and the mine owner is out of business.

The assertion by the T. V. A. that T. V. A. is developing new markets for coal in the Tennessee Valley is pure fiction up to date, and what the future holds in store is pure conjecture. T. V. A. boasts of the projected industrial development in its area to be achieved through the medium of vast quantities of "cheap" electricity. The benefits of any such development to coal are at least intangible, if not entirely negligible.

Furthermore, insofar as this move by T. V. A. entails a relocation of industry, its transplanting from some other region to the Tennessee Valley, the result may likely enough be to subtract from coal's present markets in other regions.

T. V. A. contends that its acquisition of the facilities of the Tennessee Electric Power Co. will prove a boon to the coal industry because henceforth T. V. A. will be so busy in supplying the customers it has now acquired that it will have no reason to venture into other territory, and so coal may be able to pick up some new business with the private utility companies elsewhere.

T. V. A. contends that its example and influence will prove a spur to increased electric consumption throughout the Nation and this increase will accrue to the benefit of coal in those areas where the chief reliance for electricity is upon coal-burning steam plants, which will then be expanded, and in the next breath cites figures to show that whereas electric power generation in the country as a whole reached a new peak in 1937, coal consumed in electric power generation had declined as compared with the previous peak year of 1929.

The T. V. A. suggests that since the Nation-wide decline in coal output has resulted in very large unemployment among coal miners, "alternative fields of employment are necessary to take up the slack," and then credits itself with "having taken up part of this slack" through its manifold activities in the construction and operation of dams, power plants, and transmission lines, which it implies is an added reason why the coal industry should be grateful to the T. V. A.

This line of reasoning, in our judgment, is slicing the baloney pretty thin.

Opportunity for the Eskimos

EXTENSION OF REMARKS

OF

HON. ANTHONY J. DIMOND

DELEGATE FROM ALASKA

IN THE HOUSE OF REPRESENTATIVES

Saturday, August 5, 1939

Mr. DIMOND. Mr. Speaker, a few hours ago both House and Senate agreed to the conference report on the third deficiency appropriation bill of this session of Congress. That bill, which has now been adopted by both Houses and which will undoubtedly be approved by the President, contains an appropriation of $795,000 for carrying out the provisions of the Reindeer Act of September 1, 1937.

That act, as we all know, authorized and instructed the Secretary of the Interior to purchase all of the non-native-owned reindeer and usable reindeer range equipment in the Territory of Alaska, and to either distribute the same among the natives of Alaska or to hold the same in trust for the use and benefit of the natives. The act further authorized and directed the Secretary of the Interior to organize and manage the reindeer industry or business provided for in such manner as to establish and maintain for the natives of Alaska a complete and self-sustaining economy, and to encourage and develop the activity and responsibility of the natives in all branches of the reindeer industry or business. Further provisions of the act gave direction as to the distribution of the reindeer among the natives of Alaska, for the making of range rules and regulations so as to protect the deer and protect the range, and, wherever practicable and to the best interests of the natives, the Secretary was directed to appoint natives to supervisory and other positions in the administration of the reindeer business.

But until adequate appropriation was made by Congress, the Reindeer Act was practically a dead letter.

In 1938 I urged upon the Appropriations Committee the making of an appropriation of at least $1,000,000 to carry out the purposes of the Reindeer Act. At that time the House Appropriations Committee declined to recommend the appropriation, and instead it was provided that a special committee, to be appointed by the chairmen of the House and Senate Appropriations Committees, should make an inquiry into the entire subject and report back to Congress. That committee was appointed and consisted of Mr. Charles E. Rachford, of the Department of Agriculture; Dr. I. D. Wilson, professor of biology, Virginia Polytechnic Institute; and Mr. Frank H. Reeds, of Grand Junction, Colo. This special committee made a thorough and painstaking investigation of the subject in Alaska during the summer of 1938, and thereafter made report to Congress recommending that the Reindeer Act be carried out, and pointing out clearly the disasters which would overtake the reindeer, and the ensuing suffering to the native inhabitants of Alaska who lived in the reindeer area, if the act were not thus put into effect.

Finally, we have an appropriation to commence the work, an appropriation of $795,000, and, by the Department of the Interior supply bill, a further appropriation of $75,000 for administrative purposes. While the sum is not as large as I had hoped to secure—for I recall the House Committee on Appropriations had first recommended an appropriation of $1,070,000—it may well be that $870,000 is all that can be profitably expended during this fiscal year. At any rate, we have enough money to make a substantial beginning of the program, and with that we ought to be reasonably content. But lest it be thought that Congress will never be requested to make any further appropriation, it may be well for me to state here that it is likely an additional appropriation, or appropriations, will be required from time to time up to the limit of the $2,000,000 which was authorized to be appropriated by the Reindeer Act itself.

Mr. Speaker, I rejoice at the action thus taken by Congress looking toward the carrying out of the Reindeer Act. I rejoice because it means at last a real opportunity for the Eskimos and other natives of Alaska who can use reindeer. It means that with good administration, instead of being poverty stricken, suffering, and half starved, the Eskimos will in the course of a few years inevitably attain a measure of security which they could not otherwise enjoy. In passing the Reindeer Act and then in making this appropriation, Congress has opened wide the doors of opportunity to the Eskimos and the other natives who may share in the reindeer. It is true, of course, that all may be lost by poor

administration or by bad administration, but I am very hopeful and, indeed, confident, that the administration given will be not only honest but far-seeing and efficient, and that in a few years the Eskimos themselves will be able to undertake that administration and make it a success.

The Eskimos of Alaska are an admirable people. They are truthful, honorable, honest, and generous and hospitable almost beyond the conception of any other race of mankind. The late distinguished Tom Lopp used to call them "a pleasant, smiling people." He loved them and they loved him.

May I repeat that this is an opportunity for the permanent well-being of the Alaska Eskimos as a race. They have all the virtues and all the qualities necessary to success, if in the beginning they are properly instructed and have the right type of leadership. But in the final event, everything depends upon them. It will be necessary for them to do the work, and the work at first will not be easy. The wolves are threatening to destroy the reindeer herds entirely. Most of the burdens of killing off such predatory animals will fall upon the Eskimos. But they will have the satisfaction of knowing that Congress has already appropriated nearly $900,000 for their assistance, and to help them to help themselves, and they may fairly rely upon securing such further help as may seem to be justified.

Their opportunities, Mr. Speaker, are the greater because with the purchase of the deer and the range equipment now owned by others than natives, the title and ownership of all the reindeer and all of the reindeer range equipment will be in the natives themselves or will be by the Government for their benefit. They have been given and are being given a monopoly of the reindeer, both for private use and as concerns the ownership, use, and management of the reindeer as an industry. Surely that is a great and a generous gift for the Congress of the United States to bestow upon the native people of Alaska. I am confident that it is a gift of which our people will make the fullest and most profitable use.

Once the Eskimos were virtually robbed of almost everything necessary to support life. The white men destroyed large sources of their food supply, particularly the caribou; but now the Government, in making amends for that action, is giving to the Eskimos another assured source of supply of food and clothing in the reindeer and the reindeer range will belong to them and to their children and to their children's children forever. This is a mark of confidence which the Eskimos will, I know, deeply appreciate and the advantages of which they will eagerly grasp.

But in order to avail themselves of the opportunity thus given into their hands, it will not be sufficient that a few Eskimos here and there do their work and perform their duty; it is necessary that the whole people faithfully determine each to do his or her part and thus the welfare and safety and security of all will be promoted and made certain; theirs will now be the responsibility, but accompanying that will be the assurance of outstanding benefit and advantage to the whole people if their work is well done.

Few native inhabitants of any country which has been taken over largely by an alien race have ever been granted the exceptional and unique opportunity which has thus been placed before the Eskimos, but I feel confident that they will gladly and eagerly and proudly accept the responsibility and opportunity which have thus been offered to them. They will be faithful to their trust.

While I have spoken largely of the Eskimos as if they would be the only natives of Alaska to be benefited by putting into effect the Reindeer Act, as a matter of fact those benefits will accrue to many of the natives of Alaska who are not racially Eskimos. While the Aleuts are sometimes classed as Eskimos, others consider them a separate race. I have in mind particularly that with the purchase of the non-native-owned reindeer, all of the Eskimos and all of the Aleuts and many of the other natives of Alaska will be able to share in the reindeer so purchased. It is expected that the widest possible distribution will be made of the reindeer so that every native of Alaska who desires and can use reindeer will be given a reasonable number of them. For some years past the natives of the Alaska Peninsula and Aleutian Islands region have been asking for reindeer, but none have been available. The opportunity is now at hand to secure the reindeer which they need. The same is true of at least one settlement of the natives of southeastern Alaska, who insist that they need reindeer and that the deer will survive and flourish in that area, and reindeer will be there, as elsewhere, of distinct advantage to the native economy.

For myself, Mr. Speaker, I am deeply grateful to the many friends in both House and Senate who contributed to this final and most happy outcome. I wish I could name them all, but the roll is too long. They have been indeed kindly and helpful and generous, sparing no labor to accomplish the end in view, but I know the others will not be hurt if I mention one without whose assistance we would be defeated and despondent. I refer to the able and beloved chairman of the Appropriations Committee, the Honorable EDWARD T. TAYLOR, of Colorado. I want every Eskimo of Alaska and every other native of Alaska to know, as I know, the debt that we owe the gentleman from Colorado [Mr. TAYLOR] not only for his sympathy and good will and boundless charity but for the persistent, effective, driving power in securing this appropriation. Other members of the Appropriations Committee and other Members of the House and Senate were friendly and helpful; and yet I know that but for the voice and the determination and the influence of the gentleman from Colorado [Mr. TAYLOR], the appropriation would not have been made and thus the whole plan would have been doomed to failure, whereas now we are on the high road to success.

Service Biography and Record of Hamilton Fish on Veterans' Legislation

EXTENSION OF REMARKS

OF

HON. FRANK B. KEEFE

OF WISCONSIN

IN THE HOUSE OF REPRESENTATIVES

Saturday, August 5, 1939

Mr. KEEFE. Mr. Speaker, under leave granted me to extend my remarks in the RECORD, I include the following brief service biography and record of the gentleman from New York, Honorable HAMILTON FISH, on legislation affecting the interests of veterans and their dependents.

The gentleman from New York, Representative HAMILTON FISH, has served for 20 years in the House of Representatives from the State of New York, and has been a champion of the veterans in all matters affecting their interests which have come before the Congress during that time, having introduced many bills himself in their behalf, as the following record will attest.

This is but natural, as the gentleman from New York, HAMILTON FISH, is a descendant of a long line of patriots who have served their country in time of need. His great grandfather, Nicholas Fish, was a colonel under George Washington in the American Army of the Revolution and was an intimate friend of and executor for Alexander Hamilton. His first counsin, Sgt. Hamilton Fish, served with Col. Theodore Roosevelt's Rough Riders in Cuba, and was the first soldier killed in the American Army during the Spanish-American War.

No man in the Seventy-sixth Congress demonstrated his Americanism and love of country more than the gentleman from New York, Representative HAMILTON FISH, and in order that the country at large may know of his magnificent war

record and interest in veterans' legislation, I desire to incorporate in the RECORD the following short detailed summary of his record in behalf of the veterans and some of his outstanding achievements in their interest:

HAMILTON FISH

1913–16: Served as a member of the New York State Assembly, to which he had been elected as a Progressive follower of Theodore Roosevelt from 1913 to 1916. Attended Plattsburg training camp, 1915–16.

1917–18: Served throughout the World War as company commander of the Fifteenth New York Volunteers, later known as the Three Hundred and Sixty-ninth Regiment of Infantry. Awarded American Silver Star and French Croix de Guerre for gallantry in action near Sechault, France, in September 1918. Served as major of infantry in Fourth Division of the Army of Occupation and graduated from the Army General Staff College of the A. E. F.

1919: Discharged from United States Army. Attended the convention or caucus of the American Legion held at St. Louis as a delegate. Appointed chairman of committee of three that wrote the preamble to the American Legion constitution, which has not been changed in one iota to this day; termed by General Pershing as the most patriotic declaration since Lincoln's Gettysburg Address.

1920: Elected to Congress from Twenty-sixth New York Congressional District. Introduced immediately a bill to bring back the body of an unknown soldier for burial at Arlington, approved by Congress and signed by President Woodrow Wilson as the last official act of his administration on March 4, 1921. Introduced a bill to designate November 11, Armistice Day, as a national holiday.

1921: Advocated in Congress preference to veterans in civil-service examinations. Offered amendment for payment of adjusted compensation to veterans from interest payments made on the war debts by foreign nations. Submitted an amendment to the Sweet bill, which was adopted, to increase allowances for attendants or nurses for the blinded, legless, armless, and totally disabled ex-service men from $20 to $50 per month. Advocated and offered an amendment to provide for insurance payments to widows and dependents of veterans killed in action who failed to carry Government insurance. Introduced a bill authorizing the bestowal upon the Unknown Soldier to be buried in the Memorial Amphitheater of the National Cemetery at Arlington, in accordance with the provisions of the bill he had previously sponsored, the Congressional Medal of Honor and the Distinguished Service Cross.

Placed first wreath on the Tomb of the Unknown Soldier, as author of the bill and as representative of all World War veterans, on November 11, 1921, at ceremonies in the Memorial Amphitheater.

1922: Introduced bill providing transportation to parents and widows of deceased veterans buried overseas and who lost their lives in action. Advocated approval of plan of Allied Patriotic Societies to establish schools for the Americanization of aliens in this country. Submitted to Congress George Washington's views on payment of adjusted-service compensation to soldiers, in support of pending legislation. Advocated adequate hospitalization facilities for veterans.

1923: Introduced and helped to secure enactment of a bill creating a special House committee to handle veterans' legislation, known as World War Veterans' Legislation Committee of the House of Representatives.

1924: Introduced bill providing for appropriation for transportation, maintenance, and subsistence to and from burial places overseas for gold-star Mothers. Advocated 20-year endowment insurance for veterans of the World War. Sponsored bill for appropriations to relieve starvation conditions of women and children in Germany. Advocated additional hospitalization facilities for veterans. Introduced legislation to admit mothers and fathers of naturalized World War veterans who served in the United States Army during the war.

1925: Appointed chairman of a special committee to investigate fake veterans' relief organizations, not functioning in the interest of veterans; supported by American Legion, Veterans of Foreign Wars, Disabled American Veterans, and other legitimate veteran groups. Advocated erection of monument in France to the Ninety-third Division A. E. F. killed in action. Introduced bill to replace with granite the marble on Tomb of Unknown Soldier.

1926: Voted to override the President's veto of the bonus bill.

1927: Upheld loan value of adjusted-service certificates for loans through banks.

1928: Introduced bill providing for preference to veterans in civil-service examinations. Sponsored legislation to provide for monthly allowances to veterans confined in hospitals, for personal necessities.

1929: Appointed chairman of President Coolidge's Advisory Committee on Veterans' Preference. Recommendations of this committee resulted in issuance of an Executive order by the President granting preference to all veterans in United States civil-service examinations, and the precedent set was followed by many of the States.

1930: Appointed chairman of Special House Committee to Investigate Communist Activities in the United States. (Page 13 of "Isms," compiled by American Legion.) Mr. FISH has since been accorded the place of enemy No. 1 by the Communists, Nazis, Fascists, and so forth, for his continuous and aggressive speeches and actions in exposing subversive activities in this country and his championship of Americanism and our republican form of government. His efforts have been supported vigorously by all veteran groups. Secured passage of an amendment to the Census Act providing for preference to veterans in appointing enumerators, supervisors, and other census jobs.

1931: Advocated extension of emergency officers' retirement benefits, and the extension of compensation benefits to provisional officers who served during the World War.

1932: Defended the American Legion over the radio and through the columns of various magazines against charges of lobbying activities, etc. Advocated reduction of interest on loans on adjusted-service certificates to veterans. Introduced bill for readmission of aliens who served in the United States Army during the World War and providing for their naturalization; endorsed by the American Legion.

1933: Protested injustices done disabled veterans and dependents under President's economy program; advocated full restoration of benefits to veterans with service-connected disabilities.

1934: Voted to override the President's veto of legislation restoring compensation benefits to disabled veterans and defended the American Legion against attacks for demanding restoration.

1935: Introduced bill to reduce interest on loans made to veterans on their adjusted-service certificates.

1936: Secured adoption of an amendment sponsored by him for preference to veterans on all W. P. A. jobs; continued by present Congress.

1937: Defended right of American Legion to take strong stand on the Supreme Court issue in reaffirming its faith in an independent judiciary and constitutional government.

1938: Introduced bill to regulate the formation and activities of alien-controlled military groups in this country, including Nazis, Communists, and Fascists.

1938–39: Representative FISH was promoted to rank of colonel in Army Reserve Corps. He is the oldest veteran in point of service in the Republican Party in either the House or Senate. He is the ranking Republican member of the Committee on Foreign Affairs, one of the four Republicans serving on the powerful Rules Committee, and a member of the Republican steering committee in the House of Representatives, and is president of the American group of the Interparliamentary Union, which holds its annual conference at Oslo, Norway, this year, for the promotion of world peace.

1939: Introduced bill to reduce interest rates on loans made by veterans on Government life-insurance policies from 6 percent to 3½ percent. Led successful fight in the House for the arms embargo and maintenance of American policy of nonintervention, peace, and neutrality.

How High Is Our Cost of Government?

EXTENSION OF REMARKS

OF

HON. GEORGE H. BENDER

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Saturday, August 5, 1939

Mr. BENDER. Mr. Speaker, in 1938 the entire income of the western half of the United States, from the Mississippi River to the Pacific Ocean, was $17,696,000,000. A huge figure, indeed, yet in the same year Federal, State, and local governmental units of our Nation spent $18,000,000,000.

When we pause to ponder these almost incredible figures, we are struck with their implications. The Western empire, with its vast output of gold, silver, copper, wheat, corn, milk, cheese, potatoes, beef, sugar, coal, and lumber earned less in 1 year than it cost to operate our Government.

And further analysis gives us no source of comfort. From every dollar earned by the producers of our national wealth in 1938, 30 cents went to maintain the governmental units which we have created.

To be sure, this money spent by our governing officials went to many a valuable cause. For one thing, it served to keep our needy from acute distress. But those who imagine that this was the major expenditure on our national budget are in for a rude surprise. Of every $6 expended by our spending officers, only $1 went for relief.

Almost every other large increase in our spending program can be accounted for by study of the amazing increase in the Government services added to our burdens by fruitful

minds bent on augmenting the functions of Government in every area of public life.

In the last 7 years 67 new Federal boards, commissions, administrations, authorities, and agencies have been created to supervise the conduct of our business life. From shelling peanuts to producing steel, not an industry has been intentionally omitted by our governing agents.

Down in the Tennessee Valley huge, publicly owned electricity-producing dams have been built to compete directly with already existing private utilities. There are almost daily rumors in the Nation's Capital which place the Federal Government in new areas formerly served solely by private enterprise. The railroads, steamship lines, coal mines, oil wells—all of these have been prominently mentioned as ready for the hand of Government ownership—state socialism.

Apart from the wisdom or folly of these proposals, there is a highly important question, "Does our Nation want to expand its Government into these fields? Do the American people favor the destruction of private enterprise through agencies maintained and paid for by public taxation, which frequently is derived from precisely those enterprises which are marked for destruction?"

The question is simple. Shall we agree to pay out increased taxes to expand our Government? Or shall we seek to expand private business which pays those taxes directly and indirectly?

In 1940 the American people will have the opportunity to answer these questions. We are convinced that they will answer in favor of the traditional American technique—more business and less government.

Sweetpotatoes—Investigation and Control of Diseases

EXTENSION OF REMARKS

OF

HON. RENÉ L. DEROUEN

OF LOUISIANA

IN THE HOUSE OF REPRESENTATIVES

Saturday, August 5, 1939

STATEMENT BY HON RENÉ L. DEROUEN, OF LOUISIANA, BEFORE THE HOUSE COMMITTEE ON AGRICULTURE, FRIDAY, MARCH 3, 1939

Mr. DEROUEN. Mr. Speaker, under leave granted to extend my remarks in the RECORD, I include my statement before the House Committee on Agriculture on Friday, March 3, 1939, as follows:

Mr. DEROUEN. Mr. Chairman and members of the committee.

Mr. CANNON. Mr. DEROUEN.

Mr. DEROUEN. I am appearing in behalf of an agricultural commodity that perhaps we have never helped very much or appropriated any money for, and that is the rehabilitation of the sweetpotato industry throughout 22 States. I have a list here of the production by States and years, the acreage harvested, the yield per acre, the production, and the value of production, which I would like to include in the record if it is agreeable, Mr. Chairman.

Mr. CANNON. How many pages does it cover, Mr. DEROUEN?

Mr. DEROUEN. It is very short.

Mr. CANNON. That may be included in the record.

Mr. DEROUEN. I secured this from the Department of Agriculture. The table referred to is as follows:

Sweetpotatoes

State	Acreage harvested			Yield per acre			Production			Value of production	
	Average 1927–36	1937	1938	Average 1927–36	1937	1938	Average 1927–36	1937	1938	1937	1938[1]
	Acres	*Acres*	*Acres*	*Bushels*	*Bushels*	*Bushels*	*Bushels*	*Bushels*	*Bushels*		
New Jersey	14,000	17,000	14,000	137	142	105	1,980,000	2,414,000	1,470,000	$1,714,000	$1,470,000
Indiana	4,000	4,000	3,000	103	125	115	398,000	500,000	345,000	475,000	310,000
Illinois	6,000	6,000	6,000	85	85	108	501,000	510,000	648,000	388,000	356,000
Iowa	3,000	3,000	3,000	87	90	100	228,000	270,000	300,000	289,000	270,000
Missouri	11,000	14,000	12,000	82	85	85	852,000	1,190,000	1,020,000	1,035,000	714,000
Kansas	5,000	3,000	3,000	99	80	125	470,000	240,000	375,000	233,000	281,000
Delaware	7,000	6,000	5,000	127	130	100	865,000	780,000	500,000	491,000	350,000
Maryland	8,000	8,000	8,000	144	125	130	1,205,000	1,000,000	1,040,000	640,000	780,000
Virginia	37,000	39,000	34,000	116	130	105	4,282,000	5,070,000	3,570,000	3,042,000	2,142,000
North Carolina	83,000	80,000	81,000	97	96	108	7,915,000	7,680,000	8,748,000	5,683,000	5,686,000
South Carolina	53,000	57,000	66,000	85	90	80	4,898,000	5,130,000	6,468,000	3,796,000	4,204,000
Georgia	109,000	114,000	123,000	74	75	75	8,001,000	8,550,000	9,225,000	8,806,000	7,841,000
Florida	22,000	21,000	20,000	72	65	70	1,548,000	1,365,000	1,400,000	1,324,000	1,330,000
Kentucky	20,000	24,000	24,000	82	90	95	1,639,000	2,160,000	2,280,000	1,771,000	1,710,000
Tennessee	57,000	55,000	53,000	90	102	103	5,126,000	5,610,000	5,450,000	3,815,000	3,275,000
Alabama	86,000	100,000	107,000	83	88	80	7,071,000	8,800,000	8,560,000	8,272,000	6,848,000
Mississippi	74,000	82,000	87,000	94	92	89	6,819,000	7,544,000	7,743,000	6,563,000	5,807,000
Arkansas	37,000	37,000	43,000	78	95	75	2,828,000	3,515,000	3,225,000	2,847,000	2,419,000
Louisiana	92,000	90,000	99,000	71	73	70	6,494,000	6,570,000	6,930,000	4,533,000	4,504,000
Oklahoma	18,000	17,000	21,000	70	70	70	1,298,000	1,190,000	1,470,000	1,226,000	1,250,000
Texas	64,000	52,000	58,000	74	72	75	4,748,000	3,744,000	4,350,000	3,519,000	3,262,000
California	11,000	11,000	13,000	102	111	117	1,108,000	1,221,000	1,521,000	1,734,000	1,673,000
United States	824,000	840,000	883,000	86.1	89.3	86.8	70,274,000	75,053,000	76,647,000	62,186,000	56,482,000

[1] The 1938 price and value figures are preliminary.

Mr. DEROUEN. Then I have another record showing the losses that have occurred due to field losses, storage losses, black-rot losses, and wilt losses.

Mr. CANNON. Yes; that may be included in the record.

The table referred to is as follows:

Sweetpotatoes—estimated losses from diseases

	5-year average 1928–32		1936–37	
	Bushels	Value	Bushels	Value
Field disease losses (all diseases)	6,497,500	$5,652,830	7,900,000	$6,840,000
Storage losses (all diseases)	7,915,380	6,826,380	2,670,000	2,310,000
Black-rot losses	2,678,000	2,330,190	----------	----------
Wilt losses	1,963,620	1,708,350	----------	----------

Loss, $16,517,750.

Mr. DEROUEN. I would like to have both of those included in the record, because they are from the Department. This is an agricultural commodity which we believe, through experiments in our university, could be rehabilitated and brought up so that it would bring in a good revenue to the farmers in the form of adding to the diversification of their farm products.

In the scientific experiments we have carried on, progress has been made by mutation and asexual breeding of sweetpotatoes causing them not only to bloom but seed as well, which is something new. I do not think we have ever done that in this country before. Now, you might ask, "Why was that necessary?" Sweetpotatoes have a tendency to acquire the diseases that are in the land and that is the only means by which we can control diseased roots, soil and stem rot, and other diseases and insects.

Then, we have gone further than that. Experiment has shown we can control the size of the potato, making it more uniform, and also increase the nutritive or food value of the potato, such as dextrine and sucrose and other elements.

Mr. LEAVY. Mr. DEROUEN, are you actually raising sweetpotatoes now that you grow from the seed instead of the slip of the plant?

Mr. DEROUEN. Yes, sir. We are doing so now, and my purpose in appearing before the committee is to ask that a small amount of help and financial assistance be given the universities to carry on this good work. We are not asking your committee to buy any land or establish any set-up. The colleges have the set-up but they will need about $80,000 to carry out the work and pass on this valuable information and these methods to the other States.

Mr. LEAVY. I do not think they will ever arrive through scientific investigation at the point where they will be able to produce sweetpotatoes from the seed.

Mr. DEROUEN. Yes, sir; we have done it. It is not a question any more. It has been done.

Mr. LEAVY. But they have not demonstrated it on a basis broad enough yet to say that it is practical?

Mr. DEROUEN. Yes; I think we have. What we are trying to do now is to pass this on to the rest of the 22 States, which are New Jersey, Indiana, Illinois, Iowa, Missouri, Kansas, Delaware, Maryland, Virginia, North Carolina, South Carolina, Georgia, Florida, Kentucky, Tennessee, Alabama, Mississippi, Arkansas, Louisiana, Oklahoma, Texas, and California.

Mr. DIRKSEN. You are asking for an increase of what amount, Mr. DEROUEN?

Mr. DEROUEN. We are not asking for an increase. This is a new item.

Mr. DIRKSEN. It is a new item?

Mr. DEROUEN. Yes, sir. I am asking that you approve this item and include it in the appropriations for the Bureau of Plant Industry under project 4, "Vegetables investigation, Bureau of Plant Industry, Department of Agriculture" (p. 210, 1940 Budget of the United States).

Mr. DIRKSEN. It has never been submitted to the Budget, has it?

Mr. DEROUEN. Yes, sir.

Mr. DIRKSEN. It has?

Mr. DEROUEN. It has been submitted to the Bureau of the Budget. I submitted it myself, and you will have estimates here on it. The figures on losses, from the Department of Agriculture, show that from 1928 to 1932 the losses were $16,517,750 from field disease, storage, black-rot, wilt, and so forth. Now, that deals specifically with only the four diseases mentioned above. In marketing sweetpotatoes, at this time we can only market about 50 percent of our production, because in grading about 50 percent are classed as culls due to the size and shape of the potato itself. The potato is crooked in shape, it is too large or too small, and not being uniform in size cannot qualify under United States grading.

Reverting to the matter of the submission of this item to the Budget, Mr. Chairman, I have here a copy of a letter under date of February 28, 1939, which I addressed to Mr. Daniel W. Bell, Acting Director, Bureau of the Budget. The letter is as follows:

"DEAR MR. BELL: Enclosed herein please find clipped pages from the CONGRESSIONAL RECORD of February 1, 1939, containing my speech on sweetpotatoes and the importance of the continuation and expansion of the research work now being conducted in connection therewith.

"The purpose of my speech and my writing you is to obtain an appropriation for this work so that the present studies and experiments at Louisiana State University may be continued, a better potato produced, and additional cash income put into the pockets of the small farmers of the twenty-odd potato-producing States. I will greatly appreciate your giving this matter your serious consideration and immediate attention with a view of submitting an estimate to the House Committee on Appropriations as to the amount of money that can be profitably expended in furthering the experiments presently being conducted. This is of vital importance to us and I am sure you will appreciate the urgency of the situation and will make your recommendation as soon as possible, so that it may be considered by the committee on the hearings on the 1940 Department of Agriculture appropriation.

"This appropriation item should be included in project No. 4, 'Vegetable investigation, Bureau of Plant Industry, Department of Agriculture' (p. 210, 1940 Budget of the United States).

"I am of the opinion that $80,000 would be adequate and cover the 21 sweetpotato-producing States, as I understand each State has its own set-up and necessary land for the experiments. I am not seeking any funds to purchase lands, merely sufficient moneys to conduct the experiments themselves.

"In closing I would again reiterate that these experiments are to be conducted by the Bureau of Plant Industry, Department of Agriculture, at Louisiana State University and other State universities of the sweetpotato-producing States, which, I understand, have the necessary lands and set-up required.

"Thanking you for your cooperation, with best wishes and kind regards, I am,

"Sincerely yours,

"RENÉ L. DEROUEN, M. C."

Mr. TARVER. Mr. DEROUEN, I am sure the committee is very much interested, and I know I am, but I did not hear your statement on account of the confusion in regard to the items that you desire increased.

Mr. DEROUEN. It is a new item.

Mr. TARVER. A new item?

Mr. DEROUEN. Yes; a new item, and you have never appropriated any money for that purpose before.

Mr. TARVER. How much do you desire for this item?

Mr. DEROUEN. I am told by the horticulturist at the university that about $80,000 will carry on all of the work, because they have the buildings and equipment and there is no necessity of purchasing any land.

Mr. TARVER. Under what bureau or what subdivision of the Department of Agriculture would this be carried on?

Mr. DEROUEN. Under the Bureau of Plant Industry.

Mr. TARVER. What subdivision?

Mr. DEROUEN. This is under project 4—included in project No. 4 under the Budget.

Mr. LEAVY. You say they are going to go to the Budget and get an estimate for it?

Mr. DEROUEN. Yes; I have requested Mr. Bell, of the Bureau of the Budget, to furnish the estimate.

Mr. CANNON. It has not yet been received.

Mr. DEROUEN. I understand it has not been sent over yet.

Mr. TERRY. How much have you asked?

Mr. DEROUEN. We have asked for $80,000, and think that we can carry on the work with that amount of money. It is a very small item, but it will lead toward further uses of the sweetpotato and its byproducts. I will give you an illustration of what I mean. Now, where I live we can raise 100 bushels of corn to the acre without any fertilizer at all, down there in the Mississippi Valley, but it has so much water that we cannot use the corn at all. Consequently we do not raise any corn for the market. We could raise alfalfa very profitably, and dispense with all of our sugarcane land, but here again the question of overhumidity enters. When we attempt to take the water out of it we raise the cost so high that we are not able to compete with alfalfa grown elsewhere. What I am trying to bring to your attention is the contribution that you can make to those farmers in every State by appropriating this small sum of money to further these experiments. To the farmers potatoes are just potatoes. They are not uniform. There is no attempt made to improve the potato.

Mr. CANNON. Have you tried dehydration in potatoes, corn, and alfalfa?

Mr. DEROUEN. No; not in potatoes; I merely cited corn and alfalfa to show you what we have to contend with. We can build up sweetpotatoes just as we did our sugarcane. After we have standardized them for markets I think we can manufacture a starch which will not harm the other starch, made of corn, and so forth, but it will take the place of sago, tapioca, and all of those starches that we bring into the country from abroad.

Mr. CANNON. What amount of sweetpotato starch is used in the production of mucilage at the present time?

Mr. DEROUEN. Well, I don't know, but I think very little.

Mr. CANNON. It is my understanding that all of the mucilage used by the Bureau of Printing and Engraving is a potato product.

Mr. DEROUEN. They use sago and they use various kinds of starch, I believe.

Mr. DIRKSEN. Insofar as the adhesives that are used by the Government now for postage stamps and other purposes are concerned, they are made from tapioca starch, which is imported by Baltimore firms from the Dutch West Indies.

Mr. DEROUEN. I think we bought about 240,000 tons in 1937 of those foreign root starches.

Mr. CANNON. What is the difference between these two samples of starch? They are both sweetpotato starches and they are both from the Laurel starch plant.

Mr. DEROUEN. There is no difference.

Mr. DIRKSEN. One of them rubs off on the fingers a little bit more than the other.

Mr. CANNON. These are all samples of the same starch?

Mr. DEROUEN. Yes; they are all samples of the same starch.

Mr. CANNON. And it is made from sweetpotatoes?

Mr. DEROUEN. Yes, sir.

Mr. LEAVY. It is my recollection that last year we increased the item for investigations at Laurel, Miss.

Mr. DEROUEN. Yes, sir; that is correct.

Mr. LEAVY. They have been carrying on work there that has proven quite valuable to the people in this industry.

Mr. DEROUEN. That is correct.

Mr. DIRKSEN. Since Mr. DEROUEN has made an observation on

Mr. DEROUEN. That is correct.

the amount of foreign starch used in this country, last year the Department of Commerce advises me that 466,000,000 pounds of tapioca and sago starch were imported from the West Indies, and virtually all of the starch used for sizing in the cotton mills of this country was imported.

Mr. TARVER. The man in charge of this Laurel plant testified the other day that they are producing a product which is a satisfactory substitute for the foreign starches, and that they produced 2,000,000 pounds last year, and they have the capacity for a larger market.

Mr. DIRKSEN. We are bound to have tapioca starch on the free list under the agreements with the Netherlands.

Mr. DEROUEN. We do not produce the potatoes now that we would be producing under this scientific research. The present potato throughout the United States carries about 16 to 18 percent starch

on the average. What we would have to do is raise the starch content in the potato to 30 percent without disturbing the food value. We shall also have to carry on further experiments with the byproducts because that is the most valuable.

Mr. CANNON. That is where the real profit lies—in the byproduct.

Mr. DEROUEN. Yes; we are experimenting with the byproduct. Give us the money to scientifically improve the potato, and we can show you very conclusively that we have developed a sweetpotato that will meet those conditions, and also protect the potato against all diseases. We are not prepared to do it by ourselves, as it is too expensive. In grading your potatoes to No. 1 grade you lose about 50 percent of them on account of the variation in size and lack of uniformity in shape. We are trying to carry on this experiment in such a way that we will not lose the food value of the sweetpotatoes and protect the land from infection. Some of the advantages of this project will be that the farmer can sell at any time a few crates or a few bushels of No. 1 sweetpotatoes out of his crop.

Mr. LEAVY. If you could bring that starch content up to 30 percent, would you then be able to capture the whole American market against the foreign market?

Mr. DEROUEN. That is what we want.

Mr. LEAVY. You think you could do that even though the starches coming in from abroad are on the free list?

Mr. DEROUEN. That is correct, because we would have reduced the cost of it by protecting the land and also improve the quality; we can save $21,000,000 a year in raising the standard of the sweetpotato. Take sugarcane: We brought the sucrose content up from 10 or 12 percent to about 20 or 30 percent.

Mr. LEAVY. You would not need a tariff wall to protect starch?

Mr. DEROUEN. I do not care to bring the tariff in now.

Mr. LEAVY. I know, but Mr. DIRKSEN stated it is on the free list.

Mr. DEROUEN. Yes; it is on the free list.

Mr. LEAVY. Even though foreign starch is on the free list, it is your contention that if you raise the sweetpotato starch content to 30 percent you can drive the foreign seller off of the market?

Mr. DIRKSEN. You are not going to drive him off the market with the rate at which tapioca can be bought today.

Mr. DEROUEN. Yes; we would have to have some protection, either by reciprocity or tariff or something like that, but above all we must standardize and bring the sweetpotato to a higher standard, as well as protect the land from diseases, insects, and infection before anything can be done.

I want to specifically call your attention again to the fact that this money is not needed to buy land or equipment.

Mr. CANNON. It is all to be spent in personnel, is it, Mr. DEROUEN?

Mr. DEROUEN. It is all to be spent in personnel and equipment for the experiments.

Mr. CANNON. You will require material and equipment?

Mr. DEROUEN. Yes.

Mr. CANNON. Will some of this be in the nature of capital investment or a recurring item?

Mr. DEROUEN. Well, I do not know. I think most in capital investment, and do not believe it will be a recurring item.

Mr. CANNON. Is there any further inquiry?

Mr. DEROUEN. In conclusion, gentlemen, permit me to state that my prime purpose or motive is to secure sufficient money to continue experiments and work which will bring about the standardization of the sweetpotato, the control of soil rot, stem diseases, insects, and other blights, thereby increasing the income of the small farmers of the sweetpotato-producing States and at the same time put into cultivation much idle land which has been withdrawn from cultivation of the five major farm commodities or crops. The increase of the starch content of the potato for commercial purposes is secondary and does not enter the picture until later, when sufficient good potatoes are being produced. Mr. Chairman, if you will permit me to insert this table on the importation of cassava and sago in the years 1933, 1934, 1935, 1936, and 1937, I should appreciate it.

Mr. CANNON. When you revise your remarks, you may include that material in the record.

Mr. DEROUEN. Yes.

The data referred to are as follows:

United States importation of starches

[In thousands of pounds]

Year	Cassava [1]	Sago [2]
1933	190,302	12,317
1934	176,109	12,761
1935	202,112	24,806
1936	269,504	36,434
1937	432,858	33,470

[1] Figures are for tapioca (cassava), crude, flour, and prepared.
[2] Figures are for sago, crude and flour.

Mr. DEROUEN. I also desire to submit for inclusion in the record a copy of my speech on sweetpotatoes, from page 1046 of the CONGRESSIONAL RECORD of February 1, 1939, which is as follows:

"At the Louisiana State University we have been doing extensive research work in an attempt to control the many diseases and insects which are peculiar to sweetpotatoes. As you know, the sweetpotato is a tuber and is apt to contract rot from roots and infections in the ground. At this time we have produced by experiment a sweetpotato that will bloom as it has never done in this country—and will produce seed, and this is something new. We believe that by further research along the lines that we have been carrying on at the university we can furnish throughout the United States seed which can be controlled. Sweetpotatoes more or less have a tendency to acquire the diseases that are in the land, and by breeding we can treat it so the diseases will not be transferred to the new area or to the next potato that comes along. We also have in mind controlling the sizes, and we believe that through the experiments we are carrying on in Louisiana we can produce an attractive potato instead of irregular, small, or crooked potatoes.

"I believe the sweetpotato industry should be delved into more thoroughly, so we may make use of some of the lands that are lying idle, and, for instance, because we may not be permitted to raise more of one crop or another, we should substitute in one crop what we lose in another.

"The sweetpotato is the most important single food and feed crop in the South. It is outranked only by the Irish potato as a vegetable crop for the entire Nation. It has often been said that had it not been for the sweetpotato on many occasions a large portion of the population would have gone hungry. The sweetpotato has also aided greatly in supplying food for armies of the Revolution as well as for later conflicts.

"As a food, it is a particularly balanced one. It contains practically all of the growth vitamins; it is reasonably high in proteins; and is particularly high in carbohydrates, such as dextrins and sucrose.

"The sweetpotato was originally introduced from the more tropical areas of North America, probably from the West Indies, and when brought under conditions of continental North America it rarely, if ever, produced seed, and therefore it has been reproduced asexually from the time it was originally introduced. Any improvements in this crop have resulted from vegetative mutations, therefore systematic improvement has been slow.

"Realizing the great importance of the sweetpotato crop, the Louisiana Agricultural Experiment Station has made every effort to improve it in Louisiana, and in the past 2 years methods have been worked out for inducing the sweetpotato to bloom and set seed under Louisiana conditions. The past season we have been able to grow around 1,500 seedlings, and for the coming year we will probably have around 4,000; whereas, in reality, under an expanded breeding program, we should have at least 15,000. Due to limited equipment and manpower, our program has been hampered materially.

"Our purpose in breeding the sweetpotato are threefold:

"First. To improve the nutritive value, market quality, and shape. This would include breeding for high sugar and vitamin content and for a very uniform shape. Most of our varieties are very ill-shaped, and the growers are able to market only about 50 to 60 percent of the crop.

"Second. To breed varieties having a higher starch content than existing varieties. The importance of starch is increasing in Southern States. We are now importing over $9,000,000 worth of cassava starch per year, used primarily in the South in the manufacture of paper and in the textile mills, which could be made from the sweetpotato. Incidentally, this cassava starch is coming in duty-free under the name of cassava flour. To produce higher yields of starch would require varieties bred for that purpose. Good starch varieties should yield from 20 to 30 percent starch. Table varieties usually run around 16 to 18 percent starch.

"Third. To breed varieties resistant to diseases, such as the soil, stem, and black rots. These diseases are taking a heavy toll at the present time. The soil rot in particular is threatening the sweetpotato-producing areas of Louisiana, while the stem and black rots are more severe in other important sweetpotato regions of the country.

"Systematic and rapid progress with the above three items can only be made through sexual breeding.

"To indicate the great interest in the sweetpotato-improvement program delegates from practically every Southern State and representatives from States as far north as Delaware, Indiana, Iowa, and Kansas have made special trips to the Louisiana Agricultural Experiment Station to study the work under way there. They are anxious to see the work expanded so that they might take greater advantages of the work now under way.

"We have here a challenge to American enterprise, and especially to the South, where the sweetpotato could be grown in unlimited quantities and of superior quality. The maximum capacity of the Southern States for sweetpotato production is not known. Sweetpotato growing has been more than a minor farm industry.

"Never before has an appropriation been requested for this important crop. It has been estimated by the growers and horticulturists interested in the improvement of the crop that the expenditures necessary to take care of the need for improvement of this crop in the various States would require an annual appropriation of only $80,000.

"In closing, I wish to urge the representatives of the various sweet-potato-producing States to join with me in appealing to the Appropriations Committee for the needed $80,000 which is necessary to carry on the investigations and research now under way. This sum should be included as an item in the Department of Agriculture appropriations bill."

CHLOROTIC STREAK, A VIRUS DISEASE OF SUGARCANE, REPORTED IN LOUISIANA

Mr. DEROUEN. I also wish to call your attention to another emergency existing in sugarcane. In May 1928 chlorotic streak, a serious virus disease of sugarcane, was identified and reported in Louisiana by an expert of the Department of Agriculture. Since the Plant Quarantine Act was passed in 1912, no other major disease of cane has entered the United States, with the possible exception of mosaic, which may have been introduced about 1912. The manner in which chlorotic streak reached the commercial cane area of the South is not known, but the supposition is that it was brought on cane cuttings by some individual in ignorance of the law. The disease does not exist at the Federal or State experiment stations, which are the only legally constituted agencies for importation of new varieties of cane.

Mosaic, also a virus disease, brought virtual ruin to the industry, the production of sugar falling from several hundred thousand tons per year to a low of 45,000 tons in 1926, after which there was a gradual rise in production due mainly to the development of resistant varieties by the Department of Agriculture. Mosaic remains a major problem in seven States of the South. Great progress has been made in restoring production, but thus far no completely immune varieties have been produced by breeding, and the disease therefore persists.

One of the main projects of the Department of Agriculture's Division of Sugar Plant Investigation is breeding for immunity to mosaic, which is the only hope for complete elimination of the disease.

Chlorotic streak is apparently a disease of similar nature, but very little is known about it except that poor germination of seed cane and consequent faulty and deficient stands result from planting infected seed cane. This effect of chlorotic streak is a serious complication in the Southern States, because replanting is impossible due to limited season for making the crop. In Queensland, Hawaii, and Puerto Rico, where the disease has also recently appeared, serious losses may occur, but within time limits the crops may be replanted if serious stand failure results from the original planting of seed cane.

Another disastrous consequence of chlorotic streak common to all countries is failure of the ratoon crops—that is, the crops harvested in succeeding years from an original planting of seed cane.

Nothing is known of the manner in which the disease is spread to healthy plantations, the resistance or susceptibility of local commercial cane varieties to the disease, the environmental conditions of soil, nutrition, rainfall, and so forth, that favor or retard spread of the disease, or, in fact, any of the essential information on biology of chlorotic streak that would suggest means of combating or eliminating it.

It is fortunate that up to the present chlorotic streak is apparently restricted to the area east of the Atchafalaya River in Louisiana. The disease was not found in Mississippi, Alabama, Georgia, or Florida in rapid reconnaissance survey during the latter part of the past season, but the survey, due to lack of special financial provision for it, was not very complete. The tentative assumption is that in some manner unknown the disease was brought into an area centering in the southeastern part of Louisiana and gained a foothold there in the very recent past. From careful observations of the past few months it is proved that under our conditions the disease spreads to new plantings; and that fact, together with the fact that it causes poor germination, faulty stand of plant cane, and more serious injury to ratoon crops, comprises about all that is definitely known.

The situation parallels the accidental importation of mosaic which brought such great havoc and ruination to scores of thousands of farmers who depended upon cane for cash income. In the case of chlorotic streak, an earlier identification of the disease and more prompt realization of the danger makes possible the avoidance of the former disastrous experience.

An immediate study of the disease to establish the cause, manner of spread, relative effect on present commercial varieties, possibility of breeding resistant varieties, or the evolving of other measures to check or eliminate this serious threat to the industry is urgently needed. Alertness to recognize this new threat may justly be attributed to the wise provision of experts by the Congress for study of the cause of mosaic. The specialists trained in that work have made progress but are still preoccupied with a more satisfactory ultimate solution, the development of completely immune varieties, and cannot be diverted from it without sacrifice of essential features of the project.

It is the studied opinion of a committee representing 19,000 sugarcane farmers that provision for immediate, adequate study of chlorotic streak be made to prevent a repetition of the disastrous experience with mosaic and that an emergency appropriation of about $35,000 be made for that purpose. This is an emergency, gentlemen.

Thank you, Mr. Chairman and gentlemen of the committee.

Bill to Curb Expansion of Interstate Foreign-Owned Chain Stores, H. R. 1, Will Be Considered by Congress at the Commencement of the Next Session, January 3, 1940—Now is the Time for All Friends of This Measure to Let Their Wishes Be Known to the Members of the House of Representatives and of the United States Senate—It is Recognized That Social as Well as Economic Problems are Involved in This Major Issue

Definite trend in this country against invasion of local communities by absentee owners.

Concentration of money and credit through foreign-owned chains is threatening the continuance of our form of government.

Foreign-owned interstate chain companies are attempting to hide behind the several thousand local chains that will not be affected by the passage of H. R. 1 in their attempts to mislead and deceive the people into believing that the general welfare of the people will be promoted by Wall Street interests being permitted to exact a tollgate fee from every local transaction.

EXTENSION OF REMARKS

OF

HON. WRIGHT PATMAN

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Saturday, August 5, 1939

Mr. PATMAN. Mr. Speaker, I am assured that consideration will be given to H. R. 1, a bill providing for a Federal tax on foreign-owned chain stores, when Congress meets January 3, 1940. The bill is pending before the Ways and Means Committee of the House.

TRAINED DECEIVERS

I will present my answer to some of the questions that are propounded daily relative to this very important bill, about which a campaign of misrepresentation is being carried on by highly paid truth evaders, fact distortionists, and trained deceivers.

NET PROFITS TAKEN AWAY FROM LOCAL COMMUNITY

We are "dead set" against the interstate foreign-owned chains that milk the community dry by taking money in the form of net profits away from local towns and local banks and by crushing out the life of independent business. Such chains are neither economical, efficient, nor in the public interest.

The Robinson-Patman Act, which greatly benefits the independent merchant and the public, does not prohibit the chains from using profits from many stores in towns where they already enjoy a monopoly to enable them to sell goods at a loss in another town until the independent merchants in that town are put out of business. That is why the Federal chain-store tax bill is necessary.

INDICTMENTS AGAINST INTERSTATE CHAINS

Here are a number of direct indictments against the interstate absentee-owned chain systems:

They are the products of a few monopolistic money masters of Manhattan.

Cost of food is higher in chain-controlled towns and communities.

They do not contribute to local relief, local schools, churches, or charities, except a miserly sum—entirely out of proportion to their business—in an effort to buy goodwill.

They break down local rent schedules by destroying the independent merchants.

They compel our boys and girls to work for absentee owners for long hours at starvation wages.

They crush out labor as monopoly invariably does.

They are draining capital from local towns.

They destroy the independence and self-reliance that built this Nation.

They do not create. They take away what others have created.

They never guarantee a doctor bill for an unfortunate employee.

They take away local privileges and opportunities that formerly enabled local citizens to assume local relief assistance and responsibility.

They never send an unnamed Christmas basket to a poor family.

They never fail to beat down the price of farm products.

They are the first to arrive after a town is built and the first to leave when a town is overtaken by drought, cyclone, epidemic, or other unforeseen disaster.

They charge different prices in different cities in the same State, and even in the same city, according to competition from the independent merchant across the street who is marked as the next victim.

They owe their growth to chiseling, cheating, racketeering methods, wrecking others to build themselves.

They never operate in a distressed community.

They never render temporary assistance in the form of credit to any citizen.

They never pay their just and fair share of taxes in proportion to their volume of business.

They have never raised the standard of living in any community. Absentee control of business is a detriment to the future welfare of all classes and there is no class or group that escapes its detrimental effect upon our economic life.

Net profits from farms, mines, or business are the only means of building towns, cities, and States. These net profits—under the chain system—fly overnight to New York.

Every dollar that is taken from your State or mine in net profits is a loss of many times that $1 in buying power to the local residents.

Net profits remaining in the community and deposited in the local bank circulate many times a year among local citizens.

FINANCE MORE WIVES OF FOREIGN COUNTS

Chain-store net profits go to distant owners to buy automobiles there, not in our community; to build schools and churches there, not in our community; or to finance more wives of foreign counts, who will spend such profits not in America but in foreign lands.

CHANCE OF PASSAGE

Question. Is there a good chance to pass H. R. 1 at the next session of Congress?

Answer. Yes. However, success will depend upon the interest manifested by the people. If each person who is interested in this legislation assumes an air of indifference or a "Let George do it" attitude, the bill will not have a chance. If the good fathers and mothers of this country, who want their sons and daughters to have a fair and equal opportunity in life, take the proper interest in this bill, and if the people of this Nation who are opposed to monopoly make the fight that should be made for this bill, there is no doubt about its passage at the next session of Congress. After all, it is just a question of reaching the people with the truth about the conspiracy among a few Wall Streeters to obtain control of retail distribution in this country and calling their attention to what the destructive consequences will be. If the people get the facts, public sentiment will compel the passage of this bill.

HOW YOU CAN HELP PASS H. R. 1

Question. How can I, as a local citizen, help in the campaign to secure the enactment of H. R. 1?

Answer. I would suggest that you endeavor to convince your Representative in Congress and your two United States Senators that the enactment of this bill is in the public interest. I do not recommend coercion, intimidation, or threats as a method to be used; in fact, neither should be resorted to. I do recommend the use of logic and reason. Since you have the right side, you do not have to use unfair methods and underhanded tactics. The most effective work can be done from home by your cooperating with neighbors and friends in an effort to convince your Representatives and Senators in Congress that the cause is just and right and that the bill should be passed. Anything printed in the CONGRESSIONAL RECORD may be quoted and reprinted without special permission. This is not a political campaign; it is a crusade. We must gospelize our cause, which we know is just and right. A few letters from honest-to-God folks back home who have vision and who can vividly picture the evil consequences of absentee ownership to a Member of Congress have more weight and influence than thousands of inspired telegrams. More than 150 Members of the House have stated to constituents that they expect to vote for this bill.

CANDID FACTS

Next year is Presidential election year. If we make a good showing in January, we have an excellent chance of getting this bill passed before the Democratic and Republican conventions in June of next year. Everyone interested in this legislation should contact his Member of Congress between now and January and fully inform him of the necessity of this legislation. He should also confer with his two United States Senators. Not only that; he should make sure that the ones who represent his district and State at the Democratic and Republican conventions next year are in sympathy with the objectives of this legislation. In this way there are two chances. The first is to get the bill passed in Congress before the conventions meet; and the next is, if we should fail in that, to make it such a paramount issue that both major political parties will advocate our proposal in the Presidential campaign of next year.

Question. Some newspaper correspondents are carrying the statement that H. R. 1 does not have a chance of passing Congress. Is the statement true?

Answer. That is the stock phrase always used by the opposition to a bill—"It does not have a chance." It is very effective sometimes in preventing people from joining in a fight that would meet with success were their efforts joined with others who knew differently. The selfish interests said the same thing about the Robinson-Patman Act and thought they had silenced the sentiment in favor of the bill in that way. Its enactment came like a thunderbolt out of a clear sky. People who are interested in economic changes, that are opposed by those who have considerable control over the press and by those who use much paid time over the air, should be on guard against such propaganda and not be influenced by it.

This is the third national campaign that I have assisted in conducting. The two former ones were successful—one involving millions of men—World War veterans—and billions of dollars, and the other, the Robinson-Patman Act, which affected millions of people and denied to the greedy few the advantages equal to hundreds of millions of dollars a year which they were not justly entitled to receive. I predict success in this campaign, as we have considerably more support in behalf of this bill than we had for either of the others.

This is not a "share the wealth" proposal, but it is a bill providing for sharing the privileges and opportunities.

INDEPENDENTS GAINED IN 1939

Question. The interstate chains through their lobbying headquarters claim that two States, during the year 1939, nullified chain-store-tax laws and that this shows public sentiment is in favor of the chains. Is this claim well founded?

Answer. During the year 1939 the interstate chains have spent millions of dollars in public-relations work and for lobbying before Congress and the legislatures of 44 States that were in session. The independent merchants did not have a coordinated program during 1939, but depended upon spontaneous support of the people. Two States—Kentucky

and Pennsylvania—had chain-store-tax laws that were declared unconstitutional by the State courts in 1939. Public sentiment had nothing to do with these decisions. They relate only to opinions of courts to the particular type laws that the courts passed upon.

During 1939, when these 44 State legislatures were in session, and each of these 44 States having anti-chain-store laws on their statute books, not one of these laws was amended or repealed in favor of the chains.

If the independent merchants can hold their own so well at a time when so much money has been spent against them and with no coordinated program of any kind of their own, they certainly should be in a good position to obtain overwhelming public sentiment in their favor when they really reach the people with the truth in behalf of their cause which is the people's cause.

Not only did the independents hold their own but actually during 1939 four State legislatures amended their chain-store-tax laws by increasing the taxes on foreign-owned chain stores.

The fact should not be overlooked that during the year 1939 when 44 State legislatures were in session there were numerous bills before these legislatures providing for the repeal or weakening of anti-chain-store laws and other bills that would be helpful to foreign-owned chains but not one was enacted into law and not one passed either house of any legislature.

The Wall-Street-owned chains were unsuccessful in all their efforts in 1939 after spending millions of dollars in a 100-percent organization. The independents had no organization, spent no money, but actually succeeded in making substantial gains in four States and suffered no losses.

OPPOSED BY FOURTEEN AND ONE-HALF BILLION DOLLARS

Mr. Carl Byoir, president of Carl Byoir Associates, Inc., and public relations counsel for the Atlantic & Pacific Tea Co., made a speech at Rye, N. Y., September 19, 1938, before the members of the National Association of Chain Drug Stores, in which he, according to the printed proceedings, stated:

I have clients in American industry with assets of $14,500,000,000.

How much is $14,500,000,000? It is twice as much as all the money in circulation in the United States. It is equal to the value of all the retail stores in the United States. It is equal to the value of all the public utilities in the United States. I estimate that this vast aggregation of wealth includes 90 percent of all the national advertising in this country.

Why do Collier's, Saturday Evening Post, Chicago Tribune, and many other large publications want big concerns instead of small ones? The answer is simple. If the citizens of every town owned its own telephone company, these publications would not get thousands of dollars a day or week for full-page advertisements from one national telephone concern. Instead the local newspapers all over the country would benefit from such advertising. If any line of business or industry is owned or controlled by a few people in one city the owners of the big newspapers and magazines have little trouble and practically no expense obtaining advertising of tremendous value to them. Whereas if such business is separated into smaller units and scattered over the country, the smaller newspapers get more of the advertising and the larger ones less. It is in the selfish interest of the owners of the means of communication, including the newspaper and magazine, the radio, and the news reel, that a few people control all business, industry, and banking. Therefore they may be expected to oppose any proposed law that will retard, restrict, or prevent absentee or foreign ownership of business.

This fourteen-billion-and-five-hundred-million statement by Mr. Byoir was evidently made for the following purposes:

First. To let the newspapers of the country know that he controls enough advertising to determine whether or not any one newspaper which is dependent upon advertising is able to survive in business. By making this threat, newspapers that are dependent upon advertising for support will be very reluctant to fail to print and fail to give good publicity to any statement that is sent to them by Mr. Carl Byoir and will very quickly throw into the wastebasket anything against his interest.

Second. To threaten every member of the legislatures in all of the States, Members of the United States Congress, and all other public officials who have the power to restrict or curb absentee ownership of business. It advises them of his influence over the press and lets them know that it is within his power to injure them politically if they oppose his Wall Street clients.

Third. To advise the country that he possesses tremendous power over means of communication to the people, which results in obtaining favorable publicity for what he wants and the "playing down" or the stopping of all news that might be helpful to independent business.

Mr. Byoir's statement is an admission that the rich people of the Nation have pooled their wealth, their advertising, and their influence for the purpose of deceiving the people.

Mr. Byoir said in the same speech:

It is necessary to create organization to bring that force of public opinion to bear on the legislators or Congressmen or elected public officials. That is a thing that remains yet to be done.

In the same speech he quoted:

If I were a politician and I wanted to make a public reputation, and I wanted to be sure that, in the present state of public opinion, I would have the support of the great majority of the American people, I would pick the Patman bill.

In other words, Mr. Byoir says that the Patman bill is right; that public opinion will support it; that public men can make a great name for themselves by advocating it; but he, Mr. Carl Byoir, is such an expert at directing the minds of the American people and teaching them what to think and what to believe that he can take the millions of dollars furnished to him each year for that purpose, backed by the advertising of the concerns worth fourteen and one-half billion dollars, and cause the American people to oppose a bill that is in the interest of the general welfare of all the people.

His plan evidently contemplates getting his statements published and read by the people and at the same time preventing the statements from those in favor of the proposal from reaching the people.

Distortion and deceit accompanied by suppression of opponents' views represent a very powerful weapon. The people are getting wise to deceitful propaganda.

Mr. Byoir has not agreed to make Congressmen believe that black is white or that white is black, but he has taken upon himself a task just as extraordinary, and that is to make Congressmen believe that it is in the interest of the country for local business to be destroyed, private initiative crushed, and the wealth of the Nation concentrated into a few hands.

In addressing that group of chain-store representatives he said:

You had better sit down and assess yourselves at $20, $40, $60, or $80 a store, and had better put it in a fund.

That was tantamount to saying that they should immediately raise from three to twelve million dollars and put it in a fund. This fund would be in addition to the one already created by the Atlantic & Pacific Tea Co., which aggregates millions of dollars. They are people who believe they can take a large slush fund and control State legislatures and Congress.

AGGRESSIVE CAMPAIGN ON TO HELP ABSENTEE OWNERSHIP

The interstate chains will soon commence a movement, according to statements of their representatives, to repeal all laws that have been passed in the States and by Congress which are considered detrimental to their interest. Not only will they attempt to repeal all of these laws but they will also make an effort to obtain the passage of laws that will make it easier for them to destroy independent merchants everywhere and permit them to obtain more quickly a complete and effective monopoly in retail distribution and in other lines of business.

HOW FARMERS AFFECTED

Question. How does chain buying power affect the farmer?

Answer. The chains' representatives know when perishable and other products of the farmer are moving to the market. They know exactly where each car is traveling every night. If they want to reduce the price on that market, all they have to do is to withdraw for the period of time necessary to effect their purpose. In this way they force prices down or force the farmer to take his products back home to await a more favorable market. The farmer cannot return his products because the freight charges would be more than his products would be worth.

As the interstate corporate chains have grown in number, size, and power, the farmer's plight has become more and more acute. As the sales volume of these concerns approached their peak, farmers' prices sunk lower and lower, until the yearly total of agriculture income became so low as to cause national alarm.

PRICES, AMOUNT OF GOODS SOLD, AND PRODUCTION

Question. Will the passage of H. R. 1 make it harder on the farmer and producer by keeping high prices, less goods sold, less production, and less tax collections for the Government?

Answer. In every chain-store argument one point is emphasized, and that is: "We keep prices down." If the farmers had $12,000,000,000 a year gross income, as they should have, instead of six or seven billion dollars a year, one of the greatest markets in the world would be created for all goods and services produced in America. This additional purchasing power would represent "acres of diamonds" here in our own yard and would be better than the entire foreign trade of several of the other countries of the world. But with the interstate chains keeping the farmers' prices down, that reduces the buying power of the farmers, who are the best customers of the people who live in the cities. The people who live in the cities have lower wages because the farmers cannot buy; therefore low prices to farmers force low wages to factory workers. Low wages to the factory worker means he will buy less, because his debts, taxes, and other fixed charges have become proportionately higher by reason of his low wages.

So the effect of the passage of H. R. 1 will mean more purchasing power to the farmers in the form of higher prices, but not unreasonably high prices. It means more goods sold, because the aggregate wages will increase, which will make fixed charges easier for the wage earner to pay and will cause him to have remaining a much larger percentage of his earnings to buy goods, which will mean more goods sold. This will lead to more production and more tax collections for the Government.

Any consumer who demands a price so low that the farmer or wage earner does not receive a fair price or a fair wage to give him purchasing power is demanding a price that will destroy the purchasing power of two-thirds of our people and will eventually destroy our Nation. If low prices were the paramount consideration, repeal of the protective tariff would be the logical step in that direction.

CONSUMERS PAY MORE—FARMERS GET LESS

July 11, 1939, F. L. Thomsen, of the Bureau of Agricultural Economics of the Department of Agriculture, gave a statement to the newspapers, which was published July 12, 1939, in which he stated that consumers are paying higher than prewar prices for food, although the farmers are getting less for the raw materials, after computing a survey covering 58 food products. Mr. Thomsen, who made the survey, said that in 1913–15 the farmers received 53 cents of every dollar spent by the consumers for the 58 products. Last year he said the share was but 40 cents.

As the business of the foreign-owned chains increased, the farmer received less and less of the consumer's dollar.

LOW-INCOME GROUPS NOT HELPED BY CHAINS

Question. Is the statement made by representatives of chain-store groups true, that the chain stores help low-income groups?

Answer. If that is true, which I deny, H. R. 1 will not deprive low-income groups of such help, as the passage of this bill will only seriously affect one-third of 1 percent of the chain-store companies. It will not destroy the one-third of 1 percent but will have a tendency to restrict each company in this category to the boundaries of one State or a smaller area.

Question. Do low prices help the low-income groups?

Answer. What is known as the submerged one-third of our people will be helped more by good prices and good wages than they will by low prices and low wages. Suppose we should arbitrarily reduce prices 50 percent and wages 50 percent. The argument would be made that the wage earner earning $2 per day under the new scale would be able to buy as much as he formerly bought when he received $4 per day, since prices had been reduced in proportion. This is a beautiful theory, but in practice it does not work out. The people of this Nation owe more than $200,000,000,000 in debts. Much of it is owed by the one-third of our people in the low-income class. If we reduced their wages and prices 50 percent, we in effect would double their indebtedness, in what they have to pay with. Instead of owing $100, they will owe $200, measured in their paying power, and instead of paying 6 percent interest they will pay 12 percent interest.

Further, there are certain fixed charges that cannot be reduced and which become cheap or lower only with good prices and good wages. I refer to electricity, gas, water, and telephone service; also to railroad freight and passenger rates and such fixed charges as interest, debts, and taxes.

The lower the wages and the lower the prices of farm products and other commodities that go to make up purchasing power, the higher in proportion becomes the debt and tax burden.

DECEITFUL PROPAGANDA

The owners of large interstate chain stores caused to be organized the National Consumers' Tax Commission, of Chicago, Ill. It is supported by the large fortunes of a few very wealthy men, who made their money destroying community life. The object is to hire prominent women over the country to be a "front" for the interstate, absentee owned chain stores, and carry on a deceitful and misleading fight in their behalf. Many prominent women have become victims of this treacherous and sordid conspiracy. Information is now in my possession which indicates enormous sums of money have been spent in organizing these associations locally. I was astounded to learn that many prominent women, who have held responsible positions with different women's organizations, have accepted huge sums from the owners of giant monopolies in return for the use of their names, which carries with it their prestige and standing, in behalf of those who are working against the interest of the plain people of this country and who would deny to the very children of these misled mothers a fair and equal opportunity in life. I am receiving information from all over the Nation about the activities of this association, and I hope people continue to send me this information, as I believe that some action in the direction of a congressional investigation should be taken soon after the next Congress meets.

Deceitful propaganda is very damaging to the interest of the general welfare of the people of this Nation and should be exposed at every opportunity. As further evidence of deceitful and misleading propaganda that is being published by the interstate chains through their 100-percent-owned Institute of Distribution should be mentioned the stand of the American Federation of Labor on this bill.

A. F. OF L. DID NOT CONDEMN OUR BILL

Last October 1938 the American Federation of Labor had a convention at Houston, Tex. One morning a headline article appeared on the front page of practically all of the newspapers in this country to the effect that this great organization had condemned the so-called Patman anti-chain-store bill. This article purported to give several paragraphs of a

resolution that was supposed to have been passed at this convention condemning this proposed legislation.

This purported resolution was presented to different labor organizations all over the country in order to induce them to pass similar resolutions, and in many cases they did, the efforts of the interstate chains being successful.

The truth is no such resolution was passed by the American Federation of Labor at Houston, Tex., in 1938, nor any resolution condemning this bill. This false claim has been exposed, yet I have never seen the correction carried in one newspaper in America, although it has been fully carried in the CONGRESSIONAL RECORD at different times. This is exhibit No. 1 of the influence of fourteen and one-half billion dollars.

WALL STREET DIRECTORS

Another sly, deceitful way of misleading the people is to quote misleading information or use information regarding a situation that is not analogous.

I made the statement that the 20 interstate chain-store companies that will be seriously affected by the passage of H. R. 1 are Wall Street concerns. I stand by that statement because it is a fact that these concerns are connected up directly with Wall Street interests and largely dominated by Wall Street bankers.

If the directors of these 20 concerns are named and their connections given, no one will dispute their Wall Street connections and dominations in order to mislead the people.

Chains, through their Institute of Distribution, bring in the 7,000 chain-store companies, most of which are not even concerned about this bill and will not have to pay a penny tax if it passes, and make the assertion that home offices of chain-store companies are located in every State and that New York State only has 13.8 percent of them. The misleading part about this statement is that figures concerning all chains are used and not just the ones that will be affected by this bill.

A PIPE LINE FROM EVERY COMMUNITY IN AMERICA TO WALL STREET BANKS

The Chase National Bank of New York, which has assets of $3,000,000,000, has interlocking directorates with the Atlantic & Pacific Tea Co., the Borden Co., Allied Stores, Inc., Oppenheimer-Collins Co., and H. L. Green Co.

The Guaranty Trust Co. of New York, with assets of two and a quarter billion dollars, has interlocking directorates with the Atlantic & Pacific Tea Co., W. T. Grant Co., McCrory Stores, Inc., and McClellan Stores Co.

The Atlantic & Pacific Tea Co. has a director on the board of the Chase National Bank and the Guaranty Trust Co.

Twenty-four banks own one-third of the resources of the entire 16,000 banks in America; 13 of these 24 banks are in New York city; the 2 banks—Chase National and Guaranty Trust—own one-fourth of the resources of these 24 banks.

A few men controlling a few banks now control the corporate wealth of the Nation.

The hand of greed should be taken from the throat of the American people.

NO VISION, THE PEOPLE PERISH

Would you believe that one New York bank has more than 4,000 directorships in the largest manufacturing, industrial, and other concerns in every section of the Nation? Would you believe that another large New York bank has more than 2,000 such directorships? What chance have you in the face of such power and influence? These men may intend to be good, but power naturally begets greed. They seek greater power, influence, and wealth. Where there is greed there is no vision, and the Bible says that where there is no vision the people perish.

PEOPLE SHOULD WAKE UP

Our country's welfare is distressingly at stake. Opportunity for the young and security for the aged hang in the balance. Do you want private monopoly to continue to operate to the benefit and advantage of a few New York bankers? Do you want a community life built and sustained by local independent merchants or one bled white and cold-bloodedly exploited by absentee owners? Let us save America by preventing monopoly, by keeping the broad road of opportunity open, and by passing a law that will regulate selfishness and restrain greed.

The Administration's Ruinous Trade Treaty Program

EXTENSION OF REMARKS

OF

HON. ALLEN T. TREADWAY

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Saturday, August 5, 1939

Mr. TREADWAY. Mr. Speaker, when the President in 1934 sought authority to negotiate foreign-trade treaties without submitting them to Congress for approval and to reduce American tariff duties in pursuance of such treaties without being bound by any legislative yardstick for rate making, the Republican minority on the Ways and Means Committee, in connection with their minority report on the bill, filed the following summary of objections thereto:

MINORITY VIEWS

Mr. TREADWAY, in behalf of the minority, submitted the following minority views:

SUMMARY OF OBJECTIONS

For the following reasons, among others, the minority are unable to support the bill (H. R. 8687) giving the President the power to fix tariff duties and to enter into reciprocal trade agreements with foreign nations without public notice or hearing[1] or subsequent ratification thereof by Congress:

1. It delegates to the President discretionary legislative power in tariff making—not simply an administrative power to apply a definite formula laid down in advance by Congress, such as is given under the present flexible tariff provisions—and thereby provides for an unconstitutional delegation of the supreme taxing power of Congress, contrary to what a prominent Democrat has called "the plainest and most fundamental provisions of the Constitution."

2. It has no counterpart in past legislation, Republican or Democratic, since in each previous reciprocity measure Congress has either fixed in advance the concessions or retaliations the President might use as a basis for negotiation, or it has reserved the right to both the House and Senate to approve or reject any treaty or agreement entered into by him.

3. Any previous legislation giving the President authority to put a prescribed legislative policy of Congress into effect upon the finding by him that a certain state of facts existed is no precedent for giving him the power under similar conditions to put into effect rates of duty which he himself prescribes.

4. If the expansion of our foreign trade seems desirable, it should be accomplished by existing constitutional means.

5. Although the bill attempts to lend itself a color of constitutionality by a recitation that it is an emergency measure, yet by its own terms it has unlimited life, indicating that it is, and is intended to be, permanent legislation.[2]

6. It contemplates the abandonment of the principle of protection for domestic industry, agriculture, and labor by allowing existing duties to be modified without reference to the difference in cost of production of domestic and foreign articles.

7. It strikes at the very heart of the President's own recovery program, and is wholly inconsistent with it, because any lowering of tariffs such as is scheduled to follow the enactment of the bill will further depress our great agricultural industry thus subjected to foreign competition and will make it impossible for domestic producers operating under industrial codes to compete with the resulting influx of cheap foreign goods produced by the pauper labor of Europe and the Orient, where living standards and production costs are far below those of this country.

8. It places in the hands of the President and those to whom he may delegate his authority the absolute power of life and death over every domestic industry dependent upon tariff protection, and permits the sacrifice of such industries in what will undoubtedly be a futile attempt to expand the export trade of other industries.

9. While no one would question the good faith and high purpose of the President in any action he might take under the powers conferred, such as the determination that a particular industry was not entitled to tariff protection, the fact is that he will not be

[1] Bill subsequently amended to require notice of intention to negotiate and to require hearings before negotiation, but not on completed treaty.

[2] Bill subsequently amended by limiting President's authority to 3 years.

able personally to give his attention to the negotiations incident to the conclusion of the contemplated trade agreements, but will be compelled to rely upon others whose opinions as to what is for the best interest of the country and the industries affected would not be entitled to the same measure of respect as his own.

10. The bill gives no indication as to what domestic industries may be put upon the auction block in the negotiation of foreign trade agreements, nor were any of the accredited representatives of the administration appearing before the committee willing to give such an indication except in the most general and meaningless terms.

11. It provides no opportunity for domestic industries to be informed or heard with reference to any proposed Presidential tariff changes, even though their very existence is at stake.[3]

12. In view of the apprehension which will constantly exist in the minds of all domestic producers over the possibility that their respective industries may, without notice or hearing, be sacrificed overnight for some alleged or passing advantage to an export product, the bill is not calculated to aid in the restoration and rehabilitation of domestic industry at large, but does contain serious possibilities of disastrous consequences.

13. It presumes to give advance congressional approval to any trade agreements into which the President may enter, however injurious may be their effect upon any domestic industry or industries, thus making it impossible for Congress to rescind his authority except by passing new legislation over his veto, which would require a two-thirds vote of each House and would at the same time place this Nation in the position of violating a completed and binding international agreement.

14. Instead of promoting our export trade where possible by such methods as the imposition of countervailing or retaliatory duties on noncompetitive foreign articles now enjoying free entry into the domestic market, such as silk, coffee, tea, rubber, etc., the bill contemplates the granting of tariff concessions on dutiable foreign articles coming into competition with domestic products. The minority feel that instead of destroying branches of domestic agriculture and industry, the two-thirds of our imports now coming into this country duty free could well be used as a lever to secure favorable consideration for our exports in world markets.

15. The increased importation of competitive foreign goods will displace equal quantities of our own products, thus adding to the unemployment in the industries so affected and to overproduction.

16. Any hoped-for increase in domestic exports as a result of permitting increased foreign imports will be largely illusory, since foreign countries will naturally buy in the cheapest market no matter how much of their goods we import, and unless we can meet world production costs and are prepared to sell at world prices we cannot compete in world markets. For this reason the export trade we might gain will not offset the domestic trade we are bound to lose.

17. Foreign countries, in most instances, have the advantage in reciprocal bargaining, because their rates are generally known to be "padded" for trading purposes.

18. The bill fails to take account of the changed economic conditions throughout the world as evidenced by the nationalistic policies of all nations and the tendency of the agricultural countries to develop home manufactures and the manufacturing countries to produce so far as possible their own foodstuffs, the result of which has been a drying up of the Old World markets.

19. It holds out the forlorn hope of increased foreign markets for our surplus products in the face of the well-known fact that they can be exchanged only for agricultural and industrial products with which we are already abundantly supplied.

20. The bill overemphasizes the importance of our export trade, the value of which in 1929 was but one-tenth that of the total domestic production of movable goods and one-seventeenth the amount of the national income. This clearly illustrates the fact that domestic prosperity is more dependent upon the home market than the foreign market, since it consumes 90 percent of what we produce and is responsible for approximately 95 percent of the national income.

21. It ignores the fact that this Nation is the world's richest market, with one-half the business of the world being done within its borders. Foreign countries, however, are not insensible to this fact and will be insistent upon participating in this great market with no appreciable return benefit to our own people or home industries.

22. It erroneously presupposes that foreign trade consists of dollar-for-dollar exchange between two nations, when, as a matter of common knowledge, it follows much the same course as domestic business, each nation selling its surpluses wherever it can find a demand for them, and buying in the cheapest market such articles as it does not produce, all without reference to the balance of trade with any country.

23. It is based upon the false premise that the decline in international trade is the cause, rather than the effect, of the depression. Our own experience shows us that the foreign trade of this country, both in imports and exports, was constantly on the increase up to the time of the 1929 crash.

24. To abandon our present policy of equal tariff treatment for all nations in favor of bilateral concessions to individual countries is a backward step which can only serve to breed further tariff wars and thus result in retaliation and discrimination against our goods in many foreign markets.[4]

[3] See footnote 1. While hearings are held before the treaty negotiations are begun, there is no opportunity to be heard on the completed treaty, which is not made public until it is signed by the President and has become binding on this country.

After a general discussion of the legal and economic aspects of the trade-treaty program, the minority report concluded as follows:

The bill starts out with what has been referred to as a "pious prayer" that the expansion of our foreign trade through reciprocal tariff concessions will assist in restoring the American standard of living, in overcoming domestic unemployment and the present economic depression, in increasing the purchasing power of the American public, and in establishing a better relationship among the various branches of American industry, agriculture, and commerce.

The minority, however, are unable to see how the reduction of the tariff can possibly restore the American standard of living, or even maintain it at its present level; how the importation of increased quantities of foreign products can decrease unemployment in the industries thereby adversely affected; how the constant threat to all industry that overnight it may be destroyed by Executive decree can assist in overcoming the depression; how the reduction of wages and other production costs to meet foreign competition can increase the purchasing power of the American people; or how the destruction of various industries can possibly result in a better relationship among the several branches of industry. On the other hand, we believe that the bill has no relation to domestic recovery, and fear that instead of promoting recovery the bill may serve to impede it.

When the bill was before the House for consideration, Republican Members offered a number of amendments designed to protect the interests of American agriculture, industry, and labor, and the people generally, but all these amendments were voted down by the then overwhelming Democratic majority. If adopted, they would have prevented tariff reductions below the amount of duty required to offset foreign cost-of-production advantages, and would have required congressional approval of the trade treaties before they should become effective.

It is submitted that the objections to the trade-treaty program raised by the Republican minority of the Ways and Means Committee in 1934 are as sound today as when originally made, and certainly the program has not worked out as its sponsors believed it would. Rather, the prediction made by the Republican minority that it would result in surrendering our rich domestic market for lean and illusory foreign markets has proven to be prophetic.

The President's powers under the original Trade Treaty Act expired in 1937, and a joint resolution was passed at that time to continue his authority for 3 additional years, or until June 12, 1940. The Republican minority on the Ways and Means Committee opposed this extension, not only for the reasons stated previously, but because the results of the treaty program's operation had been adverse to the best interests of the country. In our minority views, filed in connection with the 1937 extension resolution, we summarized our objections as follows:

VIEWS OF THE MINORITY

We, the minority members of the Ways and Means Committee, are opposed to the extension of the Reciprocal Trade Agreements Act, in its present form, for another period of 3 years as provided by House Joint Resolution 96.

GENERAL STATEMENT

In opposing the joint resolution, we wish it to be distinctly understood that we are in no way criticizing the doctrine of genuine reciprocity with foreign nations. The Republican Party has actively espoused this policy in previous measures, notably the McKinley tariff of 1890 and the Dingley tariff of 1897.

We feel it necessary to make this statement at the outset since it has been generally assumed that because we have consistently opposed the methods of administration of the present trade agreements program, we do not favor any reciprocal negotiations whatsoever with foreign countries. Such, however, is not the case. We yield to none in our earnest desire to expand the foreign trade of the United States, whether by reciprocity or otherwise, but our advocacy of the general policy in question does not justify us in approving the present Trade Agreements Act, which presents in fact pseudo-reciprocity, and is open to many serious objections.

[4] When the bill was subsequently amended to provide for the extension of our treaty concessions to all countries without requiring them to give us reciprocal concessions in return, it opened up the further objection that the treaties were not truly reciprocal, since this country stood to give up more than it could hope to gain.

SUMMARY OF OBJECTIONS

House Joint Resolution 96 continues the present Trade Agreements Act, with all its defects, without change. It is subject to the same criticisms which we interposed with respect to the act when it was originally under consideration, and the results since its enactment have justified our objections at that time.

It continues, first, to delegate to the executive branch of the Government, contrary to the Constitution of the United States, the tariff, taxation, and treaty-making powers of Congress.

Second, to take away from American producers the right which they ordinarily would have had under section 516 (b) of the Tariff Act of 1930 to litigate matters arising out of the trade agreements, including the question of constitutionality.

Third, to deny the Congress an opportunity to approve or reject the trade agreements, however injurious may be their effect upon domestic producers.

Fourth, to ignore the principle of protection for American agriculture, industry, and labor by permitting tariff rates fixed by Congress to be altered without reference to domestic production costs.

Fifth, to deny American producers an adequate opportunity to be heard on the actual terms of the trade agreements before they become effective.

Sixth, to provide for the general extension of the concessions made under a trade agreement with a single country to all other countries in the world, notwithstanding the known existing discriminations against American commerce by many foreign countries.

Seventh, to permit the Executive, in effect, to bind the hands of Congress by "freezing" the existing tariff or excise treatment of articles with respect to which the Congress may, in the exercise of its constitutional responsibilities and duties, wish to legislate in the future.

These are among the more important objections to the Trade Agreements Act, which preclude us from giving our support to House Joint Resolution 96, providing for its extension for 3 years.

In our minority report, we reviewed the operation of the trade-treaty program up to that time. The following extracts cover our findings:

RESULTS OF OPERATION OF TRADE-AGREEMENT PROGRAM

We now turn our attention to the actual results of the operation of the trade-agreement program to date. The avowed purpose of the Trade Agreements Act was to expand the foreign markets of the United States. It is so stated in the act. However, the administration has failed to make much headway in this direction.

Most of the recovery in our export trade thus far, from the depression level of $1,611,000,000, occurred before the Trade Agreement Act became operative. At the end of the calendar year 1934, our exports had risen to $2,133,000,000, or some $500,000,000 in excess of the depression low. Thus, any increase in exports under the Trade Agreements Act must be calculated from this point, and not from the depression figure as some of the advocates of the program are attempting to do. Even then, the entire increase cannot be attributed to the effects of the agreements, because our trade with nonagreement countries has also increased materially since 1932.

Because of dollar devaluation and the administration's monetary program, value figures as to the increases in imports and exports do not tell the whole story. We must look at quantities to see the true picture.

From 1933 to 1935, the total quantity of our exports increased 13 percent. In the first 11 months of 1936, exports showed a 17 percent increase in quantity over 1933.

Our imports, on the other hand, increased in volume by 23 percent between 1933 and 1935 In the first 11 months of 1936, imports reached a volume of 35 percent above those of 1933.

But this still is not the whole story. The quantity of raw materials exported actually declined between 1933 and 1935; crude foodstuffs showed an insignificant increase, and manufactured foodstuffs declined. On the other hand, the quantity of raw foodstuffs imported increased 40 percent between 1933 and 1935, and manufactured foodstuffs nearly as much.

OUR FAVORABLE BALANCE OF TRADE DISAPPEARING UNDER ADMINISTRATION'S TRADE POLICY

The effect of the administration's foreign-trade policy can best be judged by its influence upon our favorable balance of merchandise trade, or excess of exports over imports. In 1934, this favorable balance was $478,000,000. In 1935, the first year in which the Trade Agreement Act was in effect, it dropped to $235,000,000. In 1936, it fell to the lowest level in 41 years, namely, $34,000,000. We may expect this year to have an adverse balance of foreign-merchandise trade.

The imports and exports of merchandise are not the only things we should consider. The state of our international balance of payments is also of great significance. A statement of our net balance of payments on merchandise and service items (including in the latter, transportation services, immigrant and charitable remittances, Government transactions, tourist outlays, interest and dividends, and silver purchases, but excluding all capital items and gold movements) shows that in 1934 we had a net favorable balance of $375,000,000. In 1935, however, that balance of payments became unfavorable to the extent of $128,000,000. In 1936, although final figures are not yet available, we can estimate a figure at least several hundred million dollars more unfavorable than in 1935, because of the negligible net merchandise trade balance and the large net imports of silver. If we took account of our huge imports of gold, our adverse balance of international payments would be further increased by more than a billion dollars.

It has been contended that we must give foreign countries, through our increased imports of all types, sufficient excess credits in order that they may buy more American products. As a matter of fact, however, most of the present foreign excess credits are being used to purchase American securities, repatriate their own depreciated bonds, and increase their commercial balances in this country.

Thus it would seem that the fears of Secretary Wallace, as expressed in his annual report for 1934, were well justified. He stated on page 10 of that document:

"But the foreign-trade program would involve the risk of producing results other than those expected. * * * The purchasing power which foreigners would obtain in the United States market, were they permitted to sell more goods here, might be left on deposit or invested in American securities * * *."

IMPORTS INCREASING FASTER THAN EXPORTS

The explanation for the shrinkage in our favorable merchandise trade balance is that under the administration's program our imports have increased faster than our exports. From 1934 to 1935 the increase in imports was $392,000,000, as against an increase of only $149,000,000 in exports. From 1935 to 1936 our imports increased $372,000,000, as against an increase in exports of only $171,000,000. Thus it is clearly apparent why this country is rapidly shifting from the position of an "export" nation to an "import" nation.

We realize, of course, that not all the increase in imports has been due to the trade agreements which have been entered into. But it is likewise true, as we have already pointed out, that not all the so-called increase in exports has been due to these agreements. It is evident that the agreements have a more stimulating effect upon our imports than upon our exports.

INCREASED IMPORTS INCLUDE MANY COMPETITIVE ARTICLES

The representatives of the administration have gone to great lengths in their attempts to justify the increase in imports as compared with the increase in exports. They assert that most of these imports are of noncompetitive products. This we deny. We can prove the inaccuracy of their assertion by reference to the actual trade figures.

Approximately two-thirds of our imports are on the free list. These are almost exclusively noncompetitive products. The other third, which are of a competitive nature, are dutiable. In 1935 our noncompetitive imports increased 22 percent over 1934, as compared with an increase in competitive imports of 29 percent. Similarly, in the 11-month periods of January through November 1935 and 1936, our noncompetitive imports increased only 14 percent, as against a 23-percent increase in competitive imports. In 1936 the actual increase in noncompetitive imports was $149,000,000, compared with $173,000,000 in competitive imports. If the administration's contention were correct, the increase in noncompetitive imports would, instead, have greatly exceeded the competitive.

OUR TRADE WITH TRADE-AGREEMENT COUNTRIES SHOWS NET BENEFIT TO FOREIGN COUNTRIES

Assistant Secretary of State Sayre, in his testimony before the Ways and Means Committee, protested that it was not possible at this early date to draw definite conclusions as to the effect of the various trade agreements upon our imports and exports. Yet he proceeded to fill the record with statistics purporting to show the benefits of the trade agreements to our domestic exporters. Nothing was said about the increased imports from these agreement countries and their effect upon American agriculture, industry, and labor.

The Cuban agreement, which became operative on September 3, 1934, has been in effect for a longer period than any other. The Department of State recently published a detailed analysis of our trade with that nation, and according to the administration's own figures, it appears that the Cuban agreement has resulted in much more benefit to Cuba than to the United States. In the 12-month period of September 1935 to August 1936 prior to the agreement, compared with the same period our exports to Cuba increased by $28,500,000. However, our imports from Cuba during this period increased by $67,000,000. This shows that for every $1 of increased exports to Cuba we have taken from that country $2.35 of increased imports.

The Canadian trade agreement became effective January 1, 1936. In the 11-month period from January through November 1936 our total exports to Canada increased over the same period in 1935 by $50,000,000. Our total imports from Canada during this period increased by $77,000,000, thus showing that Canada has benefited from the treaty much more than has this country. Operations under most of the other trade agreements show similar results.

American agriculture was adversely affected by a number of duty reductions under the Canadian agreement. The State Department contended that, while this was true, our farmers would receive more than a compensating benefit by reason of lowered duties on American farm products going into the Canadian market. We think that American farmers will be greatly interested in the figures published by the Department of Agriculture in Foreign Crops and Markets, for December 28, 1936. They show

that in the 10-month period ending October 1936 exports of agricultural products to Canada increased by less than $8,000,000, as compared with a $21,500,000 increase in agricultural imports from Canada.

In 1937, as in 1934, Republican Members of the House attempted to amend the trade-treaty legislation so as to prevent reductions in tariffs below the amount of duty required to offset foreign competitive advantages and to require congressional approval of the treaties before they should become effective. Again our efforts were fruitless, due to the opposition of the Democratic majority.

Since 1937 our foreign trade has been influenced to this country's advantage by a number of factors having nothing whatever to do with the trade-treaty program. While during the first part of 1937 imports continued to increase faster than exports, threatening this country with an unfavorable trade balance for the first time in more than twoscore years, the situation completely changed during the last half of the year, due to a great upsurge in exports. An analysis of this increase in exports disclosed the fact that they consisted almost entirely of war materials for European and Asiatic countries. It was somewhat ironical that the trade-treaty program, which Secretary Hull regards as an instrument of world peace, should be saved from complete discredit by reason of these increased exports of war materials, which, of course, are not in any way influenced by trade treaties.

During 1938 exports of war materials continued to increase, although our total exports declined by $255,000,000, or 8 percent, over 1937. Imports declined even more, but not because of any increased tariffs under the trade-treaty program, since the trade-treaty rate revisions are all downward. The result was that we had a large favorable trade balance in 1938, due to factors other than the trade-treaty program. It resulted from the fact that our imports declined much more than our exports in that year.

The explanation for this situation is found in official Government reports. For example, in the February 11, 1939, issue of Commerce Reports, it is stated:

> Exports of a number of manufactured articles for which demands in foreign countries had greatly increased in 1937, partly as a result of armament programs, continued to expand during 1938.

On February 1, 1939, the majority leader [Mr. RAYBURN] inserted in the RECORD a Department of Commerce release dealing with foreign trade which contained the following statement:

> The demand for American machinery and metal manufactures has continued strong, due in a considerable measure to the heavy requirements of the rearmament programs of several European countries which have prevented those normally large exporting countries from supplying both export and domestic demands.

This statement is worthy of more close analysis. When foreign countries are busy making preparations for war, they not only cease to be our competitors in our home market, but they become customers for our own goods. It is only the armament programs abroad which have kept our home market from being flooded with cheap competitive imports under the tariff reductions made by the trade-treaty program. In other words, our experience following the free-trade Underwood tariff of 1913 is repeating itself. If peace is restored, we may expect the same sort of a flood of imports as we had following the World War, when it became necessary for the incoming Republican administration to pass an emergency tariff bill to save our home market from complete disruption.

The explanation for the decline in imports in 1938 is found in two Government publications. In the November 5, 1938, issue of Commerce Reports it is stated:

> Import trade reflected the recession in business activity and the improvement in agricultural production in the United States.

The Department of Agriculture, in the August 13, 1938, issue of Foreign Crops and Markets, stated:

> The decrease in business activity influences the value of practically all our imports, both agricultural and other. It was accompanied by lower prices and by a general falling off in demand. Raw materials were needed in smaller quantity by factories and finished products were purchased to a lesser extent by workers.

This statement proves that the amount of our foreign trade is to a large extent based upon the prosperity of the home market. During the early 1930's our foreign trade declined because of the depression, not because of the passage of the 1930 Tariff Act.

But to get back to present-day trade, we find that in the first 6 months of 1939 our total export trade has again declined over the previous year, while our imports have increased over the same period. According to the Department of Commerce, we exported 11 percent less in the first 6 months of 1939 as compared with 1938, but imported 14 percent more. The decrease in exports was due to a sharp decline in European purchases of United States agricultural products, yet the farmers of this country were assured that the foreign-trade program would result in increased foreign markets for their products. They have found out differently, and they are growing more and more concerned over the reduction of agricultural tariffs which is resulting in increased imports of competitive foreign farm products. American farmers are thus losing both their foreign and their domestic market under the trade-treaty program.

American farmers were told that the British treaty, particularly, would result in giving them an increased outlet for their surpluses. But in the first 6 months the British treaty has been in effect our exports to Great Britain, which consist chiefly of farm products, have declined by 10 percent. Imports from Great Britain, on the other hand, increased by 41 percent. The imports consist chiefly of manufactures.

Up to the present time, more than 1,000 reductions in duty have been made under the treaty program. One-third of the reductions have amounted to the full 50 percent permitted under the act; one-half amount to more than 40 percent, and seven-tenths to more than 30 percent. Hence it is obvious that the rate-reduction program not only has been general, but it has been drastic. The purpose is conceded to be to permit increased importations of foreign goods, which of course displace our own products and take from our people the opportunity for a livelihood.

No objection can possibly be made to the expansion of our foreign trade, provided it is done without injury to domestic producers. There is no reason why the foreign-trade program cannot be carried on in connection with the maintenance of adequate protection on products which we can and do produce ourselves in commercial quantities. President McKinley, who probably ranks as the leading exponent of reciprocity in this country, and whose public statements have many times been improperly quoted as an endorsement of the present alleged reciprocity program, laid down what he considered to be the true purpose of reciprocity. Said he:

> The end in view is always to be the opening up of new markets for the products of our country by granting concessions to the products of other lands that we need and cannot produce ourselves and which do not involve any loss of labor to our own people but tend to increase their employment.

Under such a policy, reciprocity and protection would go hand in hand. McKinley, however, would never support the present policy of psuedo reciprocity because it involves reductions in duty on competitive foreign products.

On April 26 of this year, in a speech before the House, I laid down what I considered to be the five most fundamental objections to the present trade-treaty program. To date no one has succeeded in challenging them. I repeat those fundamental objections:

First. The trade-treaty program involves an unconstitutional delegation of the tariff- and treaty-making powers of Congress by giving to the executive department discretionary legislative authority in reducing tariff duties and in entering into foreign-trade treaties without Senate ratification.

Second. By encouragng the importation of competitive foreign products, the trade-treaty program runs contrary to the basic purpose of foreign trade, which is to exchange our

surplus products for the products of other lands that we need but do not produce ourselves.

Third. By permitting tariff reductions below the amount of duty necessary to offset foreign cost-of-production advantages, and thereby subjecting our home producers to unfair competition from the cheap products of other lands, the trade-treaty program drives our home producers out of business, takes jobs away from our workers, depresses our price structure, and undermines our American wage and living standards.

Fourth. The present program is one-sided and not truly reciprocal, because the concessions which we make to a particular country in return for concessions from that country are extended generally to the whole world, save Germany alone, without requiring these other countries to give us reciprocal concessions in return, and despite the fact that in many instances such other countries actively discriminate against American products.

Fifth. The negotiation of the trade treaties is carried on in an arbitrary and high-handed manner. The only opportunity American producers have to be heard on a proposed treaty is before its actual negotiation takes place, and then only before a "buffer" committee which has nothing whatever to do with the actual negotiations.

With two amendments to the reciprocal-tariff law, the trade-treaty program could be made useful and beneficial and free from most objections which have been leveled against it. These amendments are: (a) Guarantee American producers at least an even break with foreign producers in the home market by maintaining sufficient tariff protection for that purpose, and (b) provide for congressional approval of the trade treaties before they become effective. As an alternative to the latter, Congress could fix minimum rates of duty on products which the President could use for bargaining purposes. Congress having exclusive tariff-making authority under the Constitution, it is essential that the legislative function be preserved either by setting forth what concessions the President can make or by providing for subsequent ratification of the concessions he proposes.

The present trade-treaty program will undoubtedly be one of the big issues in the next election campaign, just as it was in the last congressional elections. Many of the new Republican Members owe their election, in a large measure, to dissatisfaction with the treaty program as now administered. As the legislation authorizing the negotiation of the treaties expires next year, it is a problem which the Congress will have to deal with at the coming session. Many of the Democratic Members who voted for the original legislation did not vote for its extension, and there is no question but that it has lost many more friends in the meantime. Virtually every one of the 169 Republican Members of the House can be counted on to vote against its further extension in its present form, and under the circumstances there is at least some hope for American producers that the present destructive program may not be continued.

LaGuardia Assails New Deal Crop Policies

EXTENSION OF REMARKS

OF

HON. GEORGE H. BENDER

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Saturday, August 5, 1939

Mr. BENDER. Mr. Speaker, President Roosevelt's woes are not yet at an end. Despite the adjournment of Congress after a series of smashing defeats of pet New Deal proposals, the opposition to White House policies continues from ever-increasing sources. Latest of the opponents to arise on the scene is Mayor LaGuardia, formerly one of the most vociferous supporters of F. D. R. In an address before the annual convention of the Retail Meat Dealers' Association in New York City this month, LaGuardia bitterly criticized the plow-under program of the Department of Agriculture.

The mayor declared that he did—

> Not believe in any system that curtails production and destroys products. It might be necessary to take drastic measures such as subsidizing exports and by doing that make friends of our neighbors. I don't believe in destroying what God Almighty gave us.

Pointing out the city folks must recognize the needs of our agricultural population:

> City people must realize that prosperity for the farmer is prosperity for all. The farmer must have a fair return on his product to buy the things we make in the city. They must realize that the American farmer is the best market for American goods.

LaGuardia declared in emphatic terms, "I do not believe that we suffer from any surplus in this country. We have a lack of purchasing power to provide for all the people. When we can return to the old American breakfast and the good old American diet, then and only then will we see what surplus we have. It is not a surplus of meat that troubles us, but it is lack of funds of the average American."

This assault upon the crop-curtailment program is a far cry from the usual LaGuardia outpouring. It indicates once more that the people of the Nation are becoming more and more articulate; they have begun to think of their future more maturely than in the days of the first depression. No longer is there a defeatist attitude toward the needs of our future. Even the most ardent disciples of the New Deal are beginning to question the wisdom of the "brain trust." When Fiorello LaGuardia leaves the ship even for a momentary excursion of his own it is time for the rest of us to question the efficacy of the captain's course.

Crop curtailment has been frequently criticized as an absurdity in a society in which millions are suffering from undernourishment according to social-service workers in every section of the land. No one ever sought to justify it on any basis other than its necessity as an emergency. Now that the emergency psychology is vanishing, the necessity for its continuance has vanished with it. LaGuardia, more New Deal than new dealers, has recognized its futility. The rest of the Nation must join him wholeheartedly.

Five Years of Tyranny in Puerto Rico

EXTENSION OF REMARKS

OF

HON. VITO MARCANTONIO

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Saturday, August 5, 1939

Mr. MARCANTONIO. Mr. Speaker, under leave to extend my remarks on the subject of Five Years of Tyranny in Puerto Rico, granted to me on August 5, 1939, I submit the following:

Ex-Gov. Blanton Winship, of Puerto Rico, was summarily removed by the President of the United States on May 12, 1939. I had filed charges against Mr. Winship with the President during two visits that I had with him, and subsequently, on April 27, 1939, I wrote a letter to the President filing additional charges in support of my request for the removal of Mr. Winship. During my visits at the Executive Office of the President of the United States I informed him of many acts of misfeasance as well as nonfeasance, among which were the tyrannical acts of the Governor in depriving the people of Puerto Rico of their civil rights, the corruption and rackets that existed, and were made possible only by the indulgence of the Governor, and the extraordinary waste of the people's money. In my letter to the President dated April 27, 1939, I specifically pointed out that Mr. Winship had been responsible for the granting of a contract to draw plans for the graving dock in San Juan to a friend of his, to wit, Frederick R. Harris, in a manner

which was contrary to the Political Code of Puerto Rico, and hence illegally granted. This cost the people of Puerto Rico $75,000. My written, as well as oral, charges were transmitted by the President to Secretary Ickes, of the Department of the Interior, and on May 11, 1939, the President informed me by letter that my charges with regard to the award of the drawing of the plans for the graving dock in San Juan, P. R., had been transmitted to the Secretary of the Interior, Hon. Harold Ickes, for investigation.

The Secretary of the Interior, by code, wired Mr. Blanton Winship to return to the United States. In response to this wire, Mr. Winship came here and visited the Secretary of the Interior. The Secretary of the Interior demanded that Mr. Winship resign. Mr. Winship flatly refused to resign, and stated that inasmuch as he was a Presidential appointee, he would not resign until he had had an opportunity to appeal to the President. After various unsuccessful efforts, Mr. Winship finally saw the President, and pleaded that he be permitted to remain Governor of Puerto Rico on the ground that his resigning while he was under fire might be misinterpreted. What the President told Mr. Winship I do not know. I do know, however, that he made a very unfavorable impression on the President. When Mr. Winship left the White House with the bravado which is characteristic of a swivel-chair general, he invited friends of his and newspapermen to visit him in Puerto Rico in September of 1939, thereby giving the impression that he would remain as Governor.

On May 11, 1939, I took the floor in the House of Representatives, objecting to exempting Puerto Rico from the provisions of the wage and hour amendment, and in that speech I made an attack on Mr. Winship, and revealed that I had made charges against him, and stated specifically that the charges were being investigated by the Department of the Interior at the request of the President of the United States. The following day the President made the announcement that Admiral William D. Leahy would succeed Mr. Winship as Governor of Puerto Rico. Up to and including the time that this terse announcement was made, Mr. Winship had not resigned. Even a school child knows that the announcement of one's successor before one has resigned is tantamount to dismissal. Blanton Winship was dismissed by the President of the United States.

I had intended to remain silent and let the dismissal speak for itself without further comment. However, since the dismissal Mr. Winship has been hailed by crooked politicians, lobbyists, and by his own entourage of personal appointees as a great Governor. The day he finally returned to the United States government employees in Puerto Rico were forced to leave their offices and, together with the armed forces of the United States, joined in a display of farewell, which was grossly exaggerated by the disreputable reporter for the New York Times and Associated Press, Mr. Harwood Hull, about whom I shall particularize later on. Upon Mr. Winship's return to the United States he arrogated unto himself a desk in the Department of the Interior and, I have been informed, continued to draw a salary, notwithstanding the fact that he had no longer any official connection with the Government of the United States nor the government of Puerto Rico. He devoted all of his time since he was kicked out as Governor to two tasks: First, to that of self-glorification; and second, to further damage the best interests of the people of Puerto Rico.

In the first category he attended cocktail parties, the opening of the world's fair pavilion for Puerto Rico, and was given a dinner by the phony Society of the Americas, at which he was hailed as a candidate for the Presidency of the United States. At all of these occasions, where a halo was placed on his brow, it was done by the representatives of the Wall Street entrenched interests of Puerto Rico, by his stooges whom he had led to the public trough, and from which they have been gorging themselves, and as well by those whose jobs are dependent upon the ex-liberal Ernest Gruening.

In the second category, his activities were in keeping with his 5 years of terror in Puerto Rico. He acted the part of a slimy lobbyist, and fought by means fair and foul to have the wage and hour law amended so that the sugar companies could continue to pay 12½ cents an hour instead of 25 cents an hour, and thereby gain $5,000,000 a year, so that the exploiters of labor in Puerto Rico could continue to pay the intolerable wages they have been paying, a wage system which was made possible under his regime, so that the system of abysmal wage slavery could be perpetuated in Puerto Rico. Up to the very closing days of Congress this kicked-out Governor fought to have Puerto Rican workers removed from the protection of the wage and hour law. He made a frantic appeal to the Speaker, Hon. WILLIAM BANKHEAD, to suspend the rules and recognize someone who would offer the amendment which would have removed Puerto Rico from the provisions of the wage and hour law. This was done after he, together with his stooge and personal lobbyist, James J. Lanzetta, had made all efforts and failed to have the Barden and other amendments considered by the House, which not only would have affected the workers of Puerto Rico but would have also exempted 2,000,000 workers in the United States from the protection of the Fair Labor Standards Act. The welfare of 2,000,000 workers in the United States meant nothing to Blanton Winship or his appointee, who incidentally had had plenty of experience in the matter of lobbying, as was indicated in the proceedings of the trial of the convicted William Buckner, chief lobbyist in the Philippine railroad bond scandal.

The sacrificing of 2,000,000 workers in the States and the sacrificing of labor's welfare in the States as well as in Puerto Rico meant nothing to these gentlemen who were hell-bent on doing the bidding of the financial and industrial corporations of Wall Street that have kept the workers of Puerto Rico in the tentacles of imperialism and wage peonage. I take this occasion to praise the patriotism and statesmanship of our Speaker, Hon. WILLIAM BANKHEAD, who treated the dismissed and disgraced ex-Governor of Puerto Rico with a flat and patriotic "no." This "no" was given after I had spoken to the Speaker who had promised me that there would be no suspension of the rules or the considering of any legislation that would exempt Puerto Rico from the provisions of the Fair Labor Standards Act at this session of Congress.

In the face of these activities, treacherous and detrimental to the people of Puerto Rico, I felt that I should no longer remain silent. I felt that I should not permit this ex-Governor or his stooges to any longer use the prestige of his office which he so disgraced, to the benefit of the exploiters of the Puerto Rican people. I would be derelict if I did not tear off the cloak of virtue in which this destroyer of liberty, protector of grafters, and exploiter of the people of Puerto Rico had enshrouded himself. Therefore, Mr. Speaker, here is his record:

1. CIVIL RIGHTS AND MURDER

In his 5 years as Governor of Puerto Rico, Mr. Blanton Winship destroyed the last vestige of civil rights in Puerto Rico. Patriots were framed in the very executive mansion and railroaded to prison. Men, women, and children were massacred in the streets of the island simply because they dared to express their opinion or attempted to meet in free assemblage.

Citizens were terrorized. The courts became devoid of any prestige because of the evil influence exerted upon them by politicians who acted with the connivance and consent of Mr. Winship. American workers were persecuted and shot down whenever they sought to exercise their right to strike or to organize and protest against the abominable wages that were paid to them by Mr. Winship's pals. The insular police was militarized and transformed from an honest police organization to an organization of provocateurs and murderers, such as existed in the darkest days of czaristic Russia. The gestapo of Hitler could learn many lessons of torture and cruelty from Mr. Winship's so-called police. Nero played the fiddle while Christians were massacred in the days of ancient Rome. Winship drank cocktails and danced in the Governor's palace while the police ruthlessly killed and persecuted Puerto Rican citizens. The

following are just a few cases illustrative of Winship's Neroism. Neither time nor space permits me to give a full history or the list of victims of which the American people know very little or nothing at all.

On Palm Sunday, March 21, 1937, in Ponce, the second largest city in Puerto Rico, the police forces fired with machine guns, rifles, and pistols into a crowd of marching Nationalists. Seventeen were killed, more than 200 wounded. The Nationalists were going to hold a meeting and a parade in Ponce on March 21. The mayor, Tormes, issued a permit. One hour before the time set for the parade and when the demonstrators were ready to march, the mayor canceled the permit on frivolous grounds. As Winship pointed out in a statement issued after the massacre, the parade was called off by the mayor at the request of Gov. Blanton Winship and Police Chief Colonel Orbeta.

Governor Winship went out of San Juan. Colonel Orbeta went to Ponce and concentrated there a heavy police force, among which he included all the machine gunners. For many days the government had been planning action in Ponce.

Chief of Police Guillermo Soldevilla, with 14 policemen, placed himself in front of the paraders; Chief Perez Segarra and Sgt. Rafael Molina, commanding 9 men, armed with Thompson machine guns and tear-gas bombs, stood in the back; Chief of Police Antonio Bernardi, heading 11 policemen, armed with machine guns, stood in the east; and another police group of 12 men, armed with rifles, placed itself in the west.

The demonstrators, at the order of their leader, and while La Borinquena, the national song, was being played, began to march. Immediately they were fired upon for 15 minutes by the police from the four flanks. The victims fell down without an opportunity to defend themselves. Even after the street was covered with dead bodies policemen continued firing. More than 200 were wounded; several were killed. Men, women, and children, Nationalists and non-Nationalists, demonstrators, and people passing by, as well as the people who ran away, were shot. They were chased by the police and shot or clubbed at the entrance of the houses. Others were taken from their hiding places and killed. Leopold Tormes, a member of the legislature, told the reporters how a Nationalist was murdered in cold blood by a policeman, after the shooting, in his own arms.

A 7-year-old girl, Georgina Maldonado, while running to a nearby church, was shot through the back. A woman, Maria Hernandez, was also killed. Carmen Fernandez, aged 33, was severely wounded. After she fell down a policeman struck her with his rifle, saying, "Take this; be a Nationalist." Marie Hernandez was a member of the Republican Party, and while running away was clubbed twice on her head by a policeman. Dr. Jose N. Gandara, one of the physicians who assisted the wounded, testified that wounded people running away were shot and that many were again wounded through the back. Don Luis Sanchez Frasquieri, former president of the Rotary Club in Ponce, said that he had witnessed the most horrible slaughter made by police on defenseless youth. No arms were found in the hands of the civilians wounded nor on the dead ones. About 150 of the demonstrators were arrested immediately afterward, several of them being women. All the Nationalist leaders were also arrested. They were released on bail. More than 15,000, as was reported by El Mundo, a Puerto Rican newspaper, attended the funerals at Ponce, and more than 5,000 at Mayaguez.

The above is not a description of the Ponce events by a Puerto Rican Nationalist. It is quoted from a speech of Representative John T. Bernard, of Minnesota, in Congress and appeared in the CONGRESSIONAL RECORD of April 14, 1937. Does not this bring to mind the Boston massacre in 1770 and the shooting of Russian peasants by the Czar in 1905? Remembering the events of Easter Week in Dublin, 1916, do not you agree with Jay Franklin, Washington commentator for the Stern papers, that Puerto Rico is the Ireland of the Caribbean?

April 16 is a legal holiday in Puerto Rico. It is the anniversary of the birthday of José de Diego, former speaker of the House of Delegates, noted orator, poet, jurist, and outstanding advocate of independence. Every year the Nationalist Party celebrates a mass, a demonstration, and a meeting in his honor. Wreaths of flowers are deposited on his tomb. Another demonstration and a meeting are held to honor Manuel Rafael Suarez Diaz, a martyr of the cause of independence. Flowers are deposited on his tomb also.

In 1937, a few weeks after the Palm Sunday massacre, the city manager of San Juan, under Winship's pressure, denied permits for these meetings and demonstrations. As was even reported in the New York newspapers, although the ecclesiastical authorities gave authorization to hold the mass on the 16th, the cathedral was closed, and policemen posted at its doors. The cemeteries were closed and the Puerto Rican people forbidden to go in groups larger than two to deposit flowers on the graves of the patriots. General Winship again mobilized the Regular Army and National Guard, subject to call.

Arthur Garfield Hays, attorney for the American Civil Liberties Union, went to Puerto Rico and investigated the Palm Sunday massacre, and his conclusion as reported in the report of the American Civil Liberties Union was as follows:

The facts show that the affair of March 21 in Ponce was a massacre.

This committee, headed by Arthur Garfield Hays, was composed of emminent and responsible citizens of Puerto Rico, to-wit: Emilio S. Belaval, secretary, president of the Antheneum, San Juan; Mariano Acosta Velarde, president of the Bar Association of San Juan; Fulgencio Pinero, president of the Teachers' Association of San Juan; Francisco M. Zeno, editor of La Correspondencia, San Juan; Antonio Ayuso Valdivieso, editor of El Imparcial, San Juan; José Davila Ricci, editorial staff of El Mundo, San Juan; and Manuel Diaz Garcia, past president of the Medical Association of San Juan.

Governor Winship tried to cover up this massacre by filing a mendacious report. Mr. Ernest Gruening, who is Director of the Division of Territories and Island Possessions of the Department of Interior and mentor of Blanton Winship since 1936, sought to use this fake report as a cover-up. However, the photographs that were brought to Secretary Ickes by a committee consisting, among others, of former Congressman Bernard, of Minnesota, and myself, photographs of children shot in the back and of police wantonly firing on unarmed people from four sides, could not be ignored. What did the tyrant do? Instead of ceasing the terror, he continued it, and immediately had arrested the friends of people who had been killed on charges of conspiracy to commit murder. Two trials were held. The first trial resulted in a mistrial, and in the second trial the defendants were acquitted.

In the meantime the reign of terror continued. While the victims of the Ponce massacre were being tried for murder, the police forces were given a free hand to continue the orgy of murder. A policeman by the name of Ramon Virella viciously killed two peaceful and honest citizens and seriously wounded a third one at a public market in Rio Piedras, P. R. Virella asked one of the traders in the market, called Matias Gonzalez, to take his bags from the sidewalk he happened to pass by at that moment. As Sanchez did not obey his order promptly, Virella shot at him several times, killing Sanchez and a bystander named Marcelino Perez. Another bystander, Ramon Galvarin, was seriously wounded. Virella was promoted, in spite of public protest, and was retained in the active service of the general police headquarters at San Juan, P. R. This tragic episode took place on September 23, 1937. The Governor ignored public clamor, following the same policy adopted when the persons massacred were nationalists. The victims in the above case were nonpolitical.

On the 19th of October 1937, while the trial of the survivors of the Ponce massacre was still going on, the chief of police of Manati, P. R., Juan Martinez, shot at and killed his

subordinate, Jose Vicente Serra. He was promptly exonerated by Gov. Blanton Winship, despite the public demand for an investigation. By this time Winship had been able to put over his suggestion to abolish the remnants of the institution of the grand jury in force in February 1936, which provided for the investigation and indictment of public officers, including the Governor, by a grand jury.

Under such a provision the murderers of Elias Beauchamp and Hiram Rosado, charged with the killing of the late chief of police, Col. Francis E. Riggs, an incident which I shall describe later on, were indicted of first-degree murder. An indignant public opinion forced the Government to convene the grand jury, which, after investigating the case, bitterly assailed the practices of the police and tried to determine the responsibility, if any, of the Governor in that case. They left the door open for further inquiries. Governor Winship got the law repealed soon afterward. So that at the time of the Ponce massacre, denounced in this House by Congressman John T. Bernard on April 14, 1937, in the brilliant and moving speech which appears in the CONGRESSIONAL RECORD of that date, page 4499, and to which I referred above, the district judges of Ponce denied a petition made by prominent citizens of that community, who represented every sector of public life, when they asked for the convening of a grand jury to investigate the case. As the law now stands, the citizens are helpless when the aggression originates with the top public officials, because the prosecutors are appointed by and are to a great extent responsible to the Governor.

On October 25, 1937, the trial of the survivors of the Ponce massacre was still going on when a policeman named Victor Martinez shot to death in the police station of Toa Alta the judge of the municipal district of the towns of Toa Alta, Toa Baja, and Dorado. Attorney Antonio Novarro Ortiz, who was a brother of the district judge of Mayaguez, P. R., Francisco Navarro Ortiz, and a member of the Union Republican Party.

Meanwhile, in Camp Buchanan and during the last days of August 1937, the police forces were trained in the use of those arms used by G-men in their fights against gangsters. Mr. Edgar K. Thompson, who was at that time at the head of the Division of Federal Investigation in Puerto Rico, and Mr. Myron E. Gurnes served as special instructors. The policemen were trained in the use of machine guns, equipped with luminous bullets which enables one to locate the enemy while aiming at him and at the same time to shoot from a place of safety, a place protected by the shadows.

Public indignation reached its highest peak with the murder of Judge Navarro Ortiz. Col. Enrique Orbeta, the insular chief of police, who planned with Winship the Ponce massacre, complained that he had "too much responsibility and too little authority," and orally resigned before Governor Winship, as reported by the press, but finally agreed to continue in his post. Now Frankenstein was turning against its masters.

On June 29, 1938, Capt. Rafael Igaravidez, while chief of police of Ponce, P. R., was killed by one of his men, Policeman Ramon Cruz Reyes. Orbeta was quoted in El Mundo as saying that the murder of Igaravidez was the result of a conspiracy plotted by the police force at Ponce. The sanguinary nature developed in the police corps under Winship's influence provoked a state of profound general unrest in the entire island.

Early this year a sergeant of police committed another crime so shocking and unbelievable that one cannot imagine how a person can be so devoid of moral principles. The case is as follows: Three youngsters were arrested at Vega Baja, P. R., on charges of stoning the father of Sgt. Juan Correa, who was serving at Barrio Obrero, Santurce. The aggressors were set free on bail after being accused of assault and battery. Several days later Sergeant Correa received a telegram at his post informing him of the death of his father. He immediately departed for Vega Baja. He went to the police station, explained the case to the policeman on duty, took him in an automobile, and went in search of the three men; and when he found them he took them to the police station. As soon as they returned, so it was reported, Correa killed the three prisoners in the presence of the chief of police in service at Vega Baja at that time, Angel Perez Segarra, who had been in charge of the machine-gun unit of nine men that gunned from the back the paraders massacred on Palm Sunday in Ponce, P. R., in 1937, as described above. The policeman who aided in the arrest was also a witness to the horrifying triple murder. Later it was learned that the medical certificate showed that the ferocious sergeant, even accepting for the sake of argument the repugnant rules of the savages, did not have any basis for this action as his father did not die as a result of the wounds inflicted upon him but of an infection.

Another incident illustrative of the cruelty of Mr. Winship's tyranny occurred on February 22, 1936, when two men were arrested for the killing of former Police Chief Francis E. Riggs. Elias Beauchamp and Hiram Rosado were brought to the police station and there shot down in cold blood by the police.

A frame-up "a la Medici" was something at which Mr. Winship would not stop. Dr. Pedro Albizu Campos, a Harvard graduate and leader of the Nationalists, together with several of his followers, were indicted under a post Civil War statute of a conspiracy to insurrect against the Government of the United States. They were framed at the Governor's palace. Mr. Rockwell Kent, famous American artist, describes what took place at a cocktail party in the Governor's palace immediately after the first trial, and I quote from his letter to Senator HENRY F. ASHURST, chairman of the Senate Judiciary Committee, dated May 21, 1939:

> I was present in San Juan during the progress of the first trial of Albizu Campos for treason, and I was a guest of Governor Winship's at a cocktail party on the terrace of his residence a few hours after the conclusion of that first trial through a disagreement of the jury. The party was a large one and the guests were mainly Americans—tourists and residents of San Juan—and upper-class Puerto Ricans. There was naturally a great deal of talk about the trial, and much of this talk centered about Judge Cooper, who had presided. The comments were heatedly pro government; and in my hearing condolences upon the miscarriage of justice were repeatedly voiced to the judge. These were received without rebuke. At that party a Puerto Rican friend of mine introduced me to a Mr. Cecil Snyder as the prosecuting attorney in the Campos case. We three withdrew for conversation to a corner of the terrace. My friend complimented Mr. Snyder upon his brilliant summing up and deplored the jury's failure to bring in a conviction. Mr. Snyder assured him that he had already received a despatch from Washington telling him to go ahead with a new trial and that the Department of Justice would back him until he did get a conviction.
>
> Mr. Snyder drew a paper from his pocket and handed it to my friend, saying "This is to be my next jury. What do you think of them?" I recall that my friend was familiar with the name and position of all but one of those listed, and that he assured Mr. Snyder that they could be counted upon for a conviction. This appeared to agree with Mr. Snyder's own knowledge. The jury of the second trial of Albizu Campos contained several men whose connections were identical with those in the list submitted to my friend by Mr. Snyder. How the prosecuting attorney could determine in advance who would compose his next jury, I don't know. I do state as fact that Mr. Snyder said, "This is to be my next jury." I have subsequently given this information all possible publicity. The defense counsel at the Ponce trials asked me to come to Ponce to testify to what I knew about Federal prejudice. I was accompanied on the plane by the Federal marshal of San Juan. He spent literally hours of the trip attempting to persuade me not to go to Ponce, not even to leave the plane at San Juan. He urged me to put myself under his protection, to stay with him at the Condado Hotel, to meet his friends, who, he said, were the people I ought to know in Puerto Rico, and to avoid association with friends of the defendants. He warned me that my life would be in danger from the moment I set foot in Puerto Rico. From the moment of my arrival in Puerto Rico I was viciously attacked in the government-controlled evening paper. Before my appearance on the witness stand, it was published that Cecil Snyder and the prosecuting attorney of Ponce, after a session together of some hours the night before, had agreed that I should not be permitted to testify. It was rumored in Puerto Rico that if I did testify, I would be immediately arrested.
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> A suggestion as to the origin of these rumors is contained in a statement attributed to Cecil Snyder and published in a recent issue of Ken. I was not permitted to testify, although the entire matter of my testimony was put into the record by the defense counsel. You will recall that the Ponce trials resulted

in the acquittal of all the defendants. As a result of these experiences my own feeling is, naturally enough, one of serious distrust of Federal law enforcement in Puerto Rico. That this distrust is felt by innumerable thousands of Puerto Ricans we know. As an American citizen deeply concerned with the well-being of American citizens of all classes and races, and particularly concerned at this time with promoting the unquestioning loyalty of all the American people to the principles of democratic government, I beg you to reflect seriously upon the reappointment of Judge Cooper and of all or any of those Federal officials in Puerto Rico whose tenure of office has been coincident with, and whose acts have presumably contributed to the growing popular distrust of our Federal Government which appears in Puerto Rico today. We have a situation there that must be changed. The wisest step would be a clean slate for a new clean start.

Sincerely yours,

ROCKWELL KENT.

The trial took place, and by a prejudiced jury, by jurors who had expressed publicly bias and hatred for the defendants, Campos and his colleagues were railroaded to jail. Mr. Speaker, these innocent men languish in Atlanta Penitentiary today because they were convicted by a fixed jury, a jury representing the economic interests of Wall Street in Puerto Rico. They did the bidding of Blanton Winship. An idea of what took place in the jury room is contained in the following letter to President Franklin Delano Roosevelt by Elmer Ellsworth, one of the jurors who convicted Campos:

DEAR MR. PRESIDENT: I understand that a petition is being submitted to you in behalf of clemency for the eight Puerto Rican Nationalist prisoners, headed by Dr. Albizu Campos, now serving terms for seditious conspiracy in Atlanta prison. As one of the jurors who convicted them, I feel it is my duty to lay before you certain facts in connection with the jury's deliberations which may enable you better to weigh the merits of their conviction. Immediately when the jury went out to deliberate I found myself to be alone among the 12 men in opposing a conviction. In the 8 hours of discussion the voluminous evidence was whittled down to four factors—one, a speech by Dr. Albizu Campos; another, a resolution of the Nationalist Party; third, an article by one of the defendants in one of the party papers; and, fourth, a leaflet, signed by two of the defendants. I finally agreed with my fellow jurors that if Trial Judge Cooper held any or all of this evidence to be in violation of law I would vote for conviction, and they, on their part, agreed that if the judge held this evidence not to constitute a conspiracy they would vote to acquit. The form of question put before the judge was agreed upon and the foreman presented it to the judge in open court. The judge expressed himself on the question in such language that I was obliged to arise in the jury box and ask him whether he meant yes or no. Confronted with the necessity for a definite answer, he finally replied in the affirmative. The jury thereupon retired and brought in a verdict in accordance with the agreement. In making this statement to you concerning the jury's deliberations, I cannot refrain from saying that my associates on the jury seemed to be motivated by strong, if not violent, prejudice against the Nationalists and were prepared to convict them, regardless of the evidence. Ten of the jurors were American residents in Puerto Rico and the two Puerto Ricans were closely associated with American business interests. It was evident from the composition of the jury that the Nationalists did not and could not get a fair trial.

Very sincerely yours,

ELMER ELLSWORTH.

This frame-up is one of the blackest pages in the history of American jurisprudence. The continuance of this incarceration is repugnant to our democratic form of government; it is repugnant to our Bill of Rights and out of harmony with our good-neighbor policy. There is no place in America for political prisoners. As long as Puerto Rico remains part of the United States, Puerto Rico must have the same freedom, the same civil liberties, and the same justice which our forefathers laid down for us. Only a complete and immediate unconditional pardon will in a very small measure right this historical wrong.

Following the conviction of the Nationalist leaders, Governor Winship had his job—controlled and corrupt legislature abolish the grand jury. Will not my colleagues be amazed to know that there is no longer any grand-jury system in Puerto Rico? It is significant to note that the grand jury had existed as an institution to investigate illegal practices of public officials and Governors. Naturally Mr. Winship did not want a grand jury. He did not want any investigation of his public officials, and particularly did he not want any investigation of himself, for he too well remembered that one of his predecessors, former Gov. E. Mont Riley, had been indicted by a grand jury. I am reasonably certain that despite the strangle hold that Winship had over law-enforcement officials in Puerto Rico, that if a grand jury had been in existence during the last year and a half, that Mr. Winship would have been indicted. I am certain that Benigno Fernandez Garcia, attorney general of Puerto Rico, would have had to act in response to the great public clamor that existed against Blanton Winship's tyrannical activities, just as he acted in the murder of Rosado and Beauchamp.

The massacres and killings which I have just described followed such massacres as occured in Rio Piedras on October 24, 1935, when four Puerto Rican Nationalist leaders were killed by the police in a closed automobile and one was badly wounded. Mr. Winship incidentally provoked the Puerto Rican people in his speeches by his insults and his intolerance. He must assume full responsibility for all acts of violence. Tyranny brings violence. Insults constitute provocation. Terror and persecution cause desperation. When we ask ourselves, "Can it happen here?" the Puerto Rican people can answer, "It has happened in Puerto Rico."

2. MISRULE IS THE TWIN BROTHER OF TYRANNY

A comparative study of the reports of the attorneys general of Puerto Rico shows that under the administration of Mr. Winship crime has increased about 50 percent. Instead of dealing with strikes in the American way, he attempted to call out the troops to suppress the dock strike, which was a peaceful strike. He deliberately sabotaged the wage-racket investigation. He was the spearhead of the conspiracy against the enforcement of the Fair Labor Standards Act in Puerto Rico. He advised employers to ignore the provisions of the law. He deliberately informed them to disregard the efforts of Dr. Robert W. Claiborne, who was Territorial representative of the Wage and Hour Division of the Department of Labor. In fact, he went so far as to try to frighten Dr. Claiborne by saying to him that he would not be responsible for his personal safety if he tried to enforce the wage and hour law. Dr. Claiborne, incidentally, has been shot at three times since Mr. Winship's threats were made. In fact, Winship went further, and on one occasion he attempted to intimidate him. As I stated above, after Winship was removed from office he exerted all efforts to have the Fair Labor Standards Act amended so that it would no longer protect the Puerto Rican workers.

He sabotaged the investigation of the racket in the legislature. In a report filed by Campos del Toro, who is the First Assistant Attorney General of Puerto Rico, with the Secretary of the Interior, Harold Ickes, on February 14, 1939, we find one of the most shocking conditions in the history of contemporary government. From this report we learn the following:

The investigation reveals that in the insular senate certain senators, employees, and officers incurred irregularities, sets of misfeasance, and law violations. As to the irregularities we may mention, among others, the following:

1. Failure to keep a register or record showing the domicile and residence of each employee working in the insular senate.
2. Conferring verbal appointments to employees to do overtime work.
3. Failure to keep a record of the overtime work done by the employees.
4. Failure to require that the interested party himself sign and check the pay roll showing his work.
5. Delivery of checks to persons other than the interested parties.
6. Submitting to the office of the auditor of Puerto Rico uncertified pay rolls.
7. Submitting to the auditor's office pay rolls lacking the signatures of the interested parties.
8. Allowing that the interested party or employee testify by himself to the pay roll showing the work done by him without any previous investigation by a higher-up officer.
9. Certifying pay rolls signed by employees in the name of others, no one person appearing to be responsible for the presentation of such pay rolls.
10. Approval of pay rolls without checking the items contained therein in connection with overtime work.
11. Appointing persons to positions for which they were not adequately qualified, thus resulting that a person was appointed as a stenographer without knowing stenography and a person was appointed as clerk without knowing how to read or write.
12. Approval of pay rolls of employees who did not attend the senate to work or who were absent from Puerto Rico or working in the P. R. R. A. or for private enterprises.

13. Appointment of persons as employees who had been convicted of public crimes and could not lawfully draw any compensation from the insular government because of their incapacity resulting from their not having been reinstated to the enjoyment of their civil rights.

The following are acts of misfeasance:

1. Appointment of persons as employees who received compensation from the government without having rendered any service therefor.

2. Payment of salaries to women employees who did not render any services to the people of Puerto Rico and unduly collected such salaries through the influence of their senator friends or other persons.

The acts of infringement or violation of the law can be condensed as follows:

1. Appointment of employees to be paid from the "incidental expenses" in violation of the provisions contained in paragraph 11 of article 34 of our organic act.

2. Appointment and payment of employees for overtime work who are not employees of the insular government, thus contravening the provisions of section 2 of the Budget Act of 1938, which authorizes the auditor to pay extra compensation at the rate of 75 cents per hour to those employees of the insular government who may be utilized as such by the insular legislature or by the committee thereof. The validity of the said legal provisions is much debatable and doubtful. In our judgment it should be eliminated from the budget act.

3. Failure to take the oath of office and allegiance to the Constitution of the United States and laws of Puerto Rico before taking possession of the office or employ, as required by act No. 93, approved May 13, 1936. In some instances, the oath was taken after we required a certified copy thereof of the secretary of the insular senate. In other cases, when we required a copy of the oath, it appeared that the oath had never been taken, although the employee had been acting as such for more than 8 months. In a specific instance, the oath was never taken, and after the employee had been out of his employ and as a result of the investigation, the employee was called to take the oath, which was made effective as of the date on which he had been appointed.

4. Employees who did not render any service for which they collected (sec. 83 of the Penal Code).

5. Employees and one senator who filed in the office of the senate false and forged pay rolls and a forged oath of office (sec. 114 of the Penal Code).

6. Employees who forged checks and appropriated for themselves the amounts thereof (sec. 413 of the Penal Code).

7. Employees who appropriated public funds for themselves without any authority (sec. 372 of the Penal Code).

In the same report we find that out of 356 employees which have been included in the pay rolls as working, the number may be figured at 100 who actually worked. The other 256 were dummies who received pay for no work at all, and in certain instances their checks were forged and the money was collected and pocketed by politicians and senators. The situation was so scandalous that Antonio Pomalles, secretary to the president of the senate, Rafael Martinez Nadal, committed suicide after he had been questioned by Campos del Toro, the assistant attorney general, who had been conducting the investigation.

All of this could not have happened without the Governor having known of it. In fact, consequently, he permitted this condition to exist. It is only natural that Mr. Winship would not punish supine legislators which had consistently done his bidding. The Governor deliberately went out of his way to hamper the Attorney General and his assistant in carrying out this investigation and prosecuting the culprits. The office of the district attorney was vacant, and for 7 months Mr. Campos del Toro demanded an appointment so that a prosecutor could take office and prosecute the guilty ones, and yet Mr. Winship never made the appointment. He did not want to prosecute his pals. The link between these racketeers and the Governor is found in the person of Leslie A. McLeod, the auditor of the island.

I have filed charges against him. All checks had to pass through his hands, and had to receive his approval, and this man who has more power than the Attorney General of the United States put his stamp of approval to this racket. He was directly responsible to the Governor. He would never have dared to overlook this corruption if he did not know that it had the benevolent approval of the Governor.

Winship's sabotage of the 500-acre law and of the little T. V. A. is well known throughout the island. Winship, the darling of the public-utility interests and the protector of the sugar barons, wanted neither a little T. V. A. nor a 500-acre law. He and his public-service commission were responsible for the racket and monopoly in public conveyance and for the desperate plight of chauffeurs.

He deliberately made appointments to the judiciary against the advice of the Attorney General and yielded to the pressure of the politicians. The courts naturally fell in complete disrepute under his regime. His political appointments to the bench caused general disregard of the courts.

A congress was held in Puerto Rico called the economic convention of Puerto Rico on March 12, 1939. It was composed of people representing all political parties, trade unions, fraternal organizations, chambers of commerce, and all forms of business and agricultural groups. In his opening address Mr. Felipe L. De Hostos, president of the Chamber of Commerce of Puerto Rico, stated that "the economy and social structure of the island was in imminent danger of disintegration."

I have recently called the President's attention to the fact that over 1,000,000 persons in Puerto Rico, an island of 1,800,000, are without work and food.

In my debate for more relief funds for Puerto Rico I pointed out the fact that 1,225,000 people were in sore need of relief. Small farmers on the island are being pushed off their land by unwarranted foreclosure proceedings brought by Mr. Ernest Gruening to collect loans made for hurricane relief, and yet, despite this despairing economic situation, Mr. Winship's regime will be known as a carnival and orgy of superextravaganza.

While the people asked for bread, parties at the Governor's palace were scandalously extravagant. While the mayor of the city of New York, a city of over 8,000,000 people, has at his disposal only one car which was purchased in the early part of 1934 and is still being used by him, this Caribbean Nero has had at his disposal five cars purchased at a price of $10,269.14, and costing the Government $4,796.93 a year for upkeep. These are the official figures given out for the year ending December 31, 1938, by his own auditor, Leslie A. McLeod.

While the people starve and the economy of the island is diminishing to the vanishing point, Mr. Winship took care of his pals and friends and the political obligations of Ernest Gruening.

Besides Winship's salary and his expenses for parties, entertainment and other carnivals for which the people of Puerto Rico paid, the following is a most amazing list of the squandering of the public's funds.

He formed a tourist bureau, which experience has taught us has brought no benefit to Puerto Rico, and the salaries alone for this tourist bureau amount to $75,000 annually. He then hired an advertising outfit by the name of Buchanan & Co., for which $60,000 annually is paid by the people of Puerto Rico. This advertising was not sufficient. He had to have more publicity. So for publicity purposes he hired Steve Hannegan, paying him an annual salary of $25,000 and expenses in the amount of $25,000. However, this was not enough publicity for Mr. Winship. He also hired a Mr. Walter Wilgus, paying him the sum of $4,800 a year. Then he needed a lobbyist. Here, however, I want to be charitable to Mr. Winship. He was forced to make the following appointment by none other than Ernest Gruening. I had defeated Mr. James J. Lanzetta for Congress. Mr. Lanzetta knew too much about Mr. Gruening's interference in my political campaign. Mr. Lanzetta had to be taken care of, and Winship appointed him, at Gruening's request, to the tune of $10,000 a year, plus $2,800 for expenses. Of course, as I said before, Mr. Lanzetta is especially qualified to be a lobbyist. His connection with the convicted Bruckner Philippine bond scandal, and Mr. Bruckner's lobbying activities make Mr. Lanzetta indeed exceptionally qualified.

Despite the fact that Mr. Winship had the Solicitor of the Department of the Interior at his disposal, the Department of Justice of Puerto Rico, as well as the Department of Justice of the United States at his disposal also, he had to hire an attorney, a pal of his, Col. William C. Rigby, at $10,000 a year salary and $2,800 for expenses. Another pal of his

also had to be taken care of, so he hired him as an attorney for $4,000 a year, by the name of Col. Hugh C. Smith. These gentlemen certainly did not perform one function that was very necessary and that was, to have told Mr. Winship to obey the Political Code of Puerto Rico, as well as the laws of the United States of America.

Then he had to have a financial and economic adviser, Mr. Manuel Domenech, at a salary of $6,000 a year and $4,000 expenses, even though there exists an insular treasurer at $6,000 a year who, under the organic act, is the Governor's financial and economic adviser. A Governor, of course, has to have secretaries—Walter Cope, secretary, at $4,800 a year. Then he had a have a private secretary, Mr. Fred Heins, at $4,000 a year.

Mr. Winship still had to have more publicity, so he has a publicity secretary, Arnaldo Meyners at $3,600 a year. Then besides the $75,000 for salaries and other incidental expenses, which are paid for the Tourist Bureau, he had to have an adviser of the Tourist Bureau, Jack Paton, who was paid $4,000 a year. Then he had to have a director of the world's fair exhibit, Mr. E. Gonzalez Geigel, at $10,000 a year. He has since resigned his post as member of the house of representatives from the district of Santurce to occupy his present $10,000-a-year position which formerly was occupied by his uncle, Fernandez Geigel, in charge of the Bureau of Commerce. When there was no world's fair to take care of his pal he had a Puerto Rican Bureau of Commerce. When the world's fair came along the Bureau of Commerce was reorganized and placed under the jurisdiction of the Puerto Rican exhibit at the world's fair.

This represents a total of direct personal patronage in the amount of $255,000 a year, saddled on the people of Puerto Rico. Many of these appointments were made in contravention of the organic act, and in certain instances without the authorization of the legislature. He knew very well how to handle the legislature. He appointed members of the legislature to other government-paid positions. In fact, he appointed some to occupy other and better positions, after having permitted these legislators to obtain these positions for themselves, using their influence as members of the legislature. This alone is in violation of the law and warranted his removal.

At some other time, and at the proper occasion, I shall give the story of nepotism in Puerto Rico, which was carried on only with the consent and approval of Mr. Winship.

In order to finance the extravaganza that I have hereinabove mentioned, this island of honest people, who have been crushed into abject wage slavery, is compelled to pay 100-percent tax on salt. Nowhere in the world has such a condition existed since the pre-Revolutionary days of the French Revolution. It has been estimated that $15,000 a month is being squeezed out of the Puerto Rican people in the form of a tax on salt. This tax was imposed by the legislature in 1937 at the request of Mr. Winship.

The cost of government today in Puerto Rico is $58,-225,000 a year, which is a record. Government costs in Puerto Rico have doubled in the past 8 years. This money is not spent for the benefit of the people. It is spent in the form I have above described. While he was throwing money away on publicity and on lame-duck congressmen and on his friends he caused the closing of school children's lunchrooms because of the lack of $35,000. This was done while he was throwing away $100,000 on the pavilion of the world's fair, paying Mr. Lanzetta's salary, Mr. Rigby's salary, and Mr. Hannegan's salary, and so forth, at a cost of over $255,000 a year. No lunches for school children but plenty of pork for politicians and politicians' pals. Only an honest auditor can tell the real story of extravagance and waste of funds. What I have given you is what I have been able to glean out of the present auditor's report, who has followed Mr. Winship's instructions implicitly and whom I now have under charges.

In my written charges to the President I pointed out how Mr. Winship had deliberately permitted the expenditure of $75,000 of the funds of the people of Puerto Rico for the drawing of plans for the graving dock at San Juan. This work was given out contrary to the organic act of Puerto Rico to a pal of Mr. Winship's, Mr. Frederick Harris. It was unnecessary to spend this $75,000, as there existed plans in the office of the Commissioner of the Interior of Puerto Rico which were similar to the plans that Mr. Harris furnished. But what did $75,000 mean to Mr. Winship as long as the tax on salt existed in Puerto Rico?

I do hope that the new Governor of Puerto Rico will read this statement of mine and will make note that irrespective of what his political views may be that plain, ordinary honesty requires an end to this saturnalia of corruption and this orgy of extravaganza which Mr. Winship foisted on the people of Puerto Rico with an iron heel. His first duty is plain. He must clean house and remove from the backs of the Puerto Rican people these parasites who are gorging themselves on the blood of the Puerto Rican workers who are compelled to pay a 100-percent tax on salt.

Even the University of Puerto Rico was not left untouched by Mr. Winship. The corruption and political racketeering in this university astounded the members of a commission appointed by the President of the United States to make a study of conditions in the university. I shall not dwell at length on their report as each member of the commission is filing his own individual report. I can now prophesy that the collective report will be to the effect that it is better to have no university at all than to have one under the present existing conditions. Is it any wonder that the satellites of Ernest Gruening and Mr. Winship, who were running the university, conferred upon Mr. Winship a degree after the President had kicked him out of office? Their turn is coming, too. Just wait until the report of the commission is made public. There are also now pending in the United States Department of Justice complaints of irregularities in the office of the Commissioner of Education of Puerto Rico.

Mr. Speaker, no matter what one's solution may be for Puerto Rico, no matter what one may advocate as a permanent status for Puerto Rico, there is one proposition over which all honest men must agree, and that is that we cannot permit corruption, graft, racketeering, nepotism, and waste of the public's money anywhere where the American flag flies. Governor Leahy must clean house. His is the responsibility. I shall watchfully wait.

Mr. Winship resisted all efforts to bring the New Deal to Puerto Rico. He was out of harmony with the spirit and objectives of the New Deal, and he persistently threw monkey wrenches into the New Deal in Puerto Rico, and in all Federal agencies that were set up to help the people of Puerto Rico. His efforts to obstruct the Puerto Rican Emergency Relief Administration are well known. Some of his speeches have been used by enemies of the New Deal as attacks upon the President and the President's policies. His appearance before the Ways and Means Committee was an old-fashioned Tory speech against the policies of Franklin Delano Roosevelt. He brazenly and shamelessly openly cavorted at public dinners with agents of General Franco in Puerto Rico. He encouraged the Spanish Fascist phalanx in Puerto Rico. Instead of stamping out the Nazi-Franco spies he let them operate wide openly in Puerto Rico. The situation was so noticeable that even Mr. Cecil Snyder, the United States attorney, has had to announce a drive on spies in Puerto Rico. A Fascist-minded general, a Nero governor, playing ball with Fascist spies who have been propagandizing the idea that Puerto Rico must be recaptured for the Franco-Spanish empire.

This, Mr. Speaker, is the record of the man who was kicked out, and who had the temerity to appeal to you to suspend the rules and amend the Fair Labor Standards Act so that the people of Puerto Rico would be perpetually chained to abysmal wage slavery.

3. SUPPRESSION AND DISTORTION OF THE NEWS OF CONDITIONS IN PUERTO RICO

Mr. Speaker, my colleagues may ask why it is that we have not learned from the press of these conditions in Puerto Rico. The answer is found in the control of the news services

to the United States by Messrs. Gruening and Winship. The two largest distributing news services are the Associated Press and the United Press. Mr. Harwood Hull represents the Associated Press and the New York Times in Puerto Rico. Mr. William O'Riley represents the United Press and the New York Herald Tribune in Puerto Rico. Both of these gentlemen are also parasites on the backs of the people of Puerto Rico, placed there by Messrs. Gruening and Winship. Mr. O'Riley has been an employee in the insular government, appointed through the Governor and his job was dependent on Mr. Winship. Mr. Harwood Hull was appointed by Mr. Gruening in the Puerto Rican Reconstruction Administration at the time that Mr. Gruening was in personal charge of the Puerto Rican Reconstruction Administration. Hence we find the most unusual situation: That the representatives of the press who send the news to the people of the United States with regard to Puerto Rico are actually on the government pay rolls, whose strings are in the hands of the two men who are considered the enemies of the people of Puerto Rico. Any news that they send must necessarily be news not offensive to either Mr. Gruening or Mr. Winship. Their jobs depend on their remaining in the good graces of Messrs. Winship and Gruening.

Whenever an incident occurred, Hull would send a report, suppressing news that was unfavorable to Mr. Gruening or to Mr. Winship. Mr. O'Riley would do the same thing. The next day or even the same day, they would send a statement from Mr. Winship. If any questions were to be asked in the States, the reporters would then call on Mr. Gruening, because of his position as director of the Division of Territories and Island Possessions of the Department of the Interior. Here again the public would receive biased and prejudiced versions from Mr. Gruening. Mr. Winship would then follow up the press statement with an official report to Mr. Gruening.

What chance have the American people had with this set-up to receive any real news about Puerto Rico? I do trust that both the Associated Press and the United Press, that both the New York Times and the New York Herald Tribune will investigate the tie-up and economic dependency of their representatives in Puerto Rico, Messrs. O'Riley and Hull, with those who have been responsible for the 5 years of tyranny in Puerto Rico.

Mr. Speaker, it is not the purpose of this statement to deal with Mr. Ernest Gruening, ex-liberal and former editor of the Nation, now repudiated by every single one of his liberal friends. However, I must say that there is only one mitigating factor in Mr. Winship's favor, and that is that since 1936 he became the tool, the veritable Charlie McCarthy and the front man for Ernest Gruening. Every commission and every omission of Mr. Winship were the detailed execution of the machinations of the behind-the-scenes manipulator, Ernest Gruening. This maker of political parties in Puerto Rico, this would-be maker of Congressmen from certain districts in the Union will be unmasked. Mr. Speaker and my colleagues, I promise you that this task will be fulfilled in the very near future.

Federal Pay Rolls Hit New High Point

EXTENSION OF REMARKS

OF

HON. GEORGE H. BENDER

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Saturday, August 5, 1939

Mr. BENDER. Mr. Speaker, the United States Civil Service Commission reports that the Federal pay roll is now at the highest point in the history of our Government. Mounting steadily ever since the advent of the New Deal administration, our Federal employees, exclusive of those working on W. P. A., P. W. A., or the military forces of the Nation, now number 925,260. This figure standing in isolation gives no fair conception of the tremendous increases which have occurred in the last 6 years. On March 4, 1933, there were 563,847 men and women at work for the United States. Within the short period of the "brain trust's" domination of national affairs, 362,413 persons have been added to the taxpayers' burden.

To gain some fair idea of the changes which have occurred, we need only remember that the additional employees added by the Roosevelt regime would be sufficient to populate the entire city of Indianapolis. Within the city of Washington itself, 120,309 Federal employees are busily at work. In 1933, there were only 66,802. The 53,507 additional workers would fill a city the size of Decatur.

Never within the history of the Nation has there been so vast a civilian-employee group employed by the Federal Government. Even during the World War, the tremendous emergency needs of our Government did not require the number of workers now laboring for the Federal overlords of our Nation. In 1918, only 117,103 men and women were at work in Washington. There are more than 3,000 men and women over and above this war-time peak within the Capital today. There are 801,756 employees working outside of Washington today. At the most critical point of the World War, there were 799,736 Federal employees scattered throughout the Nation. Yet even this figure has been passed by the fertile job creators of the New Deal.

The increase of employees has not been limited to any small group of governmental departments. In the Department of Justice, Attorney General Frank Murphy, who recently urged a billion-dollar slash in the Government's pay roll and a cut of 1,000,000 employees from Federal, State, and local governmental units, the universal tendency to increase pay rolls has manifested itself with equal force. In January, when Attorney General Murphy took his position, there were 8,918 employees on his rolls. Today there are 9,605, a 7.7 percent increase.

Yes, indeed, the new dealers know how to create jobs. They are not jobs in private industry, to be sure. They are on the public purse. But to the New Deal there seems to be no difference. To the rest of us the difference is taxingly obvious.

The Work of the Ways and Means Committee During the Past Session

EXTENSION OF REMARKS

OF

HON. ALLEN T. TREADWAY

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Saturday, August 5, 1939

Mr. TREADWAY. Mr. Speaker, looking back over the past session of Congress it becomes apparent that sanity in government is on the way back and that the Congress is gradually reasserting its legislative authority. This wholesome change has been brought about in a large measure by the militant Republican minority under the brilliant and effective leadership of my colleague from Massachusetts [Mr. MARTIN].

In the election of last fall the people expressed in no uncertain terms their dissatisfaction with New Deal failures. By increasing the Republican membership in the House from 89 to 169 they made it possible for the minority, with the assistance of a small group of Democratic Members who put country above party, to muster sufficient strength to check New Deal waste and extravagance, to remove some of the impediments which the present administration has placed in the way of recovery, and to take definite steps toward the restoration of representative government.

After 6 years of New Deal bungling with the affairs of the Nation a Republican tide has set in. As is evident from a review of events of the past session, the people have already

begun to reap the benefits of this change, which will be more complete when full responsibility for the conduct of the Government is placed in Republican hands.

The reverses the President has experienced during the past session have been the people's victories. The defeat of the spending-lending bill is in point. This measure was blocked by a solid phalanx of 146 Republican votes and 47 Democratic votes. Other examples could be cited. In these remarks, however, it is my purpose to confine myself to the legislation which came before the Ways and Means Committee, of which I am the ranking Republican member.

MEASURES CONSIDERED BY WAYS AND MEANS COMMITTEE

The committee was busily engaged all during the past session. In addition to numerous minor bills, which I shall not take time to mention, it considered the following measures of general interest:

H. R. 2762, enacting the internal-revenue title of the United States Code as absolute law (Public Law No. 1).

H. R. 3790, subjecting the salaries of State and municipal officers and employees to Federal income taxation and permitting the States to tax the incomes of Federal officers and employees (Public Law No. 32).

H. R. 5450, extending the time for filing claims for soldiers' adjusted compensation (now before President for signature).

H. R. 5482, increasing Federal grants for administration of State unemployment-insurance systems (Public Law No. 36).

H. R. 5748, removing the limitation on the amount of Federal long-term bonds that may be issued within the present authorized statutory debt of forty-five billions (Public Law No. 201).

H. R. 6466, the so-called Townsend bill (defeated in House, 96 ayes to 302 noes).

H. R. 6635, amending the Social Security Act (now before President for signature).

H. R. 6851, the revenue bill of 1939 (Public Law No. 155).

In addition to giving consideration to the foregoing matters, the committee held extensive hearings on the proposal to tax the interest on future issues of Federal, State, and municipal bonds. Action on the proposal was deferred until next session, pending further study by the Subcommittee on Internal Revenue Taxation.

Of the foregoing measures, the two most important from the standpoint of national interest were those relating to social security and taxation. In both these matters the legislation was largely for the purpose of correcting previous mistakes made by the Democratic majority. Republican criticism of administration policies was an outstanding factor in bringing about the changes made.

SOCIAL-SECURITY REVISION

The revision of the Social Security Act was by all odds the greatest task that the Ways and Means Committee has undertaken since the original act was passed in 1935. The committee began hearings on this measure on February 1, and they lasted until April 7. The printed hearings cover three volumes aggregating 2,600 pages and include considerable testimony on the Townsend and general-welfare bills (H. R. 2 and H. R. 11).

Following more than 2 months of hearings, the committee sat for 2 additional months in executive session preparing the bill, which was reported to the House on June 2. Prior to reporting the bill, the committee reported the revised Townsend bill (H. R. 6466) to the House without recommendation, so as to give the membership an opportunity to vote on this measure before the social-security bill was called up.

The social-security bill passed the House on June 10 with only two dissenting votes. It was reported to the Senate on July 7 and passed that body on July 13. Then followed a protracted conference lasting 21 days, during which time House and Senate conferees sought to adjust differences between the two bodies. A compromise was finally reached on Friday, August 4, the day before Congress was scheduled to adjourn. The principal point of disagreement between the two Houses was over the so-called Connally amendment, which the Senate had adopted, which provided for 2-to-1 matching by the Federal Government with respect to the first $15 of old-age pensions provided under State law, and 50-50 matching on amounts over $15 and up to $40. This same amendment had previously been overwhelmingly rejected by the House.

Another amendment over which there was considerable controversy was the Senate amendment striking from the bill the so-called Massachusetts plan for permitting States which had adequate unemployment reserves to reduce their unemployment tax. The conference agreement resulted in the elimination of both the Connally amendment and the Massachusetts plan. I was personally very much opposed to the Connally amendment, and therefore heartily concur in this action, but I regret exceedingly that some compromise on the Massachusetts plan could not have been reached so that States like Massachusetts, which are exacting from employers much more in pay-roll taxes than is necessary to pay unemployment benefits, could reduce their taxes. I am in hopes that at the next session some acceptable plan can be worked out. Of course, the existing law provides a method whereby individual employers within a State, if they have good employment records, may secure a reduced rate; but the Massachusetts plan would have extended the same benefits to all employers within a State where the State as a whole had a good employment record.

Following is a brief summary of the principal provisions of the bill as passed by Congress and sent to the President for signature:

Old-age pensions

1. Present 50-50 matching of State funds continued, with increase in maximum Federal contribution to $20 per month per person instead of $15, making possible a pension of $40 if States contribute a like amount.

2. States required to select administrative personnel on merit basis.

Old-age insurance

1. Pay-roll taxes frozen at 1 percent for next 3 years, instead of increasing to 1½ percent next year, thereby saving employers and workers $275,000,000 annually during 1940, 1941, and 1942, or a total of $825,000,000 in that 3-year period.

2. Mythical $47,000,000,000 reserve fund abandoned in favor of a moderate contingent reserve.

3. Scope of old-age insurance provisions extended to cover bank employees and seamen.

4. Definition of exempt agricultural services broadened and exemption granted to employees of nonprofit organizations (lodges, chambers of commerce, and so forth) in cases where their compensation does not exceed $45 per quarter. Complete exemption granted to student employees of college fraternities.

5. Date for beginning payment of monthly retirement benefits advanced to January 1, 1940, and required coverage reduced from 5 years to 3 years.

6. Schedule of monthly retirement benefits liberalized in the case of workers retiring during the next few years.

7. Old-age insurance benefits provided for aged wives of retired workers, and for aged widows, dependent children, and aged dependent parents (if no widow or dependent child survives) of deceased workers.

8. Workers permitted to continue tax payments after reaching 65 so as to qualify for monthly retirement benefits or build up increased benefits.

Unemployment insurance

1. Federal pay-roll tax for unemployment insurance limited to first $3,000 of each employee's annual wage, instead of total wage as at present.

2. Definition of exempt agricultural services broadened, and exemption granted to employees of nonprofit organizations—lodges, chambers of commerce, and so forth—in cases where their compensation does not exceed $45 per quarter. It is also made clear that such officers and employees will not be counted in determining whether the employer has eight or more persons in his employ. Complete exemption is granted to student employees of college fraternities.

3. Scope of unemployment insurance provisions extended to cover bank employees.

4. Ninety percent penalty waived for taxable years 1936, 1937, and 1938 where employer failed to pay his State unemployment-insurance tax in time to receive a credit against his Federal unemployment tax.

Dependent children

1. Federal assistance increased from one-third to one-half of amount paid out by States for aid to dependent children.

2. States required to select administrative personnel on merit basis.

Maternal and child welfare

1. Federal grants increased.

2. States required to select administrative personnel on merit basis.

Vocational rehabilitation

Federal appropriations increased to $3,500,000 annually.

Public health services

Federal appropriations increased to $11,000,000 annually.

VIEWS OF THE REPUBLICAN MINORITY ON SOCIAL-SECURITY BILL

The following extracts from the supplemental views of the Republican minority of the Ways and Means Committee on the social-security bill explain our position with reference to the bill in general and certain of its provisions.

At the outset of our report we stated:

While the bill in no sense represents a complete or satisfactory solution of the problem of social security, it at least makes certain improvements in the present law (some of which we have ourselves heretofore suggested) which we believe justify us in supporting it despite its defects.

With reference to the elimination of the $47,000,000,000 reserve, for which we believe ourselves entitled to considerable credit, we said:

We particularly commend the abandonment of the staggering and illusory $47,000,000,000 reserve fund for old-age insurance, which we have criticized from the very beginning as being unnecessary, misleading, and dangerous. The substitution of a pay-as-you-go system, with a moderate contingent reserve, as provided by the bill, is in line with what the Republican minority has always advocated. It is in accord with the Republican platform of 1936, and with the recommendations made in January 1937 by the minority group which was named by the Republicans of both branches of Congress to study the question of social security, composed of Senators VANDENBERG and TOWNSEND, and Congressman REED of New York and JENKINS. The recommendations of the latter group led to the appointment by the Senate Finance Committee and the Social Security Board of the Advisory Council on Social Security, which in December 1938 submitted a report suggesting many of the changes made by the pending bill, including the establishment of the pay-as-you-go policy. Those serving on the Advisory Council included outstanding businessmen, labor leaders, and experts in the field of social problems.

Republicans in both branches may deservedly be proud of the part they have played in calling to the attention of the country the dangers and burdens inherent in the present reserve structure, and in bringing about the changes proposed. The action taken by the committee is an acknowledgment of the soundness of the major Republican criticism of the existing law.

Concerning the freezing of the pay-roll tax at 1 percent, we said:

As a consequence of the abandonment of the $47,000,000,000 reserve fund, a 3-year delay in the scheduled increase in the old-age insurance pay-roll tax has been made possible. Under existing law, the tax under title VIII would automatically increase next year to 1½ percent each on employers and employees instead of 1 percent on each as at present. Under the pending bill, the 1-percent rate will be continued for 3 more years, thus eliminating the immediate threat of higher pay-roll taxes.

There is no question but what the present schedule of pay-roll taxes is excessive and that these taxes constitute a powerful deterrent to business recovery. They put a direct penalty on employment and reduce the purchasing power of millions upon millions of employed persons. We heartily approve the reduction proposed by the bill, which will result in considerable relief to business and at the same time permit employed persons to retain for their own purposes a larger portion of their pay envelopes. The postponement of the scheduled increase in the pay-roll tax was one of the principal recommendations made in January 1937 by the Republican group to which we have previously referred. It, of course, was an essential feature of the pay-as-you-go policy advocated by the Republican Members of both branches.

It is estimated that as a result of the postponement of the tax increase, there will be a saving to employers and employees of $275,000,000 annually, or a total of $825,000,000 over the 3-year period 1940–42. This amount will go into the channels of trade instead of into the Treasury to be squandered by the present administration.

The following comment is made on the advancement of the date of beginning monthly benefit payments to 1940:

Insofar as the workers themselves are concerned, the bill proposes to reduce the eligibility requirement from 5 to 3 years coverage under the system, and to commence the payment of benefits in 1940 instead of 1942. This change has been advocated by the Republican minority for several years. In fact, the report made by the minority group in January 1937, to which we have already called attention, proposed that payments begin on January 1, 1939.

The amendment waiving the 90-percent penalty in the case of employers who failed to pay their State unemployment tax in time was offered by a Republican member of the committee, the gentleman from Kansas [Mr. CARLSON]. This amendment will result in a saving to taxpayers of $15,000,000 for the taxable years 1936, 1937, and 1938.

Concerning the increase in the Federal grant for old-age pensions, we of the Republican minority stated in our report:

When the original Social Security Act was under consideration in 1935, the Republican minority offered a motion to increase the Federal contribution to a maximum of $20, which, with a like contribution by the State, would have provided a pension of $40 per month. This motion was defeated, due to the opposition of the Democratic majority.

The committee, by its action in incorporating such an amendment in the pending bill, has agreed that the change we then proposed is desirable.

Our purpose in offering the original motion was that we considered a pension of $30 per month to be inadequate. Unfortunately, the States have not provided anything approaching even this amount on the average, despite the willingness of the Federal Government to contribute one-half the total. As of March 15, 1939, according to figures submitted by the Social Security Board, the average pension being paid throughout the country was only $19.51. The average payment by States ranged from a low of $6.11 in Arkansas to a high of $32.47 in California.

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Of course, until the States take action to increase the amount of their old-age pension payments, no benefit to elderly persons will result from the more liberal Federal contribution which the bill provides. However, we hope that this evidence of a willingness on the part of the Federal Government to do its share in bringing about an increase in old-age pensions will give rise to action by the States along this line. The responsibility is now theirs to see that more adequate pensions are provided.

The increased amount provided in the House bill for vocational rehabilitation was included as a result of the strong plea made by one of the Republican members of the committee, the gentleman from New York [Mr. REED], who has had a great deal to do with this legislation since its inception, which dates back many years prior to the general social-security program.

Social security is not a partisan question. It has received as much support from Republicans as from Democrats. We of the Republican minority, in criticizing the present law, have done so as friends of the law anxious to build it upon a sound foundation and to extend and liberalize its benefits, keeping in mind not only the needs of the people but their capacity to underwrite its tremendous cost.

THE REVENUE BILL OF 1939

The revenue bill of 1939, insofar as it modified existing taxes which act as business deterrents, represents another victory for the Republican minority and another retreat by the New Deal. As we Republican members of the Ways and Means Committee said in our report on the bill:

We of the minority have vigorously and consistently opposed the restrictive and burdensome taxes of the present administration, which reached their peak with the enactment in 1936 of the iniquitous undistributed-profits tax, which even the Treasury Department now admits was a mistake. Our predictions as to the disastrous effects this law would have upon business, upon employment, and upon recovery were accurately prophetic. In 1938 the New Deal was forced to drastically modify this unsound and destructive levy, but for strictly face-saving purposes a fragment of the principle was retained for 2 more years, which under existing law expires this coming December 31.

A further modification of administration tax policies is now under way and we of the Republican minority are happy to see that our constructive criticisms are gradually bringing results. Much work remains to be done. The pending bill leaves many glaring defects and iniquities in the existing tax structure.

Numerous business deterrents remain to be remedied. There is need for a thoroughgoing revision of the tax structure all along the line, and it has been too long postponed.

The 1939 revenue bill embraced two separate and distinct subjects, namely, first, continuation of the expiring nuisance taxes, and, second, tax relief for business. We of the Republican minority favored the proposed tax relief so far as it went, but would have made it effective in 1939 instead of postponing it until 1940. We were opposed, however, to any further continuation of the nuisance taxes, which were originally imposed 7 years ago with the promise that they would be allowed to expire in 1934.

By way of business relief, the 1939 tax bill contains the following major provisions:

1. Allows the present undistributed-profits tax to expire at the end of 1939 and substitutes, beginning January 1, 1940, a flat corporate income tax of 18 percent on corporations with net incomes over $25,000. Smaller corporations will continue to be taxed as under existing law—at graduated rates ranging from 12½ to 16 percent.

2. Allows business concerns to carry forward net operating losses to be applied against taxable incomes in the 2 succeeding years. Losses for 1939 are the first that may be carried forward under this provision.

3. Repeals the $2,000 limitation on the amount of long-term capital net losses which corporations can deduct from ordinary income. Short-term capital losses—losses on capital assets held for less than 18 months—will be allowed as deductions only against short-term gains, but any net short-term loss may be carried forward one year to be applied against any short-term gains in the second year.

4. Allows corporations which are proven to be in an unsound financial condition to buy up their outstanding bonds at prices below par without incurring liability for tax on the gain. This provision expires December 31, 1942.

5. Extends to all corporations the privilege of using the "last in, first out" method of accounting in valuing inventories for tax purposes.

6. Allows corporations the privilege of making a new declaration of value of their capital stock for capital-stock tax purposes, provided the new value is increased. This privilege applies to the years ending June 30, 1939 and 1940. The purpose is to give corporations an opportunity to relieve themselves of a high excess-profits tax by reason of having declared too low a value on their capital stock. Under existing law the privilege of making a new declaration of value is limited to 3-year intervals.

7. Extends the time for filing claims for refund of amounts collected under the Agricultural Adjustment Act. A similar extension affecting claims for refund of floor-stock taxes was included as a Senate amendment to the social-security bill and was retained in the bill as finally passed.

With respect to item 2 above, relating to the net loss carry-over, Republican criticism was instrumental in forcing its extension to individuals and partnerships after the Democratic majority of the Ways and Means Committee had first limited its application to corporations alone. The following extract from the minority views on the bill refers to this matter:

The bill as introduced on June 15 was in the form recommended by the tax subcommittee, and denied the benefit of the loss carry-over provisions to businesses carried on by individuals and partnerships.

Republican members of the tax subcommittee endeavored to have these provisions extended to noncorporate business, but our efforts were defeated.

However, in reporting the bill to the House the following day, the full Ways and Means Committee, after a party caucus on the part of the Democratic members, unanimously voted to adopt in substance the amendment originally suggested by the Republican members of the tax subcommittee. We of the minority congratulate the majority in having so quickly seen the light.

To have given this relief to corporations and denied it to businesses operated by individuals and partnerships would have been indefensible and a rank injustice. The small, noncorporate business concerns are perhaps more in need of the relief proposed than many of the large corporations whom the Democratic majority on the subcommittee at first seemed to favor.

Had the amendment not been adopted by the full Ways and Means Committee, we of the minority would have offered it from the floor. By reason of the action taken, it will now be offered as a committee amendment, and we propose to support it enthusiastically.

When the bill was before the House, Republican members of the Ways and Means Committee proposed to amend it in three particulars:

(1) Strike out title I, relating to continuance of the nuisance taxes and the 3-cent postage rate.

(2) Make the repeal of the undistributed-profits tax and the substitution of a flat corporate income tax effective January 1, 1939, instead of January 1, 1940.

(3) Make the net loss carry-over provision applicable to 1938 losses so that they might be offset against 1939 income.

These amendments were all opposed by the Democratic majority and as a consequence were defeated.

Concerning the deferment of the tax relief proposed in the bill, the Republican members of the Ways and Means Committee had this to say in their minority report on the bill:

As stated at the outset, we are in favor of the tax-relief provisions of the bill so far as they go—which is not far enough in our opinion—but we believe that the proposed relief should be given now, and not held off until next year.

We challenge the Democratic majority to offer any valid and compelling reason for the postponement of the effective date of several of the major relief proposals.

Just as it is no solace to a drowning man to assure him that he will be thrown a life preserver tomorrow, so the prospect of future tax changes is no relief from present-day burdens and restrictions.

Since existing tax methods are acknowledged—even by the Treasury Department—to be business deterrents, it follows that any delay in modifying them acts to defer and impede recovery, which under this administration the country has long sought but never achieved.

During the past 6 years, the New Deal has not hesitated to make tax increases effective as of the first of the year in which the respective revenue measures have been enacted, and we of the Republican minority cannot see how the Democratic majority can consistently refuse to make tax relief currently effective, especially when no loss of revenue is involved.

With their effective date postponed until next year, certain of the tax-relief proposals are little more than a gesture. If they are not to go into operation at once, then why all the rush to write them into law? We of the minority particularly feel that the repeal of the undistributed-profits tax and the provision for carry-over of net business losses should apply to this year's corporate incomes.

THE NEED FOR A THOROUGH OVERHAULING OF THE FEDERAL TAX STRUCTURE

In every year since the New Deal has been in power we have had a revision of taxes, and this in no small measure has contributed to business uncertainty. During this time, the method of taxing corporations has been changed several times. In 1934 and prior years, corporations paid a flat income tax. In 1935, as a part of the President's "share the wealth" tax program, there was enacted for the first time a graduated corporate income tax. Before this tax method had a chance to become operative, the President proposed a revolutionary change in the method of taxing corporations—namely, the imposition of the iniquitous undistributed-profits tax. As finally enacted, this was levied in conjunction with a graduated corporate income tax. Two years later Congress was forced to drastically modify this tax. It was entirely repealed with respect to small corporations, who were taxed at graduated rates on their net incomes, while large corporations were made subject to a graduated tax of from 16½ to 19 percent, depending upon their dividend distribution. As a result of this year's tax revision, large corporations next year will be subject to a flat corporate income tax, while small corporations will continue to be taxed at graduated rates. In view of all these changes in the method of taxing corporations it is no wonder that businessmen look to the future with fear and uncertainty.

Not only have there been frequent changes in tax policy, but there has been little regard for the effect of certain tax methods and excessive rates on business and on the revenues. In some instances, rates have gone beyond the point of diminishing returns. Even the Secretary of the Treasury was forced to concede this during his appearance before the

Ways and Means Committee in connection with the 1939 tax bill.

The Republican Members of the Ways and Means Committee, in their minority views on this bill, made the following recommendation:

We favor an interim study of the whole tax question so that at the next session of Congress a more satisfactory Federal revenue system may be set up without further delay.

In the closing days of Congress a resolution was adopted by the House authorizing the Tax Subcommittee of the Ways and Means Committee to conduct an investigation of the Federal tax structure during the interim between sessions. It is to be earnestly hoped that the subcommittee will do a thorough job.

For the last two sessions I have had pending before the committee a bill to create a Federal Tax Commission for this purpose, to be composed of four Members of Congress—two from each body—and six members representing various groups interested in the tax problem—business and industry, agriculture, labor, individual taxpayers and consumers, tax lawyers and accountants, and tax economists. It is my firm belief that Congress should give these groups more opportunity to participate in the discussion and working out of the tax problem. My criticism of congressional and Treasury tax investigations is that they do not give sufficient consideration to the taxpayer's viewpoint. Being responsible for the existing laws, congressional and Treasury investigators are prone to defend them from all attacks and to overlook or ignore their defects.

During the testimony of Secretary Morgenthau before the Ways and Means Committee this past session, I called his attention to my bill for the creation of a Federal Tax Commission, and while I did not endeavor to obtain his approval of the set-up of the committee I proposed, I did obtain from him 100 percent approval of the declaration of policy contained in the bill. Following are extracts from the hearings on the 1939 revenue bill embracing my colloquy with the Secretary regarding these principles:

Mr. TREADWAY. In view of the fact that you suggest the creation of a small commission, don't you think that there are serious questions involved in the whole tax picture that would deserve an investigation by a nonpartisan commission?

Secretary MORGENTHAU. Well, Mr. TREADWAY, I made this suggestion in order to raise a question which I think is a very important one. And just how Congress, in its wisdom, will handle it, naturally I will leave to them. But ever since I have been in the Treasury I have felt that this question of overlapping taxes is one of the important ones, and I take the liberty of bringing this to the attention of Congress so that you really might do something about it.

Mr. TREADWAY. Well, the modesty of Mr. JENKINS leads me to exhibit a similar modesty, but I call your attention to a measure which I introduced in two Congresses. In the last Congress I introduced a resolution, and repeated it in the Seventy-sixth Congress, extending this Commission's study on a broader scale than what you are suggesting here. Therefore, I would like to ask that House Joint Resolution 35 of the Seventy-sixth Congress also be given the attention of your experts, wherein it is stated:

"It is hereby declared to be the policy of the Congress—

"(1) To establish a stable, more permanent Federal tax policy."

You would agree that that is desirable, would you not?

Secretary MORGENTHAU. Yes.

Mr. TREADWAY. Then, in the second place—

"To raise the necessary revenue for the support of the Government with the least possible burden on individual taxpayers and business enterprises."

I take it this very statement you are making to us this morning is along that very line, is it not?

Secretary MORGENTHAU. I think both aims are laudable.

Mr. TREADWAY. Thank you. Then—

"(3) To give due regard to the natural economic law of diminishing returns in fixing tax rates."

You would approve of that, would you not?

Secretary MORGENTHAU. Yes.

Mr. TREADWAY (reading):

"(4) To base Federal taxes, insofar as may be practicable and expedient, upon the principle of ability to pay."

That is a good policy of the Government, is it not?

Secretary MORGENTHAU. Excellent.

The CHAIRMAN. It sounds like the Democratic platform.

Mr. KNUTSON. It does sound like it, but Mr. TREADWAY wants to carry it into effect.

Mr. TREADWAY. Then—

"(5) To eliminate insofar as may be possible indirect and hidden taxes."

Is there anything worse in our whole tax program than hidden taxes?

Secretary MORGENTHAU. I think we can agree on that.

Mr. TREADWAY (reading):

"(6) To simplify the Federal tax system, including the forms of taxation, the statement of the law, and the methods of administration."

Those are all laudable purposes, are they not?

Secretary MORGENTHAU. Very.

Mr. TREADWAY (reading):

"(7) To alleviate hardships and inequities in the application and administration of the internal-revenue laws."

That is a good doctrine?

Secretary MORGENTHAU. Yes.

Mr. TREADWAY (reading):

"(8) To minimize double taxation by coordinating the Federal tax system with those of the State and local governments."

That is exactly what you are recommending, is it not, in this small board you recommend setting up?

Secretary MORGENTHAU. Yes, sir.

Mr. TREADWAY. So that you approve of that?

Secretary MORGENTHAU. Yes, sir.

Mr. TREADWAY (reading):

"(9) To prevent tax avoidance."

That is the objective of all of us?

Secretary MORGENTHAU. It is.

Mr. TREADWAY. And—

"(10) To make such other changes as will improve the Federal internal-revenue system."

Secretary MORGENTHAU. Fine.

Mr. TREADWAY. Those are the declarations of policy. Then this modest bill of mine, timidly offered for your comment at this time, goes on to set up a Commission composed of two members of the Senate Finance Committee, two members of the Ways and Means Committee, and six members, none of whom hold any office in the Government of the United States or are engaged in activities of any political party, to be chosen by the President.

Secretary MORGENTHAU. Very good.

Mr. TREADWAY. That is a good board, isn't it?

Secretary MORGENTHAU. It sounds very good to me.

Mr. TREADWAY. Then, so far as I can see—the rest of it is more or less detail, method of procedure, and so on—so far as I can gather from your responses to my inquiries, you and I are in hearty accord as to the desirability of setting up such a nonpartisan commission.

Secretary MORGENTHAU. If I again might answer, it seems that you and Mr. JENKINS, the President, and I are all in accord.

Mr. TREADWAY. It looks very like it, and I am very glad to have you come around to our way of thinking.

Mr. Chairman, I would like to ask that my resolution be inserted in the record at this point.

The CHAIRMAN. That may be done.

House Joint Resolution 35, introduced by Mr. TREADWAY, is as follows:

"[H. J. Res. 35, 76th Cong., 1st sess.]

"Joint resolution establishing a Federal Tax Commission, and for other purposes

"Resolved, etc., That it is hereby declared to be the policy of Congress—

"(1) To establish a stable, more permanent Federal tax policy;

"(2) To raise the necessary revenue for the support of the Government with the least possible burden on individual taxpayers and business enterprises;

"(3) To give due regard to the natural economic law of diminishing returns in fixing tax rates;

"(4) To base Federal taxes, insofar as may be practicable and expedient, upon the principle of ability to pay;

"(5) To eliminate insofar as may be possible indirect and hidden taxes;

"(6) To simplify the Federal tax system, including the forms of taxation, the statement of the law, and the methods of administration;

"(7) To alleviate hardships and inequities in the application and administration of the internal-revenue laws;

"(8) To minimize double taxation by coordinating the Federal tax system with those of the State and local governments;

"(9) To prevent tax evasion and avoidance; and

"(10) To make such other changes as will improve the Federal internal-revenue system.

"SEC. 2. There is hereby established a Federal Tax Commission (hereinafter referred to as the "Commission"), to be composed of 10 members, as follows:

"(1) Two members who are members of the Committee on Finance of the Senate, one from the majority and one from the minority party, to be chosen by such committee;

"(2) Two members who are members of the Committee on Ways and Means of the House of Representatives, one from the majority and one from the minority party, to be chosen by such committee;

"(3) Six members (none of whom holds any office in the Government of the United States or is engaged in the activities of any political party) to be chosen by the President, by and with the advice and consent of the Senate, one of whom shall be representative of agriculture, one of labor, one of business and industry, one of individual taxpayers and consumers, one of tax lawyers and accountants, and one of tax economists.

"SEC. 3. It shall be the duty of the Commission—

"(1) To make such investigations as it may deem necessary or advisable in order to carry out the purposes of this resolution;

"(2) To publish from time to time, for public examination and analysis, proposed measures for carrying out the policy of Congress herein expressed; and

"(3) To report to the Congress from time to time, and in any event not later than January 3, 1942, the results of its investigations, together with such recommendations as it may have to make.

"SEC. 4. (a) The Commission shall meet and organize as soon as practicable after at least a majority of the members have been chosen, and shall elect a chairman and a vice chaiman from among its members, and shall have power to appoint and fix the compensation of a secretary and such experts and clerical, stenographic, and other assistants as it deems advisable. A vacancy in the Commission shall not affect the power of the remaining members to execute the functions of the Commission, and shall be filled in the same manner as the original selection.

"(b) The Commission is authorized to hold hearings and to sit and act at such places and times, to require by subpena or otherwise the attendance of such witnesses and the production of such books, papers, and documents, to administer such oaths, to take such testimony, to have such printing and binding done, and to make such expenditures, as it deems advisable. The cost of stenographic services in reporting such hearings shall not be in excess of 25 cents per hundred words. Subpenas for witnesses shall be issued under the signature of the chairman or vice chairman.

"(c) The Commission is authorized to utilize the services, information, facilities, and personnel of the departments and agencies in the executive branch of the Government, of the Joint Congressional Committee on Internal Revenue Taxation, and of the office of the Legislative Counsel.

"(d) The Commission shall have the same right to obtain data and to inspect returns as the Committee on Ways and Means of the House of Representatives or the Committee on Finance of the Senate, and to submit any relevant or useful information thus obtained to the Congress.

"(e) The members of the Commission shall serve without compensation for such service, but they shall be reimbursed for travel, subsistence, and other necessary expenses incurred by them in the performance of the duties vested in the Commission.

"(f) There is hereby authorized to be appropriated so much as may be necessary to carry out the purposes of this resolution. Amounts appropriated for the expenses of the Commission shall be disbursed by the Division of Disbursement, Treasury Department, upon vouchers approved by the chairman or vice chairman.

"(g) All authority conferred by this resolution shall terminate on the expiration of 3 years from the enactment of this resolution."

* * * * * * *

Mr. TREADWAY. Just one further reference, if I may, Mr. Secretary. May I ask that House Joint Resolution 35, which we discussed earlier, be given consideration by your Department?

Secretary MORGENTHAU. We will be very glad to give it consideration.

Mr. TREADWAY. And a report made to the committee.

Secretary MORGENTHAU. Delighted.

CONCLUSION

Mr. Speaker, it is the duty of the Ways and Means Committee to prepare legislation which will raise sufficient revenue to carry on the Government. Since this administration has been in power, it has not made one single effort to balance revenues with expenditures. The last time any serious effort was made to balance the Budget was in 1932, when a billion-dollar tax bill was passed. While in enacting that bill Congress did not succeed in raising the required revenue, it at least made an honest and sincere effort in that direction. Although we have had revenue bills in every succeeding year, in not one instance has any effort been made to balance the Budget, despite all the promises made during the 1932 campaign.

It is true that the task of the Ways and Means Committee in raising sufficient revenue has been made difficult, if not impossible, by the ever-increasing cost of government under the New Deal. In the fiscal year which closed last June 30, there was a Treasury deficit of three and a half billions, exclusive of statutory debt retirements. In just the first month of the current fiscal year—July—there was an excess of expenditures over receipts of $500,000,000.

If the only task of the Ways and Means Committee were to raise sufficient revenue to offset the July deficit, it would find difficulty in raising even this amount. It could probably be done by means of a general manufacturers sales tax, such as was proposed by the Ways and Means Committee in 1932, but the sales tax field now has been largely preempted by the States. There has been considerable talk of broadening the base of the income tax, but if the exemption for single persons were lowered to $800 and that of married persons to $2,000 the net increased revenue would be only $56,400,000, according to recent Treasury estimates, and most of this increase would come from taxpayers in the higher brackets by reason of increasing their taxable income by the amount of the reduction of the exemption. An additional $68,000,000 could be obtained by increasing the normal tax from 4 percent to 5 percent, and the Treasury estimates that if this were done in conjunction with the lowering of the exemptions the combined increase from these two sources would be $135,600,000.

Some additional revenue could be obtained by increasing the surtaxes in the middle brackets, but again the amount realized would be small in comparison with that needed. There is no use even considering increasing the surtaxes in the highest brackets, because we are already taking as much as 79 cents out of every dollar of net income in these brackets, and even if we confiscated the entire income the increased revenue would be very small. The Treasury strongly feels that the surtax rates in the highest brackets have passed the point of diminishing returns, and that more revenue could be realized if they were lowered.

With this picture in mind, it can be seen how difficult it is to raise additional revenue in a substantial amount. There is, of course, an alternative—one that I have been preaching for years—namely, reduction of expenditures. It is absolutely impossible to raise sufficient taxes to balance the Budget at a level of nine or ten billion dollars without crushing the taxpayer.

We have now had 9 successive years of staggering deficits, and we are just entering upon the tenth year with every reason to believe that we will have another deficit as large, if not larger, than last year, especially in view of the thirteen billions of expenditures authorized by the Congress just adjourning. Six years ago last March, the President said that, in view of our unbalanced Budget, we were on the road to national bankruptcy. Today we are much farther along that road—$20,000,000,000 farther—and we are traveling at a greatly accelerated pace. When Mr. Roosevelt took office on March 4, 1933, the national debt stood at $20,937,000,000. On July 31, 1939, it stood at $40,661,000,000, and by the end of the current fiscal year it will undoubtedly reach the present authorized statutory debt limit of forty-five billions.

It is time for those who love their country to act, or else we are destined to plunge into ruinous inflation or debt repudiation. The Republican minority in Congress has made a gallant effort to hold down expenditures. A small group of patriotic Democrats has done likewise. In the next session there will have to be a drastic program of economy if the credit of the Nation is to be saved. Before the people should be called upon to pay additional taxes, they should be assured that the administration in power is making every effort to eliminate waste and extravagance. The people will pay until it hurts to save their country's credit, but they will not stand for increased taxes simply to continue to fill the pockets of New Deal spendthrifts.

Soviet Russia at the World's Fair

EXTENSION OF REMARKS

OF

HON. GEORGE H. BENDER

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Saturday, August 5, 1939

Mr. BENDER. Mr. Speaker, millions of Russia's poverty-stricken would gasp in amazement and indignation if their Government would pay the expenses of their trip to New York to witness the world's fair, for there they would see one of the most extravagant displays ever created, designed to impress the visitor with the successful functioning of the

Union of Soviet Socialist Republics. To the gullible, this dazzling demonstration is no less impressive than the huge gatherings created and directed by Hitler's Ministry of Propaganda.

Yet both leave unspoken the truth which they seek to suppress. In the exhibit of the Soviet there is no altar of freedom. There is no spot of ground dedicated to freedom of speech, freedom of religion, freedom of thought. There are no portals through which may enter the man who dares to doubt; nor are there shelves of books written by those who urged their fellow men to change the society in which they live.

There is danger in the peculiar appeals which the subtle propagandists of communism and fascism make to the minds of men. Each presents a system in which the daily necessities of life have become matters of routine. In the Nazi state, those who can find no employment elsewhere are absorbed into the business of manufacturing munitions and weapons. In the Soviets of Russia they are drafted into the production of goods for a nation which is generations behind the rest of the world in its ability to feed, clothe, and shelter its vast population. Of course, there is work enough for all in both these regimentations. Each operates under an "emergency" program. Each insists upon mobilizing its men and women into an unthinking army, trained to fight and to work but never to think for themselves.

Overnight, we in America could do what they have done—and solve all our problems. But theirs is not the American way. We choose, in our Nation, to view our people as men and women of independent minds, strong in body and soul, far above the level of the beast. We do not feed them upon futile hatreds, nor inspire them with animal lusts, to further our own aggrandizement.

There are strange contradictions in the spectacle of the Soviet exhibit at the world's fair. To make men free, Russia has mimicked the mechanical wonders of the Occidental world. She has copied our machines, duplicated our inventions. And having done today what we learned to do long ago, she claims to be great. Yet our greatest achievement, the freeing of men's minds, she steadfastly refuses to follow. She is still in the days of the czars, and her exhibit at the world's fair is a snare and an illusion to those who dream of mankind in terms of human progress.

Jurisdiction in the Marginal Seas

EXTENSION OF REMARKS

OF

HON. ANTHONY J. DIMOND

DELEGATE FROM ALASKA

IN THE HOUSE OF REPRESENTATIVES

Saturday, August 5, 1939

Mr. DIMOND. Mr. Speaker, during the session of yesterday the House considered and passed the bill (H. R. 7235) to prohibit the maintenance of gambling establishments within the admiralty and martime jurisdiction of the United States, and for other purposes.

It appears from the bill and from the debate which took place at the time it was under consideration in the House that four gambling ships are anchored a little more than 3 miles from the coast of California in the vicinity of the city of Los Angeles; that about 100 motorboats journey to and from these ships from the wharf at Santa Monica each day; that the gamblers in control of these ships hire the motorboats to convey patrons to the ships and no charge is made for such service; that the ships are maintained solely for gambling purposes; that they fly the American flag and are operated by four corporations incorporated under the laws of the State of Nevada; that as many as 6,000 persons, on occasion, visit each ship within a single day, or a total of more than 24,000 for the 4 ships.

It further appears that the State of California has heretofore passed a statute denouncing as a criminal offense the operation of the small boats which ply between Santa Monica and the gambling ships, but that the Supreme Court of the State of California has declared that statute unconstitutional because the ultimate destination of the small boats is beyond the 3-mile limit, and therefore outside the jurisdiction of the State.

The bill provides that whoever, on any waters within the admiralty and maritime jurisdiction of the United States and out of the jurisdiction of any particular State, or upon the high seas on board any vessel used principally for a violation of any provision of the bill, and belonging in whole or in part to the United States or any citizen thereof, or any corporation created by or under the law of the United States, or of any State, or Territory, or district thereof, shall set up or operate any common gaming or gambling establishment for the purpose of gaming or gambling or playing any game of chance for money or other thing of value, or whoever shall in pursuance of any such gambling enterprise, permit any person to bet or play at any such establishment, shall be punished by imprisonment for a term of not more than 2 years or of a fine not exceeding $10,000, or both. Section 2 of the bill makes unlawful the operation or use of any vessel for the carriage or transportation of any passengers for hire or otherwise between any point or place within the United States "and any foreign vessel on the high seas out of the jurisdiction of any particular State, Territory, or possession of the United States," but it is further stated that the provisions of section 2 shall not apply to any vessel carrying or transporting any persons to any foreign vessel in case of any emergency involving the safety or protection of life or property. By the provisions of section 3 the Secretary of Commerce is authorized to prescribe rules and regulations to carry the act into effect.

In support of the bill it was said that—

> The territorial jurisdiction of the United States, and therefore the territorial jurisdiction of the coastal States, extends only as far as the so-called 3-mile limit.

Citation was made of several adjudicated cases of the courts and of the writings of at least one author of works on international law as applied to territorial waters. The citations include the case of *Cunard S. S. Co.* v. *Mellon* (262 U. S. 100) and *Murray* v. *Hildreth* (61 F. (2d) 483), the latter being an opinion of the Circuit Court of Appeals for the Fifth Circuit.

Our attention has also been invited to article XXI of the Constitution of California, from which it appears that the State claims jurisdiction 3 miles seaward from the shore line, the language reading as follows:

> Thence running west and along said boundary line to the Pacific Ocean and extending therein 3 English miles.

It is clear from the debate which took place on the bill that its enactment is urged because, in the opinions of the sponsors of the bill, the United States is forbidden to enact any such legislation operative beyond the so-called 3-mile limit. The theory being, that under the principles of international law, no nation may exercise jurisdiction for any such purpose more than 3 miles from the shore, except in the case of closed seas and bays which were referred to in the discussion had upon the bill.

Some time ago, Mr. Speaker, I had occasion to examine into the question of jurisdiction on the marginal seas, particularly as relating to the fisheries. In that examination it was necessary to make a review of the entire subject. It is true, as indicated in the discussion on H. R. 7235, that the United States and Great Britain have been strong protagonists, at times, of the 3-mile-limit theory. It is, in my opinion, equally true that the general or universal 3-mile-limit rule has no certain foundation in international law and it is not sustained by the principles of that law and, therefore, we may, if we desire to do so, by municipal law, claim and exercise for certain reasonable purposes a much wider jurisdiction over the territorial seas than 3 miles and

enforce that jurisdiction in proper instances without running counter to any principle of the law of nations.

It may be well to revert for a moment to the essentials of that concept of the relations of civilized states, which is commonly referred to as international law. International law may be defined to be that body of principles, based upon considerations of natural right and justice, which are by common consent assumed to govern civilized states and their relation to each other. Law generally, as we all know, is a rule of action laid down by a supreme power. To be of moral obligation, any law must be founded upon principles of natural justice. With respect to international law, the demands of right and justice may have even greater weight than they have with regard to municipal law.

All law, it is obvious, should be based upon concepts of right, illuminated and interpreted by reason. Anything which is set up as law, and particularly international law, that cannot be justified as being right and reasonable, is in truth not law at all although asserted to be such by the most powerful nation or nations of the earth. For with respect to international law, if the supreme authority, that is to say, the body of civilized nations, has no moral right to make the rule of action, then no one is under the slightest moral obligation to obey the pretended law so laid down. Of course it is recognized as a practical matter that whether or not the supreme authority, which makes the rule of action, is rightly entitled to pronounce the particular rule, that authority, by reason of its force of arms on land or sea, may be able to compel obedience to anything which is asserted to be law no matter whether the thing so asserted is or is not in harmony with right or justice.

After all, no nation has the absolute authority to bind other nations of the world by its own declaration of what is international law and, likewise, no nation at the present time possesses the absolute power to do so. Historically, a few of the great nations have either individually or in conjunction with each other boldly asserted and maintained as international law certain things which suited their own convenience, but which ran counter to the safety and to the welfare and to the good order of other nations and the citizens of those nations, and therefore upon principles of natural right and justice, those things are not deserving to be considered as a part of the law of nations.

International law is not in reality a fixed and rigid body of rules that every nation must obey and observe but only a mass of customs which civilized nations have found it convenient to adhere to as a common rule of action. This body of customs, like all other things in the world, is subject to change from century to century, and even from decade to decade, and necessarily so, for the obvious reason that a rule of action for the nations which may be convenient to observe by civilized countries today may run counter to the welfare or even the safety of some of those countries a few years hence; and, therefore, the nations which feel themselves endangered by an outworn concept of what may have been theretofore regarded as international law will not hesitate, and rightly so, to refuse to be longer bound thereby.

However, the present discussion of international law concerns only jurisdiction of the marginal seas—that is to say, the seas adjacent to the land masses of the earth. At the outset it may be well to observe that the jurisdiction seaward exercised by any nation may not be the same distance for all purposes. It may be sufficient for a nation to claim general and practically complete jurisdiction—perhaps sovereignty would be the better term—for only 3, or 4, or 10, or 12 miles offshore, but equally necessary for the same nation to claim and exercise a more extensive jurisdiction for special purposes, such as the protection of the customs, or of the national fisheries, or for national defense.

Some of the law writers, some of the statesmen, and some of the jurists have referred to the minimum marginal belt over which all nations under all circumstances may exercise control as being within the sovereignty of the states, and some have referred to the larger power which may be rightly exercised according to circumstance and condition for special purposes a greater distance from the shore as being an exercise of the jurisdiction of the bordering state. Nearly all, however, admit that, even within the narrower belt, other nations have free right of passage for all except ships of war, so that it may be conceded that even within the narrower minimum belt the riparian state does not exercise sovereignty in the full sense of that term, for if that were the case, the ships of other nations would not be permitted freedom of passage.

The standard definitions of jurisdiction and of sovereignty do not give much help, for jurisdiction, in international law, is generally thought to mean the rights exerciseable by a state within the bounds of its sovereignty, and sovereignty as the equivalent of the power of the whole Nation or society. It is simpler, perhaps, to say that the nation bordering on the sea is entitled to exercise jurisdiction or power or authority over the marginal waters for a certain minimum distance in all cases and for all purposes, except to prevent peaceful passage of the ships of other nations, and may exercise a larger jurisdiction over a broader belt for special purposes, such as the protection of the customs and of the fisheries.

The claims of nations over the seas adjacent to their coasts have varied widely from time to time, and there never has been, and is not now, unanimity of opinion among the civilized nations of the earth with respect to the nature and extent of such jurisdiction. It was once the fashion to claim extensive jurisdiction over the high seas, so as to embrace most of the principal trade routes of the world. And at other times the claims of jurisdiction have shrunk to what is popularly known as the 3-mile limit. But at no time have all, or even a majority, of the civilized nations of the world acquiesced in the rigid application of the 3-mile limit rule except as a minimum distance over which territorial jurisdiction may be exercised for any and every purpose. At no time have all nations acquiesced in the greatly enlarged claims of jurisdiction to extend, for all purposes, hundreds, and even thousands, of miles over the high seas. And at the present time, while a number of powerful nations, under the leadership of Great Britain, may assert that the 3-mile limit is the only one recognized by international law, that claim is made upon the theory only that those nations by their control of the sea can make and enforce what they assert to be international law thereon, in other words, a claim of naked force.

From the earliest times it has been understood and commonly accepted that upon principles of natural right and justice, and that duty of self-defense and self-protection which is inherent in the societies of men as well as in human beings, that the authority of sovereignty or jurisdiction of the Nation did not end at its shores washed by the seas but extended some distance beyond. If any principle may be said to have the authority of true international law, the principle which I have just now mentioned possesses that authority. Nowhere has the general principles been expressed more lucidly than by the late great Senator Elihu Root in his argument before the North Atlantic fisheries tribunal, wherein he said:

> The sovereign of the land washed by the sea asserted a new right to protect his subjects and citizens against attack threatening their peace, to protect their revenue, to protect their health, to protect their industries. That is the basis and the sole basis on which is established the territorial zone that is recognized in the international law of today.

It will be remembered that in making this argument Senator Root was pressing for a narrow delimitation of the territorial seas of Canada and Newfoundland in order to preserve under treaties the largest possible rights and privileges of American fishermen.

Many people, including judges, law writers, and statesmen, have in recent years made the large, and I believe unfounded, statement that the 3-mile limit of territorial waters has been established in international law and is, in fact, part and parcel of international law, indicating that any nation not recognizing the 3-mile-limit rule is running counter to international law if not actually transgressing it. It may be well,

therefore, as a preliminary to determine just how the 3-mile-limit theory arose and upon what it rests.

The first notable assertion which, afterward, without the knowledge or consent of the author, evolved into the 3-mile rule was that every nation had a right to claim territorial jurisdiction over so much of the sea adjoining its coast as could be protected and defended by cannon planted on the shore. There was reason in this. For a nation from its upland may actually defend and control and keep in its armed possession, without leaving the shore, so much of the adjacent sea as could be traversed by its cannon shot when its cannon are planted on the shore on land under its ununquestionable jurisdiction. This idea was set down by Hugo Grotius, a brilliant Dutch lawyer, in 1608, in his Mare Liberum, wherein he observed that the sovereignty and jurisdiction of any state extended as far over the marginal seas "as those who sail in that part of the sea can be compelled from the shore as if they were on land."

A little later Cornelius van Bynkershoek, a judge of the Supreme Court of Appeal of Holland, in his De Dominion Maris Dissertatio, Caput II, pages 364, 365, expressed Grotius' idea by saying that the control of the land over the sea extends as far as cannon will carry and that "the control from the land ends where the power of men's weapons ends." In a subsequent work, Quaestionum Juris Publici, book I, chapter VII, page 59, Judge Van Bynkershoek used language slightly different, saying:

Imperium terrae firniri, ubi finitu armorum potestas.

Which may be translated into:

The territorial dominion ends where the power of weapons terminates.

At the time of the pronouncement of the cannon-shot theory by Grotius and Van Bynkershoek, it is likely that the utmost limit of a cannon shot was 3 miles. The cannon of that day was a primitive thing. But as men always seek to make more certain that which may be indefinite and to reduce every proposition to a mathematical formula, if possible, it was inevitable that the cannon-shot theory of jurisdiction over the marginal seas would be displaced by some standard of measurement with which all men were familiar, and so we have the so-called 3-mile limit. It was apparently an Italian jurist, Galiani, who first suggested that the cannon-shot rule should be changed or transmuted into a 3-mile rule. This is found in a work of Galiani's, published in 1782, wherein Van Bynkershoek's cannon-shot limit was stated in a unit of measurement which could be applied with greater certainty, namely, 3 miles. At that time it appears to have been thought that no cannon would ever be made the shot from which would traverse a greater distance than 3 miles. So, instead of following the reasonable rule announced by Grotius and Van Bynkershoek—the rule of the cannon shot—in later times nations pursued instead Galiani's formula of the 3-mile limit. In this year of 1939 the Galiani rule has nothing in reason to support it and it is merely an arbitrary statement of what some nations, from tradition or self-interest, claim to be international law with respect to the subject, and in which others acquiesce because they are too careless or too weak to contest it.

Despite the total absence of reason to sustain it at this time, the 3-mile-limit rule is widely asserted to be supported by international law. Its most redoubtable champion is Great Britain, and in this connection it is interesting to note that, for what she has doubtless conceived to be her own interest, Great Britain since the eighteenth century has made a complete about face of her position on that question of international law with respect to jurisdiction in the marginal seas. In the eighteenth and early nineteenth centuries Great Britain passed and enforced a number of statutes in which she claimed jurisdiction for certain purposes as far from shore as 100 leagues, or 300 marine miles. In prior centuries Great Britain claimed an even more extensive and complete jurisdiction, and in all the surrounding seas had compelled the ships of foreign nationals to dip their flags and lower their sails whenever they met a British warship.

With the passage of the years it became more and more to the interest of Great Britain to limit territorial sovereignty to a very narrow margin surrounding the shore. Since Great Britain controlled the sea, and since her welfare depended upon the control of the sea, and upon the passage of her merchant ships to all parts of the earth with the greatest possible freedom from restraint, the British Government tended more and more to support and to enforce on other nations, the 3-mile-limit rule.

But desipte her insistence upon the 3-mile-limit rule, as the rule which must be followed by other nations and as the rule claimed to be part and parcel of international law, Great Britain has always reserved to herself in her statutes and her parliamentary debates and by her judicial decisions a much wider claim of jurisdiction to be exercised in case the interest of the Empire should demand it. For we find in the preamble of the British Territorial Waters Jurisdiction Act of 1878 (41 and 42 Vict. 73) the following language:

The rightful jurisdiction of Her Majesty, her heirs, and successors, extends and has always extended over the open seas adjacent to the coasts of the United Kingdom and over all other parts of Her Majesty's dominions, to such a distance as is necessary for the defense and security of such dominions.

Light is thrown on the Territorial Waters Jurisdiction Act by the statements made by the Lord Chancelor and by Lord Halsbury in the British House of Lords on May 6, 1895. (Parliamentary Debates, 58 Vict., vol. 33, p. 504). At that time the House of Lords had under consideration the sea fisheries regulation bill for Scotland.

During that debate the Lord Chancellor observed that he was far from saying that 3 miles was to be the limit of territorial waters for all time. Lord Halsbury then referred to the Territorial Waters Jurisdiction Act of 1878, and remarked that in that act care was taken to avoid any specific measurement and that the distance was left at such limit as was necessary for the defense of the realm, and thus the way was left open to establish any limit which might be advisable for the particular purpose in view.

In this Nation we have followed largely, as in many other matters, the example of Great Britain. By declaration of executive officers, and by treaty, we have agreed on a number of occasions that the 3-mile limit rule is of general force. On other occasions and even in recent years, we have made other equally solemn declarations in which we have said in substance and effect that the 3-mile limit rule is not of universal operation. And while our courts, as in the case of Cunard S. S. Co. against Mellon, to which reference has been made, have occasionally used language which has been interpreted as supporting the general 3-mile limit rule, in other decisions the courts have clearly shown that there are necessary limits to that rule and, therefore, that it is not of universal application. I shall first discuss the legislative acts and afterward make reference to the judicial decisions.

CUSTOMS ACTS

From time to time down all the years from the date of the organization of our Federal Government until the present day, Congress has enacted laws for the protection of the customs and in those laws has not been content to confine jurisdiction to the limit of 3 miles seaward, now so confidently asserted to be the utmost limit within which jurisdiction may be exercised over the marginal seas. By the act of August 4, 1790 (1 Stat. 138) it was provided that vessels might be searched and seized for violation of customs laws "in any part of the United States or within 4 leagues of the coast thereof, if bound to the United States."

So from the years since 1790 we have claimed for the protection of the customs a limit of at least 12 miles for the exercise of jurisdiction over the marginal seas. And that portion of the act of August 4, 1790, to which I have just averted, is not an ancient or an isolated claim of such larger sovereignty. In fact the principle of that declaration has been our national law from August 4, 1790, until the

present time. It has never been repealed except by the passage of an act which embraced a similar statement of legislative principle. In section 581 of the Tariff Act of 1922 (42 Stat. 979) the scope of the act of August 4, 1790, was enlarged by providing for the search and seizure of all vessels within the four-league zone of the coast of the United States irrespective of whether such vessels were bound to the United States or not. That provision stood as the law of the land until the passage of the Tariff Act of 1930 (46 Stat. 747). Section 580 of the last-mentioned act is substantially a reenactment with slight modifications of section 581 of the Tariff Act of 1922 and provides for the search and seizure of any vessel or vehicle at any place in the United States or "within four leagues of the coast of the United States."

THE HOVERING ACTS

In the early years of the nineteenth century there was a great deal of smuggling of slaves from Africa into the United States, which was finally suppressed and entirely wiped out by the year 1827. This trade called for a special law, which was passed and approved on March 2, 1807 and is to be found in volume II, Statutes at Large, pages 426–430, inclusive.

Section 7 of this act provides that if any ship or vessel shall be found in any river, port, bay, or harbor or on the high seas within the jurisdictional limits of the United States or hovering on the coast thereof having on board any Negro, mulatto, or person of color, for the purpose of selling them as slaves with intent to land the same at any port or place within the jurisdiction of the United States, every such ship or vessel shall be forfeited to the United States. Provision was made authorizing the President to consider such ships or vessels to be seized "wheresoever found on the high seas" and brought into any port of the United States for forfeiture.

No reference was made in the act mentioned to any 3-mile limit or other territorial limit, and in fact, by the explicit provisions of the act, authority was given to seize the offending vessels "wheresoever found on the high seas." This statute with some modifications was reenacted as sections 5551 and 5559, inclusive, of the United States Revised Statutes and the provisions thereof have been carried forward and are now a part of the Criminal Code of the United States (title 18, secs. 421–422, inclusive, U. S. C.).

Hence, the old Slave Trade Hovering Act passed in 1807, as modified, is the law of the land today and under it a slave trader may be lawfully seized when "hovering on the coast of the United States."

Section 433 of title 18, United States Code, provides that:

> Every vessel which is found in any river, port, bay or harbor, or on the high seas, within the jurisdiction of the United States, or hovering on the coasts thereof, and having on board any person, with the intent to sell such person as a slave, or with intent to land the same for that purpose, either in the United States or elsewhere, shall, together with her tackle, apparel, and furniture, and the goods and effects on board of her, be forfeited to the United States.

It will be observed that provision is made for forfeiture of vessels which are found on any waters within the jurisdiction of the United States and also for like forfeiture of vessels found "hovering on the coasts" of the United States whether within or without what may be ordinarily considered its territorial jurisdiction. It will be noted that the disjunctive "or" is used and not the conjunctive word "and" and so there can be no question of the intent of Congress, to provide for seizure of slave traders both within and without the ordinary territorial waters of the United States. No other reasonable construction can be assigned to the particular language used. The original statute of March 2, 1807, expressly so provided in authorizing the seizure of offending vessels "wheresoever found on the high seas."

So it will seem that from the very early days of our Government it was not considered sufficient that we accept or advocate a 3-mile limit for all purposes and we find that with respect to customs of August 4, 1790, and by subsequent statutes, and with respect to slave trade by the act of March 2, 1807, the United States claimed in the one case a 12-mile jurisdictional limit for the protection of the customs, and in the other case a limit to which the bounds might be set only by the test of reason for the suppression of the slave trade. Hence, any argument that we have ever, from the beginning of our existence as a nation until the present time, sought a general rigid 3-mile jurisdictional limit for all purposes is not in harmony with the known facts.

Doubtless it was realized in 1807 with respect to the slave trade, as it is realized now in 1939 with respect to the great salmon fishery of Alaska, that a rigid 3-mile limit ignores our substantial national rights and that such a limit would make it impossible to provide adequately for national defense. It is obvious that the protection of a great industry may be just as important to the national welfare as the prevention of a trickle of slaves from Africa to the United States.

THE ANTISMUGGLING ACT

Now we come to the one act of Congress which has gone further than any other to negative the idea that we are committed to a rigid 3-mile-limit rule for all purposes, and that is the act of August 5, 1935 (49 Stat. 517), commonly known as the Antismuggling Act. The title of the act is "An act to protect the revenue of the United States and provide measure for the more effective enforcement of the laws respecting the revenue, to prevent smuggling, to authorize customs-enforcement areas, and for other purposes."

The act contains a considerable number of amendments to the general customs laws of the United States but it embraces one new feature for it provides wherever the President finds and declares that in any place or within any area on the high seas adjacent to, but outside customs waters, any vessel or vessels hovering or are being kept off the coast of the United States and that by virtue of the presence of any such vessel or vessels at such place or within such area, the unlawful introduction or removal into or from the United States of any merchandise or person is being or may be occasioned, promoted, or threatened, the place or area so found or declared shall constitute a customs-enforcement area for the purposes of the act; that such customs-enforcement areas may not extend more than 50 miles seaward beyond the customs waters, and the customs waters are defined as the waters within four leagues of the coast of the United States, or such other waters as may be prescribed by treaty within which the United States is authorized to board, examine, search, and seize vessels for violation of the laws of the United States.

Accordingly, we find in this recent declaration of the will of Congress and the Executive, authority for the search and seizure of vessels for violations or threatened violations of the customs at any place the President has declared a customs-enforcement area for the region within which any vessel hovers and is so searched and seized.

The history of the Antismuggling Act is worthy of passing comment. After the repeal of the eighteenth amendment and the National Prohibition Act, the country was temporarily flooded with alcohol and alcoholic liquors by maritime rum runners, which lay safely beyond the 12-mile limit, or beyond the 1-hour sailing distance prescribed by treaty. No adequate way was found of stopping this evil, and so the Treasury requested the passage of legislation. Hearings were had on the bill before the House Committee on Ways and Means and the bill was passed and has been enforced since the date of its passage, and its enforcement very speedily and effectively stopped the gross violations of our customs which had theretofore been committed. The law has not only worked and has been found highly efficacious but it is of value in another direction for it temporarily at least has broken the thralldom to the 3-mile limit superstition.

THE RUM TREATIES

Reference has been made to treaties between the United States and other nations for the protection of the customs in the waters adjacent to our coasts and particularly to prevent the smuggling into the United States of intoxicating liquors, entered into during the period of the life of the

eighteenth amendment and of the National Prohibition Act and other kindred prohibitory acts.

We all recall the difficulty encountered in preventing the smuggling into the United States of intoxicating liquors by the vessels of foreign nationals, and it is not unfair to say that such smuggling appears to have been at least tacitly encouraged by several foreign governments.

Singularly enough, our authorities apparently did not rely upon the four-league customs zone, established first by the act of August 4, 1790, and continued as we have seen by subsequent congressional legislation. At first, it was thought by our officials that foreign merchant vessels carrying on trade between the United States and other nations were not forbidden by the eighteenth amendment and the National Prohibition Act from carrying alcoholic liquors into our waters as ship stores for the use of the crew and for sale to passengers, provided that sales did not take place within 3 miles of our shores. In fact, at first the regulations of the Treasury required only that liquors upon such foreign vessels should be placed under seal when the vessels were in our ports or in our territorial waters. While this opinion prevailed, our State Department approached Great Britain with a view of securing an agreement or treaty under which Great Britain would make no objection to a search of their vessels which appeared to be rum runners within 12 miles of our coast. Evidently being unwilling to give up the lucrative rum-smuggling trade, Great Britain refused to entertain any such proposal because, as was said by their representative, the British Government "do not feel that they can properly acquiesce, in order to meet a temporary emergency, in the abandonment of a principle to which they attach great importance." So spoke the British Government on October 13, 1922.

A decision by the Supreme Court of the United States shortly thereafter had the effect of placing the United States Government in an advantageous position with regard to the treaty which it was urged. In the case of *Cunard Steamship Co.* v. *Mellon* (262 U. S. 100), decided on April 30, 1923, the Supreme Court held that foreign as well as domestic vessels were equally bound by the provisions of the eighteenth amendment and the National Prohibition Act while in the ports and within the territorial waters of the United States, and equally without the jurisdiction of those laws when without the ports and the territorial waters of the United States. After this decision it was no longer possible for foreign vessels to offer to passengers on the high seas sailing out of American ports and coming into American ports, all of the commercial advantages attendant upon the availability of alcoholic liquor on board such vessels, to the exclusion of corresponding advantages on board vessels of the United States.

Then for the first time it was discovered that the "principle" was of not such importance after all, and so the so-called rum treaty was made between Great Britain and the United States, whereby it was agreed that the British Government would make no objection to the search and seizure in proper cases of British-flag vessels within 1 hour's sailing distance of those vessels from the shores of the United States and the ports of the United States. It was agreed that the liquors used as ship stores on board the British vessels might be brought into the territorial waters of the United States under seal. It was further provided with respect to the clause relative to 1 hour's sailing distance of the vessels mentioned that in the event a foreign vessel made contact of the shore by a smaller vessel the speed of the smaller vessel should determine whether search and seizure might be made. This treaty with Great Britain was signed in Washington on January 23, 1924, and it followed quite promptly the decision of the Supreme Court in the Cunard Steamship Co. case, which was rendered on April 30, 1923. Here we see an instance where principles of great importance were found to be not so important when they came into conflict with commercial advantages. However, Great Britain insisted and the United States agreed that article 1 of the treaty should contain the following:

> The high contracting parties declare that it is their firm intention to uphold the principle that 3 marine miles extending from the coast line outward and measured from low-water mark constitute the proper limits of territorial waters.

The United States shortly thereafter signed treaties on the same subject with a number of other nations, namely: Germany, May 19, 1924; Sweden, May 22, 1924; Norway, May 24, 1924; Denmark, May 29, 1924; Italy, June 3, 1924; Canada, June 6, 1924; Panama, June 6, 1924; France, June 30, 1924; the Netherlands, August 21, 1924; Belgium, December 9, 1925; Mexico, December 23, 1925; Spain, February 10, 1926; Cuba, March 4, 1926, and March 11, 1926; Greece, April 25, 1928; Japan, May 31, 1928; Chile, May 27, 1930; and Poland, June 19, 1930.

It will be observed that article 1 of the convention with Great Britain, which has been quoted, is also embraced in the treaties made with the Netherlands, Germany, Cuba, Panama, and Japan; but in negotiating the treaties with the other nations mentioned, namely, Norway, Sweden, Belgium, Denmark, France, Italy, Spain, Chile, Greece, and Poland, those nations declined, and, in fact, flatly refused to say in the conventions severally entered into with them that 3 marine miles extending from the coast line outward and measured from low-water mark should constitute the proper limits of territorial waters. The corresponding formula used in the conventions with the nations mentioned reads as follows:

> The High Contracting Parties respectively retain their rights and claims, without prejudice by reason this agreement, with respect to the extent of their territorial jurisdiction.

It is plain from the text of the article, and still more certain from the conversations which occurred when the treaties were under discussion, that the larger number of the nations with whom we made these treaties would not agree that 3 marine miles from the coast outward was the proper limit of territorial jurisdiction in all cases.

These treaties show, as perhaps nothing else can show, that the 3-mile limit rule is not supported by even a fair majority of the civilized nations of the world, and can have no just claim to be considered as a part of the law of nations. The rule has no sanction except the preponderant naval force of the particular nations which assert it to be an integral part of international law.

INTERNATIONAL DISCUSSIONS

The question of the proper extent of territorial jurisdiction at sea has been considered on several occasions by international bodies, such as special commissions of the League of Nations, and never on any of these occasions, where the civilized nations of the world generally have been represented, have those nations been able to reach an agreement as to the limits of the territorial seas.

The proceedings of the second committee, which, under the auspices of the League of Nations, on April 3, 1930, held a conference for the codification of international law as applied to the marginal seas, shows clearly the total inability of the representatives of the several nations to agree upon what is or what ought to be regarded as the width of the territorial sea, or the width of the marginal waters over which nations may claim jurisdiction for any purpose. A single brief quotation from the report of the committee shows vividly the outcome:

> The fixing of the breadth at 3 miles was opposed by those States which maintain that there is no rule of law to that effect and that their national interests necessitate the adoption of a wider belt. The proposal to recognize a wider belt for these States and for them alone, led to objections from two sides. Some States were not prepared to recognize exceptions to the 3-mile rule, while the above-mentioned States themselves were of opinion that the adoption of such a rule would be arbitrary and were not prepared to accept any special position which was conceded to them merely as part of the terms of an agreement. The idea embodied in the third point, namely, the acceptance of a contiguous zone, found a number of supporters, though it proved ineffective as the basis of a compromise.

JUDICIAL DECISIONS

The decisions of the courts of other nations, as well as those of our own, throw some light on the subject. Of particular value are the cases of the *Le Louis* (2 Dodson 249)

(1817) and *Regina* v. *Keyn* (Law Repts., Exchequer Division, II, p. 215) (1876).

In the case of the *Le Louis*, the great Sir William Scott, while fully supporting the principles of the law of nations, recognized the validity of hovering laws which provided for search and seizures of all vessels in waters adjacent to the coast without any special reverence to any 3-mile or other specific limit.

In the case of Regina against Keyn, a German ship, the *Franconia*, collided with a British ship, the *Strathclyde*, resulting in the death of a British citizen on the *Strathclyde*. The collision took place through carelessness or poor seamanship on the part of the master of the *Franconia*, Captain Keyn, within 3 miles of the shores of England. Captain Keyn was tried and convicted of manslaughter in a British court and his case was appealed. The conviction was reversed upon the ground that the admiralty never had exercised criminal jurisdiction over foreign ships on the high seas and that if the sea, on which the accident took place, was to be considered as British territory, it could not come under the jurisdiction of the admiralty. So the question was resolved upon the point of admiralty jurisdiction. In speaking of the 3-mile limit, Lord Cockburn observed of the rule, "To this hour it has not, even in theory, settled into certainty." Lord Cockburn further stated that English courts cannot obtain jurisdiction by the concurrent assent of nations without local legislation and that in the absence of such legislation the ordinary law of the local state will not extend over the waters involved.

One of the first and to this day one of the leading decisions on this subject is that of *Church* v. *Hubbart* (2 Cranch 187, decided 1804), the opinion having been rendered by Chief Justice Marshall.

This case was an action of an insurance policy written on a vessel, the *Aurora*. The policy excepted from its terms losses arising from "illicit trade with the Portuguese." The vessel was seized by Portuguese authorities some 12 or 15 miles off the Brazilian coast for alleged illicit trade with Portuguese possessions. The insured contended that the policy was effective because the seizure was unlawful and the conduct of the vessel at that distance from the shore could not have been a violation of the Portuguese law, because the Portuguese law could not extend more than 3 miles from the shore. The court held in substance that the Portuguese law not only might, but did in this particular instance, extend more than 3 miles from shore, and that therefore the underwriter must be relieved from liability.

In the two following cases, *Rose* v. *Himely* (4 Cranch 241, 1808) and *Hudson* v. *Guestier* (4 Cranch 293, 1808; 6 Cranch 280, 1810), similar conclusions were arrived at.

Another relevant case and one which has a special bearing upon the principles of law involved in H. R. 7235 is that of *Manchester* v. *Massachusetts* (139 U. S. 240, 1891).

In this case an act of the Legislature of the Commonwealth of Massachusetts prohibited fishing with certain types of gear "anywhere in the waters of Buzzards Bay within the jurisdiction of this Commonwealth." Under this statute one Arthur Manchester was charged and convicted of fishing in Buzzards Bay, in violation of the law, within about 1¼ miles from shore. The question was whether the State of Massachusetts had jurisdiction over the waters adjoining its shores. The Supreme Court held that it had jurisdiction and that the law in question was valid in the absence of any affirmative action of Congress assuming control of the fisheries in those waters. Reference was made to the distance to which jurisdiction might lawfully be exercised over marginal waters and the Court held that under the law of nations it was conceded that the control of the fisheries to the extent of at least a marine league from the shore belongs to the nation on whose coast the fisheries are prosecuted.

Passing by without comment a number of other judicial opinions having to do more or less directly with the subject under consideration, we come to the case of *Cunard Steamship Co.* v. *Mellon* (262 U. S. 100, 1923).

In this case suits were brought by the Cunard Steamship Co. and other steamship companies operating passenger ships between the United States and foreign ports, to enjoin threatened application of certain provisions of the National Prohibition Act. It was contended by the companies that they had the right to carry on their ships into American waters alcoholic liquors as a part of their sea stores and particularly for the customary use of their crew. At first this was permitted under the administrative regulations of the Bureau of Internal Revenue, which provided that the liquors must be kept under seal while the vessels were in ports of the United States, but on October 6, 1922, the Attorney General of the United States gave an opinion to the effect that the National Prohibition Act, construed in connection with the eighteenth amendment to the Constitution, made it unlawful for any ship, whether domestic or foreign, to bring into territorial waters of the United States, or to carry while within such waters, intoxicating liquors for beverage purposes, whether as sea stores or cargo. As we all remember, the eighteenth amendment prohibited the manufacture, sale, or transportation of intoxicating liquor within, the importation thereof into, and the exportation thereof from the United States and all territory subject to the jurisdiction thereof for beverage purposes. One of the questions involved was as to the meaning of the word "territory" in the phase "the United States and all territory subject to the jurisdiction thereof." The Supreme Court, speaking through Justice Van Devanter, held that the territory subject to the jurisdiction of the United States included the land area and the marginal seas extending outward for the distance of 3 miles and used in that opinion the following language:

> It is now settled in the United States and recognized elsewhere that the territory subject to its jurisdiction includes the land areas under its dominion and control, the ports, harbors, bays, and other enclosed arms of the sea along its coast and a marginal belt of the sea extending from the coast line outward a marine league, or 3 geographical miles.

This was followed by a citation of a number of judicial opinions and the works of a number of law writers on the subject of international law. However, a reference to the opinions and texts cited, with one possible exception, will show that they do not support the concept of a 3-mile rule universally applicable on all occasions and for all purposes. Let us consider for a moment the exact language used.

The Court said, "It is now settled in the United States and recognized elsewhere" that the territorial jurisdiction extends 3 miles at sea, but in this connection it should be remembered that in the trial of the case the representatives of the United States agreed, for the purpose of the suit at least, that the territorial seas extended a distance of 3 miles from shore and no more, and as a consequence, in rendering an opinion in that particular litigation, the Court was bound to follow the admission or stipulation which had been so made. In other words, the extent of the marginal seas was not an issue before the Court. The plaintiff companies, the Cunard Steamship Co. and others, and the United States, which was defendant in the action, agreed to the marginal limit of 3 miles. It would have been strange, indeed, if, in deciding that particular case, the Court had reached any different conclusion. It will be noted that the Court was careful not to pronounce the 3-mile-limit rule as of universal application or as being a part of that great body of customs known as international law. The Court merely said that the question was settled in the United States and recognized elsewhere.

Now, the question at once arises as to how that principle had become "settled in the United States." It must have become so settled either by Executive action, by legislative declaration, or by judicial decisions. A search of the judicial decisions of our country up until that time will show no controlling case supporting such a statement, and, in fact,

as we have seen, the great authority of Chief Justice Marshall is against it. An examination of our history fails to show any legislative declaration that the 3-mile-limit rule is of universal application, and so the opinion must be founded upon the statements or the actions of the executive branch of the Government, particularly as exercised through the Department of State, and finding its most vigorous expression in the rum treaties with Great Britain, Germany, Japan, and others. Evidently that is how the principle became "settled."

It is true that the principle is recognized elsewhere, with qualifications, and the Court had no occasion to go further and say that the principle was not recognized by all the nations or that it had been rejected and denounced by the majority of the civilized nations of the world, because such a declaration would have been beyond the scope of the suit upon which the court was then making a decision.

There is nothing in the language of the Court in this case of the Cunard Steamship Co. against Mellon to indicate that the Court would not just as firmly support statutory enactment of the United States which would declare jurisdiction over the marginal seas to a much greater distance than 3 miles, if such additions could be deemed reasonable under all the circumstances; and if, to quote the language of the able Elihu Root, "the legislation was necessary for the protection of the citizens, their revenue, their health, or their industry." This question of extent of jurisdiction over the marginal seas is another case where "the rule of reason" ought to apply.

Students of the subject would do well to consult the illuminating statement of Dr. Hessell E. Yntema, professor of law, University of Michigan, before the Ways and Means Committee on March 13, 1935, when that committee was considering the bill which as passed is the Antismuggling Act; and also the comprehensive and scholarly work of Dr. Joseph Walter Bingham, professor of law, Stanford University, published by Stanford University Press, and entitled "Report on the International Law of the Pacific Coast Fisheries."

There is no need for us to be bound, as by chains, to the rigid 3-mile-limit rule, unless we find it to our national advantage to be so bound. But even if we should find it so to our national advantage to proclaim and, so far as we can, enforce the rule of the 3-mile limit, we are not justified in brutally exercising our strength to cram such a rule down the throats of a majority of the civilized nations of the world when they will have none of it except under force or threat of force.

From the foregoing it must be apparent that municipal law has a necessary place in protecting the rights of a nation in the waters adjacent to its coast. The broad assertion of Root before the north Pacific fisheries tribunal, wherein he referred to the need of protection of its citizens against interference and injury, against attack, against invasion, to protect their revenues, to protect their health, and to protect their industries is not too broad.

Every nation worthy of the name has the right and is under the obligation of furnishing all of that protection to its citizens. A nation which fails to do it cannot long survive in the first rank.

Such protection can be given in two ways: Either by the general acquiescence of the other people of the earth in harmony with their concepts of the law of nations, using that term in its broadest sense, or else by municipal law. Only within very narrow scope and within indefinite and slight limits can the law of nations operate to furnish such protection; and therefore as a practical matter we find that municipal law generally must afford whatever protection is given to the citizens of a nation. Without municipal law the rights of no people would live long without invasion.

If international law were as certain and definite, and its principles were as well recognized, as those of municipal law, the solution of the problem would be easy. But such is not the case. International law is, in many respects, vague, uncertain, indefinite, and largely devoid of international sanction, relying for its very existence upon the general assent or acquiescence of civilized states. It is impossible, within the realm of fact, to say that international law contains any general, accepted rule with respect to the geographic extent of jurisdiction or sovereignty over marginal waters. The problem further arises as to how international law can be enforced. No penalties are prescribed for nonobservance. Its force and power are largely founded upon the exercise of jurisdiction under municipal law. The utmost that can be said of it is that it may restrain or restrict or nullify municipal law, where municipal law seeks to invade the rights of nations generally, and is not founded in reason and therefore not deserving of obedience.

So unless the municipal law of the state provides, by adequate legislation, for jurisdiction over the marginal seas, the state has no jurisdiction over such seas, and there may easily be a "no man's land" in which neither international law nor municipal law applies. When such a case arises it is necessary not to amend international law so as to expand its provisions or change its nature or application but instead it is necessary to amend or change or make municipal law.

The duty of the littoral state to its own citizens requires that its municipal law should be sufficient in scope to care for the substantial rights of those citizens in its marginal seas. International law will not do it and cannot do it.

The extent of international law therefor can be judged by the result when it comes in conflict with municipal law. Ultimately the courts must declare all law in reaching their decisions in specific cases. The decisions of the courts upon disputed questions where it is asserted that municipal law cannot operate because international law has monopolized the field are bound to be enlightening and of much more value than the declarations of statesmen and politicians that international law requires one or another course of action. In three such instances courts of great authority have spoken and each of them has said in explicit terms that municipal law may operate in the marginal seas and that it is not limited for all purposes to a 3-mile zone immediately adjacent to the coast. These courts have asserted that such legislation is based on right and not upon privilege or acquiescence. But they have further said that such statutes must be reasonable and just, so as to warrant acceptance by other civilized states.

When we reflect, as we must, that never to this day have all of the civilized nations of the earth, or even a majority of them, given their assent to any theory of the law of nations which would limit the marginal seas for all purposes and under all circumstances to the distance of 3 miles outward from shore; when we consider that the greatest judicial minds of their respective periods have declined to give their consent to the 3-mile limit rule; when we consider that as recently as 1930 the special commission of the League of Nations was obliged to report that the nations embraced in the League, and other civilized nations, were not in harmony and could not adopt any general rule as to the extent of the jurisdiction over the marginal seas and did not even say that such a rule existed; when we consider that our own Congress and our own President in 1935 gave their consent, without serious objection, to an extension of the marginal seas adjacent to our coast up to a total distance of 62 marine miles from shore for the protection of our customs; when we consider that from the earliest days of the Nation we have claimed without protest the right to exercise jurisdiction in the customs waters, a zone extending 4 leagues from our shores; the conviction becomes overwhelming that not only is the 3-mile limit not supported by the law of nations but that the true intent and meaning of the principles of the law of nations must run counter to the theory upon which the 3-mile rule is based; and it may be well to recall once more that the 3-mile rule was based upon the old cannon-shot rule and to follow rigidly the 3-mile rule under modern

conditions is as absurd as would be an attempt to carry the civilized nations back to conditions existing in the first dawn of primitive history.

The objection will doubtless be made that by reason of our own declarations and actions in support of a rigid 3-mile-limit rule we are bound by that rule; that it is "settled" in this country; and that such a settlement should not be broken or ignored or changed by our statutory legislation. There is no logic in such an argument, because it assumes the absolute immutability not only of international law but even of those enactments which constitute municipal law. Surely no one can justly say that any principle, either of international or national law, may not be changed. Even in the brief consideration we have given to the subject here we know that the law of nations with respect to the marginal seas and with respect to jurisdiction upon those seas has been changed many times within the last 300 years. We know, as reasonable men, that all human law is in a state of constant change. As I have tried to point out, the 3-mile rule has not the sanctity of international law, for in no respect can it be called a part of international law. No one can seriously question or doubt that the rule in all its rigidity has never been agreed to by anything like a majority of the civilized nations of the earth; no one can doubt that it has not received the common assent and the common acquiescence of the nations of the world, nor even a majority of them. True, in isolated and individual instances it has been maintained by power and the threat of power by some of the great nations, such as Great Britain and the United States; and in other instances, by legislation and otherwise, both Great Britain and the United States have rejected the rule as one of general application. We rejected it in the Antismuggling Act. We rejected it in the hovering laws. We rejected it as early as 1790 and as late as 1932 in the customs or tariff acts. How, then, can we say that we ourselves have given it uniform and constant support? We cannot make such a statement and remain within the bounds of fact. Now, if the rule is not a part of international law, why are we bound to support and sustain it in the future? To ask that question again is to answer it, because there is no obligation on our part to so support it. Logic must be abandoned before one may contend that some of the nations should be bound by a certain rule of action because it is said to be international law and that an equal number of the civilized nations should not be bound by it because they claim, with greater justice, it is not a part of international law. In any such case it is clear that the challenged rule is not, in fact, international law. And although some nations in the past have supported such a rule and claim it to be international law, if thereafter it becomes clear that it is not such, those nations are surely no longer bound by it any more than are other nations which have never supported it.

With respect to matters of this kind involving questions of international law, there is no such thing as an estoppel. Either the asserted principle of international law is really such and thus of universal application, or else it is nothing. If it is nothing, no nation is obliged to conform to it even though theretofore some particular nation might have advocated it as a principle of international law.

May I suggest, Mr. Speaker, that, with respect to H. R. 7235, what we need is to avoid the mistaken idea that we are bound by a rigid 3-mile rule as a part of international law. If we once clearly conceive the true condition of the law with respect to those matters and if we go back to basic principles, there is no reason why we cannot legislate nationally to end the operation of all such antisocial activities as the gambling ships now operating off the Santa Monica coast, whether of United States or foreign registry, provided they so operate within a reasonable distance from our shores, by legislation of this Congress, basing it on the ancient and tested foundation of the necessity to protect the welfare and the health of our citizens. It does not matter whether the operators of those vessels are corporations of the State of Nevada or whether the vessels are owned by citizens of foreign nations, and the vessels are not vessels of the United States. There is nothing in the Constitution to forbid. There is nothing in any decision of the highest Court of our land to prevent. That Court, like the other courts, is bound to follow and support the will of Congress if Congress has the wisdom and the fortitude to act.

Will Rogers

EXTENSION OF REMARKS

OF

HON. JED JOHNSON

OF OKLAHOMA

IN THE HOUSE OF REPRESENTATIVES

Saturday, August 5, 1939

Mr. JOHNSON of Oklahoma. Mr. Speaker, the late Will Rogers, Oklahoma's most illustrious son, admired and beloved by people of all ranks, religions, and political faiths, was known as the Ambassador of Good Will. Wherever his path led, whether in America or on foreign soil, the peoples of the earth flocked about him and listened to his simple but cheerful homespun philosophies.

The millions of people of all races, creeds, and classes who had the opportunity of seeing or hearing the cowboy philosopher, humorist, and statesman were of one accord—that he was in fact, as well as in name, the world's greatest ambassador of peace and good will.

Will Rogers was more than a good-will ambassador; he was more than a philosopher; more than a statesman and far more than a humorist; he had a deep and sincere affection for all mankind. It is significant that he stated many times to his close personal friends, "I never knew a man that I didn't like." He had a deep and abiding faith in his fellow man. He always saw the best side of everything in life, rather than the dark side. He was not a faultfinder. He did not look for the shortcomings in his fellow man but was generous and understanding of those with whom he came in contact. He was a natural-born optimist. No obstacle was too difficult for him to tackle.

I had the unusual privilege of personally knowing the late Will Rogers. For years it was his custom when in Washington to call on a member of the Oklahoma delegation in Congress, the late W. W. Hastings, a close friend and a member of the same tribe. Occasionally he would dine with the Oklahoma Congressmen.

Some of the stories and experiences he told us have made lasting impressions upon my mind. Of the many stories he related, none of them was tainted nor off color. A few minutes with the late humorist was like a tonic to anyone. To sit in his presence, laugh at his wit and uncanny humor, was an experience I shall cherish the remainder of my days.

The life and character of the late Will Rogers is and should be an inspiration to every school boy and girl in America. Born on a farm, of humble parentage, without any special privileges, and with meager advantages, he rose to a position of fame and popularity by his own efforts and determination.

Although his life was suddenly cut short in the prime of his activities, he left a heritage of a simple, honorable, upright life that all of our citizens, young and old, might well emulate. When his life was snuffed out in far-off Alaska while on his last flight in the interest of peace and good will with his close friend, the late Wiley Post, the whole world mourned, and still mourns, his untimely passing.

If all of our citizens everywhere, including statesmen and the rulers of the earth, would adopt the simple, humane philosophy of Oklahoma's late illustrious son, there would be no more wars nor rumors of war, but peace and good will would breathe as fragrantly throughout the earth as if the day of its redemption had come.

Work of Congress

EXTENSION OF REMARKS

OF

HON. RICHARD M. SIMPSON

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Saturday, August 5, 1939

Mr. SIMPSON. Mr. Speaker, I wish to render to the voters of the Eighteenth District of Pennsylvania an accounting of my stewardship as their Representative during this first session of the Seventy-sixth Congress.

More than all other things, I am proud to tell them that I played the best part I could in helping to remove any further odious beliefs that this august body was a "rubber stamp" Congress, hopelessly under the spell of a voice long held to be golden and infallible.

In the midst of great national issues and tremendous world alarms, fed by cross-currents of hate, greed, and cold-blooded propaganda, and fears, we as a legislative body deliberated to the best of our ability; and our votes, I am sure, were made with only the thought in mind of the greatest good for the majority.

Some of my constituents wished me to vote other than I did on certain measures. Going contrary to their wishes was not easy, but I felt duty bound to serve the majority when I felt that majority knew all the facts and had not been misled.

Perhaps the most outstanding achievement of this Congress was the salubrious effect on the country as a whole, when they saw us assert our independence of the executive branch. Huge savings, long frozen through fear of restrictive legislation and confiscatory taxes, are being released throughout the Nation. Credits are becoming freer and there is a general hope that government is at long last assuming its proper function of regulating business for the national good rather than entering into competition with private industry.

To summarize our activities is difficult. Measures for strengthening national defense bulked largest in our work this year. With much of the world living in hourly fear of brutal, conscienceless dictators and hundreds of thousands of people being killed and maimed in savage, undeclared wars, Congress saw fit to enforce the respect of the world by greatly augmenting the might of our armed forces on land, sea, and sky.

Thousands of well-meaning citizens saw fit to protest against this national preparedness. Fast-moving events, however, quickly proved that we were right; that instead of seeking war we wanted peace and the surest way of having peace was to make ourselves invulnerable. In passing the greatest peacetime army, navy, and aviation budget in our history we also made it plain to the world that our first-line defenses were not on the Rhine but were confined to the shores of the Atlantic and Pacific. After this declaration of Congress, all nations of the world knew that the United States is not actually interested in the real-estate fights of European nations.

I challenge anyone to assert that world affairs did not swiftly change for the better when Congress made this declaration clear. Old World nations, against whose cabals George Washington had solemnly warned us, saw the writing on the wall and realized our citizenry meant to finance no more foreign wars nor even take sides in their diplomatic schemes and squabbles.

Few of my constituents will realize the pressure applied to Members of the Seventy-sixth Congress by those who wanted us to scrap our neutrality law. This pressure was cold-blooded and ruthlessly indifferent to American lives and property. Most of us saw through the smoke screens of those who craved personal power in world affairs. We saw and we refused to jeopardize either American lives or American dollars. The lessons learned in the World War are still too poignant and fresh. America wants no more involvement in European squabbles and the way to avoid them is to straightforwardly say so. A majority of us said this through our Foreign Affairs Committee.

Through efficient Republican leadership and effective Democratic support, we resisted the administration's efforts to gain more public funds for New Deal squandering by raising the national debt limit of $45,000,000,000. Like the majority of the country, we wanted no more absurd experiments in so-called pump-priming, spending-lending, and other schemes which the past 7 years have proved fallacious.

Despite bitter administration opposition, we forced tax revisions to relieve business of punitive levies. We liberalized the Social Security Act and saved citizens countless millions in future taxes by eliminating the full-reserve plan. This will eventually stop the diversion of pay-roll taxes into Government coffers—a New Deal device which already has cost us a billion or more dollars. The money which citizens paid into the Treasury toward their future social security was promptly borrowed out to continue New Deal spending schemes. Eventually taxpayers still unborn will have to make this up to the workers who contributed their share during the past 2 years. This was unfair and obviously fraudulent. Thanks to our efforts this session, hundreds of millions of dollars have been saved to both employers and employees.

We continued the work-relief program but we added teeth to prevent the cold-blooded regimentation of workers for selfish political purposes. We wanted no more merciless exploitation of those who were promised a "bountiful life" in exchange for their votes. My own State especially suffered last fall from this exploitation.

As usual, the Seventy-sixth Congress concerned itself with the problems of agriculture and sought for adequate ways to lighten the burdens of the farmers of the Nation. A billion two hundred million dollars was appropriated for the various purposes of soil conservation, crop-parity payments, surplus products, harvesting loans, pest control, and farm roads.

Of special interest to my constituents were the efforts of House Republicans to force an inquiry into the damage to agriculture and industry by the strange, so-called reciprocal-trade policies of the administration—trade treaties which have forced farm-products prices to new low levels, wrecked our export markets, and flooded our home one with low-priced wheat, corn, meats, dairy products, and what not, to the detriment of our hard-pressed agrarians. It does not make sense to us that our farmers should be kept on relief while foreigners are permitted to glut our markets with competitive farm products.

Five bills were passed for veterans of our wars and their dependents. One of these, the Rankin Act, qualifies veterans of the Spanish-American War, the Boxer Uprising, and the Philippine Insurrection, hitherto prevented by sections 6 and 17 of the Economy Act, to domiciliary care, medical treatment, burial benefits, and protection of term insurance.

Another laudable act was the passage of a bill to aid dependents of World War veterans whose service disability was less than 10 percent.

Other legislation was passed to aid alien veterans and to provide flags for the caskets of all veterans of the United States Army, Navy, or Coast Guard. Another bill restores certain benefits to World War veterans suffering from paralysis, paresis, blindness, or who are bedridden.

Mr. Speaker, our Chief Executive has openly charged that the members of my party here in this House, together with those splendid Democrats who joined with us in fighting New Deal follies, have "gambled with the fate of a billion and a half people and of leading American business to a precipice over which it may plunge next spring."

I resent this. Neither the solemn oath of our Chief Executive nor that of a Member of this body commits him or us to

legislative concern for the welfare of the whole world. I am as charitable and as concerned over the plight of mankind in general as any other man, but I contend our first obligation is to our own 130,000,000 citizens. All too long they have been neglected and deluded with hollow promises while we were asked to settle other nations' problems.

As for leading American business to a precipice over which it may plunge next spring, that is as consistent as the New Deal slogan—"Forward with Roosevelt!" I do not think any of us here are eager to either lead or be led any more. Instead, we want to rest a while and take stock of what we still have left for ourselves and our descendents after 8 years of this "forward" business.

If there is a precipice ahead of us, it is not of our creating.

The Arkansas Valley

EXTENSION OF REMARKS

OF

HON. WESLEY E. DISNEY

OF OKLAHOMA

IN THE HOUSE OF REPRESENTATIVES

Saturday, August 5, 1939

Mr. DISNEY. Mr. Speaker, ever since the World War, which proved the importance of the Nation's great rivers for rapid, bulky transportation, great sums of public money and tremendous numbers of good and bad speeches have gone toward the development of the great rivers of the Nation and their important tributaries. Before the war the Panama Canal was built to facilitate and cheapen east-west water transportation, and wonderful harbors for ocean-going and coastwise vessels were developed on the east and west coasts. Rural electrification, flood control, cheap power facilities for cities, navigation, irrigation—these terms have become commonplace to this Nation as it has worked toward the eventual completion of these waterway developments.

As a result we find canals have been built, great levees have been constructed at enormous expense, rivers and harbors have been dredged to permit entrance of freight-carrying vessels, tremendous dams have been constructed to form huge lakes for power and irrigational purposes, and farmers are being treated to the novelty of cheap electricity, crops are growing luxuriantly in formerly barren regions, and cheap freight transportation are the dividends for Mr. American Public.

Through this heyday of water enthusiasm the people of the Arkansas Valley have cheerfully contributed their share to the development of the tremendous projects on all sides of them. They have watched the great Mississippi River become gradually mastered by hundreds of miles of huge levees, have seen other Mississippi tributaries improved by dredging, construction of locks, and dams being built to guarantee even flow of water for navigation, for irrigation, and for flood control.

Having finally tired of peering at the marvelous waterway developments in neighboring regions, we of the Arkansas Valley have glanced about our own doorstep only to find that the hustle and bustle of recent activity has bestowed the dubious distinction upon the great Arkansas River as being the only major tributary of the Mississippi that is undeveloped for navigation, although navigational possibilities exist, that fertile areas in our own valley are in sore need of irrigation, although the dam sites for the retention of irrigation and flood-control waters have never been utilized, and that our own farmers are begging for cheap electricity in regions where tremendous amounts of electricity could be generated from proper improvements of the Arkansas and adjoining streams. You say that perhaps we do not need our water resources developed? Let us see.

The improvement of the Arkansas River for navigation would be a novelty for the youth of the Arkansas Valley, for the great river has been permitted to degenerate to the point where crumbling banks, sand bars, snags, and seasonal flows are more characteristic than deep flowing waters would be. For the patriarchs of the valley, however, navigational improvements of the Arkansas would merely recall the colorful past, would merely restore to the Arkansas the characteristics it originally had and should never have been permitted to lose. They know that for over a hundred years the Arkansas River was a commercial artery from the Mississippi River up to as high as Fort Gibson, Okla., isolated instances even being recorded of trips as high as Wichita, Kans. History books will reveal that famous historical personalities are associated with this old river. Such famous names as Albert Pike, Captain Bell, Thomas Nuttall, Washington Irving, George Catlin, Latrobe, and Sam Houston loom out of the past to impart glamor and romance to the Arkansas, for each of these men traveled on its waters during the early days of the Nation as they forged ahead in the mysterious, savage regions to the west.

These pioneers were soon followed by different kinds of expeditions traveling up the Arkansas. The steamboat had been developed and eager traders were not slow to see commercial possibilities in the furs, hides, crops, and Government supplies that must travel up and down the river. Thus, in 1820 we find the steamer *Comet* making its way up to Arkansas Post, 8 days out of New Orleans, and the Cincinnati-built *Eagle* of 118 tons pulled into Little Rock in 1822, these early steamers being the precursors of later vessels bearing troops and supplies to a military outpost called Cantonment, which is now Fort Gibson, Okla.

For 50 years this trade flourished, the cheap transportation being accepted as a matter of course by the inhabitants of the valley. But the railroads came into the region along in the seventies. They offered cheap rates and added conveniences to the people accustomed to river travel. The competition was too strong—the railroads gradually replaced the steamboats as the transportation medium. The Arkansas was left to the ravages of spring freshets, upstream water was diverted for various uses or sank in the sandy soil, and by 1908 the navigation of the Arkansas up to Fort Gibson had outlived its usefulness to the people of the Arkansas Valley.

Meanwhile, however, the completion of the Panama Canal had brought water rates into competition with transcontinental freight rates, and the railroads found it necessary to raise inland rates to offset the reduction in rates to meet the new threat. Now the people of the Arkansas Valley found themselves faced for the first time with high transportation costs and little opportunity to do anything about it. The public attention had become centered upon railroad transporation; the development of our rivers for navigation was frowned upon.

When the World War forced the attention of our military leaders upon the necessity of having dependable, rapid transportation for bulky goods, the river enthusiasts found invaluable allies. Subsequently the river improvements came along—to all except the Arkansas. Consequently, while freight rates have progressively been reduced to the East, to the North, and to the South, as river navigation became available to Tennessee, Missouri, and south central Texas, the high freight rates have remained with the Arkansas Valley, the inhabitants of this region being forced to cope with the second highest freight-rate structure in the United States although a potentially navigable river is at hand.

Careful plans have been made to restore the navigation of the Arkansas, plans to canalize the lower White River, an Arkansas-White River cut-off, up the Arkansas to the mouths of the Grand and Verdigris Rivers, and up the Verdigris River to Catoosa, Okla., 15 miles from Tulsa. Details have been worked out—navigational improvements to extend 537 miles; 36 single locks, 110 by 600 feet, on the White and Arkansas Rivers; and 4 single 62- by 480-foot locks on the Verdigris River; a reservoir—Oologah—on the Verdigris River, to guarantee sufficient, dependable flow, and so on—but a recent adverse report by Army engineers on

the navigation plan has again brought disappointment to those living in the Arkansas Valley.

This Army report on the feasibility of the navigation of the Arkansas was based upon a variety of factors. The annual charges on maintenance of the navigation was estimated by Army engineers to be about $18,712,000, which an estimated saving in transportation costs of about $10,222,240 failed to offset by more than $8,000,000, and the total estimated cost of the project was placed in this report as a little over $200,000,000. Certainly the people of the Arkansas Valley would not care to nor attempt to foist a burdensome, unprofitable project upon the people of the Nation and were the comparison between the Arkansas project and other projects, such as those improving the Missouri or Tennessee Rivers, as undeniably unfavorable as these figures indicate at first glance, the entire plan would be dropped without complaint.

However, direct comparisons are in order between these navigation plans of Mississippi River tributaries. If one tributary is considered navigable, profitably so, by certain standards, it follows that these same standards should be followed in ascertaining the advisability of navigation improvements of another tributary. But has this been done? Let me point out certain facts:

In determining the economic justification for the navigation improvement of the Missouri River 100 percent of the total available traffic was given, but when even that estimation did not overcome a 4-percent annual capital charge, the charge was dropped and the improvement for navigation was pronounced economically justified. In arriving at the figures for the Arkansas improvement only 10 percent of the total available traffic was used, the 4-percent annual capital charge added, and maintenance and depreciation charges also included in arriving at the conclusion that the project is economically unfeasible. Had the standards applied to the Missouri River been applied in a like manner to the Arkansas, the Arkansas navigation project would have been found 400 percent more economically justified than the Missouri.

Moreover, in arriving at the economic feasibility of navigation improvements of the Tennessee River, a project that would have been found inadvisable judged by present traffic available, the district engineer applied to the future the ratio of traffic growth averaged over the preceding 25 years, and concluded that the Tennessee River would be economically justified by 1950, when it would be completed. This same standard was not applied in arriving at the discouraging conclusion in the Arkansas report, although it is incontrovertible that were the phenomenal growth of the Arkansas Valley in population and traffic projected 25 years into the future, the result would have a distinct bearing upon such a project as this.

As I stated in previous remarks upon this matter, I am not caviling at the Corps of Engineers of the United States Army for their conclusions on the feasibility of the Arkansas navigation project. However, there should be uniformity in the methods of determination of these reports, for it is unfair to the inhabitants of one region to be denied improvements on grounds of economic unfeasibility when similar improvements are extended to adjoining areas and found justified economically by the elimination of the very factors that rendered the one report inadvisable.

The importance of navigation to the Arkansas Valley cannot be overstressed. This region is primarily agricultural, a producer of raw materials. The burdensome freight rates that have come since the loss of navigation facilities therefore cut twice as hard into the returns of the inhabitants as might be expected. They must pay freight charges on their raw materials to the markets of consumption, then face the additional burden of paying the freight charges on manufactured goods from the point of manufacture to the point of consumption. The elimination of the freight-rate discrimination between this region and neighboring regions would remove strong deterrents to population growth, permit encouragement of the establishment of new industries, and would facilitate expansion of those industries already established in the Arkansas Valley.

The Arkansas Valley is a region just budding into economic maturity. Its past has been filled with striking booms, but this impetuosity and intemperance of youth has passed, and the region has settled to an orderly, progressive development of its tremendously rich, natural resources. The great area included within the watershed of the 1,500-mile length of the Arkansas was described in the Army report as including—

> The southeastern section of Colorado, more than half of the State of Kansas, a large portion of northeastern New Mexico, the Panhandle of Texas, the entire northern portion of Oklahoma, a section of southwestern Missouri, and more than half of the State of Arkansas—

An area of over 160,000 square miles, and comprising almost 14 percent of the entire Mississippi River watershed. The population of the region approximates 5,000,000 people, engaged for the most part in agricultural pursuits that produce grains and fruits of great diversity, which are transported to all sections of the Nation. The crops of greatest importance are wheat and cotton, but the temperate climate and usually generous rainfall permit a fortunate diversification, including alfalfa, corn, fruits, berries, vegetables, kafir, rye, and oats, with even rice being grown on the lower Arkansas. These products must travel via railroads for marketing. Should this rich region be taxed disproportionately by discriminatory freight-rate charges merely because freight competition in other parts of the country force levying of high rates in those regions not blessed with navigational improvements?

Although agriculture is the main occupation of the Arkansas Valley, attention should be directed to the richness of other natural resources that inure to the national well-being. In this time of great mechanical specialization, the most striking asset of the valley to be called to mind is the great midcontinent oil and gas field through Kansas, Oklahoma, and Arkansas, although great national importance is attached to the lead and zinc mines of the Arkansas watershed, that produce 70 percent of the lead and zinc of the American Continent. Other industries include coal mining; lumbering operations; manufactures of cement, brick, and tile; gold and silver mining in Colorado; salt and gypsum from Kansas and Oklahoma; and those industries associated with the handling of farm products, such as cotton gins, meat-packing plants, elevators, grain mills, and beet-sugar factories. Large-scale metal industries include a steel mill at Pueblo, Colo., which is the largest steel mill west of the Mississippi, and several airplane factories at Wichita, Kans., and Tulsa, Okla. All of these industries, excepting possibly oil, which evades the discrimination by means of pipe lines, must transport their products to markets and compete with similar products from regions which can ship their goods from greater distances to the same market at less expense.

In a country dedicated to free and equal opportunity such a situation which places millions of people at an economic disadvantage with people in other regions should be rectified. Navigation improvements of the Arkansas, the next logical step in national waterway improvement after the development of all other major tributaries and the main stem of the Mississippi, would go far in this respect.

Associated with the problem of navigation and partially included in its scope is the matter of flood control. Flood control projects oftentimes dovetail with navigation projects, since the careful utilization of available waters for navigation purposes often means the retention of seasonal floodwaters for gradual release during low-water periods. Such retention protects lower regions from the ravages of unrestrained floods, and at the same time guarantees sufficient water depth for navigation purposes.

However, there are, of course, many regions that are patently unfit for navigation, yet have flood control problems with which to contend, particularly those sections of rivers with more or less seasonal waters flowing through cities and rich agricultural regions. Such problems are included among those of the Arkansas Valley, since numerous

important cities lie on the banks of the Arkansas and have repeatedly suffered catastrophic losses in human lives and property from uncontrolled floods. The magnitude of this problem merits close attention. Average annual flood losses on the main stem of the Arkansas and its tributaries run in excess of $4,500,000, with approximately 4,000,000 acres liable to inundation. The greatest flood danger is, of course, on the lower Arkansas, where the overflow plain increases to a marked extent, the volume of water is supplemented materially by that from large tributaries, and there are more cities and towns along the banks. However, during years past Pueblo, Colo., located on the upper Arkansas where the Rocky Mountains merge with the Great Plains, has experienced tremendous losses from destructive floods of such intensity that hundreds of lives were lost and over $25,000,000 in property damage occurred during but 1 year. In 1927, Oklahoma alone suffered over $20,000,000 in property losses from uncontrolled floodwaters, while on the Arkansas' main stem over one and three-quarters million acres of cropland were inundated. Great losses of livestock occurred, including over 21,000 head of cattle, 9,250 mules, 66,500 swine, and about 525,500 barnyard fowl. Sometimes floods occur several times during one year, as, for instance, on the Verdigris River in Oklahoma and in Kansas, and on the Caney River which meets the Verdigris in northern Oklahoma. Also serious need for flood protection is recognized at Tulsa, Garden City, Dodge City, Wichita, and Arkansas City, which were hard hit by the disastrous flood of 1927.

Unfortunately, flood threats seem to be increasing instead of being alleviated. For example, it is recorded that the Missouri River reached a crest above flood stage only about 12 times before 1900, but over 30 times since 1900. This trend has been brought about by intemperance in land development. Great forests along the upper reaches of the river have been razed with careless abandon, wide expanses of land have been cleaned of prairie grass by firing and overgrazing, and the demands of the World War, forcing high-powered methods of crop production, have reaped the evils of worn-out land now left to the ravages of ruinous erosion. Thus, the loss of the forests and grasslands and the decrease in productivity of large areas have facilitated a rapid run-off of rain waters. That the Arkansas has therefore become an important factor in lower Mississippi floods was recognized by Gen. Lytle Brown, of the Corps of Engineers, when he stated:

> Because the Arkansas River enters the Mississippi so far down in the alluvial valley its great potential flood volume and its direction of flow at right angles with the Mississippi at the junction point, this stream presents the greatest single threat to the lower Mississippi.

Just what efforts have been made to control these floodwaters of the Arkansas and its tributaries? For the most part flood-control projects have been local and minor in nature. In the upper reaches of the river practically the sole flood-control development is at Pueblo, Colo., for the protection of that city. From Pueblo to Hutchinson, Kans., about 459 miles by channel, there is minor flood protection to protect railroads and head gates to irrigation ditches, and on the remainder of the stream in Kansas are channel improvements at Wichita, levees at Arkansas City, and additional levee protection to agricultural lands in the Big Slough area. Proceeding on down the river over that section included in Oklahoma, we find that practically no protection at all has been erected against floodwaters in this region, while below Fort Smith, Ark., protection exists against moderate floods by means of about 180 miles of levees which cost approximately $3,000,000.

In view of the tremendous area liable to inundation and the great annual damage caused by uncontrolled floods, several flood-control projects have been advanced for consideration by the War Department and have been reported upon. This report states that projects economically justified on the main stream would cost about $10,286,000, with estimated benefits of $10,718,400, including:

> The Caddoa Reservoir for combined use of flood control and irrigation for the protection of flood-plain areas in eastern Colorado and western Kansas; of Arkansas City, Kans., by levees; and the protection, by means of levees, of a number of farm areas in the flood plains through Oklahoma and Arkansas. Because of the concentrated values affected and the possibility of loss of life projects for the protection of Wichita, Kans., Kaw and Tulsa, Okla., and North Little Rock, Ark., should be undertaken at an early date; the total project cost for the protection of these urban areas is estimated at $6,535,000, and the benefits from their construction as $1,774,600.

Further analysis of flood-control projects on tributary streams revealed additional justifiable flood-control projects, which were described as follows:

> The total project cost of the most practical protection works is estimated as $71,800,000, with the total estimated benefits from the construction as somewhat more than one-third of that amount; projects economically justified at the present time cost about $8,707,000, with estimated benefits as $8,838,000, and include the protection of Augusta and Winfield, Kans., and Blackwell, Okla., by means of levees, and the protection of Oklahoma City from North Canadian River waters by a reservoir at Fort Reno, Okla. Because of concentrated values affected and the possibility of loss of life, projects for the protection of Hutchinson, Kans., and Clarksville, Ark., should be undertaken at an early date. The total project cost for the protection of these urban areas is estimated as $3,567,000, and the benefits from their construction as $1,884,000.

As I pointed out, the improvement of the lower Arkansas must deal with navigation and flood control, but on the upper Arkansas an entirely different problem is presented. Over half of the entire watershed, all that region west of the ninety-ninth meridian, needs irrigation to supplement its rainfall during the months from March to October. Most of this area is in Colorado and Kansas, above Garden City, Kans., and about 200 miles above Hutchinson, Kans., although on the north bank of the Arkansas below Little Rock, Ark., over 125,000 acres were being irrigated for rice in 1929 by water obtained from wells.

Well over 750,000 acres of land was irrigated by water from the Arkansas in 1929, the greater part of this irrigation being in Colorado. However, there is considerably more irrigable land than available water supply, a situation that additional irrigation projects and dams would remedy by conserving winter flows and infrequent flood flows lost during irrigation season. Projects contemplated for this purpose and judged of the greatest economic feasibility by the War Department are the Caddoa Reservoir, the Purgatoire Reservoir, and the Bear Valley Reservoir Projects.

The Caddoa Dam, to be located on the main river just below the mouth of the Purgatoire River, about 122 miles above Garden City, Kans., is estimated to cost as a combination flood-control and irrigation project about $10,000,000. The dam would be 120 feet in height and would afford a reservoir of 680,000 acre-feet capacity. It was described in a report by the district engineer submitted in 1935 as "the most efficient project for the development of water resources and flood control in eastern Colorado and western Kansas."

A smaller dam, that on the Purgatoire River, a tributary of the Arkansas, would be about 118 feet in height and would, as stated in Col. W. J. Barden's report of 1935, "afford a supplemental water supply of 48,500 acre-feet to the Arkansas River." This project would be supplemental to the Bear Valley Reservoir Project, which consists of a diversion dam about 100 miles below the Caddoa dam site to furnish water to "an off-channel reservoir" at a cost of about $700,000. Although both of these projects are recognized as feasible by Colonel Barden, the Caddoa Dam is recommended as the most practical.

First Legislative Assembly in the New World

EXTENSION OF REMARKS

OF

HON. SCHUYLER OTIS BLAND

OF VIRGINIA

IN THE HOUSE OF REPRESENTATIVES

Saturday, July 29, 1939

Mr. BLAND. Mr. Speaker, on July 30, 1619 (O. S.), there met at Jamestown, Va., the first legislative assembly in the New World. The annual recurrence of this important event

should be observed. It has not been appropriately remembered, and preparations should be made to commemorate by something more than perfunctory recognition the three hundred and twenty-fifth anniversary of this meeting. In these days when democracies are threatened, it is important that their worth and virtue, as well as their trials, should be recalled.

James Truslow Adams, in his Building the British Empire, to the end of the first empire, says that in general, with some exceptions, this popular assembly was the form into which each colony was to develop, and has developed ever since, a royal Governor, forming a link with the Crown, and popular representation in legislature, having to a large degree local self-government, supported by the power of England and safeguarded by English law.

Adams reminds us that—

In considering the fatal faults of the Stuart regime, it is well to recall that at least it originated the system of liberty within law for the English overseas.

Yeardley returned to Virginia as Governor in 1619 with broader powers than had been granted before. Immigration at once increased. Chandler and Thames in Colonial Virginia say that the spread of the good news in England that Virginia was henceforth to be governed on broad principles caused settlers to flock to the colony, and in a little while the population had grown to be about 2,000.

I quote:

The most surprising and far reaching in their influence of the instructions that Yeardley carried back with him to Virginia was the granting of the right to establish in the colony such government as would be best for the inhabitants. Yeardley had not been long in the colony after his return before he announced that he, on the authority of the London Company, had decided to establish a General Assembly, in which the representatives of the colony would hereafter frame the laws that should govern the colony. This assembly was to be composed of the Governor, his council, and two representatives from each of the scattered plantations. There were eleven of these plantations, and two representatives from each would make an assembly of twenty-two representatives coming directly from the people. The plantations at the time of the organization of the assembly were as follows: James City, Charles City, City of Henricos, Kiccowtan, Brandon, Martin's Plantation, Smythe's Hundred, Martin's Hundred, Argall's Gift, Flower de Hundred, Captain Lawne's Plantation, and Captain Ward's Plantation.

Paul Wilstach, speaking of Tidewater Virginia, in his book by that name, and referring to that part of Virginia which includes all of Virginia east of a line drawn between Richmond and Washington, through Fredericksburg, and on the south by the land south of the James and east of the Washington-Richmond line projected to the North Carolina line, says that this section is, beyond comparison, more interesting to an American than any other equal area between the two oceans.

I quote:

In it the English made their first permanent settlement on the American Continent. Here, from the crudest pioneer condition, flowered a civilization, and here grew a race of philosophical and practical and patriotic statesmen through which it contributed incomparably more than any equal area to the development of the idea of independence and to the passion for it; it was a leader in the activities of the Revolution; and it was the nursery of the great contributors to the constructive organization and practical operation of the new nation.

In Tidewater assembled the first truly representative legislative body on the continent. Here was erected the first church in that area which later comprised the Thirteen Original States. It was here that, on this continent, the white man first exercised the right of suffrage, Negro slavery was first introduced, the first free school was operated, and trial by jury was first given the people.

Discussing the first legislative assembly in the New World, Matthew Page Andrews in Virginia, the Old Dominion, says, at page 85:

But matters of economic import, however vital, are overshadowed by the purpose of the London-Virginia Council to transfer governmental prerogatives to the company's colonial offspring. This course was definitely determined on November 18, 1618; and a comet was observed that night, a "portent" associated with the sailing of the *Sarah Constant* eleven years before; so that this natural phenomenon was the accompaniment of the two most notable events in connection with the beginnings of American settlement—the sailing of the first settlers and the grant of self-government.

Henceforth, the colony was to be governed—and the terminology is interesting—by "two supreme councils": The Council of State, which was to consist for the present of the Governor and his Counsellors, chosen by the company court in England, and the General Assembly, which was to consist of the aforesaid Council of State and two Burgesses chosen out of each Town Hundred or other particular plantation.

As council members of the first legislative assembly in the New World, the following names have come down: Captain Francis West; Captain Nathaniel Powell; John Pory; John Rolfe; William Wickham; and Samuel Macock, with Governor Yeardley presiding. From the time of the arrival of Yeardley upon the good ship *George*, the Governor and council ruled the colony until an election could conveniently be held; i. e., after the crops were well under way. The planters dwelt in four major units, or "incorporations": The City of Henricus, Charles City, James City, and the "Burrough of Kiccotan."

The members of the lower house were called burgesses, two from each borough. On August 9 (N. S.) the assembly gathered. Both Houses sat together in the choir of the Jamestown church, first as a unicameral body, later separately, in sessions that bear detailed description, since they established precedents in American history.

In an introductory note to Proceedings of the First Assembly of Virginia, 1619, contributed in 1856 by George Bancroft and published in Collections of the New York Historical Society, second series, volume III, part 1, page 333, Mr. Bancroft says of this assembly:

Many things are noticeable. The Governor and Council sat with the burgesses and took part in motions and in debates. The Secretary of the Colony was chosen Speaker, and I am not sure that he was a Burgess. This first American assembly set the precedent of beginning legislation with prayer. It is evident that Virginia was then as thoroughly a Church of England colony as Connecticut afterward was a Calvinistic one. The inauguration of legislative power in the Ancient Dominion preceded the existence of Negro slavery, which we well believe it is destined also to survive. The earliest assembly in the oldest of the Original Thirteen States at its first session took measures "toward the erecting of" a "University and Colledge." Care was also taken for the education of Indian children. Extravagance in dress was not prohibited, but the ministers were to profit by a tax on excess in apparel. On the whole, the record of these proceedings well justifies the opinion of Sir Edward Sandys that "they were very well and judiciously carried." The different functions of government may have been confounded, and the laws were not framed according to any speculative theory; but a perpetual interest attaches to the first elective body representing the people of Virginia, more than a year before the *Mayflower*, with the Pilgrims, left the harbor of Southampton, and while Virginia was still the only British colony on the whole Continent of America.

This assembly continued until August 4, 1619, and well commands the admiration of its successors.

Challenge was made of the right of Captain Martin's burgesses to have any place in the assembly because there was a clause in his patent which not only exempted him—

from that equality and uniformity of lawes and orders wch the great Charter saith are to extend over the whole Colony; but also from divers suche lawes as we must be inforced to make in the General Assembly.

It was ordered that the said two burgesses should withdraw themselves out of the assembly until such time as Captain Martin had made his personal appearance before them, at which time, if upon their motion he would be content to—

Quitte and give over that parte of his Patente, and contrary thereunto woulde submitte himselfe to the Generall forme of Governmente, as all others did, that then his Burgesses should be readmitted, otherwise they were utterly to be excluded, as being spies, rather than legal Burgesses, because they had offered themselves to be assistant at the making of lawes, wch both themselves & those whom they represented might chuse whether they would obaye or not.

On Sunday, August 1, Mr. Shelley, one of the burgesses, died.

On Monday, August 2, Captain Martin appeared and declared that he would not—

infringe any part of his Patente, whereupon it was resolved by the Assembly that his Burgesses should have no admittance.

Legislation followed providing—

1. That no injury or oppression should be wrought by the English against the Indians whereby the present peace might be disturbed and ancient quarrels might be renewed.

It is interesting to note that this was less than 3 years before the great massacre by the Indians in 1622.

2. That an idler or "runagate," though a freedman, should have appointed for him a master and for him to serve for wages until he showed amendment.

3. To prevent gaming at dice and cards.
4. Against drunkenness.
5. Against excess in apparel.
6. That people of the colony "neither utterly to rejecte" Indians to converse with them or to live and labor among them, "nor yet to drawe them to come in."
7. For education of a "certaine number of the natives' children," * * * "in true religion and a civile course of life."
8. As to planting corn.
9. For planting mulberry trees.
10. For planting "silke flaxe."
11. For planting hemp, English flax, and "anniseeds."
12. For planting and maintaining 10 vines by every householder "until they have attained to the arte and experience of dressing a vineyard."
13. For paying tradesmen "according to the quality of his trade and worke, to be estimated if he shall not be contented, by the Governour and officers of the place where he worketh."
14. For enforcement of all contracts made in England between the owners of land and their tenants and servants "which they shall send hither."
15. To prevent enticement away of tenants and servants of one person by another.
16. To protect prices of goods sent to the "Magazin" till such time as they might be taken "off their handes at the prices agreed on," and "that the price thereof may be uphelde the better."
17. To prevent and reform abuses complained of at the "Magazin."
18. To regulate prices of tobacco as a medium of exchange.
19. To secure proper curing of tobacco.
20. Remedies and relief in various private matters.

On August 4, 1619, the record shows that—

By reason of the extream heat both paste and likely to ensue, and by that meanes, of the alteration of the healthes of diverse of the General Assembly, the Governour, who himself also was not well, resolved should be the laste of this firste Session.

There followed that day laws relating to trade with the Indians, requiring names of servants and terms and conditions of service to be sent to the Secretary of State, also terms and conditions of those coming to the colony, and that ministers in March of each year should submit a report of all christenings, burials, and marriages.

There were prohibitions against killing of cattle without leave of the Governor, and prohibiting under penalty of being declared a felon taking boats, or oars, or canoes without leave of the owner.

Provision was made as to the duties of ministers, with authority to them and church wardens "to presente all ungodly disorders," "reformation of swearing."

All persons passing Jamestown by water were required to stop there, "to knowe whether the Governour will commande him any service"; and trade into the bays was prohibited without license from the Governor and subject to certain restrictions.

All persons were required to "frequente divine service and sermons, both forenoon and afternoon," those bearing arms to bring their "pieces, swordes, poulder, and shotte"; consent was required for marriages of maids or women servants; and contracts for service were required to be enforced.

Inquiries were made on the last day into matters which might prejudice relations with the Indians, and particularly that one, Spellman, had informed the Indian Emperor, Opechancanough, that within a year there would come a Governor greater "than this that nowe is in place."

By wch and by other reportes it seemeth, he hath alienated the minde of Opechancano from this present Governour & brought him in muche disesteem both to Opechancano and the Indians, and the whole colony in danger of their slippery designes.

Spellman was censured, and finally "degraded" of his title "of Capitaine at the head of the troope" and condemned to perform 7 years' service to the colony, "in the nature of an Interpreter to the Governour."

A matter involving discharge of certain bonds given to Capt. Samuel Argall was adjusted and provision was made for compensation for the speaker, clerk, sergeant officers, and "the Provost Marshall of James Citty," to be paid in tobacco.

The general assembly commanded the speaker to present their humble excuse to the treasurer, Counsell & Co. in England—

For being constrained by the intemperature of the weather and the falling sicke of diverse of the Burgesses to breake up so abruptly, before they had so muche as putt their lawes to the engrossing.

Their "last humble suite" to the treasurer, Counsell & Co. in England was—and this is most significant—

That the said Counsell and Company would be pleased, so soon as they shall finde it convenient, to make good their promise sett down at the conclusion of their commission for establishing the Counsell of Estate and the General Assembly; namely, that they will give us power to allow or disallowe of their orders of courte, as his Ma^{ty} hath given them power to allow or rejecte our Lawes.

This declaration shows unmistakably that the spirit of independence was alive and the seeds of the revolution were then sown.

Well did John Esten Cook, in Virginia, a History of the People, page 115, say:

The event was a portentous one. The Old World had passed away and the new was born. Popular right in America had entered on life and the long struggle to hold its own. It might be strangled in the cradle, or done to death before it reached full manhood, but the blessed fact remained that at least it had been born.

The three hundredth anniversary of the first lawmaking body on the Western Hemisphere was celebrated in the House of Delegates, Richmond, Va., August 15, 1919, and addresses were made by Gov. Westmoreland Davis, Dr. John Leslie Hall, Dr. Thomas Nelson Page, and others.

There may be found also an address by Hon. William Wirt Henry on The First Legislative Assembly in America, in chapter XXI of the Annual Report of the American Historical Association for the year 1893.

Men now engaged in legislative processes and in preserving democracies may be interested in the record of this assembly.

I shall introduce in the next session of the Congress a resolution for the commemoration of this great event on its three hundred and twenty-fifth anniversary, July 30, 1944.

"Republican Claims to Congress Control Fool Nobody"

EXTENSION OF REMARKS

OF

HON. ADOLPH J. SABATH

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Saturday, August 5, 1939

Mr. SABATH. Mr. Speaker, for the last few days Republican newspapers with blaring headlines and Republican leaders with gleeful shouts have been broadcasting that President Roosevelt and the New Deal had lost control of the House, and that the Republican minority with the aid of reactionary Democrats allowed only such legislation to pass as was agreed upon in their unholy coalition.

The pages of the controlled Republican press and the statements of the excessively jubilant Republican leaders also are charging President Roosevelt and the New Deal with the appropriation of $13,000,000,000.

What an inconsistency! How can Roosevelt and the New Deal be charged with this appropriation if the combination of the Republican minority and "spite Roosevelt" Democrats control the House? Fortunately for the country, charges that President Roosevelt was responsible for this appropriation and Republican boasts that the House is under their control are both untrue.

It is true that the solid Republican vote, coupled with the vote of those Democrats who are trying to undermine President Roosevelt and the New Deal, was responsible for stopping passage of the Neutrality Act, this to the detriment

of the safety of our Nation. It is true that their vote defeated the lending bill, which was designed to aid business, industry, agriculture, and labor and which called for no appropriation of money. It is true that their vote defeated the housing bill, which would have been of great benefit to States, counties, and municipalities who had set up housing authorities to provide decent living quarters for its poorer citizens and to abolish slums and crime-infested areas.

The lending bill would have authorized the issuance of bonds to obtain a fund from which the Government could make loans to private business and industry. Such bonds would pay only 1⅜-percent interest. Loans would be made to private enterprises at an interest rate of 3 percent. Thus, instead of providing for an appropriation of money, the lending bill would have provided a profit for the Government—the same type of profit the Government now realizes from R. F. C. loan payments. Moreover, this bill would have provided private business and industry with much-needed capital that the banks refuse to provide in spite of the fact that National and State savings banks today have on deposit more than $52,000,000,000, a greater amount than any ever held on deposit in the history of these United States.

I am convinced that when the people of this country become familiarized with the real intent of the lending bill they will condemn rather than applaud the Republican-Democrat reactionary coalition that was responsible for its defeat.

Within the last year upward of 240 State and municipal authorities have been organized by legislation to eliminate slum areas and provide decent living quarters for more than 2,000,000 families. The housing bill was drafted to aid them in this work. It is also a bill that does not provide for an appropriation of money. Rather, it would have authorized our Federal Housing Authority to issue $800,000,000 in bonds—bonds which the bankers awaited with open arms. These bonds, let out at 1⅜-percent interest, would provide funds sufficient to make loans to the various housing authorities throughout the country at a rate of 3 percent. Loans, under the housing bill, would be given only after the authorities provided ample security.

The housing bill would have enabled States, counties, and cities to provide suitable living quarters at modest rentals to millions of people of our poorer class. It was advocated by all labor organizations in the United States, by the lumber, steel, and other building industries, and by every civic organization having at heart the interests of that underprivileged class of people who are sadly in need of healthful and comfortable housing facilities. The bill, in addition to satisfying this human necessity, did not appropriate a dollar. Moreover, its provisions assured the Government of a profit on its loans.

In view of these facts, it is not difficult for me to predict that those Republicans and reactionary Democrats will not long point with pride to their accomplishments. In days to come they will be put to task to explain their spiteful action, and their unwarranted opposition to this beneficial bill will plague them not only in the next campaign but for many successive years.

If we concede that the Republican-disgruntled Democrat coalition holds, as it boasts, control over the House, how can they possibly blame President Roosevelt and the New Deal for that enormous $13,300,000,000 appropriation? The people will come to know that this appropriation runs $300,000,000 greater than the appropriation recommended to Congress by President Roosevelt and the Budget Bureau. Is there not a remarkable streak of inconsistency in the gleeful shouts of these anti-Roosevelt legislators?

I do not envy these reactionaries their present hilarious jubilation. It will be terribly short-lived. The people will get on to these conniving and scheming gentlemen for, in the words of the founder of the Republican Party: "You can fool some of the people all of the time, and you can fool all of the people some of the time, but you can't fool all of the people all of the time." To my reactionary Democratic colleagues, I have often, on the floor of the House, given warning to "beware of Greeks bearing gifts," but their actions show that they paid no heed. They have persistently followed the futile policy of "cutting off their noses to spite their faces."

I deeply regret that there are 40 to 46 Democrats, elected on the Democratic ticket under the banner of President Roosevelt, who for personal reasons have, from time to time, gone far afield in their efforts to destroy the constructive, humanitarian program of President Roosevelt and the Democratic Party. In spite of their vicious attacks, our President's determination to aid the American people will never waver. He will continue to protect our Nation from those destructive forces which, in order to ease their burden of taxation, would like to unload the cost of Government on the shoulders of those least able to bear it—the working class.

In conclusion, I make this prediction: That regardless of what his enemies may say or do, President Roosevelt will retain not only the confidence but the love of the American people, and when 1940 comes the people will demand that he continue his great service for another 4 years.

The Economic Situation

EXTENSION OF REMARKS

OF

HON. ALBEN W. BARKLEY

OF KENTUCKY

IN THE SENATE OF THE UNITED STATES

Saturday, August 5, 1939

STATEMENT BY HON. KENNETH McKELLAR, OF TENNESSEE

Mr. BARKLEY. Mr. President, in accordance with permission granted me on Saturday, August 5, 1939, on page 11126 of the RECORD to extend my remarks on data on the economic situation, I herewith offer for the Appendix of the RECORD a statement by Senator McKELLAR printed in the press of the country, as follows:

The Congress just closed, on the whole, has done a very excellent job and has aided the administration in bringing about greater confidence and stability in our economic situation.

We have given farm problems the greatest attention, and farm prices have been substantially maintained, except in one or two cases, and in some cases greatly improved. In our part of the country the most serious problem is the cotton surplus. By wise laws and careful administration this surplus is being reduced, and at the same time cotton prices have increased considerably within the last 6 months. On March 31, 1939, the Government had loans on between 11,000,000 and 12,000,000 bales of cotton. It is estimated at the present price of cotton the Government's holdings are worth $50,000,000 more than they were on March 31 of this year, and there is a much more active demand for cotton, all of which is encouraging. Our sales and barters of cotton abroad are increasing, and during the year we hope to reduce our tremendous surplus very substantially.

Our banking system is in good shape and our law guaranteeing bank deposits has worked admirably. Indeed, it is one of the outstanding accomplishments of the Roosevelt administration.

I have seen statements that we have appropriated some $14,000,000,000 at this session. Such statements are not true. The amount appropriated is just a little more than $12,000,000,000, and a great deal of that sum will not be spent during the year 1940.

It is true that our national debt has increased to some $40,000,000,000, but I see nothing alarming in that. Our bonds were never more valuable and never sold for a higher price. Both our bonds and our dollars are gilt-edged.

The indications are that our national income will be substantially increased this year and that our Government's income will be larger than the estimates. A survey of any good newspaper on any recent date will show a marked improvement in business throughout the country.

While it is true that during President Roosevelt's administration we have increased the national debt from about $21,000,000,000 to about $40,000,000,000, we certainly have a great deal to show for the increase. The national income has increased from $40,089,000,000 in 1932 to $63,993,000,000 in 1938, and this year it is estimated that our national income will amount to $67,000,000,000. One year's increase in national income is largely more than the increase in the national debt.

Besides that, during the 6½ years of the Roosevelt administration we have built up the Nation's roads to a marvelous degree; we have spent much for public buildings of every kind, nature, and description, including many schoolhouses and much-needed courthouses; we have built up a system of rural electrification that will greatly benefit the rural population of America; we have built marvelous parks for the proper recreation of the people; we have built up air transportation for the benefit of all the people; we have established a system of social security in this country for the benefit of the unemployed, for the benefit of the aged, for the benefit of the helpless, and for the benefit of all those who work for their daily bread. Only this year we have revised, amended, and made better these social-security laws. We have amended the Securities and Exchange laws, which laws have done so much to protect American investors. At this session of Congress we gave the President authority to consolidate Government bureaus and commissions, and we believe this will prove of benefit. We have built self-liquidating power dams all over the country, thereby reducing electric rates to the people.

Because of world conditions, we have been obliged to spend several billions more on our Army and our Navy than we otherwise would have spent; we have loaned millions of dollars to men and women all over the country for the improvement and the saving of their homes and farms; we have furnished the money with which to build great and needed dams throughout the country, notably in the Tennessee River Valley, in the Columbia River Valley, in the Colorado River Valley, and on numerous other watercourses in America. While requiring large initial outlays, all of these amounts will be paid back in full.

We have added to our criminal laws the better to protect our citizens from lawbreakers and racketeers.

We have tried our best in making our laws to put employers and employees on a surer and firmer foundation, providing for better and more stable wages and for retirement funds for the old age of workers.

Laws have been passed strengthening the R. F. C., and that organization has done a wonderful work in restoring business. It is one of the large successes of this administration. During this administration the R. F. C. profits have amounted to some $2,000,000,000, all of which belongs to the Government, and, of course, constitutes a credit on the $40,000,000,000 national debt that we owe.

During the Roosevelt administration we have spent $15,846,734,000 for relief to keep people from starving. The figures are as follows:

1933	$1,335,652,000
1934	2,379,098,000
1935	2,523,480,000
1936	3,254,195,000
1937	2,868,777,000
1938	3,485,532,000

To this amount must be added $1,477,000,000 for the present fiscal year, making a grand total of $17,323,734,000. It will be noted that the amount appropriated for the next fiscal year has been reduced to less than half last year's appropriations, and the expense of administering relief has been in like manner greatly reduced, and we believe that under the present system all needy persons will receive the help they need to get by with.

It is true that the present administration has increased the public debt, about $19,000,000,000 in round numbers, less R. F. C. profits of about $2,000,000,000, leaving a net increase of $17,000,000,000—and it is seen that approximately $17,000,000,000 has been spent for public relief. This money has been spent by the Congress; and although I have not examined the record votes, it is my recollection that a large majority of both Democrats and Republicans voted for all of these relief bills. Who will say that this money ought not to have been so used? The States did not have the money and the cities did not have the money to spend for this relief work. The Federal Government, therefore, was obliged to make the appropriations, and they have been made. For the most part, these moneys have been spent wisely and economically. Those who complain of the increase of the national debt are in the attitude of complaining of these appropriations for these purposes. My personal opinion is that we have gotten out of the mire in which we found ourselves in 1932 with marvelous skill and ability, and the amount appropriated for relief for the fiscal year 1939–40 is only about one-half of what it was in 1938, which shows that the long contest with the economic depression is on the wane.

In considering the increase of the national debt there is another item to be noted, and that is that the total debts of the States, counties, and municipalities amounted to $19,517,000,000 in 1932 and today they amount to $19,170,000,000. This is because the Federal Government has assumed so large a share of relief.

It is true that three pieces of legislation, greatly needed and all favored by the administration, were not approved by this Congress. One was the Neutrality Act, which should have been passed by all means. Our present neutrality law is indefensible and should be changed so that America can sell her goods abroad at any time to anyone and under any circumstances, provided only that the purchasers are able to pay for such goods. The cash-and-carry plan of our Secretary of State, Cordell Hull, as eloquently presented by him, is fine. The neutrality law which we now have is more likely to get us into war than it is to keep us out. I believe there will be a revision of this law at the next session of Congress.

Second, the amendment to the housing law was defeated, and this was a misfortune. It will certainly be passed at the next session of Congress.

Third, the lending bill, in proper form, should have been passed. It would have made our present up-turn in business much safer, and under the lending management of Mr. Jesse H. Jones it would not have cost the Government anything.

The truth is that the Roosevelt administration and the Congress have done a marvelous job for the American people. Our country is getting in better condition every day. Let us quit croaking and get to work. The only kind of prosperity worth having is that which you work for.

I note that our Republican friends are claiming that they have made great progress during this session of Congress toward finding an issue for 1940. I am afraid that all they have got is an exalted optimism and a desire for the offices. They have no issue in the increase of the public debt, because the public debt was increased solely and alone for relief purposes, and a majority of the Republicans in both Houses voted for every relief bill. I mention again that our increase in the national debt is some $17,000,000,000 plus, and our appropriations for relief almost the identical sum. The money was spent to keep the people from starving. Who is there base enough to deny relief to the starving? So that issue fades.

Their next complaint is about what are called New Deal measures. They cannot make an issue out of these complaints, because a large majority of them in both Houses voted for nearly every one of the New Deal measures. They voted for relief, as I have stated; they voted for the various aids to agriculture, including the Agricultural Adjustment Administration, the Surplus Commodity Act, the Seed Loan Acts, and the Commodity Credit Corporation Act; the Civilian Conservation Act; the Maritime Commission Act; the Public Works Act; the Works Progress Act; the National Youth Administration Act; for the Banking Act, especially the Federal Deposit Insurance Corporation Act was earnestly advocated by them and even by one of their leading candidates for the Presidency, Mr. VANDENBERG; they voted for the increases in the Army and the Navy, known as the National Defense Act; they voted for the Social Security Act and kindred acts; they voted for the Securities and Exchange Act; most of them voted for the N. R. A. and the National Bituminous Coal Commission Acts, which were declared unconstitutional; they voted for the Farm Tenancy Acts, the Parity Payment Act, and for every other Roosevelt administration act substantially, save the Court reform bill, which was not passed, but the objects of which were accomplished by public debate.

If ever there was a political party without an issue it is the Republican Party at this good hour. It is true that they said the W. P. A. should be turned over to the States, but they cannot make an issue out of that question, because they could not get anyone to believe the Federal Government should appropriate money and turn it over to the States to be administered. They also complain about particular instances of dishonesty in the administration of the W. P. A., and there have been particular instances of dishonesty in that organization; but the persons responsible have been tried, convicted, and punished. So that issue is out of the way.

They have not been able to find a single Teapot Dome, a single naval oil scandal, a single dishonest Cabinet member, and not even a Veterans' Bureau scandal. They have multitudes of complaints, but they have not found an issue in 7 years of Roosevelt's administration. They certainly can get no issue out of that administration. They will be obliged to get a candidate who has not been in Congress, for any candidate who has been in Congress any length of time has voted for the New Deal or administration measures.

As I stated before, all our Republican friends have in this next campaign is an exalted optimism and a real desire to get into office again. They have no issue; they only have complaints and claim to believe that they could have managed the country better during the last 7 years. They were in power 12 years from 1921 to 1933. They never passed a single measure for the benefit of the plain people of this country, and when the Democrats came in and passed all these measures they voted for them; and we all know that if, by any mischance, they could get into power again they never would repeal any of the laws now placed on the statute books by the Democrats, but would leave them just as they are.

Rural Electrification—Dedication of Four-County Power Association

EXTENSION OF REMARKS

OF

HON. JOHN E. RANKIN

OF MISSISSIPPI

IN THE HOUSE OF REPRESENTATIVES

Saturday, August 5, 1939

ADDRESS BY HON. JOHN E. RANKIN, OF MISSISSIPPI, AT STATE COLLEGE, MISS., ON AUGUST 4, 1937

Mr. RANKIN. Mr. Speaker, under the permission granted me to extend my remarks in the RECORD, I am inserting the

record of the proceedings of the celebration at the dedication of the Four-County Electric Power Association at State College, Miss., on Friday, August 4, 1939:

INTRODUCTION BY HON. W. G. ROBERDS

Mr. ROBERDS. Ladies and gentlemen, it is most appropriate that the principal address of this occasion should be delivered by the Honorable JOHN E. RANKIN, who so ably represents us in the halls of the National Congress, and who is more responsible than any other man alive for the construction of this great rural power project which we are here to dedicate.

Mr. RANKIN is known throughout the Nation as the father of rural electrification. He was co-author of the bill creating the Tennessee Valley Authority and has devoted his time and energies to bringing its benefits to the people of this section of the country, and especially to the people living in the rural districts.

He conceived the idea and visualized the possibilities, as well as the means, of furnishing electric current to the rural sections, especially of his own district. By his untiring efforts, his unswerving determination, his faithful devotion to the interests of his people, together with his great influence in Congress and with the administration, he has made this celebration possible. He secured loans through the R. E. A. and donations for labor by the W. P. A. for the construction of rural lines and made it possible for the farmers in these four counties to enjoy the benefits of cheap electricity from the Tennessee Valley Authority.

There have been many obstacles to overcome, and they have been overcome only by his help and leadership. It is but a statement of fact to say that but for him we would not be celebrating here this evening, and it is extremely doubtful whether the thousands of farmers served by these lines would have lived to see electric lights in their homes if it had not been for him and his untiring devotion to the cause. It gives me great pleasure to express to him the profound gratitude of everyone served by, as well as everyone connected with, this great cooperative electric power association, which was organized and is operated, not for profit, but for service to the people of these four counties.

Ladies and gentlemen, I take great pleasure in presenting to you the Honorable JOHN E. RANKIN, Member of Congress from this district.

Mr. RANKIN. Ladies and gentlemen, I first want to thank my distinguished friend, Judge Roberds, for his generous words, and in turn to commend him for the splendid work he has done, and the great service he has rendered the people of this district, by his diligent efforts in behalf of this Four-County Power Association. I know of no man who has worked harder, or who has given more liberally of his time and his energies, to help make this project a success, or who has rendered greater assistance generally in bringing the blessings of cheap electricity to you people than he has. You owe Billy Roberds a lasting debt of gratitude for his services in this cause.

I also want to thank the members of the board of directors for their unselfish services in this cause, L. L. Martin, of Macon; W. G. Evans and Eugene Hardy, of Columbus; Henry M. Ivy, of West Point; and R. L. Carpenter, of Crawford. These men are also entitled to your everlasting gratitude for the great work they have done in helping to make possible this celebration, and enabling you and your children to enjoy the benefits of T. V. A. power at T. V. A. rates.

For my part, it is impossible for me to adequately express my feelings on this occasion. This is one of the proudest moments of my life. I am seeing one of my major dreams come true. This celebration marks the culmination of a battle I have waged for years to secure cheap electricity for the people I represent, and to get it extended to the farmers and others living in the rural districts.

This is a turning point in the history of this section of Mississippi, and especially of these four counties—Clay, Lowndes, Oktibbeha, and Noxubee. For them it is the beginning of a new era in our civilization. Today they are moving forward into the electric age, in which they are destined to enjoy blessings, comforts, and conveniences of which they had scarcely dreamed a few years ago.

Consumers in every one of the 10 counties in this district are now getting T. V. A. power at the T. V. A. yardstick rates. Every county in the district now has a rural electrification program that supplies electricity to the farmers' homes, bringing to them all the comforts and conveniences that city life affords, without the noise, municipal taxes, and other draw-backs and disadvantages of the large congested centers.

In a few days the facilities now owned by the private power company in these four counties will be purchased and the people served by them will have their rates reduced to the T. V. A. yardstick levels. This will be the first congressional district in the United States to have every human being that turns an electric switch securing power at the T. V. A. rates and having it delivered to the farmers in the rural districts at those rates. It is true that we have not reached every farm home yet, but we are on our way, and expect to reach everyone who wants it in the course of time.

When I first went to Congress I visited Muscle Shoals and made an investigation of the probable benefits to be derived from that great project. I found there a wealth of electric energy richer than the diamond mines of Golconda, more valuable than any oil field or any gold mine in the world. On investigation I found that every human being in the district I represented lived within transmission distance of that dam and was entitled to his pro rata share of the electric energy to be produced. I immediately joined Senator NORRIS in his struggle to create the Tennessee Valley Authority. He introduced in the Senate and I introduced in the House the bill that finally became a law, creating the T. V. A. and under which it now operates.

One of the hardest fights of my congressional career was to keep that measure from being sent to an unfriendly conference that would have wrecked it. I had it held back until we secured an agreement that the provisions of what has become known as the Norris-Rankin bill should be retained.

In this connection I want to pay my tribute to Senator NORRIS, my coworker in this cause, the great leader for the T. V. A. in the United States Senate. He is one of the best friends the toiling masses of this country ever had. In helping to create and develop the T. V. A. he has rendered a service to mankind that will forever endear him to the consumers of electric lights and power in every State in the Union.

In his devotion to this cause he has stood as—

"Constant as the northern star,
Of whose true fix'd and resting quality
There is no fellow in the firmament."

I also want to acknowledge our debt of gratitude to our great President, Franklin D. Roosevelt, without whose support and assistance, the blessings of cheap electricity which the T. V. A. provides would not have been secured for the people of this area, at least during this generation. When the history of these trying years is written, and the other great questions that now agitate the public mind shall have been forgotten, the T. V. A. will stand as a lasting monument to his administration, and will take his name down the centuries for his services to humanity in fostering this, one of the greatest developments of ancient or modern times.

As I have said before, electricity is the lifeblood of an advancing civilization. The cheaper the rates, the more freely it flows, and the more freely it flows the greater are its benefits to mankind.

It is the greatest servant the human race has ever known, and the only one men or women of ordinary means can afford, and they can afford it only when it is supplied to them at reasonable rates. For a small outlay, under the T. V. A. rates, one can light his home, his barn, his garage, and other outhouses, run his radio, operate the fan, the electric iron, the water pump, the refrigerator, and the electric range, and then, if necessary, heat the home and do a hundred other things all at the same time—work that would require the employment of dozens of human beings to perform.

Electricity, or at least the use of electricity, is something new in this world. It is one of the greatest gifts of God to man, and yet it took thousands of years to induce man to accept it. Throughout uncounted centuries Almighty God wrote His name in the lightning's flash across the face of the storm cloud as a challenge or an invitation to mankind to harness and use the greatest wealth of energy the world has ever known.

A little more than 50 years ago Thomas A. Edison, the greatest inventive genius of all time, inserted a loop of wire into a vacuum tube and generated into it an electric current, thereby creating the first electric light, the first incandescent lamp. By that one achievement he did more to change the course of civilization than has any other man who ever lived in all the tide of time. He not only gave us the light with which to illuminate our halls, our homes, our streets, and our parks, but he gave us the spark that fires the gas to drive the motor machine. He made possible the automobile, the radio, the X-ray, the airplane, the submarine, and all that other great wealth of electrical machinery and appliances with which we conduct the various enterprises of this modern age.

It is impossible to estimate the debt we owe him. Men of genius scale new heights and blaze the way for new and greater accomplishments. Among the great men of genius whose names adorn and enrich the pages of history, and who have contributed most to the advancement of the human race, none will shine brighter or live longer than that of Thomas A. Edison. Rising like a huge mountain above the undulating mass of humanity his immortal figure will stand in glorified silhouette against the horizon of time, sending its radiance down the centuries to come, to be a guide and inspiration to toiling men and women of future centuries who struggle to emulate his lofty example throughout the ages yet to come.

I am proud of the part I have played in the creation and promotion of the Tennessee Valley Authority. Measured in terms of its benefits to mankind, it is perhaps the greatest development of ancient or modern times.

The T. V. A., along with the other power policies of this administration, has already reduced light and power rates to the ultimate consumers of the Nation $625,000,000 a year. Mississippi's part of that annual saving is $3,730,000; and still the people of the State are overcharged $5,396,800 a year. Unless the present rate is reduced in other sections of the State, they will be overcharged next year more than $4,000,000; but I am happy to announce that not $1 of that overcharge will be paid by the people of the First Congressional District which I have the honor to represent.

We will all be getting our electricity at the T. V. A. rates, and if the people in the southern and western parts of the State want

their rates reduced to the T. V. A. levels, it can be done. The power companies can reduce their rates to the T. V. A. levels in every community in Mississippi and continue to make a reasonable return on their legitimate investments.

This, in my opinion, is the greatest economic blessing that has ever come to the people of this section. It is one that will be here for all time to come, or as long as the Tennessee River bears its tributes to the sea. Our present contracts last for 20 years, and by the time those 20 years shall have passed away, an aroused public opinion throughout the Nation will have forced light and power rates to the T. V. A. levels, or lower, in every nook and corner of the United States.

As I said, this is a new civilization—the electric age—into which we are now moving, and in which we are to witness an electrified America. It is indeed worth something to live in this age and to see the dawn of this new era. It is worth a great deal more to me, as a public servant, to have witnessed the dawning of this new day and to realize that I have played a humble part in bringing this condition about. But to see its first light break over the district I represent, and its first benefits come to the people who have honored me with their suffrage, and to whom I owe my first and highest duty, brings a degree of satisfaction that I dare say has come to few public men on this earth.

During the years in which I struggled, along with Senator NORRIS, for the creation of the T. V. A., and during the succeeding years that I have fought to have these power lines extended throughout this area I have been conscious of an abiding conviction that no service I could ever render to the people of this district would be worth so much to them as that of bringing this cheap electricity to every home and to every business establishment in these 10 counties.

I have been called the "father of rural electrification." Whether I am entitled to that designation or not, I don't think I am assuming too much when I say that I originated the present rural electrification program that is now spreading rural power lines to the farmers in every State.

Shortly after the T. V. A. was created, I called a meeting of the farmers of Lee County and organized a country-wide rural electrification association. I then proceeded to perfect similar organizations in each of the other nine counties in the district. We then went to the State legislature and got a law passed permitting these associations to incorporate as nonprofit enterprises, for the purpose of purchasing power at wholesale from the T. V. A. and distributing it to the farmers and other people living in the rural sections. Every county in the district has a separate association, with the exception of Lee and Itawamba which are combined into the Tombigbee Association, and this four-county association comprising the counties of Clay, Lowndes, Oktibbeha, and Noxubee.

This movement soon spread to the rest of the Nation and today constitutes the basis of the program of our national rural electrification program.

Two years ago I secured an amendment to a pending bill giving us the right to employ W. P. A. labor in order to cut down the expenses of the construction of rural power lines throughout the Nation. I also secured the adoption of an amendment providing $100,000,000 of loans for the construction of rural power lines in every State in the Union, and I have exerted every influence of which I was capable to see that you people received your pro rata share of those benefits. I have succeeded beyond my fondest expectations. My cup is running over. I am here today to rejoice with you and to celebrate this great event that, as I said, marks the greatest turning point in the history of this section of Mississippi.

Nor have I been selfish or played the part of the dog in the manger in my attempts to secure for all the American people the benefits of cheap electricity. Members of the House who agree with me on this subject elected me chairman of what we call the power bloc in the House, and in that position I have labored diligently to assist the people, and especially the farmers, in every section of the country to secure electricity at rates based upon the cost of generation, transmission, and distribution.

In doing so we are not interfering with private business, as many of our adversaries contend, for the simple reason that this is a public business and not a private enterprise. Electricity is a necessity of life, and the power business is necessarily a monopoly. It would be futile for a half dozen companies to serve electricity to the same community, for the simple reason that it would make the cost prohibitive. Therefore, electricity must be handled by a monopoly, and any monopoly of a necessity of life is necessarily a public and not a private business. Instead of the Government, or a municipality, or the cooperative power associations competing with private enterprises in a private business, private enterprises are engaging in a public business and have been demanding a monopoly in order that they might impose upon the helpless consumers of electricity the highest rates the traffic will bear.

In some sections of the country it is charged that we are able to use cheap electricity throughout this section only because of the Government's subsidizing the T. V. A. That charge is utterly false. If the T. V. A. can sell 60 percent of its power load at the present wholesale rates it can amortize and pay for the entire investment in 25 years, together with the interest and all the overhead expenses.

But they tell us that water power is so much cheaper than power produced with coal, gas, or oil, that it is driving the coal industry out of business. That statement is untrue. Electricity can be produced with coal in the coal-producing States at from 2 to 4 mills a kilowatt-hour, or at a lower rate than that at which the municipalities and cooperative associations are buying power wholesale from the T. V. A. It can be produced, and is being produced, by oil or natural gas, for less than 2 mills a kilowatt-hour in the oil and gas fields of Louisiana, Texas, Arkansas, and Oklahoma. That power, whether produced by oil, gas, or coal, could be distributed to the ultimate consumers in every State in this Union at the T. V. A. rates, with a reasonable profit and without loss to legitimate investors; and it will be so distributed whenever the people in every State rise up and demand it.

We have reduced rates in this district alone approximately $2,000,000 a year. If the people throughout the district during the coming year had to pay the rates they were paying 6 years ago, before the T. V. A. was created, and its yardstick rates published to the world, the consumers in these 10 counties alone would pay an annual overcharge amounting to more than $2,000,000. At 10 cents a pound, that would equal 40,000 bales of cotton, or an average of 4,000 bales to the county, that you people would be required to pay in tribute to the power interests each year if you used the same amount of electricity you are now using and paid the rates private interests were charging you 6 years ago, when the private power companies were buying this same power at Muscle Shoals for 2 mills a kilowatt-hour wholesale, or for less than one-half of the wholesale rate now charged by the T. V. A.

Six years ago 50 kilowatt-hours of electricity a month cost a residential consumer in this district $4.60; it now costs him $1.50. Six years ago 100 kilowatt-hours a month cost $8.60; it now costs $2.50. At that time 1,000 kilowatt-hours a month cost $66.10; it now costs $8.90. This will give you an idea of what these reductions in rates mean. The T. V. A. rates are not too low; if anything they are too high, and will be reduced as time goes on and the load increases. One cent a kilowatt-hour for the first 100 kilowatt-hours a month is added in the rural sections to amortize the lines. No taxes will be imposed for that purpose.

It is impossible to estimate the great benefits this will bring to the people of this area, and especially to the farmers, the people living in the rural districts. It will not only light their homes, their halls, their barns, and their outhouses, but it will enable them to use the radio that will bring into their homes the finest music and the best entertainment as well as the news of the world. It will enable them to use the electric iron and the washing machine, as well as the water pump, to lift from the shoulders of the farmer and his family those great burdens of drudgery under which they have struggled throughout the centuries. It will also bring to them the refrigerator to afford comforts and economies surpassing anything they have yet known. It will add to the conveniences and to the profits of every business enterprise, even in the remotest rural district. It will make farm life more profitable, more pleasant, more attractive, and will increase the value of every acre of farm land. It will stimulate our program of agricultural diversification and help to some day make this one of the greatest dairy and poultry districts in the world.

It has put this district out in front as the leader in this onward march of modern progress and will take it on down to future generations, as Henry Grady once said, holding high the torch, and making light the way up which all other sections of the world must come in God's appointed time.

The United States Government Housing Program Absolutely Necessary and Must Be Continued

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EXTENSION OF REMARKS

OF

HON. CHARLES A. BUCKLEY

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Saturday, August 5, 1939

Mr. BUCKLEY. Mr. Speaker, since the House denied to us the opportunity to debate and vote upon the housing bill, I wish to state why I voted to adopt the rule and my views on this most important subject.

The Public Works Administration was the first agency that initiated the movement of slum clearance, substituting therefor model apartments for the use of the underprivileged. In 1937 Congress passed the United States Housing Act. The present bill was to extend that act in order to bring the benefits to a greater number of people.

We representatives who come from the cities know too well the seriousness of the housing problem. We know that for too long nothing was done to help the plight of the millions who live in slums; not until 1937 was a start in that direction made. When Congress passed the United States Housing Act new hope was given to the slum dweller and the low-income worker, and why we now wish to change our minds is beyond human understanding.

In the large cities of the United States, such as Chicago, New York, Philadelphia, Boston, Baltimore, Pittsburgh, New Orleans, and many others, a great proportion of the houses, the so-called tenements, had, because of their extreme age, become dilapidated and unfit for human occupancy. Due to the lack of better quarters these people with low incomes have necessarily remained in these buildings, which were not equipped with proper plumbing, lighting, toilets, or bathroom facilities. They swelter in the summer and freeze in the winter. The Housing Act changed these conditions and gave some of these people an opportunity to live in better buildings with proper light and air, landscaped with trees and plants, so that their outlook in life is a better and happier one.

Other countries have years before realized that such a problem must be remedied, and we note that England, Wales, Switzerland, Sweden, Denmark, Holland, and Norway embarked upon government housing, as a result of which many benefits were extended to their people.

We know that slums are in a great way responsible for crime; we know that slums are in a great way responsible for juvenile delinquency; we know that slums are in a great way responsible for disease; we know that slums are in a great way responsible for loss of life caused by fire hazards; we know that slums are in a great way responsible for impairment of civic morale. Yet why are some opposed to so meritorious a measure?

The $800,000,000 was to be lent to States, counties, and municipalities for the purpose of providing and constructing housing facilities for the poor people of this Nation. This would eliminate slum areas. The bill provided $200,000,000 for rural housing. However, the measure would have actually cost the Government little in comparison with the great benefits we would derive. The money was to be lent to the housing authorities, the security for such loans being the housing projects themselves. I am informed that the bonds now being issued for projects now under construction are in great demand by the banks. I am sure that the new bonds would have been taken up at favorable rates to the Government. The Government would have obtained the money needed for the loans at an average cost of 1⅜ percent and disbursed it at 3 percent, leaving a wide margin for maintenance and operation.

Not alone would the passage of this bill have provided decent homes for approximately 2,000,000 slum dwellers, but also of great importance it would have provided employment for nearly 500,000 workers. What a stimulus to business! I am a builder and know that there is nothing so effective in improving business conditions as an active construction and building industry. The railroads, the factories, the quarries, the mines, the mills, the professional workers, of course, all trades, including the bricklayers, the plasterers, the stone masons, the lathers, the carpenters, the plumbers, the steamfitters, the concrete workers, the painters, the electricians, and, of course, those in the haulage business, comprising chauffeurs, teamsters, and helpers and many others, would gain by such a plan. All labor organizations were solidly behind the enactment of the bill. Many commercial and farm organizations endorsed its worthiness.

Twenty-eight States have passed enabling legislation; 350 local agencies have been organized; a tremendous start has been made and is now being stopgapped.

I repeat, good public housing is beneficial, not alone to the slum dweller but to the taxpayers, for it reduces the cost of fire protection; it reduces the cost of police protection; it reduces the cost of hospitalization; it reduces the cost of maintaining the social service, courts, reformatories, and penal institutions; it reduces the cost of relief, for workers have opportunities to obtain jobs and use their skill.

Although the work of those in favor of housing has been temporarily impeded, I am sure that this legislation will and must come before this House at the opening of the next session of Congress, and that we will pass it. We must go forward to better housing for the finest Nation in the world.

Résumé of Laws Pertaining to Veterans' Benefits Enacted in the Seventy-Sixth Congress, First Session

EXTENSION OF REMARKS

OF

HON. JAMES E. VAN ZANDT

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Saturday, August 5, 1939

Mr. VAN ZANDT. Mr. Speaker, during this session of the Seventy-sixth Congress both Houses have been deeply concerned with the welfare of those who served their country in times of war.

For the information of my colleagues and my many veteran friends throughout the United States, I am inserting herewith a résumé of the laws pertaining to veterans' benefits enacted at this session as well as a list of bills affecting veterans which were vetoed by President Roosevelt.

Public, No. 18, Seventy-sixth Congress, April 3, 1939:

Section 5 of this act which provides for the national defense contains authority for the President to order Reserve officers for active duty with the Regular Army. The act contains certain conditions and limitations pertaining thereto and includes the following proviso:

Provided further, That all officers, warrant officers, and enlisted men of the Army of the United States, other than the officers and enlisted men of the Regular Army, if called or ordered into the active military service by the Federal Government for extended military service in excess of 30 days, and who suffer disability or death in line of duty from disease or injury while so employed shall be deemed to have been in the active military service during such period and shall be in all respects entitled to receive the same pensions, compensation, retirement pay, and hospital benefits as are now or may hereafter be provided by law or regulation for officers and enlisted men of corresponding grades and length of service of the Regular Army.

By Executive Order No. 8099, dated April 28, 1939, the President determined that the Veterans' Administration would award the retired cases upon certifications of eligibility secured from the War Department in each individual case.

Public, No. 62, Seventy-sixth Congress, May 3, 1939:

This act provides domiciliary care, medical and hospital treatment, and burial benefits, under section 6 of Public, No. 2, Seventy-third Congress, as amended, and section 17 of Public, No. 2, Seventy-third Congress, for veterans of the War with Spain, including the Boxer Rebellion, and Philippine Insurrection, who entered the active service after August 12, 1898, and who did not participate in the Philippine Insurrection or Boxer Rebellion, or leave the continental limits of the United States for service in Guam, Cuba, or Puerto Rico.

Prior to the enactment of this act, these veterans, although they had their service pensions restored to them under Public Law No. 269, Seventy-fourth Congress, August 13, 1935, were not entitled to hospitalization, domiciliary care, or burial benefits under Public, No. 2, Seventy-third Congress, March 20, 1933, and the Veterans' Regulations promulgated thereunder.

Public, No. 109, Seventy-sixth Congress, June 2, 1939:

This act provides for payment not to exceed $50 for the transfusion of blood by members and former members of the Military Establishment, and by employees of the United States Government.

Prior to the enactment of this act the Veterans' Administration was precluded from making payment to non-military employees who donated blood for transfusion for veterans hospitalized in Veterans' Administration facilities by reason of the limitation imposed by section 1765, Revised Statutes, which provides that—

No officer in any branch of the public service, or any other person whose salary, pay, or emoluments are fixed by law or regulations, shall receive any additional pay, extra allowance, or compensation, in any form whatever, for the disbursement of

public money, or for any other service or duty whatever, unless the same is authorized by law, and the appropriation therefor explicitly states that it is for such additional pay, extra allowance, or compensation.

The act of February 9, 1927, was enacted in order to remove the prohibition against the payment of extra compensation to any member or former member of the Military Establishment who furnishes blood for transfusion to a member or former member of the Military Establishment. Public, No. 109, extends the authority of the above act so as to include all Government employees, civilian as well as military.

Public, No. 129, Seventy-sixth Congress, June 13, 1939:

This act authorizes commissioning aviation cadets in the Naval and Marine Corps Reserves upon completion of training, and provides in section 7 as follows:

Government life insurance issued in accordance with section 5 of the act of April 15, 1935 (34 U. S. C. 846), shall continue when an aviation cadet is commissioned pursuant to this act; the premiums thereon shall be deducted from the pay of the officers concerned and paid by the Secretary of the Navy to the Administrator of Veterans' Affairs. When released from active duty or discharged they shall have the option of continuing such insurance at their own expense.

Section 5 of the act of April 15, 1935, provided for the issuance to aviation cadets during their period of active duty, Government life insurance in the amount of $10,000, the premiums to be paid out of current appropriations of the Navy Department. Following the commissioning of these cadets, such insurance shall continue under the provisions of Public Law No. 129, supra, but the premiums are to be deducted from the pay of the officers concerned.

Public, No. 146, Seventy-sixth Congress, June 21, 1939:

Entitled "An act to extend further time for naturalization to alien veterans of the World War under the act approved May 25, 1932 (47 Stat. 165), to extend the same privileges to certain veterans of countries allied with the United States during the World War, and for other purposes," amended the act of May 25, 1932, as amended, extending from May 25, 1938, to May 25, 1940, the privilege heretofore granted aliens who fought in the allied armies during the World War to become citizens of this country. The prior act also provided that he must prove good moral character for 2 years immediately preceding the date of his petition. Public, No. 146, changes the period to 5 years.

Public Resolution No. 24, Seventy-sixth Congress, June 30, 1939:

This resolution making appropriations for work relief and relief for the fiscal year ending June 30, 1940, provides in section 7 (a) that the funds appropriated therein, together with the balance of funds heretofore appropriated or allocated to the United States Employees' Compensation Commission under the Emergency Relief Appropriation Act of 1938, or prior emergency relief appropriation acts, shall be available for payment to Federal agencies for medical and hospital services supplied by Federal departments and establishments in accordance with the regulation of the Commission for injured persons entitled to benefits under the laws administered by the United States Employees' Compensation Commission as provided in section 24 of the Relief Act. Section 24 reads as follows:

The provisions of the act of February 15, 1934 (48 Stat. 351), as amended, relating to disability or death compensation and benefits shall apply to persons (except administrative employees qualifying as civil employees of the United States) receiving compensation from the appropriations in this joint resolution for services rendered as employees of the United States: *Provided*, That this section shall not apply in any case coming within the purview of the workmen's compensation law of any State, Territory, or possession, or in which the claimant has received or is entitled to receive similar benefits for injury or death.

Section 16 (a) provides that preference shall be determined as far as practicable on the basis of relative needs, and shall, where relative needs are found to be the same, be given first to veterans of the World War and Spanish-American War, and veterans of any campaign or expedition in which the United States has been engaged—as determined on the basis of the laws administered by the Veterans' Administration—who are in need and are American citizens.

Subparagraph (b) provides for the removal, under certain conditions, from employment of Work Projects Administration projects all relief workers, except veterans, who have been continuously employed on such projects for more than 18 months.

Section 23 gives preference to soldiers, sailors, and marines and the widows of such, or the wives of injured soldiers, sailors, and marines who themselves are not qualified but whose wives are qualified to hold a position in the Government service, for retention in the Federal service in the District of Columbia, where their ratings are "good" or better.

Public, No. 166, Seventy-sixth Congress, July 11, 1939:

This act amended paragraph I, of Veterans Regulation No. 9 (a), as amended, governing the furnishing of a flag for burial purposes and after burial to be given to the next of kin of the veteran. Prior to the enactment of this act, flags could be furnished only where an honorably discharged veteran of any war died after discharge. Under this act flags may also be furnished in the case of honorably discharged veterans of the Army, Navy, Marine Corps, or Coast Guard who die after discharge, provided they completed at least one enlistment or were discharged for disability incurred in line of duty.

Public, No. 179, Seventy-sixth Congress, July 15, 1939:

This act extends the benefits of the United States Employees' Compensation Act to members of the Officers' Reserve Corps and of the Enlisted Reserve Corps of the Army who are physically injured in line of duty while performing active duty or engaged in authorized training, or die as the result of such injury.

Public, No. 196, Seventy-sixth Congress, July 19, 1939:

This act restores certain benefits to World War veterans suffering with paralysis, paresis, or blindness, or who are helpless or bedridden.

With certain limitations, this act restored to the compensation rolls those World War veterans on the rolls March 19, 1933, under that part of section 200, World War Veterans' Act, 1924, as amended, which provides as follows:

No person suffering from paralysis, paresis, or blindness shall be denied compensation by reason of willful misconduct, nor shall any person who is helpless or bedridden as a result of any disability be denied compensation by reason of willful misconduct.

The act further provides death compensation for widows and children of such veterans who die or have died from disease or injury, service connection of which is or would have been established under the provisions of this act. These benefits are payable under Public Law No. 484, Seventy-third Congress, June 28, 1934, as amended, which act provides compensation at rates somewhat lower than war-service-connected death rates where the veteran at time of death was suffering from World War service-connected disability.

The service-connected blind cases on the rolls March 19, 1933, were restored to the rolls by section 26 of Public Law No. 141, March 28, 1934.

The limitations heretofore referred to are: (1) The act restores only those veterans who were on the rolls March 19, 1933, and who entered the service prior to November 12, 1918, or, as to Russian service, before April 2, 1920; (2) the presumptively service-connected cases do not have the full amount of compensation restored, but same must be reduced by 25 percent under the provisions of sections 27 and 28 of Public Law No. 141, Seventy-third Congress; (3) by making the restoration subject to sections 27 and 28 of Public Law No. 141, Seventy-third Congress; cases of fraud, misrepresentation of a material fact, or unmistakable error as to conclusions of fact or law are excluded and the act does not apply to persons as to whom clear and unmistakable evidence discloses that the disease, injury, or disability had inception before or after the period of active military or naval service, unless such injury, disease, or disability is shown to have been aggravated during such service; and in any review

of the case of any veteran to whom compensation was being paid on March 19, 1933, for such service-connected disability reasonable doubts shall be resolved in favor of the veteran, the burden of proof being on the Government.

Payments to veterans restored to the rolls under the provisions of the act are effective the date of enactment of the act and payments to widows and children are effective from the date of enactment or date of filing claim therefor, whichever is the later.

Public, No. 198, Seventy-sixth Congress, July 19, 1939:

This act provides certain benefits for World War veterans and their dependents.

Section 1 of this act amends section 1 of Public Law No. 484, Seventy-third Congress, June 28, 1934, and pertains to payment of compensation to dependents of deceased World War veterans where the veteran's death is not shown to have been due to service.

Section 1 liberalizes the existing laws in those cases where the veteran was honorably discharged after having served 90 days or more, or having served less than 90 days, was discharged for disability incurred in service in line of duty, so that compensation is payable if at the time of the veteran's death he had a disability directly or presumptively incurred in or aggravated by service in the World War for which compensation would be payable if the disability were 10 percent or more in degree. In other words, in those cases where the veteran had 90 days' honorable service or was discharged for disability incurred in service in line of duty it will not be necessary that we have a service-connected disability 10 percent or more disabling, but he must have a disability for which compensation would be payable if 10 percent or more in degree.

This section establishes a new income limitation providing that payment of compensation shall not be made to any widow without child or a child whose annual income exceeds $1,000, or to a widow with a child or children whose annual income exceeds $2,500 and exempts payments of war risk term insurance, United States Government life (converted) insurance and adjusted compensation from consideration as income. This income limitation is similar to that employed under existing law for nonservice-connected benefits under Veterans' Regulations No. 1 (a), as amended, part III. This new income limitation is substituted for the preexisting limitation of requirement for exemption from payment of a Federal income tax.

This section provides for payment of benefits of sections 1 to 3, inclusive, from the date of death where application is filed within 1 year thereafter and in other cases from the date of application, except that compensation authorized cannot be effective prior to the date of enactment.

Section 2 of the act provides for increased rates of death compensation to widows under Public Law No. 484, Seventy-third Congress, as amended. The prior rate to widow alone was $22 per month and the rate to widow with one child was $30. Section 2 provides a rate of $30 per month for a widow but no child, and $38 per month for a widow with one child. No change was made in the rates for children. The total compensation limitation was changed from $56 to $64 in view of the increase for widows.

Section 3 of the act made formal changes in section 4 of Public Law No. 484, Seventy-third Congress, so as to conform with the amendments made by the act.

Section 4 of the act provides hospitalization and domiciliary care in Veterans' Administration facilities for retired officers and enlisted men of the Army, Navy, Marine Corps, and Coast Guard who served honorably during a war period as recognized by the Veterans' Administration, on a parity with other war veterans.

Under Veterans' Regulation No. 6 (c), paragraph 1 (f), in effect prior to date of enactment of this act, hospital treatment of retired officers and enlisted men was granted providing that part of the retired person's service was in wartime. That treatment was provided only in facilities under direct and exclusive jurisdiction of the Veterans' Administration and with due regard to available beds. A per diem rate was charged to such patients for treatment of tuberculosis—officers, $1.50; enlisted men, $1; general medical and surgical disorders or psychoses—officers, $1; enlisted men, 65 cents.

Retired officers or enlisted men, except emergency officers of the World War, while being furnished hospital treatment were not formerly subject to reduction of retirement pay as provided by paragraph VI (A) of Veterans' Regulation No. 6 series, which provides in effect that where any disabled veteran who has neither wife, child, nor dependent parent is being furnished hospital treatment, institutional or domiciliary care by the United States or any political subdivision thereof, pension, compensation, or emergency officers' retirement pay shall not exceed $15 and the amount payable to such disabled veterans entitled to pension for disability, nonservice connected, shall not exceed $6. Section 4 of the act makes the retired pay subject to the reductions heretofore explained under Veterans' Regulation No. 6 (c), paragraph VI (A).

Section 5 of the act provides increases of death compensation to the widows of veterans whose death was due to World War service. The prior rate of $30 per month for a widow under 50 years of age was increased to $38 per month. The prior rate of $37.50 for widows, aged 50 to 65 years, was eliminated and those widows became entitled to $45 per month on a parity with widows, age 65 years or over. These increases are subject to the limitation contained in Public Law No. 304, Seventy-fifth Congress, that they cannot be paid in the event the monthly payment of compensation under Veterans' Regulation No. 1 (g), and the monthly payment of yearly renewable term insurance or automatic insurance aggregates or exceeds the amount of compensation authorized by the act. United States Government life (converted) insurance has been eliminated from the limitation. It is to be noted that there is no change made in the rates for children or dependent parents, although by the removal of the United States Government life (converted) insurance limitation it is possible that some will become entitled to increased rates who were formerly barred.

Section 6 of the act contains an amendment to Veterans' Regulation No. 1 (a), as amended, part I, paragraph II (k), which formerly provided that if a disabled person as the result of service-incurred disability had suffered the anatomical loss or the loss of the use of only one foot, or one hand, or one eye, the rate of pension would be increased by $25 per month. This section of the act increases the additional compensation from $25 to $35 per month. This provision applies to World War and Spanish-American War, including the Boxer Rebellion and Philippine Insurrection service-connected cases. It also includes those Regular Establishment cases where the disability resulted from an injury received in line of duty in actual combat in a military expedition or military occupation.

Section 7 of the act provides that on and after the date of enactment, the rate of interest charged on any loan secured by a lien on United States Government life—converted—insurance shall not exceed 5 percent per annum. Under section 301 of the World War Veterans' Act, 1924, as amended, loan privileges under United States Government life-insurance policies are provided for, but the law does not provide for any specific rate of interest to be charged on any loan secured by a lien on such insurance. The determination of this rate is, therefore, made by the Administrator of Veterans' Affairs. Up to the passage of section 7 of this act, the rate of interest on such loans was always 6 percent per annum.

Public, No. 213, Seventy-sixth Congress, July 25, 1939:

This act amends section 5 of the act of April 3, 1939 (Public, No. 18, 76th Cong.), as follows:

That section 5 of the act approved April 3, 1939 (Public, No. 18, 76th Cong.), is hereby amended by inserting after the comma in

line 5 of the final proviso of that section the expression "other than for service with the Civilian Conservation Corps."

This act excludes Reserve officers of the Army on duty with the C. C. C. from the provisions of section 5 of the act approved April 3, 1939, which grants to personnel of the Army of the United States—other than Regular personnel—on extended active duty under an order or call for periods in excess of 30 days and who suffer death or disability from sickness or injury in line of duty, the right to receive the same pensions, compensation, retirement pay, and hospitalization as is now or may hereafter be provided for personnel of the Regular Army of the same grade and length of service. This act carries out the recommendation of the President made in message of April 20, 1939, to the Congress.

Public, No. 250, Seventy-sixth Congress, August 1, 1939: This act increases the amount of Federal aid to State or Territorial homes for the support of disabled soldiers and sailors of the United States from $120 per annum, as contained in the act of August 27, 1888, as amended, to $240 per annum. It further includes hospitalized cases and provides for payment from date of determination of eligibility by the Veterans' Administration.

Public, No. 257, Seventy-sixth Congress, August 4, 1939: This act provides pensions to members of the Regular Army, Navy, Marine Corps, and Coast Guard, based upon such service after April 21, 1898, who become disabled by reason of their service therein, other than during a period of war, at rates equivalent to 75 percent of the compensation or pension payable to war veterans for similar service-connected disability under veterans' regulations promulgated by the President under Public, No. 2, Seventy-third Congress, March 20, 1933.

The rates under prior laws for this group ranged from $6 per month for 10-percent disability to $45 per month for total disability, with higher rates for certain specific disabilities up to $125 per month. This act increases the rates to from $7.50 per month for a 10-percent disability to $75 per month for total disability, with higher rates for certain specific disabilities up to $187.50 per month.

Public, No. 279, Seventy-sixth Congress, August 5, 1939: This act provides that awards of death pension shall be effective as of the date of death of a veteran of the Spanish-American War, including the Boxer Rebellion and the Philippine Insurrection, if claim is filed within 1 year after the death of such veteran.

This act establishes a uniform effective date for death pension awards for the Spanish-American War, the Boxer Rebellion, and the Philippine Insurrection, and the provisions thereof are similar to those contained in section 6 of Public, No. 304, Seventy-fifth Congress, August 16, 1937, pertaining to effective dates of awards of death compensation benefits to dependents of World War veterans.

Public, No. 326, Seventy-sixth Congress, August 7, 1939:

This act amended the act entitled "An act to establish a Civilian Conservation Corps, and for other purposes," approved June 28, 1937, as amended.

The first section of this act amended section 1 of the foregoing act so as to authorize continuance of its provisions to July 1, 1943, instead of July 1, 1940, as previously provided.

Section 2 of the act made provisions for an official seal to be designated by the Director for the corps, which shall be judicially noticed and which shall be preserved in the custoday of the Director.

Public, No. 359, Seventy-sixth Congress, August 9, 1939:

This act provides for insanity proceedings in the District of Columbia. Section 6 of the act provides for commitment by the District Court of the United States for the District of Columbia of the insane person to the custody of the Veterans' Administration for care and treatment in a Veterans' Administration facility, if there has been filed with the court or the commission on mental health, acting under the direction of the court, a certificate executed by the Administrator of Veterans' Affairs, or his duly authorized representative, showing said insane person to be entitled to such care and treatment, and that facilities therefor are available.

Section 7 of the same act, in providing for the proceedings of the commission on mental health, includes among the types of recommendation to the court which may be made by the commission—

That the person is of unsound mind—

And—

(3) Should be committed to the Administrator of Veterans' Affairs for care and treatment in a Veterans' Administration facility: *Provided*, That there shall be filed with the court or commission a certificate executed by said Administrator or his duly authorized representative, showing said person is entitled to such care and treatment and that facilities therefor are available.

LIST OF BILLS AFFECTING VETERANS VETOED BY THE PRESIDENT—SEVENTY-SIXTH CONGRESS, FIRST SESSION

Public bills

H. R. 985. A bill to authorize the Secretary of War to furnish certain markers for certain graves.

H. R. 5450. A bill to extend the time within which applications for benefits under the World War Adjusted Compensation Act, as amended, may be filed.

Private omnibus bills

H. R. 6898. A bill granting pensions and increase of pensions to certain helpless and dependent children of veterans of the Civil War.

H. R. 6899. A bill granting pensions to certain veterans of the Civil War.

Relief

EXTENSION OF REMARKS

OF

HON. EMANUEL CELLER

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Saturday, August 5, 1939

Mr. CELLER. Mr. Speaker, I have given careful thought and study to the all-important question now confronting the Nation—that of providing material relief and cultural assistance to the millions of our fellow citizens who are in want—and in the outset, set forth the following principles as my program:

First. No one shall be permitted to be without food or care.

Second. No man or woman who is willing to work shall be without a job.

Third. On all projects, the expenses of which are defrayed in whole or in part by the Government, the prevailing rate of wages and not the security wage shall prevail.

Fourth. Not only every child but also each and every adult who is desirous of improving his cultural and educational status shall be given an opportunity to do so.

Fifth. Every adult who is desirous of learning a trade shall be given every available assistance to enable him to achieve his goal.

On Friday, June 16, 1939, the House passed the 1940 relief bill, by virtue of which it was hoped to alleviate the condition of the unemployed in our country. This bill, a product of the Appropriations Subcommittee, which had been giving inadequate study to the entire problem surrounding the question of the administering of relief, did not recognize the real needs of the Nation. It did not contain many of the provisions requested by President Roosevelt. It is estimated that this will be sufficient to carry some 2,000,000 persons through the next fiscal year. It took, however, 1,000,000 off the work relief rolls. Such curtailment is serious and augurs ill. It was provided that of the entire amount appropriated by the bill, $125,000,000 be allotted to the Public Works Administration, which was continued for another 2 years. All in all, the bill provided $1,755,600,000, which included, in addition to

the Works Progress Administration provision, $81,000,000 for the National Youth Administration, $123,000,000 for the Farm Security Administration, $7,000,000 for the Puerto Reconstruction Administration, and lesser amounts for other agencies connected with the administration of relief.

I was one of the few men who voted against this bill. My vote was an indication of protest. The bill did not go far enough. It was highly inadequate. It took, I repeat, 1,000,000 persons off work relief. Where are they to go? What are they to do? Such false economy means stark tragedy for most of those million unfortunates. The drastic changes effected in this measure, which is far different from the one suggested by the administration, was the result of an attempt on the part of some opponents of the administration to spread the idea that there is conflict between business interests and the President's program for Government spending. Nothing could be further from the truth; and the fact that such an attempt was made, is an example of the extremes to which these misguided, albeit well-intentioned, men will go in order to confuse the people and discredit President Roosevelt. True businessmen are behind the President. The anti-Roosevelt businessmen should remember that the work of this country must go on; that the improvements so badly needed everywhere must be constructed; and that the people of the country who are now idle must be given a chance to earn their living. These are not things to argue about; they are the basis of our whole civilization. Without them we will unquestionably revert to some primitive form of government such as have overtaken weak-kneed democracies in Europe. The way to save democracy is to make people happy. Taking the needy off work relief rolls will breed discontent and make the victims easy prey for agitators and Communist self-seekers and those who would strike at our democracy. Distress and suffering are no more popular with our people than they are with any other. They expect the Government to govern, and for the result to be prosperity. If it is anything else, we may be sure that the people are going to find some other kind of government.

Furthermore, the striking out from the bill of all aid to the Federal theater and the Federal arts project generally is a clear indication of the lack of thought given by some of my colleagues to matters of great importance. They apparently completely overlooked the fact that the Federal theater project gives enjoyment and cultural inspiration to more than 20,000,000 persons, most of whom had never before gone to a theater. Although all the actors on the project were taken from the relief rolls, most of them are now earning their way as Thespians in a wholly cooperative effort.

The Negro unit in Birmingham, Ala., produced a comedy of local life, Home in Glory. In Reading, Pa., the Federal theater project produced Feet on the Ground, concerning the life of the Dunkards, early Dutch settlers of that region. In Indianapolis it was a play of Hoosier life, The Campbells Are Coming; in Asheville, N. C., it was Smoky Joe, a portrait of the mountaineers. The Federal theater project revived and preserved folklore and sagas, and many old successes were reenacted. In excess of 12,500 theater people, divided into nearly 270 units, played to weekly audiences of some 500,000 persons, of whom about 100,000 paid admission fee. Thus the Federal theater project, which started as a partial succor for the unemployed, did that and much more; it awakened cultural and aesthetic values in the minds of countless of our citizens. Hence, I regard it as most unfortunate that the appropriation to make possible the continuation of this project was stricken from the bill.

Those responsible for this action have apparently forgotten that from the time of the founding of the Republic the importance of culture in the Nation's life has been appreciated. L'Enfant's plan for Washington is but the first indication of the upsurge of creative and aesthetic energies in American life. The importation of Italian sculptors to decorate the Capitol, the commissioning of John Trumbull to paint murals commemorating the American Revolution, the establishing by President Buchanan in 1859 of a Commission of Fine Arts, its reestablishment in 1910, are the steps which lead logically to the present-day renaissance of the arts in America. My colleagues who killed the Federal theater and the Federal arts projects, and who declared that the Government should not employ the thirty, or forty, or fifty thousand painters, sculptors, writers, musicians, actors, dancers, technicians who have been or potentially may be employed by these projects, run counter to the whole course of American culture, as well as to the practice of civilized countries throughout the world in all centuries.

Furthermore, I am definitely in favor of restoring the prevailing hourly wage, and with equal definiteness urge a revision of the 18-month clause which makes mandatory a starvation lay-off period.

Why should those on work relief—W. P. A.—be compulsorily laid off after 18 months? Private business and enterprise cannot yet employ them. Many are heads of families. Their plight is cruel and calamitous. A remedy is essential. My vote against the bill was a protest against such treatment of our needy unemployed.

Why should skilled workers on W. P. A. construction projects be paid less than their fellow workers employed on other Government jobs or by private contractors? Why should their right to strike be even questioned? Such discrimination is commonly justified by the argument that they are not regular Government employees but are the unemployed—jobless dependents who are permitted to work for their subsistence during an emergency. Government enterprises organized under the W. P. A. have been classified as "made work," designed to absorb labor rather than for their intrinsic value. How meaningless this classification has become is evident as one runs through the list of jobs included in the W. P. A. program. Every piece of public construction that could possibly be shunted over to the W. P. A. by local authorities has landed there—the construction and repair of public and many private buildings, the laying out of great highway systems and parks and playgrounds. The list could be stretched indefinitely.

Moreover, the majority of such projects would have been or should have been undertaken in the normal course of events. They are public enterprises that any local or national authority would launch if it could lay hands on sufficient funds. Many are nothing more than the necessary functions of upkeep and repair, as is evidenced by the W. P. A. fences one sees planted about almost every patch of new paving or road excavation. If they were not financed with Federal money in whole or in part, they would have to be included in local budgets—and the workers would have to be paid prevailing rates of wages. Instead of the prevailing wage rate, skilled carpenters, lathers, bricklayers, and so forth, will receive so-called "security wages"—a mere pittance for their skill. They are the backbone of our unions and the labor movement. Their morale will be shot to pieces. Their unions will break up. This is serious business. This wrong must be righted. I enlist in the movement to fight the evil. My vote against the bill was a protest against such treatment of our skilled laborers.

The above points to this fact—that at the present time immediate relief is imperative. Municipalities and State governments in some instances have advanced money for next year's budget, but even under these circumstances they cannot meet the demands that are being made upon them. Under these circumstances and the immediate requirements to meet the situation, they can only turn to the Federal Government that speaks for all of us, and that alone can muster all the resources of the Nation for the people's aid. There may be honest differences of opinion among our people as to the methods best suited for the purpose. We do know that the measures promulgated under President Roosevelt's direction brought about a decided upturn in the business and general conditions of the country when last used. We cannot now turn a deaf ear to the pleas of a helpless people and stand idly by relying mainly on natural forces and other measures to

bring about recovery. We should not hesitate to repeat those measures that were effective before.

One of the greatest vehicles for starting the ball rolling, as it were, is the W. P. A. This agency has done a remarkable piece of work. It has completed 43,000 miles of new roads and has improved 280,000 miles of roads. It has built 29,000 new bridges, 313,000 culverts, 153 new airports and landing fields, 17,562 new schools and other public buildings, 4,091 storage dams and 26,663 small dams. It has built 15,000 miles of water and sewer lines and 471 new swimming pools. W. P. A. workers have planted 24,000,000 trees and have improved millions of acres of land.

All these improvements, all this construction, has added greatly to our national wealth. All this has increased our national assets. Any private business which sets up improvements in its physical plant considers such improvements as assets, and rightly so. In this way, by creating all these W. P. A. jobs, we have increased vastly the purchasing power of the Nation; and at the same time, in establishing these new improvements, we have increased our national wealth.

Of course, there are those who do not consider this as adding wealth to the Nation. They simply consider the money that is being spent. They consider one side of the ledger—the "red" side. But this is a Nation of vast wealth—wealth in excess of $280,300,000,000—and consequently we can well afford to increase its funded indebtedness. Our total national debt, as of May 14, 1938, is $37,459,233,698.65. England, with a total national debt, as of March 31, 1938, of $40,000,000,000—greater than ours—has national wealth of $69,000,000,000—much less than ours. France's total national debt as of August 31, 1937, is $14,422,162,500, while its national wealth of $51,000,000,000 is far less than that of our country. These comparisons clearly indicate that we are able to withstand an indebtedness even greater than the above-stated figure. Our Federal bonds will continue to sell easily. In fact, considering our vast national resources, our national debt is trifling and insignificant. With the return of prosperity this debt can be paid off in comparatively few years. During our last period of prosperity we paid off over ten billions of our war debt.

Unfortunately there are a considerable number of our citizens who do not accept aid to the needy as a necessary and proper function of our Government, despite the realistic facts indicated by the relief rolls, the employment indices, and the grave growth of insecurity among our wage earners. It is also a matter of record that not so many years ago there was opposition to the abolition of the 12-hour day, to mothers' pension laws, to universal education, to workmen's compensation, and other social necessities. Those who opposed reduction of a 12-hour day warned that men would grow lazy and indifferent with a shorter working day. Opponents of the widows' pension legislation forecast murders of husbands by wives seeking widows' pension grants. Men would mutilate themselves to obtain industrial accident compensation, hostile critics predicted. The antagonists of universal education declared that if free education were extended, everybody would be educated and no one would work, except at the most pleasant tasks. Today, critics of unemployment relief contend that unless public aid is discontinued, millions of people now on relief will never get off, and America will become a nation of work-shy citizens. Such a charge is ridiculous.

Experience shows that the 8-hour day has not ruined American workers. There is no evidence that wives have done away with their husbands to collect widows' pensions. As yet we are not a mutilated race as a result of the operation of workmen's compensation. Instead of widespread educational opportunities making our young people avoid hard work, the college graduate starting at the bottom of the ladder has almost become an American tradition. Rather than preference for home relief, the great majority of recipients regard it as a necessary evil. Every year relief rolls show a considerable turn-over. This is evidenced by the closing out of an average of 65,584 cases to private industry and an average of 34,873 cases to W. P. A. annually.

Government aid to the needy is as old as government itself. As modern industrial society replaced the old agricultural society, governments throughout the world were forced to provide against the growing insecurity of vast groups who had shifted from independent occupations to jobs at wages under the industrial system. Today there are approximately 1,000,000,000 people covered by social insurance in over 50 countries throughout the civilized world.

The depression dramatically called the Nation's attention to the plight of the unemployed. Although several millions were jobless before 1930, they were considered to be the responsibility of private charitable groups. Those whom private philanthropy could not aid existed upon the bounty of friends or relatives, doubled up with other families, huddled in shanty towns, did scavenging, or migrated from city to city and State to State seeking work or aid. The depression ended additional millions of jobs, and those who had been supported by the employed were deprived of food and shelter along with their newly jobless benefactors.

The following figures and data give a bird's-eye picture of the splendid work being done by the relief agencies in New York City. Multiply this picture a thousandfold and you have a panoramic view of the great achievements which have been made from coast to coast, in every city, town, and hamlet of our country, in bringing assistance, support, and new hope to the many needy—to those amongst us who are the poor, the helpless, and the aged.

From January 1, 1934, through June 30, 1938, in New York City the Department of Welfare, the Emergency Relief Bureau, the Works Progress Administration, and their predecessors expended $1,233,587,000 of Federal, State, and city funds for home relief, work relief, free milk and school lunches, care of local homeless persons, transient care, and administration.

This huge sum of money served not only to prevent starvation, homelessness, and suffering for hundreds of thousands of families and individuals but, by providing mass purchasing power, directly contributed to the improvement of business, a benefit felt particularly by the small merchant.

These funds stimulated the sales of grocers, butchers, bakers, vegetable dealers, food markets, fish stores, pharmacists, dealers in optical and surgical instruments, coal and ice dealers, and a host of others. In addition, landlords and utility companies, who had been faced with the alternative of accepting financial losses or exercising policies that would have added to the hardships suffered by the unemployed and destitute, received payment for their services.

A brief statistical picture of our city's relief allotments from January 1, 1934, through June 30, 1938, reveals that: $212,926,000 was expended for food among the various local food dealers; $125,350,000 allocated for shelter helped thousands of landlords to retain their property, meet their taxes, maintenance costs, and to improve their holdings: $13,722,000 for clothing and shoes was distributed to clothing and department stores in the city; $7,797,000 went to local cellarmen for purchases of ice or coal; $16,993,000 was spent for gas, electricity, and carfares, benefiting utility companies; $4,993,000 was distributed for medical and nursing care to thousands of doctors, nurses, pharmacists, and manufacturers and retailers of optical and surgical instruments; $4,745,000 went to local storekeepers for houeshold supplies purchased by relief incipients; $8,955,000 was used for milk for nursing mothers and for lunches, milk, and clothing for school children; $69,881,000 was paid to administrative employees, almost half of whom would have been on relief if it were not for E. R. B. employment, and this money likewise was circulated in the usual channels of trade; $6,189,000 was spent for supplies, materials, equipment, maintenance, rentals, and other operating facilities, all of it finding its way to local tradesmen; $3,874,000

was used during the winters for the armory shelter program, most of it for food and coffee, purchased from local merchants, for the homeless in the city; $1,036,000 was distributed among retailers through expenditures to provide for the care of transients and nonsettled persons; $12,457,000 was spent by the department of public welfare for veterans' relief and $1,999,000 was spent for the upkeep of the municipal lodging house, and $945,000 for miscellaneous expenditures.

In addition, $741,685,000 was spent for work relief in the same period, $619,464,000 of which was for wages and their expenditures, also became purchasing power which helped to improve New York City's business.

Now is the time when we and all the democratic peoples of the world can rejoice that the United States has a strong man for a leader. We will not be deterred or sidetracked by the reactionaries, who did nothing when Hoover had the wheel and who do not want the present administration to do anything more. We will go on with Franklin Delano Roosevelt to an even grander and more prosperous American democracy.

I am a willing follower of President Roosevelt. We and the others who see eye to eye with him will not abandon the people in their hour of need. We shall marshal all the resources of the National Government to succor the weak and feed the needy by supplying jobs. We are trustees of the people. As such trustees there cannot be, and will not be, any want, poverty, starvation, or loss of self-respect due to a lack of jobs. There shall not be any national deterioration—economic, social, or spiritual.

We who champion the New Deal and have studiously supported the administration well realize that while the hoped-for utopia and goal of an economic millennium cannot be created by acts of Congress alone, it can be brought closer to realization by a Congress that will work in harmony and in unison with our President, whose leadership has been courageous, effective, humane, and wise. Under our President's guidance we have begun to eliminate the evils of financial centralization and to replace this with the blessings of economic freedom. Business is returning to normalcy. Real estate is again becoming a thing of value. Our banks are in a very sound condition. Agriculture is gradually finding its place in the sun. In a word, there are millions whose lives have been permanently blessed by the New Deal.

Thus shall we continue in our endeavors to build for a future in which we will have both material and social prosperity. And because this administration has taken such great steps and courageous measures to make prosperity possible—all the while keeping intact our fundamental heritage of liberty of action, equality of opportunity, freedom of speech, of public assembly, and of religious worship—the name and record of Franklin Delano Roosevelt will shine forth in everlasting greatness and as an ever-enduring inspiration.

Expenses of Government

EXTENSION OF REMARKS

OF

HON. WESLEY E. DISNEY

OF OKLAHOMA

IN THE HOUSE OF REPRESENTATIVES

Saturday, August 5, 1939

Mr. DISNEY. Mr. Speaker, I believe it serves a proper public purpose to have a summary of the expenses of the Government in the United States for the year 1938, which amounted to a grand total of $18,199,000,000. The Federal expenses were $7,691,000,000. When we compare that with total Federal expenses in 1916 of $1,034,000,000, we see how the cost of government has grown.

I include as a part of my personal remarks a chart prepared for that purpose by the Treasury Department, as follows:

Estimated flow of Federal, State, and local Government funds, fiscal year ending in 1938, showing sources of receipts and purposes of expenditures for general government

[Amounts in millions of dollars]

SOURCES OF RECEIPTS

	Federal	State	Local	Total
Customs	359			359
Estate and gift	417	145		562
Individual income	1,313	249		1,562
Pay rolls	743	707		1,450
Corporate income and privilege	1,449	313		1,762
Borrowings and balances	1,449	156	602	2,207
Liquor and tobacco	1,136	343	32	1,511
Motor fuel and vehicle	293	1,163	25	1,481
Other current revenue	245	338	524	1,107
Sales and other excises	287	717	302	1,306
Property		227	4,665	4,892
Total receipts	7,691	4,358	6,150	18,199

PURPOSES OF EXPENDITURES

National defense	1,610	12		1,622
Agriculture and national resources	1,000	73	3	1,076
Relief, welfare, and social security	2,182	637	266	3,085
Social Security reserves	489	516		1,005
Health and hospitals	36	270	265	571
Interest	926	121	592	1,639
Debt retirement	65	135	529	729
Highways and streets	260	900	510	1,670
Police and other protection	44	138	566	748
Education	177	818	1,418	2,413
All other	902	738	2,001	3,641
Total expenditures	7,691	4,358	6,150	18,199

It would appear from these figures that one of the prime necessities in our fiscal affairs is a reduction of expenditures and the raising of more taxes in order to balance the Budget.

Refinancing Farm Indebtedness

EXTENSION OF REMARKS

OF

HON. JERRY VOORHIS

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Saturday, August 5, 1939

Mr. VOORHIS of California. Mr. Speaker, one of the outstanding features of the present economic situation is the very low rate of interest at which it is possible for the Government to borrow money. Another is the burden of debt still hanging over our farm population.

The prices of agricultural commodities respond with tragic promptness to any excess of supply over effective demand. The cost of credit, on the other hand, remains generally at an artificially high level so far as the farmer is concerned no matter how great the amount of excess reserves or of potential loanable funds in the banks. Only by governmental action, thus far at least, has that interest rate been materially reduced. And generally speaking only the most fortunate and the least fortunate of our farmers have been able to take advantage of our agricultural credit machinery. For the group with ample security the Farm Credit Administration has been of assistance. For the most hard-pressed group of all at the bottom of the heap the Farm Security Administration has been unquestionably a godsend. Between these two groups are a very large number of farmers neither possessing enough security nor pressed hard enough by economic disaster to qualify. They are still in very great need of a scaling down of the rates of interest they are now paying, together, in many cases, with a scaling down of their debt itself.

I have signed the petition to bring H. R. 70 before the House. This bill (Frazier-Lemke) is the most far-reaching bill regarding farm indebtedness that has been introduced and I shall certainly support it at every opportunity.

In introducing a bill on this most vital matter I wish to make it very plain that I do not want to detract support from any other bills providing a sound method of refinancing and scaling down agricultural indebtedness. I shall be eager to support any such bills, and would certainly not insist upon my own particular formula.

My bill (H. R. 6580) has therefore been introduced in the hope that it will add strength to the movement to end the existing situation where the prices of agricultural commodities sold by the farmer frequently fall to ruinously low levels while the cost of money to the farmer remains suspended in mid air at an economically indefensible rate.

H. R. 6580 has been introduced to extend assistance through refinancing loans and otherwise to farm owners who personally occupy and operate their farms, who are unable to meet the payments due under existing mortgages or other liens against their farms and who are unable to secure assistance from any other Federal lending agency or Federally incorporated lending institution. Under the terms of the bill farmers could borrow "such amount as may be necessary to enable the borrower to satisfy all mortgages and other liens outstanding against the farm and for necessary repairs and improvements thereon." The rate of interest on such loans would be 3 percent per annum on the unpaid balance of the loan. The period of amortization would be 40 years. The bill also provides for variable payments so that in years of good returns to the farmer he would pay off more than an average annual amount of his debt and in years of poor returns he would pay less than that average. Finally there is provision whereby in cases where a loan is not feasible for one reason or another the Secretary of Agriculture can enter into a "lease and purchase agreement" with a farmer, whereby the Secretary will buy the farm outright and rent it back to the former owner for a period of 5 years at the end of which time the farmer can exercise an option to repurchase the farm "at a price to be determined by the Secretary on the basis of the income value of the farm."

The text of H. R. 6580 is as follows:

A bill to provide for the refinancing of farm debts through the Federal Farm Mortgage Corporation, and for other purposes

Be it enacted, etc., That this act may be cited as the "Farm Debt Refinancing Act of 1939."

SEC. 2. (a) The Secretary of Agriculture is authorized, on behalf of the Federal Farm Mortgage Corporation, hereinafter referred to as the Corporation, to extend assistance, through refinancing loans and otherwise, to farm owners who personally occupy and operate their own farms, who are unable to meet the payments due under existing mortgages or other liens against their farms, and who are unable to secure assistance from any other Federal lending agency or federally incorporated lending institution.

(b) In addition to any obligations heretofore authorized to be issued, the Corporation is authorized to issue and have outstanding, in accordance with and subject to the provisions of section 14 of the Federal Farm Mortgage Corporation Act of January 31, 1934 (48 Stat. 349; 12 U. S. C., 1020c), bonds in an aggregate amount not exceeding $2,000,000,000. The proceeds of such bonds shall be available for the purposes of this act until expended, and shall be available for allotment by the Secretary of Agriculture to the bureaus and offices of the Department of Agriculture and for transfer to other departments and agencies of the Government which the Secretary of Agriculture may call upon to assist or cooperate in carrying out such purposes, or for services rendered or to be rendered in connection therewith.

SEC. 3. (a) The Secretary shall appoint in each county in which activities are carried on under this act a county committee composed of three farmers residing in the county.

(b) Each member of the committee shall be allowed compensation at the rate of $3 per day while engaged in the performance of duties under this act, but such compensation shall not be allowed with respect to more than 5 days in a month. In addition, the members of the committee shall be allowed such amounts as the Secretary shall prescribe for necessary traveling and subsistence expenses.

(c) Two members of the committee shall constitute a quorum. The Secretary shall prescribe rules governing the procedure of the committees, furnish forms and equipment necessary for the performance of their duties, and authorize and provide for the compensation of such clerical assistance as he deems may be required by any committee.

(d) In any county in which the Secretary has appointed a county committee under the provisions of section 42 of the Bankhead-Jones Farm Tenant Act, such committee may, in the discretion of the Secretary, be employed for the purposes of this act.

SEC. 4. (a) The county committee shall—

(1) examine applications (filed with the county rural-rehabilitation supervisor in the county, or with such other person as the Secretary may designate) of persons desiring to refinance the indebtedness against farms in the county by means of a loan from the Corporation under this title;

(2) examine and appraise the farm with respect to which such application is made.

(b) If the committee finds that the applicant is eligible to receive the benefits of the title, that by reason of his character, ability, and experience he is likely successfully to carry out undertakings required of him under a loan which may be made under this title, and that the farm with respect to which the application is made is of such character that there is a reasonable likelihood that the making of a loan with respect thereto will carry out the purposes of this title, it shall so certify to the Secretary. The committee shall also certify to the Secretary the amount which the committee finds is the reasonable value of the farm.

(c) No certification under this section shall be made with respect to any farm or any indebtedness in which any member of the committee or any person related to such member within the third degree of consanguinity or affinity has any property interest, direct or indirect, or in which they or either of them have had such interest within 1 year prior to the date of certification. In the event that application for such certification is made, the Secretary shall designate an alternate member of the committee to serve in the place of the disqualified member with respect to the consideration and certification of such application.

SEC. 5. (a) Loans made under this title shall be in such amount (not in excess of the amount certified by the county committee to be the value of the farm) as may be necessary to enable the borrower to satisfy all mortgages and other liens outstanding against the farm, and for necessary repairs and improvements thereon, and shall be secured by a first mortgage or deed of trust on the farm.

(b) The instruments under which the loan is made and security given therefor shall—

(1) provide for the repayment of the loan within an agreed period of not more than 40 years from the making of the loan;

(2) provide for the payment of interest on the unpaid balance of the loan at the rate of 3 percent per annum;

(3) provide for the repayment of the unpaid balance of the loan, together with interest thereon, in installments in accordance with amortization schedules prescribed by the Secretary;

(4) be in such form and contain such covenants as the Secretary shall prescribe to secure the payment of the unpaid balance of the loan, together with interest thereon, to protect the security, and to assure that the farm will be maintained in repair, and waste and exhaustion of the farm prevented, and that such proper farming practices as the Secretary shall prescribe will be carried out;

(5) provide that the borrower shall pay taxes and assessments on the farm to the proper taxing authorities, and insure and pay for insurance on farm buildings; and

(6) provide that upon the borrower's assigning, selling, or otherwise transferring the farm, or any interest therein, without the consent of the Secretary, or upon default in the performance of, or upon any failure to comply with, any covenant or condition contained in such instruments, or upon involuntary transfer or sale, the Secretary may either declare the amount unpaid immediately due and payable, and exercise any and all remedies provided in the mortgage or deed of trust, or purchase the interest of the borrower in the mortgaged property for an amount equal to the principal payments made by the borrower, together with any increase in value resulting from improvements made by the borrower less any damage to the property occasioned by the borrower's fault.

SEC. 5. (a) If the Secretary shall find that an applicant, otherwise eligible for assistance under this act, does not have the ability and experience or is otherwise not qualified immediately to receive a loan, under the provisions of section 4, the Secretary shall be authorized, on behalf of the Corporation, to purchase the farm with respect to which the application is made, and to enter into a lease and purchase contract with the applicant, as provided in paragraph (b) of this section: *Provided, however*, That, if the Secretary finds that the farm with respect to which the application is made is not an economic family size farm unit, he shall be authorized, on behalf of the Corporation, to purchase such additional or other land as will provide an economic unit, and to include such land in the lease and purchase contract entered into pursuant to paragraph (b) of this section.

(b) The lease and purchase contract to be entered into with the approved applicant shall—

(1) be for a period of 5 years, at a rental agreed upon between the parties thereto, which shall, so far as practicable, be in accordance with the rental arrangements prevailing in the locality;

(2) contain such covenants as the Secretary shall prescribe to assure payment of the rental, and to assure proper maintenance of the farm, the prevention of waste and exhaustion of the farm, and the carrying out of proper farm-management practices, and such other covenants as the Secretary shall find necessary to effectuate the purposes of this act; and

(3) provide that, if the tenant shall comply with all the terms and conditions of his lease, and shall, at least 90 days prior to the expiration thereof, give notice of the exercise of the option to purchase therein contained, he shall be entitled to a conveyance of the property at a price to be determined by the Secretary on the basis of the income value of the farm.

(c) In determining the purchase price of any farm, pursuant to subsection (b) of this section, the purchaser shall be entitled to credit for rental payments made by him in excess of interest at 3 percent per annum on the agreed upon purchase price during the term of the lease. To secure the payment of such purchase price, the purchaser shall execute a mortgage or deed of trust in accordance with the provisions of section 5 of this act.

SEC. 7. When, in the judgment of the Secretary, conditions justify, the Corporation shall be authorized to reamortize, in whole or in part, the aggregate amount remaining unpaid under the terms of any mortgage or deed of trust, and to accept payment of such unpaid balance in accordance with amortization schedules prescribed by the Secretary within an agreed period of not more than 40 years from the date of the reamortization.

SEC. 8. The Secretary may provide for the payment of any obligation or indebtedness to the Corporation under this title under a system of variable payments under which a surplus above the required payment will be collected in periods of above-normal production or prices and employed to reduce payments below the required payment in periods of subnormal production or prices.

SEC. 9. No provision of section 75, as amended, or of chapters XI, XII, and XIII of the act entitled "An act to establish a uniform system of bankruptcy throughout the United States," approved July 1, 1898 (U. S. C., 1934 edition, title 11, sec. 203; Supp. VI, 1938, title 11, sec. 203, and chs. XI, XII, and XIII), shall in any way affect, apply to, or extend or impair obligations incurred pursuant to this title.

What Congress Did Not Do

EXTENSION OF REMARKS

OF

HON. WILLIAM LEMKE

OF NORTH DAKOTA

IN THE HOUSE OF REPRESENTATIVES

Saturday, August 5, 1939

Mr. LEMKE. Mr. Speaker, tired and dizzy with false war propaganda, faked neutrality, slum-clearance and housing projects, and W. P. A. troubles and strikes, the Members of Congress have gone home. Home to renew acquaintance with their own people. People who are as perplexed and as much at sea as Congress itself. People who are as far up in the air, with no place to land, as is the President himself. Nothing accomplished—nothing seriously attempted, except to hand out relief and doles to the hungry and unemployed.

Yet, we know that every time we give a dollar to the poor as relief, a dole, or in the form of a W. P. A. or a P. W. A. job the coupon clippers, the in-betweeners, and the hangers-on get $5. This at the expense of the producers—the taxpayers. I have voted to take care of the unemployed and to feed the hungry, but we have no business to have unemployed or hungry people in the United States.

Congress has not yet solved the unemployment problem. This administration has now been in power for about 7 years. As a result, two-thirds, not one-third, of our people have now been reduced to a "subsistence," below an American standard of living. A few have been getting richer, while the great bulk have been getting poorer—have been immersed deeper into debt. The Nation has been blanketed with mortgages. The unemployed are 7 years older, have been nowhere, and have no place to go.

This Congress appropriated about half a billion more for W. P. A. than any other Congress, yet there is discontent among the W. P. A., and rightly so. These men and women do not wish to live upon charity or doles. They are still real Americans. They want to become self-supporting. They know that there is plenty of work—plenty for all to live decently. They know that there is no overproduction, except an overproduction of ignorance. They know that our trouble is maldistribution and underconsumption.

Congress must solve this problem intelligently. The end of playing with human misery for political reason is near at hand. The Nation is over $40,000,000,000 in the red. The interest on this vast indebtedness amounts to over a billion dollars a year. There are now 27 varieties of hidden taxes. Every time you buy a dollar's worth of goods 25 cents of that dollar goes to pay these taxes. Even a schoolboy knows that we cannot achieve success by going deeper and deeper into debt.

In the name of the poor, in the name of slum clearance, in the name of farm tenants and home owners, but in reality for the in-betweeners, we have covered the Nation with mortgages. We have not only mortgaged our own future but the future of our children, our grandchildren, and our great-grandchildren. At the expense of future generations, at the expense of unborn millions, we have been riding high, wide, wild, and handsome.

There is a sort of headache—a sort of mania—for going into debt which has gripped this Nation as a whole. Every school district, every city, and every State wants some sort of alphabetical projects—or else has its hand out for some sort of a dole or subsidy. Self-help, self-reliance, self-respect, and modesty seem to have "gone with the wind." We have made and are making beggars out of a once proud people.

But may I warn you that if we continue this we will destroy ourselves. In our ignorance—if this system is not stopped—we will commit national suicide. The unemployment problem can and must be solved by Congress. There is no logical reason for unemployment as long as there are human wants. There is no reason for enforced idleness as long as there is sufficient raw material which can be turned into finished products with which to satisfy those wants.

Likewise, Congress has not solved the agricultural problem. The Nation is threatened with farm strikes and agricultural collapse. The farmer has again been double-crossed, criss-crossed, bisected, and quartered. He has been misled and deceived by his Government. He was made to believe that he was being subsidized when in reality he was being fleeced. He was told that the processing tax would be paid by the consumer when, as a matter of fact, he paid the processing tax in lower prices. The truth is that the Government has not kept faith with the men, women, and children who feed and clothe the Nation.

Yet, in spite of this, the Department of Agriculture is again attempting to sell the farmer another processing tax under the glorified name of "income certificates." The so-called parity prices were a fraud. The glorified income certificates are an insult to our intelligence. Fortunately, the Members of Congress now know that if the Department of Agriculture ever hits upon the right thing for the farmer it will be by the law of accident rather than by the law of average, because that Department's batting average is below par.

Eighteen Members of the Senate and 16 of the House, realizing that the Secretary of Agriculture's farm program has been a "flop," introduced a "nonpartisan cost of production farm bill." These Members know that during the last 6 years of farm regimentation—of the insane policy of destruction and curtailment of agricultural wealth—about one farmer out of every five lost his farm by mortgage foreclosure, tax, or judgment sale. The price of that erroneous policy comes too high.

This cost-of-production bill would have increased the farmers' yearly income $7,500,000,000. Since every dollar of farm cash income increases the national income by $7.55, therefore the national income would have been increased by $56,625,000,000. That would have meant prosperity by "plenty" and not starvation by "scarcity" by the curtailment and the destruction of agricultural wealth.

This bill would not cost the Federal Government one penny. When it becomes a law there will be no further need for subsidies to the farmer. There will be no further need of the 27 varieties of Federal agencies now riding on the farmers' backs. There will be no further need for an army of Federal employees to regulate the daily lives of the farmers. When this bill becomes a law the Government will no longer have to bail out the farmer—the farmer will bail out the Government.

Neither did Congress do anything to stop mortgage foreclosures—the eviction of innocent men, women, and children from their homes. We talk of making farm tenants farm owners. We first make the farm owner a farm tenant and

then pretend to make him a farm owner again. We evict the city people from their homes and then talk of slum clearance, housing programs, and of spending bills until the whole thing has become a hodgepodge, worse than a "crazy quilt."

The Frazier-Lemke refinance bills offer a solution. These bills provide that the United States Government shall refinance existing mortgages on farms and homes at 3 percent per annum, the interest rate to be 1½ percent and the balance of each payment to be applied on the principal on the amortization plan. The stability of government depends upon homes.

The nation that does not protect its protectors cannot long endure. No nation on earth is great enough to ignore the appeals for help of its citizens. There are times when a nation must protect its citizens from misfortunte in order to preserve its nationalism. Patriotism is the feeling that you are somebody. It is the feeling that you belong to a nation that is not only powerful but that is interested in your welfare.

Without this feeling of security and reciprocity, there can be no true patriotism on the part of the individual—there is no nationalism. The 12,000,000 unemployed and the 1 farmer out of every 5 who lost his farm are more dangerous to our democracy than the combined armies of Hitler, Mussolini, and Stalin.

Nor did Congress pass an intelligent old-age compensation bill. I cannot understand why some Members of Congress are so afraid that the people who have created the wealth of this Nation may get too much of it back. Old-age pension should be called old-age compensation, because any person who has worked at a useful occupation from the age of 20 to the age of 60 has produced enough wealth to take care of himself or herself for the rest of his or her life. If such a person finds himself or herself in financial distress and without the means of a comfortable livelihood, then it is because someone appropriated this wealth, or rather misappropriated it.

We have now arrived at a stage in our civilization where we realize that as a nation we can safely restore to the aged part of the wealth which they created, part of the wealth taken from them by overzealous individuals and corporations. This is not a pension; it is not charity; it is a compensation for useful labor performed or for wealth actually created or produced.

Owing to mechanical inventions and chemical discoveries, we suddenly find that we have an abundance for all. Our problem no longer is how to produce more nor fear the morrow may not bring plenty, but, rather, how to distribute the things that we have and that are essential to our well-being. In place of destroying this food and clothing and other essentials of life, why not distribute it to those who helped to create it and need it?

Again, Congress did not enact a neutrality law. It did refuse to pass the Pittman bill. The passage of this bill would inevitably lead to war. Just why the administration should insist upon permitting war profiteers to again sell instrumentalities of death and destruction to favored nations, with which to slaughter their own or other nations' people, is hard to understand.

Why should anyone make a profit out of the tears, the blood, and the agony of nations engaged in war? Why should we sell army or navy planes or munitions or armaments to nations with whom we may ourselves sometime become involved in war?

We cannot ease our conscience by a cash-and-carry policy. That policy means that we will help the more powerful to destroy the weaker. That policy means that we will become an accomplice both before and after the fact—a party to mass murder of other people's sons and, in the end, of our own sons.

Let us have real neutrality. Let us have a law that will make it a crime to sell arms, munitions, armaments, or war material at any time or at any place to any nation. In case of war let us have an automatic embargo against the warring nations except for food and clothing to be distributed through the Red Cross or similar organizations to the civilian population only. Let that be the American doctrine.

In conclusion, may I state that Congress represents a cross-section of the country. They reflect the opinion—the pulse of the Nation. Individually there is great intelligence in Congress. Collectively, just now, very little. That is to say that individually there is great intelligence in this Nation. Collectively, just now, very little.

In other words, there is no settled purpose among the people just now to get the Nation out of the mire. The great American engine is stalled. It is on dead center. It is up to the intelligent people to start the engine going. The Members of Congress are home with you now. They are your Congressmen. You elect them, not I. If you have any fixed purpose in your community inform them of that purpose.

One hundred and three Members of Congress have signed petitions Nos. 5 and 6 at the Speaker's desk. These petitions have for their aim and purpose the bringing up, for discussion and disposition on their merits, of the cost-of-production, introduced by 34 Members of Congress, and the Frazier-Lemke refinance bills.

May I suggest that you form "cost of production" and "refinance" clubs throughout this Nation. Inform your Congressman and Senator and your farm leaders that it is the cost-of-production and the Frazier-Lemke refinance bills, and no substitute, that you want.

You have a right to make your desires and necessities known. Remember that in the language of Chief Justice Hughes "the people can get anything they want if they want it bad enough." Let the Congressmen know that you want the Frazier-Lemke refinance and cost-of-production bills bad enough.

Presentation of a Portrait to the Honorable Edward T. Taylor, Chairman of the Appropriations Committee

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EXTENSION OF REMARKS

OF

HON. LAWRENCE LEWIS

OF COLORADO

IN THE HOUSE OF REPRESENTATIVES

Saturday, August 5, 1939

Mr. LEWIS of Colorado. Mr. Speaker, it is an old saying that "A prophet is not without honor, save in his own land." That human characteristic is often sadly true as to Members of this House. Even several Presidents of the United States repeatedly have lost their home counties in Presidential elections.

But I am proud to say that there are some outstanding, splendidly commendable and patriotic exceptions to that old saying. I take pride in mentioning one of them that recently occurred in my own beloved Colorado.

As you all know, my distinguished colleague, Hon. EDWARD T TAYLOR, is now serving his thirty-first consecutive year in this House. He has loyally served Colorado with remarkable energy and efficiency for over half a century. He was a very successful district attorney in the trying times of all kinds of outlawry in our early days. He made a splendid record for 12 years in the Colorado State Senate, as is recorded in the 40 laws and 5 constitutional amendments he put on our statutes in his individual name. He was Congressman at Large for 6 years. Our State was then redistricted and he has ever since represented the Fourth Congressional District, comprising nearly the western half of Colorado. He has rendered literally thousands of beneficial services—lasting betterments and permanent developments in our State, and many of them have been for the benefit of the entire West.

It would require a volume to describe the over 100 Federal laws of which he is the author. Probably he will be remem-

bered most in history as the author of the Taylor Grazing Act.

While the people of western Colorado always have shown him their appreciation of his long, constant, and effective work in their behalf by an overwhelming majority at every election, I understand from others that sometime ago a large number of western Colorado constituents, regardless of politics, decided that they wanted to show him their appreciation and good will in some permanent way; something that he and his family and friends everywhere would be proud of and that would be a source of supreme pride to him during his remaining years, and to his children and friends as well. With that object in view, I am informed they consulted our National Commission of Fine Arts and obtained the names of several of the most distinguished portrait artists in our country. They selected Mr. John C. Johansen, of New York, and he has painted a life-sized portrait of our colleague. It is now hanging on the wall in the office of the chairman, along with the portraits of all the former chairmen of that great committee. It is on this floor of the Capitol Building and only a few feet from where we are sitting.

The gentleman from Colorado [Mr. TAYLOR] is the twenty-first chairman of that committee since it was originally created in the early days of Congress. From the expressions of all the Members I hear the oil painting meets with the enthusiastic approval and commendation of everyone who has seen it. It seems to be considered one of the most artistic, actually life-like and realistic portraits in the Capitol Building. It is very different from all the other paintings.

The official ceremonies attendant upon the unveiling of the painting and the presentation of this splendid tribute to the chairman were held a few days ago in the presence of some of the Members and officials and numerous friends.

Our senior Senator from Colorado, Hon. ALVA B. ADAMS, on behalf of the western Colorado donors, formally unveiled the painting. After paying a well-merited and beautiful tribute to Mrs. Taylor, who was present, as being the Congressman's constant guardian and helpmate, the Senator presented the painting to our colleague in an address of which I am sure every Member of this House and the people of Colorado and Mr. TAYLOR's friends everywhere will always be supremely proud, as follows:

Mr. TAYLOR, you occupy today one of the most influential and powerful positions in American public life.

You have earned by your diligent attention to public duties, by your knowledge of public questions, by your unfailing courtesy and consideration toward all with whom yo have come in contact, by your devoted and able services to the people of your district and State, and by a character ever animated by high principles and patriotic motives the admiration, esteem, and affection of all who have served with you. You are, sir, today recognized throughout the Nation as a statesman without fear and without reproach. Your record is written large in the annals of our country. There is no need that I attempt an enumeration of your many services to State and Nation which constitute and illuminate your record.

Colorado is perhaps the most variable State politically in the Union; but in one respect at least its citizens have been constant. In spite of all the political vicissitudes and the ebb and flow of public opinion, the people of Colorado have for 45 years continuously had the good judgment to retain you in their services in a legislative capacity, either in the State or National Legislatures.

Different from some, your rise into a great national figure has never lessened your interest in or care for the people of your district and State. In fact, they have in many ways benefited from the honors showered upon you.

It is my privilege today to present to you as a tribute of confidence, esteem, appreciation, and affection from your Colorado constituents this most excellent portrait of yourself. The donors are from all sections of your district and of all political faiths. They make this presentation most gladly. They wish you to regard it as a token of their high regard for you personally, and their gratitude for your long, faithful, and efficient service to them. They further wish to preserve your likeness in the places where you have served and which you have honored, so that should you be at any time called to higher service, they may come here to pay homage to your memory and recall your great services.

Proud as you should be of your record as a public servant, I believe you have more reason to be happy and proud of your record in the hearts of those among whom you have lived and who know you best, of which the portrait I now present to you on behalf of your friends and neighbors is a testimonial.

Admission of Refugee Children

EXTENSION OF REMARKS
OF
HON. CHARLES A. BUCKLEY
OF NEW YORK
IN THE HOUSE OF REPRESENTATIVES

Saturday, August 5, 1939

Mr. BUCKLEY of New York. Mr. Speaker, the House Committee on Immigration still has under consideration the bill to provide for the admittance into this country of 10,000 German children in excess of the present quota during each of the calendar years 1939 and 1940. Despite the urgent pleas of representatives of religious, social, educational, and nonpartisan organizations, there seems to be some difficulty in having the bill brought before the House for consideration. In the Senate, the Committee on Immigration, by its amendments, has practically destroyed the very intent of the bill. The bill would admit not more than 20,000 German children in excess of the present quota during 1939 and 1940. No child would be eligible for admission who is over 14 years of age, and they would not become public charges, as, prior to admission, satisfactory assurances must be given by responsible individuals or private organizations guaranteeing their education and support. That is all this bill really provides.

The argument that these children will compete for employment in the labor field is untenable when we know the ages of these children are 14 or less. To further prove this, this bill is endorsed by both the A. F. of L. and the C. I. O. It also has the support of clergymen of all denominations, as well as that of many public officials and social-service workers. Editorials in the press have also been favorable.

These poor children are treated as outcasts and undesirables. About one-half of them are Jewish and the others are Catholic or Protestant. Many of their parents are dead, in prison, or in concentration camps. They are victims of Nazi Germany's oppression and persecution. Need more be said?

I do not believe that many people are really honestly opposed to this bill. As an illustration, a friend of mine came to see me not long ago, and we were discussing various matters. There arose the question of this bill. He was strongly opposed to the enactment of this policy. I asked him whether, if there were a fire, and the lives of children were in danger, would he go to their rescue. He answered emphatically in the affirmative. I likewise asked him, if a boat were sinking and children were aboard, and he were in a position to give aid, would he risk his life to do so. And again he answered emphatically in the affirmative. I asked him that, if he were in the position to provide food and a home, for children who were being torn from the love and protection of their mothers and fathers, would he come to their rescue. He admitted he would. I then showed him, and I believe he agreed with me, that the question of admission of 20,000 refugee children was no different than the cases I cited.

Other nations have opened their doors to these children. England and Holland have given such sanctuary to a considerable number of these little waifs.

I have always maintained the belief that the strength and resources of this country are great enough to provide for all the peoples of this country. I go a step further and contend that they are large enough to share with this group of unfortunate children.

In every community we find a few bigoted and misguided individuals who protest any measure, regardless of its humaneness or the meritorious purpose it seeks to fulfill. Fortunately, I am sure, the great majority of the American people, whether they live in the city or in the country, and regardless of their wealth or station in life, favor principles and acts of kindness and charity. For regardless of what

religion one may belong to, one of all religions' cardinal principles is to lighten the burden of the oppressed and extend a warm and sympathetic shelter when needed.

In keeping with our country's tradition of tolerance, let us extend this act of generosity to these unfortunate children. They will become good citizens and will love the liberty and freedom that exist here, for they know what its loss means. They will repay us, as others have done in the past, with their fine contribution of loyalty and good citizenship.

Postalization of Transportation Rates

EXTENSION OF REMARKS

OF

HON. WILLIAM LEMKE

OF NORTH DAKOTA

IN THE HOUSE OF REPRESENTATIVES

Saturday, August 5, 1939

Mr. LEMKE. Mr. Speaker, what is the matter with our railroads? There is nothing the matter with them except that they are bankrupt. At the present time 39 class I railroads are in the hands of the courts—39 more are in the hands of receivers or trustees. That there is a railroad—a transportation—crisis no one can deny.

Rapid transportation of persons and goods is the very life of a modern nation. Our standard of living depends upon transportation—upon the exchange of the goods of one locality with those of another. If this transportation or exchange is prevented by prohibitive rates then there can be no real prosperity; then the people in unfavorable locations are hampered in the creation and distribution of new wealth.

No one will deny but that the well-being and future safety of our Nation depends upon cheap and rapid transportation of persons and goods. The intellectual and economic life—the national defense of our Nation—depends largely upon the transportation of persons and goods from one part of the Nation to another—from the Atlantic to the Pacific, from the Gulf of Mexico to the Canadian boundary. Therefore, cheap and rapid transportation of persons and goods within our borders is of greater importance than any other single issue now before this Nation.

It is true that in the past many of the railroads abused our patience. They were guilty of criminal acts along the highways and byways of the Nation. Some of them grabbed that which was not theirs. They destroyed and made cities and towns by unjust discrimination in rates. They made and destroyed individuals by giving rebates. They dodged just taxation, bought favors by issuing passes to lawmakers. They played shady politics and thus received subsidies from local government as well as from our National Government. But that age is gone. It is water under the bridge. This was during the frontier life—during the building of the Nation.

We are now concerned with the present railroad financial crisis. Transportation is of national concern. It will not do to simply condemn the railroads for their past wrongful omissions and commissions. Railroads are still the principal means of transportation. They are still the chief instruments for the distribution of food, fuel, and clothing. They cannot continue to operate at a loss, and yet, we cannot do without them.

What is the cause of this financial collapse? Some say it is a credit crisis. They say the railroads cannot get credit. The reverse is the truth. It is a debt crisis. The railroads, the same as the rest of us, got too much credit. They have exhausted it. They cannot borrow more because they already owe more than they are able to pay. In plain, unadulterated English they are bankrupt. What they need is less credit and more ability to pay.

The railroads, like the rest of us, make the mistake of trying to get more and more credit—to get deeper and deeper into debt, when their chief concern should be to get out of debt and stay out of debt—to go as they pay and pay as they go. The coupons clipped from the bonds should go as dividends to their owners in place of as interest to the bankers.

The real trouble with the railroads has been, and is, mismanagement. Too many of our present railroad executives represent coupon-clipping banks rather than owners of railroads. Today the railroads are controlled by bankers—by coupon clippers—who know very little about railroads, but who know how to clip coupons. Those bankers are not interested in an efficient transportation system. They profit by receivership and trusteeships—by the squeezing out process.

There was a time when railroads were run by men who built and owned them. Controlled by men who were vitally interested, not only in making money, but who had pride in making their road a success. Such men were James J. Hill and E. E. Harriman. These railroad executives, in fixing transportation rates, knew that it was more important to know when the point of "diminishing returns" was reached than to charge "all that the traffic would bear."

Due to our scientific and inventive genius, we have annihilated space and time. Within the last 30 years modern, de luxe, streamlined trains, automobiles, and airplanes, as well as telephones and radios, have all come into general use. All these instrumentalities are now at our fingertips for the purpose of rapid transportation or transmission of persons, goods, and ideas. In the twinkle of an eye thoughts and ideas can be transmitted to every corner of the earth, and with unbelievable rapidity goods and persons can be transferred from one corner of this Nation to another.

While our scientists and inventors have made all of these things possible, our political and economic physicians have failed in making full and complete use of these instrumentalities for the common good of mankind. They have not kept abreast with the times. They have failed to place at our disposal these facilities in our everyday life for universal use and enjoyment.

Due to mismanagement and unreasonable rates and charges, the life of our railroad system is at stake. Unless we discover some method by which these can again be made self-sustaining, the Government will have to take them over. Even then, under the present rate-fixing scheme they will become an unbearable burden upon the public.

In order to get away from this dilemma I reintroduced H. R. 5579, a bill providing for the postalization of transportation rates. This bill is based upon the plan presented to the Interstate Commerce Commission by John A. Hastings, of New York. I am satisfied that when this bill becomes a law it will solve the railroad problem once and for all, not only for the railroads but for all of us.

Under the provisions of this bill the Interstate Commerce Commission would establish 12 zones from each point within the continental United States where passenger or goods transportation now or hereafter may originate.

The first zone would have a radius of not less than 250 miles, and the radius of each of the following zones would be increased by 250 miles, so that the last or 12th zone would have a radius of not less than 3,000 miles.

The bill provides that the suburban, postalized, first-class, passenger coach fare shall not exceed 50 cents within any suburban zone, and that in densely populated centers, where a system of commutation exists, the fare shall not exceed 15 cents for a single trip or 25 cents for a return trip. It provides that the interurban, postalized passenger fare shall not exceed $1.25 within the first zone, and that it shall not exceed $2.50 between any two points within the first and second zone; that is, the rate is increased by $1.25 for each additional zone.

These rates would be flat rates, irrespective of distance, for each class of service rendered within the same zone. For example, the fare from New York would be $1.25 to Pittsburgh, $3.75 to Chicago, $5.00 to New Orleans, $6.25 to Oklahoma City, $7.50 to San Antonio, $10 to Denver, $11.25 to Spokane, and $12.50 to San Francisco. In other words, you could travel from the farthest point in Maine to the

farthest point in California for $15. These rates, of course, do not include meals or sleeping-car accommodations.

This is not a new idea. It was adopted long ago by our Government in transmitting mail. You can send a letter from Brooklyn, N. Y., to Chicago or to Nome, Alaska, for 3 cents. We use the same principle in suburban transportation. You can get on a streetcar, bus, or subway, and you pay the same whether you ride 1 block or 50 blocks. In New York City you can ride all day in a subway for a nickel.

Postalization of railroad transportation rates, while it seems new, is nothing more than the application of a well-established principle in a new field. For years rate making, regardless of distance traveled, has been in general and successful use in urban transportation. The civilized governments of the world carry mail at fixed rates, regardless of distance.

New ideas are generally looked upon with apprehension. When automobiles first made their appearance the average person shook his head and said, "It will never work as a means of transportation." When Sir Rowland Hill, of Great Britain, first suggested that letters be carried for 1 penny regardless of distance he was ridiculed. The idea was denounced as wild-eyed, extravagant, and impractical. Yet, within a few short years, Sir Rowland Hill became the head of the Post Office Department of Great Britain.

The penny letter grew in popularity year by year and carried on its back a variety of new and unremunerative services, notwithstanding which the postal service was able to contribute a steady growing revenue to the Government.

So it will be with postalization of railroad transportation rates. It will bring increased revenues to the railroads and new life into the Nation. It will render untold service to the future of America.

The success of this method of transportation is due to volume induced by reasonable rates. The rate is based upon service and cost, as a whole, and not upon the distance that the individual or the goods is carried. It is based upon the law of averages. It costs, within a few cents, just as much to haul an unoccupied seat across the continent as it does an occupied one. It costs, within a few dollars, just as much to haul an empty car across the continent as it does one filled with goods.

It is the number of persons or the volume of goods hauled, rather than the distance they are hauled, that produces revenue for the railroads. The longer that a freight or passenger car stands idle on a sidetrack, or the longer the distance that an empty car or an unoccupied seat is hauled, the less will be the revenue received and the greater the operating cost—the greater the deficit. Why not operate the trains at full capacity—at a profit in place of a loss?

The financial success of a railroad depends rather upon the volume of traffic than upon the rates charged. Sixty-one percent of our railroad operating costs are fixed or constant without relation to the number of trains operated, passengers or goods carried, or the distance such passengers or goods are transported. Only 39 percent of all operating costs are variable. Of these costs only fuel, wages, and water are affected by the distance traveled.

In 1937 the railroads hauled in round numbers 250,000,000 passengers with a gross income of $400,000,000. Trains were occupied only to about 22 percent of their capacity. The average passenger traveled only 80 miles. He paid only $1.80 for rail transportation. These roads could have carried from 300 to 400 percent more passengers without materially increasing their costs.

If the rates had been postalized the number of passengers would have been doubled, tripled, and quadrupled. It would have stimulated agriculture, industry, and commerce. This, in turn, would have increased rail traffic and income.

When passenger, freight, and express rates are postalized, then the burden of transportation will be placed more equally and justly upon the shoulders of our entire population and that burden will be made lighter for all.

It will be of immense benefit to the consumers as well as to the producers. It will give to the consumers commodities of which we have an abundance, but which at present are denied them because of distance and transportation charges.

When this bill becomes a law the farmers of North Dakota, Montana, Oregon, and other distant States will find at their door the markets of the East. Then there will not be millions of bushels of potatoes, apples, and other farm products allowed to waste because of prohibitive transportations rates. Mass production will be met by mass consumption. New fields of industry and new fields of consumption will be opened. Farm products and manufactured commodities—the wealth of this Nation—can then be exchanged without penalizing any section.

Then the North will meet the South and the East will meet the West, both in person and in the exchange of commodities. An unhampered exchange of our wealth will take place and the railroads will become prosperous because they will not be running empty coaches and empty cars across the continent. They will be loaded with passengers and with the goods that the energy of our people produce.

In conclusion, I will state that "postalization of transportation" will restore the railroads to their proper place in our economic life and will give to the people the social and economic equilibrium they are entitled to. It will abolish distance as a rate-making factor. It will equalize the transportation charges throughout the Nation. It will decentralize population. It will reduce the cost of living to the consumers and increase the price to the producers of our agricultural and manufactured products. I am confident that postalized transportation is near at hand.

Martin Reviews Session

EXTENSION OF REMARKS

OF

HON. JOSEPH W. MARTIN, JR.

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Saturday, August 5, 1939

Mr. MARTIN of Massachusetts. Mr. Speaker, the era of rash and reckless experimentation is ended. America again is seeking the paths of orderly progress under law.

In the 1938 campaign the Republican Party promised to check one-man government, stop rubber-stamp legislation, and restore constitutional processes in national administration. These pledges to fundamental Americanism have been substantially redeemed.

Fourteen specific accomplishments under the banner of honest liberalism testify to sincere Republican cooperation with the real Democrats in the fight to save America from the New Deal, as follows:

(1) Against the spendthrift leadership of the administration, Congress forced at least a beginning toward economy and common sense in Federal finances.

(2) Under Republican leadership, Congress turned back a New Deal proposal to raise the national debt limit above the existing statutory ceiling of $45,000,000,000 and later rejected emphatically the $3,800,000,000 spend-lend program, which sought to evade the limitation upon the national debt. As a part of this broad economy movement, Congress once more forbade additional expenditures on the crackpot Florida ship canal.

(3) Under aggressive Republican leadership, in both the Senate and House, Congress turned back the administration's attempts to pledge American involvement in European power politics. We supported adequate American national defense by land, sea, and air forces.

(4) In the face of determined administration resistance, Congress forced a measure of tax revision to relieve business of crippling punitive levies and established a special recess investigation to recommend general tax codification to the next session.

(5) After more than 2 years of study, Congress forced careful revision of the social-security program to eliminate the

fraudulent full-reserve plan in favor of a pay-as-you-go scheme as consistently demanded by Republicans. The new schedule of benefits eventually will stop diversion of the pay-roll tax receipts to general Government spending. By freezing the pay-roll taxes at the prevailing 1 percent level, hundreds of millions of dollars in future taxes have been saved to both labor and industry.

(6) Congress limited in some degree subsidized Government competition with private enterprise in electric utilities, and has instituted honest systems of audit and accounting to keep taxpayers informed of real costs in the future.

(7) We exposed and partially reformed the vicious political manipulation of W. P. A. work relief by the New Deal patronage racketeers.

(8) Against militant opposition, we aided materially in passing the Hatch bill, reinforcing the merit principle in civil service and prohibiting electioneering by all Federal pay rollers.

(9) We enacted legislation to curb the spread of hateful alien communism and fascism, strengthening the mandatory deportation laws and removing much discretionary power in this field from the coddling authority of the Labor Department.

(10) In the Government reorganization bill we sustained the time-tested constitutional principle of checks and balances, eliminating many proposals for dangerous powers of dictatorship.

(11) In the face of persistent evasion of administrative responsibility, the House insisted upon a thorough investigation of the National Labor Relations Board.

(12) House Republicans urged a formal congressional inquiry into the damage caused to American industry and agriculture by the so-called reciprocal trade treaty program. The Roosevelt-Hull policies of free trade, as now linked to the mutually exclusive policies of export subsidies, dumping, barter, and discriminatory import quotas, are contributing largely to the utter demoralization of international trade.

(13) Congress fought hard to reestablish the fundamental Republican principle of sound money by a return of all monetary powers to Congress where, under the Constitution, they properly belong.

(14) A special committee of House Republicans surveyed the so-called emergency powers of the President, and charted in detail the course forward to a resumption of balanced representative government.

In proportion as Congress reasserted its legislative independence, business confidence began to show some signs of revival. Today the administrative failures and confusions of the New Deal are the only obstacles in the path of solid and sustained business recovery.

Pump priming is a demonstrated illusion. Now in the seventh year of Federal squandering, we still have 10,000,000 unemployed; farm prices are at bankruptcy levels; our export market for farm products still is diminishing; and our rich home market is being flooded by an increasing tide of low-cost industrial and agricultural products from abroad. Under the New Deal's misguided policies of internationalism and free trade the vaunted American standard of living is being lowered steadily for all our people.

A Republican resolution to require a saving of 10 percent on all departmental appropriations for the current fiscal year was received by administration spokesmen with only a jeer. The seventh New Deal deficit on July 1 carried the national debt above $40,000,000,000, or double the 1933 total. New appropriations for the fiscal year 1940 aggregate almost $13,000,000,000, or approximately three times the annual Republican average of the previous decade.

Every congressional effort to amend existing trouble-making laws in the interest of order and stability in our labor relations have been blocked by the administration.

At the beginning of the session I pledged the Republican minority to work constructively and not be simply a party of criticism. We have kept that pledge. We have fought for economy and sanity in government, to keep the country out of involvements which would lead to war, for sound money, and to restore to Congress powers given to it under the Constitution. Yet we have not hesitated to support sound measures brought forward by Democrats.

Encouraged by growing popular support for our constructive policies, Republicans in Congress pledge a continuance of this fight for fundamental Americanism. In session and out we will battle New Deal socialism at every step of the road.

The people of the United States are tired of hit-or-miss government. The country wants to get out of the red and back to work. It wants to try honest bookkeeping, honest politics, and honest Americanism for a change.

The Will of America

EXTENSION OF REMARKS

OF

HON. RAYMOND S. SPRINGER

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Saturday, August 5, 1939

Mr. SPRINGER. Mr. Speaker, during this session of the Congress much has been said on the one great question which confronts the American people—the question of unemployment. That is the one vital matter which is now before the people which gives cause for great worry and much concern. Another question of like importance presents itself as we scan the governmental horizon, which is: "How long can the people of our Nation continue to advance their private capital, intended for use in some profitable enterprise which would be helpful to our recovery, in the payment of taxes and other burdens imposed by our Government and our country continue to survive?" The answer is entirely concealed and the proper response is a myth. However, we do know the record of the past, which reveals that the huge sums of money which have been so ruthlessly expended by our Government have aided our unemployment only temporarily, and when the "shot in the arm" ceased to be effective we were left in a much worse state than that in which we had been before the spending started.

We quite well remember the slogan which was broadcast some 7 years ago which had an express appeal to the people, "Out of the red with Roosevelt." That was one of the campaign promises upon which the President went before the people seeking their suffrage, and with that slogan, which was a covenant with the people, he was elected to the Presidency in 1932. Seven long years have passed since we heard that slogan—"Out of the red with Roosevelt." Let us analyze our Nation's stock since we heard that glittering gem of campaign vernacular; let us see where we are today.

Mr. Speaker, when the President assumed office in 1933 he had boldly stated throughout the length and breadth of our land that he would "cut the expenses of Government at least 25 percent"; and the people were assured, by the President, that "we would start out of the red with Roosevelt." But 7 years after we find that we did not even "start out of the red with Roosevelt" but we did "start in the red with Roosevelt," and we are still going "in the red with Roosevelt," and, with reluctance, we are constrained to say, we will continue to "go in the red as long as Roosevelt holds the reins of Government." Why are we forced to this sad conclusion? Because it has been conclusively proven that the President is a "spender" and that he has apparently forgotten his fellow countrymen, which includes every class of our people, and he pursues his self-inaugurated spending program, which is rapidly approaching the goal of eventual bankruptcy for our Nation, and which, when it occurs, will surely carry all of our people over the precipice to disaster. In other words, we have "gone in the red with Roosevelt" to the tune of more than twenty billions of dollars—that is, as you know, twenty thousand million dollars—a sum so stupendous we cannot contemplate it.

May I observe that our people have been impoverished by this wild ride we have been taking to keep "Out of the red

with Roosevelt." And, pray tell me, who will pay for this folly of the President? The answer is—the future generations.

What is the result of the President's promise to the people that he would cut expenses and reduce the cost and expense of government and in every department thereof? Today we have a national debt of staggering proportions—almost $45,000,000,000; we have approximately 13,000,000 people who are unemployed; we have the taxes which have been imposed upon the people of many and various classes—both hidden and direct—which are sapping the life from agriculture, business, and industry, which taxes are taking 25 cents out of every dollar; the governmental impositions of taxes, regimentation and control, which have been heavy indeed, have stifled initiative and progress which under a program of economy would be creating employment; 26,000,000 men and women are living at the cost and expense of our Government, which is about 1 out of every 5 of our people; every farm, factory, and business, regardless of its classification or magnitude, now feels the fumbling hand of our Government; and every citizen, regardless of his or her condition of servitude, now hears the repulsive voice of the tax collector or feels the clammy hand of the hidden tax extractor reaching into the pockets to remove more money with which to pay the stupendous cost of government. This is 7 years after he started—7 years after the slogan was heralded before the people, "Out of the red with Roosevelt."

Mr. Speaker, I shudder when I think of the future. Quite well do we realize that the children yet unborn, who have had no voice in creating this vast debt, will have the great burden of payment thrust upon them as a heritage; their parents have had no part in creating this unforeseen mortgage upon the flesh and blood of their kith and kin—yet all must pay. This vast debt which is so ruthlessly forced upon the people is the "President's folly"—a folly which is so serious we can contemplate the outcome.

May I suggest that when our own Government enters into the direct financing of activities which are private in character, and such a plan of financing is continued, the inevitable end will be that our Government will at least control those activities, if not in fact entirely own them. To put it in other words, when our Government undertakes to create wealth by using its own credit for such purpose, and at the rate of three or four billions of dollars each year, and if the work is perfectly done, then our Government will acquire productive enterprise at that same rate each year. What will be the ultimate result? Over a period of years our Government would come to own most of the productive business in our country. When our Government takes over production and entrenches itself beyond possible removal, then we will have the same conditions which exist in Russia, Italy, and Germany. Let us remember this: It is much easier to get into that condition than to get out of it. When the dependence of business and employment is upon our Government, then the Federal spending will become greater. While almost every business sells a part of its product to our Government or to concerns which produce for our Government—therefore the spending of Federal money becomes a whip over all business in our country.

I am convinced, Mr. Speaker, that the present spending plan is wrong. Instead of promoting Government spending and encouraging the monopoly and control which inevitably follows, we should encourage and protect private business and industry and the employment of private capital with which to finance the same; this will assure the employment of labor in that particular community, and the unemployment situation will realize relief to that extent. Another, and a most cogent reason, our Government must not engage in business or industry in competition with our own people—either financially, directly, or indirectly. Business and industry, which include agriculture, need protection, encouragement, and the cooperation by our Government—not the spending of Federal money, which is impoverishing our people.

May I further suggest that the making of secret treaties, with unknown trade relations as a part, should be discontinued by the President, and his assistants; all treaties should be open and notorious—the people should know them. All business and industry should be fully protected against the inrush of competitive products from abroad which, produced by cheap labor, flood the shelves of our stores and markets and are offered to the buying public at a proportionately small cost, all of which stifles local business and industry which is maintained by labor at a higher scale of wage.

We should become aroused as a people. We have a signal duty to perform in restoring our constitutional system of free enterprise and to preserve the personal liberty and freedom of every American citizen. We cannot spend our way into prosperity—we must earn it by the sweat of the brow. We cannot continue to "go into the red with Roosevelt"—that plan is destroying the opportunity of every American citizen. We must aid the unemployed in securing employment, not on a dole or inadequate wage from the Government, but by stimulating industry that the unemployed may secure substantial employment in private industry at a substantial wage. We must ever sustain the American way by maintaining liberty and freedom as we have known it—we must stop governmental regimentation and control. We must build the will of America to go forward to greater progress in the future.

Air Corps Procurement

EXTENSION OF REMARKS
OF
HON. DOW W. HARTER
OF OHIO
IN THE HOUSE OF REPRESENTATIVES
Saturday, August 5, 1939

Mr. HARTER of Ohio. Mr. Speaker, it is most unfortunate Congress adjourned before the House of Representatives acted upon S. 2868, a bill to facilitate the procurement of aircraft.

This bill, S. 2868, passed by the unanimous vote of the Senate, is identical with H. R. 7267, a bill to facilitate the procurement of aircraft which has received the favorable consideration of the Committee on Military Affairs of the House.

The Chief of the Air Corps, General Arnold, and the War Department are very insistent that if they are to comply with the mandate of Congress and increase the number of planes to some 5,500 by June 30, 1941, they must have legislation that will permit them to make awards to several bidders upon the same competition if the overloading of certain plants is to be avoided.

Early in the consideration of legislation of this character that would accomplish the purposes of the Air Corps, a bill was introduced that would permit the negotiation of contracts for the purchase of aircraft for the ensuing 2 years.

Your committee being familiar with the progress that has been made in the acquisition of superior aircraft having far greater performance ability under the system of competitive bidding which has been rigidly adhered to since 1934, was extremely loath to permit the procurement of material for the Air Corps except under free and open competition. Therefore, the committee refused to recommend a bill that would permit the negotiation of contracts.

After considerable study the committee did draft and approve H. R. 7267, which is here in the form of S. 2868, which has, as I say, received favorable consideration by the Senate. Under the terms of this bill the same competitive methods would be used as has been the case in the past. Permission, however, would be given with respect to contracts awarded prior to July 1, 1941, to divide the contracts where, in the opinion of the Secretary of War or Secretary of the Navy, it would be in the interests of the national defense to make such multiple awards dividing the planes to be purchased among

the first and/or second and/or third lowest responsible bidders who can satisfactorily perform the work or service required to the best advantage of the Government. This will permit a division of certain contracts where, if the award was made to the lowest responsible bidder that can perform the work or service required to the best advantage of the Government, it would result in the overloading of a certain factory or factories, to the end that aircraft intended to be purchased may be delivered within the time, namely, July 1, 1941, specified for the carrying out and completion of our expanded Air Corps program.

You will note that under existing law the Air Corps Act of July 2, 1926, awards are not made necessarily to the lowest responsible bidder, but they are made to the lowest responsible bidder that can satisfactorily perform the work or service required to the best advantage of the Government. In other words, Congress appreciates that in aircraft the cheapest is not always the best, and procurement officials are controlled not by prices alone, but by quantity, performance, times, and rate of delivery; and, as we have stated before under this measure, split awards will prevent the overloading of a plant or plants. Most of the boards and commissions that have considered aviation and its development and have gone into the subject thoroughly have recommended either a form of negotiated contract, properly safeguarded, or the splitting or making of multiple awards as provided in this bill.

The Federal Aviation Commission, sometimes called the Howell board, which made a most comprehensive study of military and naval aeronautics, made this recommendation:

> When purchases are to be made as the result of competitive bidding, the Secretary of War or Secretary of the Navy should be authorized either to award a contract for the whole quantity sought to the bidder who can best perform the work or to divide the order among two or more bidders if that be in the best interests of the Government (Report of the Federal Aviation Commission, p. 186, January 1935).

I might say that when planes and accessories are purchased in considerable quantity, as will be the case in the carrying out of the present program of expansion, unit prices do not change materially when we purchase 75 to 100 planes or more of a certain type and kind. The bill specifically says "that no awards shall be made at prices in excess of those offered by the bidder," and as practically all of the bids are in for the additional planes there is no possibility of collusion among the bidders, and it is believed that where a division of awards is made procurement under this method will cost the Government little, if any, more and, of course, will result in far more prompt deliveries; moreover, it will make strong sources of supply available for the production of the most-needed type of military aircraft.

Through the exercise of sound discretion in utilizing the provisions of this act, the Army and Navy should have at all times three or more competing firms fully tooled up and adequately equipped to produce highly satisfactory planes in the several classifications of pursuit; attack; light, medium, and heavy bombers; and basic training and basic combat planes.

This bill was originally drafted to cover the needs of the Army Air Corps. Since its introduction it has received the favorable comment of the Navy, and at the request of the chairman of the Naval Affairs Committee of the House of Representatives, amendments to the bill were prepared which will make its terms apply to Navy procurement of aircraft as well. This legislation is necessary now. Its enactment should not be delayed. Twice already during this session has the Congress directed the procurement of the augmented Air Corps program within the next 2 years. Our Air Corps says it doubts its ability to complete that program unless in some instances it may make the multiple awards authorized by this bill. The responsibility will be that of the Congress if we fail to give the authority which the War Department deems necessary to carry out the program.

The bill provides that the Secretary of the Department concerned in each case in which multiple awards are made shall immediately upon the execution of such contracts make a report to Congress setting forth the articles purchased, the prices paid therefor, the name or names of each bidder, and of each contractor receiving a contract, and the particular reasons for awarding each of such contracts. It also provides that the act should be applicable to awards of contracts upon which competitive bidders have been heretofore requested or received, but as a result of which contracts have not been awarded. This will cover most of the purchases to be made.

We sincerely hope the failure to enact this bill will not retard our Air Corps expansion. If delays do ensue they are the responsibility of those who refused unanimous consent for the consideration of the bill.

Republicans Offer No Constructive Suggestions—Continue Their Policy of Destruction in an Effort To Destroy President Roosevelt

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EXTENSION OF REMARKS

OF

HON. JOHN J. COCHRAN

OF MISSOURI

IN THE HOUSE OF REPRESENTATIVES

Saturday, August 5, 1939

Mr. COCHRAN. Mr. Speaker, in what I am about to say I propose to recall events of the recent past as so many omens of the future. According to the press the opponents of Franklin D. Roosevelt, including the minority leader in the House, Mr. MARTIN of Massachusetts, are rejoicing at what they deem a victory for obstruction. I am of the opinion the vast number of Americans whom his legislative program would have served will have cause to regard this triumph of the Republicans as a calamitous defeat for the whole Nation.

On the Republican leaders in Congress and the responsible directors of their party rests the responsibility of denying to the people what the President sought to provide and what they needed and expected as guaranties against the loss of gains already achieved in behalf of economic recovery and social progress. The record places that responsibility upon them. This Republican opposition to the President's proposal was prompted, not by championship of their own program, for they have none, but was inspired by their subservience to the minority whom they have always obeyed and aided.

The Republican Members of this Congress, as I have said, were without any guidance or suggestion from their party, for neither their central organization nor any of its subdivisions has any program, plan, or procedure for meeting the national needs and demands.

As long ago as November 1937 the officials of the Republican national organization delegated to a committee of 132 the task of formulating a creed for their party. Apparently this task continues to be impossible of performance by the original group, because its number has been enlarged.

Dr. Glenn Frank, of Wisconsin, was chosen to head this band of explorers. All the while the Republican wreckers have been at work to hinder and halt the legislation which the President advocates, which the farmers, the wage workers, and the owners of industries and businesses await as a benefit to them all, there has been no proffer of a substitute from any Republican source.

Only recently Dr. Frank, whose statements, by the way, do not match his name, has given a partial but not informative expression of his committee's hopes. Its report, he announced, would be ready by July or August of this year. Sometime in September and December this report will be presented to the Republican National Committee, but not apparently to the public, including its Republican constituents. A whole section and what to innocent bystanders would appear to be the most significant of its contents will be held in confidence until 1940, says Dr. Frank.

I speak seriously when I describe this confidential section as important. Dr. Frank furnishes the reason for my seriousness. He tells me as one of his hearers that one part of his committee's report is to be an "audit," which I take to mean also an appraisement of the New Deal. That portion of the report, he indicates, may become known to the public, including Republicans in Congress, before June 1940. But the secret section, Dr. Frank reminds the public, will be in the nature of a confidential report for the resolutions committee at the next Republican National Convention. This suppressed report to the Republican convention may never become familiar to the world at large, for neither Dr. Frank nor any of his committee can assure its disclosure by the resolutions committee of his party's next national convention.

The resolutions committee of a political convention is, of course, the body which frames the platform—the declaration of principles and proposals which the voters are later solicited to ratify by their ballots. We must then wait a year to learn, if ever we be enlightened, just what the Republican Party will say by way of acceptance or rejection of the present administration's accomplishments and objectives, and for the same period we must remain in ignorance of Republican purposes and promises with respect to further legislation affording assistance to agriculture, labor, business, relief for the jobless, security for the aged, and protection of our international interests.

I emphasize these facts because of their relation not only to the future but also because of their illumination of recent events. I recount them, too, not only because they explain the conduct of Republicans in this Congress but, likewise, that the American people may be acquainted with the utterly irresponsible minority that has postponed and imperiled the President's additional program in behalf of a surer, safer, and happier future for millions of men and women.

Remember that during the whole life of this Congress and longer the Republican Party has, by its actions, confessed its inability to match or to improve the President's program. No Republican in Congress could truthfully assert that in opposing a single Presidential recommendation he was following the mandate of the Republican Party.

There was no such mandate, and according to Dr. Frank there will be none until June 1940, if ever. There was but one intent in the minds of the Republican wrecking crew in this Congress. That was to discredit the President by defeating the measures he desired enacted for the Nation's good. It was obviously their delusion that if they could make him seem more offensive than they have become, they might be restored to power by the next election. So it was that they have advanced no program; they have made no honest effort to equal or exceed the wisdom and worth of his recommendations. No; they have had resort only to tactics of destruction. The interests which dominate the Republican organization naturally would sanction nothing more progressive and beneficial than the President's proposals for the well-being of the majority, so there was but one recourse for the Republicans in Congress. That was to attempt to deprive him of the confidence and gratitude of millions he had served so well in the past and would benefit now. "Make Franklin D. Roosevelt hateful to the people and they will forget their older hate of us." That, in a sentence, appears to be the only clue to the Republican record in this Congress.

I have cited Dr. Frank's announcement that his committee for the cure of Republican confusion is to undertake an "audit of the New Deal." Presumably, that examination of the books of the New Deal will comprise an evaluation of what it claims as assets.

We ought to be allowed to take for granted that the auditors will determine which of these assets are valuable and which are worthless; which should be saved and which should be scrapped. That this task involves great difficulties for the committee is already made manifest by one of its members—namely, Mrs. Hannah Durham, of Allentown, Pa. Addressing a session of the Pennsylvania Council of Republican Women, only a few weeks ago, Mrs. Durham made a declaration of the obvious truth, repeatedly made plain by official Republicandom here in Congress and elsewhere.

The party is divided—

Proclaimed Mrs. Durham—

on four planks in the 1940 platform, as follows:

Shall control of W. P. A. be turned over to the States with the Federal Government still footing the bill?

Shall tariffs be raised so high as to amount to economic isolation?

What is neutrality, and what foreign policy is best calculated to keep us out of war?

Shall subsidies be continued to western farmers in the face of a general program calling for abandonment of subsidies?

This good Republican lady's utterances clearly show the situation in the Republican Party today. For example, we are left in doubt as to the Republican Party's attitude as regards agencies of relief recovery and permanent activities of the Government, besides W. P. A. If by any chance the Republican Party is placed in charge of the Federal household, will it retain or relegate such institutions as the Federal Deposit Insurance Corporation, the Home Owners' Loan Corporation, the Public Works Administration, and certain others to which I shall advert later?

This Republican woman was in no deeper doubt or ignorance than her Republican brethren in Congress show themselves to be. They have evidenced no conviction as to what they would do if they instead of President Roosevelt and the Democratic administration were in control of the Government. They have no information of their own and they can obtain none from the owners and managers of their party before next June—if even then. For the official recipe for the cure of Republican confusion will not be available sooner.

Meantime, I shall presume to inform the Republicans in Congress and those in possession of their party what is certain to confront them in 1940. That fact is that they will be repudiated once again. The reasons for that repudiation are supplied in the questions which I shall ask them now and which the many millions of voters—men and women—in every section of the country will put to them. The Republican Party will be condemned for its sins of commission and omission. It will be punished by defeat because, without desire or a way to legislate for the Nation's well-being, its representatives in Congress have arrayed themselves against every one of the President's undertakings in behalf of the farmers, the wage workers, the poor, and the hungry, of the children and the youth, and of industry, upon whose prosperity most of these depend for employment and livelihood.

Now, for a few inquiries to which either the Republicans in Congress or their party's committee on program may make reply.

First. Will the Republican Members of Congress and the officials of the Republican national organization say whether they condemn the various agencies created by the New Deal are inimical to the public interest? Whether, if they are returned to power, they will disband these? Will they dare to tell us now or before November 1940 that they will discontinue the Federal Housing Administration, the Home Owners' Loan Corporation, the Work Projects Administration, the Public Works Administration, the Security and Exchange Commission, the Communications Commission, and the wage and hour agency that is getting the unpaid an existing wage?

Will they end the existence of the Civilian Conservation Corps, whose direct beneficiaries are many thousands of our youths and whose indirect beneficiaries are the parents and dependents?

Will they withdraw the Federal help that has been given to farmers in every region—north, south, east, and west?

Will they, for instance, scrap the Farm Credit Administration?

Will they have the candor and courage to say whether they will no longer permit the Federal Government to hasten and assure recovery in the very act of saving millions from wretchedness?

Will they put an end to these expenditures which every county in the United States has been benefited by permanent public improvements?

Will they withhold from cities the outlays that are giving them new schools, new sewers, bridges, streets, and parks, and at the same time furnishing jobs for the unemployed and purchasing power that is a boon to the small merchant and to the farmers with goods and products to sell?

Will these Republican spokesmen say whether they will notify the municipalities of the United States that they will receive no further Federal help for the care of their indigent citizens?

Will they repeal the act providing for retirement for a million railroad employees?

Their obstruction of the President's program during the months of this Congress will be remembered by all the Americans it would have served. These men and women will know how to judge and punish the candidates of the party which tried to ruin them in its stupid but vicious war against Franklin D. Roosevelt. These millions have been made the victims of this Republican vengeance. The suffering of the millions will remind them of the cause. They will know how to choose between the man who gave them sympathy and assistance and those who penalized them to gratify dislike of him.

These voters will have no need to await the so-called audit of the New Deal and the proclamation of principles by Dr. Frank's committee. They are already well aware that the Republican Party is today what it was in the era of Hoover, when it lent a billion dollars to bankers, including a former Republican Vice President, and only $60,000,000 to the farmers and when it provided but $100,000,000 for the 14,000,000 unemployed and destitute.

The Republicans in the places of leadership but without ability to lead are still as unable as they were in 1930 to perceive that there can be no prosperity for banks or other corporations unless wage workers and farmers have incomes. The proof of that, if it needs corroboration, is that in spite of this Republican partiality and liberality to bankers, thousands of banks were ruined and the rest were saved by one of President Roosevelt's first acts after taking office.

Banks and general business need the legislation which Republican reaction killed in this session of Congress. They would have profited to the extent that wage workers and farmers gained by the measures which have been bludgeoned to death. Fortunately for us all, including the bankers and industrialists, the surviving aids and agencies which the present administration brought into being are operating to prevent a repetition of the catastrophe that threatened government itself in 1929.

The vast majority of the American people are conscious of their obligation to President Roosevelt. They are equally aware of the disregard shown them by Herbert Hoover and his colleagues. They will therefore be competent to put the proper construction on the "audit" and the principles issuing from Dr. Frank's committee and the Republican national organization if these should ever merge.

The Republican wreckers in this Congress then will have to answer for more than their hatred of the President and the hurt they have done to his program. They have injured many thousands of members of their own party. They have jeopardized the children and the aged. They have increased the difficulties of every class of Americans. Their acts of obstruction will be contrasted with the President's endeavors for reconstruction. They will be brought to judgment rather for the harm they have done to the people than for the hatred they have vented against the President.

Yes; there will be an audit of the New Deal by the people of the United States and there will be an appraisal of the Republican Party and its Senators and Representatives. The decision of these millions of auditors will be given in November 1940. It will be that the Republican Party is just as bankrupt as was the United States that day that Herbert Hoover was driven from office by a hurricane of ballots in November 1932.

Social Security

EXTENSION OF REMARKS

OF

HON. RICHARD M. DUNCAN

OF MISSOURI

IN THE HOUSE OF REPRESENTATIVES

Saturday, August 5, 1939

Mr. DUNCAN. Mr. Speaker, probably more people are interested in the Social Security Act than in any other law in our land.

It directly affects the everyday life of millions of our citizens and provides security for them when they have reached the age of 65 years and have retired from gainful occupations.

It also provides for their widows and orphans and dependents should they die before reaching retirement age.

In view of that widespread interest, I thought it would be desirable to place in the RECORD, under leave to extend my remarks, a concise, simple statement of the benefits of the act as amended by this Congress.

QUESTIONS AND ANSWERS ON THE SOCIAL-SECURITY AMENDMENTS

Question 1. What changes do the Social Security Act amendments of 1939 make in the Social Security Act?

Answer. Generally speaking, the amendments extend and liberalize the scope of the act and increase Nation-wide buying power by liberalizing old-age insurance benefits, providing survivorship benefits, and allowing substantial tax savings under the old-age insurance and unemployment-compensation provisions.

Question 2. How do the amendments liberalize the provisions of the Social Security Act?

Answer. Under the old-age insurance provisions, monthly benefits will be paid earlier, more liberal benefits will be paid to those now nearing retirement age, supplementary benefits for wives' and survivors' benefits are added, coverage is extended, and pay-roll taxes kept at their present level; under the unemployment-compensation provisions tax savings are provided and coverage extended; under the public-assistance and health and welfare provisions of the act more liberal Federal grants to the States are made available to encourage expansion of these programs.

Old-age insurance

Question 3. What was the basis of the far-reaching changes made in the Federal old-age insurance program?

Answer. These changes are designed to provide greater security for the family unit and to make available more adequate benefits to those already close to retirement age.

Question 4. How do the old-age insurance amendments strengthen family security?

Answer. Since the family is the social unit, and security for the breadwinner must include those dependent upon him, the amendments establish a system of supplementary benefits for the wives and children of annuitants and survivors' benefits for the families of those who die.

Question 5. How do the amendments give older workers more liberal benefits?

Answer. By figuring benefits on the basis of a worker's average wages, rather than his accumulated total wages, by paying benefits earlier than originally scheduled, and by providing supplementary benefits for those dependent upon him.

Question 6. When will monthly benefits become payable under these amendments?

Answer. Beginning January 1, 1940, monthly benefits will be payable to qualified workers and to the survivors of those who die.

Monthly retirement benefits

Question 7. What kind of benefits will a qualified worker get under the amended old-age insurance program?

Answer. Monthly retirement payments will be paid to qualified persons plus supplementary monthly benefits to take care of his wife and minor children.

Question 8. What qualifications must an insured worker have to receive monthly retirement benefits?

Answer. To qualify for monthly benefits a worker must be (1) 65 or over, (2) have retired, and (3) be a "fully insured" worker.

Question 9. What is a "fully insured" worker?

Answer. In general, a "fully insured" worker is one who has worked in covered employment for a period of time equal to half the period elapsing between 1936 and age 65. The minimum period of covered employment required is 6 calendar quarters, and the maximum is 40 calendar quarters.

Question 10. How is a worker's benefit determined?

Answer. A worker's monthly benefit is determined on the basis of his average monthly wage in covered employment. The benefit is computed in the following way: 40 percent of the first $50 of average monthly wages, plus 10 percent of the remainder up to $250 per month.

Question 11. Does the number of years a worker has been in the old-age insurance system increase his benefit?

Answer. Yes. After the benefit due him on the basis of his average wage has been figured, 1 percent of his benefit is added for each year in covered employment during which he earned $200.

Question 12. Under what circumstances will an annuitant's wife get a benefit?

Answer. The wife of an annuitant, if she is over age 65, is entitled to receive monthly benefits under the new provisions.

Question 13. What does a wife's benefit amount to?

Answer. The wife's monthly benefit will be an amount equal to one-half of the monthly benefit paid to her husband.

Question 14. Under what circumstances do an annuitant's children get benefits?

Answer. The children of an annuitant, if they are under 16 or under 18 if regularly attending school and are supported by him, are entitled to receive monthly benefits.

Question 15. What does a child's benefit amount to?

Answer. A child's monthly benefit is equal to one-half of the monthly benefit paid to its parent.

Survivors' benefits

Question 16. Under what conditions are benefits paid to the survivors of a worker who dies?

Answer. Monthly benefits are paid to the surviving family of a deceased wage earner who was either fully insured or currently insured.

Question 17. How does a "currently insured" worker differ from a fully insured worker defined in the answer to question 9?

Answer. The status of having been "currently insured" applies only in the case of workers who have died and who may not meet the more stringent requirements for fully insured status. A "currently insured" individual is one who has worked at least half the time during the 3 years prior to his death.

Question 18. To whom will monthly survivors' benefits be paid?

Answer. Under the amendments, a widow 65 or over, younger widows with minor children, and aged dependent parents may be entitled to survivors' benefits.

Question 19. Under what circumstances does a widow get a benefit?

Answer. A widow, aged 65 or over, of a fully insured worker, gets monthly benefits; also widows, regardless of age, of fully or currently insured workers, who have minor children in their care, receive benefits until the youngest child reaches age 16, or 18 if regularly attending school.

Question 20. What does a widow's benefit amount to?

Answer. A widow will receive as a monthly benefit an amount equal to three-fourths of the monthly benefit that would have been due her husband on the basis of his wage record at the time of his death.

Question 21. In what cases do children receive survivors' benefits?

Answer. Children who were dependent for support upon the deceased wage earner may receive monthly benefits until they reach age 16, or up to 18 if regularly attending school.

Question 22. What does a child's survivorship benefit amount to?

Answer. A child will receive as a monthly benefit an amount equal to one-half of the monthly benefit that would have been payable to the wage earner at the time of his death.

Question 23. In what cases do parents get benefits?

Answer. Parents get benefits beginning at age 65 only under the following conditions:

a. The deceased worker was fully insured at the time of death.

b. No widow or minor children survive the deceased person.

c. They were wholly dependent upon the deceased worker at the time of his death.

Question 24. What does a parent's benefit amount to?

Answer. A parent will receive as a monthly benefit an amount equal to one-half of the monthly benefit that would have been due the wage earner at the time of his death.

Question 25. Under what circumstances does the amended program provide for lump-sum death payments?

Answer. If a wage earner, who was fully or currently insured, dies leaving no survivor entitled to a monthly benefit at the time he dies a lump-sum death payment will be made to the widow or widower, or children, or parents of the deceased, equal to six times the monthly benefit that would have been due. If no one of these is living, a payment covering the burial expenses will be made to the person who paid them.

Minimum monthly benefits

Question 26. What will be the minimum monthly payment under the new program?

Answer. Ten dollars is the minimum payment. If an individual's benefit amounts to less than $10 on the basis of his wage record, he will nevertheless receive $10.

Payment of benefits

Question 27. Does a man have to retire at 65 to get monthly benefits?

Answer. A man does not have to retire at 65 to get monthly benefits for which he is qualified, but his benefits will not begin until he does retire.

Question 28. How long do monthly benefits continue?

Answer. Monthly payments to a retired wage earner and his wife and to a widow over 65 continue for life. For minor children until age 16 or age 18, if regularly attending school, and for a young widow with children, until the youngest child becomes 16 or 18.

Question 29. Will monthly benefits be paid to a man who reenters covered employment after having received benefits for some time?

Answer. He will not receive monthly benefits for any month in which he earns $15 or more in covered employment, but when he stops work or earns less than $15 his benefits will begin again.

Question 30. If an individual expects to retire at a certain date, can he file application for benefits beforehand?

Answer. The act provides that 3 months before an individual expects to be entitled to benefits he can file his application.

Question 31. If a man has already received a lump-sum settlement, can he qualify for monthly benefits?

Answer. The fact that a man has already received a lump-sum settlement will not affect his right to monthly benefits if he qualifies for them. However, the amount of his settlement will be deducted from his monthly benefits.

Question 32. Can a man who became 65 before January 1, 1937, qualify for benefits?

Answer. If he works in covered employment after January 1, 1939, and is employed for at least six quarters, he can qualify for monthly benefits.

Question 33. What is the earliest date on which a man who was over 65 on January 1, 1937, and regularly employed can qualify for payments?

Answer. If this man worked for the six calendar quarters beginning January 1939 and received at least $50 or more in each calendar quarter he could qualify for monthly benefits in the spring of 1940.

Typical examples of benefits under the old-age and survivors-insurance program

Question 34. If John Jones, who has been making $100 a month in covered employment since 1936, reaches age 65 late in 1939 and retires, what will be the amount of his monthly benefit?

Answer. John Jones will be entitled to a monthly benefit, beginning January 1, 1940, of $25.75 a month. This benefit would be figured in the following way: Since his average monthly pay is $100, he receives 40 percent of the first $50 of his wage, or $20, plus 10 percent of the remaining $50 of his pay, or $5. This would make a total of $25. In addition, there would be added 1 percent of his benefit for each year in covered employment in which he earned at least $200. Since John Jones worked 3 years, he gets an additional 3 percent of $25, or 75 cents, making a total of $25.75 which is his monthly benefit.

Question 35. If John Jones is married, what benefit would his wife be entitled to get?

Answer. If and when Mrs. Jones reaches age 65, she would be entitled to a monthly benefit equal to half of her husband's primary benefit. If her husband's benefit was $25.75 a month, she would get $12.88 a month, or a total for both of $38.63 a month.

Question 36. If Mr. Jones dies after having received monthly benefits for some time, what benefits would his widow get?

Answer. His widow at age 65 or over would be entitled to receive a monthly benefit equal to three-fourths of her husband's primary benefits, or $19.31.

Question 37. If Mr. Jones were to die before he had received any benefits, what protection would be available to his widow?

Answer. If Mr. Jones died a fully insured worker, his widow, at age 65 or thereafter, would be entitled to receive a monthly benefit equal to three-fourths of her husband's benefit. In this case where Mr. Jones' monthly benefit is $25.75, she would receive $19.31 a month for the rest of her life.

Question 38. Suppose Bill Smith, age 35, who has been earning $100 a month in covered employment since 1936, dies in February 1940, leaving a widow and two young children; what benefits could they get?

Answer. Mr. Smith's widow and two young children would be entitled to receive monthly benefits until the younger child attending school became 18. His widow would receive a benefit equal to three-fourths of his monthly benefit; in this case $19.31. Each of the children would be entitled to a benefit equal to half of his monthly benefit, or $12.88, making a total of $45.07 for the three. When the younger child reached the age of 18 Mrs. Smith's benefit would stop, but it would be resumed at the age of 65, when she would receive a monthly benefit of $19.31, or a larger amount if she had earned a larger amount in her own right by that time.

Question 39. If Dick Smith, who has been making $100 a month in covered employment since 1936, dies in January 1940, leaving no survivors other than his aged mother whom he has been supporting; could she receive any benefits?

Answer. Dick Smith's mother, if she were 65 or over, would be entitled to receive a monthly benefit equal to half of that due her son on the basis of his wage record. In this case his monthly benefit would be $25.75 a month. She would, therefore, get $12.88 a month for the rest of her life.

Wages end employment

Question 40. Does the full amount of wages earned in a year by a man count toward benefits?

Answer. Beginning with 1940, wages over $3,000 a year are not counted.

Question 41. Does an employee who earns $3,000 a year from each of several employers pay taxes on his total salary?

Answer. He pays taxes on his full salary; but at the end of the year he may file a claim with the Treasury Department and receive a refund of taxes paid on his earnings over $3,000.

Question 42. Do wages earned after age 65 count toward benefits?

Answer. The amendments provide that beginning January 1, 1939, wages earned after age 65 count toward benefits.

Question 43. What is meant by covered employment under the old-age insurance system?

Answer. In general, employment in industrial and commercial pursuits in the United States (and on American vessels after January 1, 1940) is covered by the old-age insurance program.

Question 44. What additional employment is brought under the old-age insurance system by the amendments?

Answer. The amendments extend old-age insurance coverage to certain bank employees, seamen, and wage earners over 65.

Question 45. How many people have been brought under the old-age insurance program by this extension of coverage?

Answer. These changes, it is estimated, extend coverage to about 1,100,000 additional people.

Question 46. What other changes in coverage have been made by the old-age insurance amendments?

Answer. Certain exemptions of employment have been clarified and others added. With regard to agricultural labor the exemption has been defined and further extended; the domestic-service exception has been extended to apply to a college club or fraternity, the exemption of State employment is clarified, family employment is now exempted, other exclusions added include services performed for fraternal benefit societies and other nonprofit institutions exempt from income tax, services performed in fishing on vessels of less than 10 tons, services of newsboys under 18, and services for foreign governments and their instrumentalities.

Financing old-age and survivor's insurance

Question 47. Under the new system how many people will be getting monthly benefits by the end of 1940?

Answer. Monthly benefits to retired wage earners will be paid by the end of 1940 to some 485,000 people, according to Social Security Board estimates. In addition, wives of annuitants and survivors of insured workers will get benefits.

Question 48. How much will be paid out in benefits in 1940?

Answer. The Social Security Board estimates that over $114,000,000 in benefits will be paid out next year.

Question 49. Where is the money obtained to pay these benefits?

Answer. The pay-roll tax levied on both employers and employees is collected and deposited in a trust fund in the United States Treasury. The rate of tax has been 1 percent since 1937, and the amendments "freeze" the tax at that rate for the next 3 years.

Question 50. How much will employers and employees save by the provision "freezing" the old-age insurance tax at 1 percent for the next 3 years?

Answer. It has been estimated that employers and workers will save about $825,000,000 in the next 3 years.

Question 51. Under the changed system is old-age insurance now financed on a full reserve basis?

Answer. No. The old-age reserve account is replaced by an old-age and survivors' insurance trust fund.

Question 52. How is the old-age insurance fund managed?

Answer. Congress will make annual appropriations equal to tax collections to the old-age and survivors' insurance trust fund, which will be supervised by three trustees.

Question 53. Who are the trustees of the fund?

Answer. The Secretary of Labor, the Secretary of the Treasury, and the Chairman of the Social Security Board are trustees of the fund. The managing trustee is the Secretary of the Treasury.

Question 54. In what type of security can the trust fund be invested?

Answer. The trust fund can only be invested in Government obligations or those guaranteed by the Government as to principal and interest.

Unemployment compensation

Question 55. Will employers pay a tax on their full pay roll under the amended unemployment-compensation provisions?

Answer. No. Only the first $3,000 an employer pays an employee for a year will be taxed under the unemployment-compensation provisions, beginning January 1, 1940.

Question 56. How much will employers covered by the unemployment-compensation provisions save by this amendment?

Answer. It is estimated that employers will save about $65,000,000 a year because of this amendment.

Question 57. What changes in coverage of the unemployment compensation tax provisions were made by the amendments?

Answer. The amendments bring in about 200,000 employees of banks, such as national banks and State-bank members of the Federal Reserve System.

Question 58. In what respect are the tax provisions for old-age insurance and unemployment compensation now identical?

Answer. The tax in both programs now applies to "wages paid" instead of "wages payable;" only the first $3,000 a year paid to an employee is taxed; and the coverage exemptions have been made more nearly the same.

Public assistance

Question 59. What contribution will the Federal Government now make toward State plans for old-age assistance?

Answer. Beginning January 1, 1940, the Federal Government will match one-half of State old-age assistance payments up to $40 per month for an individual, instead of $30 as before.

Question 60. What part of the administrative expense of States with old-age assistance plans will be shared by the Federal Government?

Answer. The amendments do not change the original provision that a Federal grant for assistance payments be increased 5 percent, the additional amount to be used by the State for administrative expense, assistance payments, or both.

Question 61. What amount of State payments under plans for aid to the blind will now be matched by the Federal Government?

Answer. The Federal Government will now match one-half of State payments for aid to the blind up to $40 per month for an individual.

Question 62. What contribution will the Federal Government make toward administrative expense for States with plans for aid to the blind?

Answer. The Federal Government will pay one-half of the administrative expense of a State plan for aid to the blind.

Question 63. How much of the assistance payments made by States under plans for aid to dependent children will be matched by the Federal Government?

Answer. The Federal Government will now match one-half of State payments for assistance, up to $18 per month for the first dependent child in a family and $12 for every other child in the same family.

Question 64. What contribution will the Federal Government make toward the administrative expense of States with plans for aid to dependent children?

Answer. The Federal Government will pay one-half of the administrative expense of a State plan for aid to dependent children.

Question 65. What is the age limit for payments to dependent children under approved State plans which will be matched by the Federal Government?

Answer. The amendments provide that the Federal Government will now match State payments to children up to the age of 18 who are regularly attending school; otherwise, only payments up to the age of 16, as provided in the original law, will be matched.

Other programs

Question 66. What changes are made by the amendments in the provisions of the act relating to maternal- and child-welfare services, public-health services, and vocational rehabilitation?

Answer. The amendments provide authorization for increased annual appropriations for grants to States of $2,020,000 for maternal and child-health services, $1,020,000 for services to crippled children, $1,562,000 for vocational rehabilitation, and $3,000,000 for public-health services.

Question 67. What is the purpose of this increased authorization for grants for the service provisions of the act?

Answer. Increased grants to States were provided to enable them to develop and further expand their programs for health and welfare services.

Federal Government Should Reimburse State of Ohio for Advancing Old-Age Pension Payment

EXTENSION OF REMARKS

OF

HON. THOMAS A. JENKINS

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Saturday, August 5, 1939

Mr. JENKINS of Ohio. Mr. Speaker, on August 4 the House of Representatives passed H. R. 5118. This is a bill to authorize and require the Secretary of the Treasury to pay to the State of Ohio the sum of $1,338,160. This represents the amount that the Federal Treasury should have paid Ohio for its half of the old-age pension money required to pay the pension for October 1938.

The action of the House was unanimous. There were no dissenting votes. The Judiciary Committee of the House, which is composed of 26 of the best lawyers in the House, after extensive hearings, reported it to the House with a unanimous recommendation that the House pass it. When this measure was first presented to the Judiciary Committee some of the members of this committee were skeptical with reference to it, but when public hearings were had the committee immediately recognized the equities of the case and reported the measure to the House with a unanimous recommendation. In its report to the House the committee said:

> Your committee finds the equities in this case with the State of Ohio and recommends that the House pass H. R. 5118 so as to reimburse the State of Ohio for the payment that would in due course have been paid by the Social Security Board at the end of October 1938. There is no claim by the Board of any fraud or defalcation and the amount involved is not in dispute.

This bill is now on its way in the Senate, and I confidently believe that the Senate will pass it, and that when it is passed the President will append his signature to it in order to complete its legislative course. The bill has had the approval of the Judiciary Committee of the Senate and is now on the Senate calendar.

This measure in a way is an unusual one. Its unusual features arise from the fact that it deals with technicalities of administration. These are, however, overwhelmingly swallowed up by the equities involved in the case. In other words, right and justice push aside the little petty technicalities, and they should be permitted to bring relief to those who are entitled to it. Ohio is entitled to this money and red-tape regulations of bureaucrats should not delay this bill.

The social-security law was passed by Congress in 1935. It is beyond any question one of the most comprehensive measures ever enacted by any Congress. It reaches out in many ways and includes immediately many millions of people within its purview. It reaches out to help the aged and the blind and the unfortunate. For this reason, and many other reasons, those who administer this law should administer it liberally and not technically. Bureaucracy, with its disposition to grasp everything to itself, thereby enabling itself to

become stronger and stronger, is prone to forget justice and equity in an effort to perpetuate itself and make itself invincible. The sentiment and practices that make a small bureau develop into a large one are inherently selfish. The successful administration of the social-security law calls for sympathy. It deals almost exclusively with unfortunate people and with people that need to have their social and economic positions made more secure.

When the social-security bill was first considered in the Ways and Means Committee some permanent bench marks were set up. One of these bench marks was that it should be a dual system, the Federal Government and the State government participating. In the administration of old-age pensions and other titles of the bill which provided for Federal grants one of the cardinal principles was that the Federal Government should raise up certain standards with which every State would be compelled to comply. Likewise, it recognized in an emphatic way the inherent rights of the States. The philosophy of the old-age pension contribution was that the Federal Government would contribute its portion to the States if the States would cooperate by the enactment of uniform plans. In other words, the Federal Government, in order to get uniformity and stabilization, would match with the States what they would pay and would grant to the States the right to administer the law and to determine who should be employed to carry on the administration within the States and who should be eligible for the pensions. In other words, it would be the responsibility of the Federal Government to stabilize but it would be the responsibility of the State government to carry the pension to the individual.

In 1938 the Federal administration and the State administration in Ohio clashed purely over matters of administration. The Federal administration, under the law, has a right to expect of the State full compliance with the principles laid down in the social-security law as they tend to bring uniformity and stabilization of the program. Any open and willful violation by the State itself of any of these necessary prerequisites would, of course, justify the Government in withholding its cooperation; but when trivial matters of administration are the bone of contention, the Federal Government should look only to whether justice was being done to the individual recipients and should not seek to punish the State by reason of any failure of some official of the State to comply with every little trivial detail in administration. If the administration by the State was being carried on so that the intended recipient got his pension, the Federal Government should not strain at a gnat but should proceed to do justice.

When the Social Security Board withheld from Ohio the October payment for the year 1938, it probably had some provocation by reason of the misunderstanding between itself and the Governor of Ohio; still it should not have lost sight of the fact that the payment was not intended for the Governor's benefit, but was intended for the benefit of 110,000 recipients of old-age pension in that State. The misunderstanding between the Governor and the Board might have been as the result of fault on both sides. The Social Security Board are only representatives of the Federal Government, and their personal feelings should not bind the Federal Government any more than the personal feelings of the Governor of Ohio should be taken as sufficient consideration for the punishment of the people of Ohio. That there was little difference between the Social Security Board and the Governor of Ohio can easily be established from the record of the hearings before the Judiciary Committee. Pride of opinion about small matters heated their tempers and chilled their judgments. I repeat that these differences were due to the common frailties of humanity and should not be sufficient to thwart the even course of equity and justice between the people of the United States and the people of the great State of Ohio. Even if there had been a few small matters over which there could have been an honest difference of opinion, a million and a third is too large an amount to stake on a personal argument.

There was no financial embezzlement or personal dishonesty anywhere in this controversy. The great State of Ohio acting through its legislature had done everything that was expected of it. The people of Ohio did nothing wrong. For one man—the head of a bureau in Washington—to levy what in effect is a fine against the 8,000,000 people in the State of Ohio of $1,338,000 is not consistent with good Americanism and never was intended under the Social Security Act.

Justice will not be done until the treasury of the State of Ohio is augmented by the amount withheld from it by reason of the action of the Social Security Board in Washington. Congress of the United States created the Social Security Board. The Congress can tell its Board what it must do. The Congress of the United States is the real representative of the people. The Congress is really the people. As I have already said, the House of Representatives has spoken unanimously, without a dissenting vote. They have recognized justice and have dared to maintain it. I hope, therefore, that the Senate of the United States will appreciate the situation as the House has done and that the President of the United States will do the same.

I maintain in this matter that:

First. The Social Security Board can only withhold payments; that it cannot forfeit a monthly installment.

Second. The failure on the part of the State agency must be truly "substantial." This failure must be an invasion of the rights of the intended beneficiary and cannot be merely a failure of some routine procedure.

Third. Failure of State authorities to carry out regulations of the State law must be construed liberally by the Board. The Board's purpose and function is to carry the Federal Government's contribution safely to the hands of the intended beneficiaries. It is not a guardian of the actions of the State authorities. The State authorities are created and set up by the State law and are amenable to the people of the State.

Fourth. The social-security law provides in the first paragraph of section 3 that the payments from the Federal Treasury shall be on a quarterly basis. This implies that the Board should not concern itself with individual payments when considering initial payments. Adjustment of small routine errors should be made between the Federal and State departments in a routine way.

Fifth. Assuming that the Governor in some matters of administration was at fault, the penalty of total forfeiture of $1,338,160 is entirely out of proportion with the gravamen of the offense. The Board paid the November installment and every subsequent installment. There were no material differences between the methods of administration in November than in October, and Ohio had the same Governor in November as in October.

Sixth. There is no provision in the law that the action of the Board is in itself final. The findings of the Board are in no sense "a final order." The Board cannot declare a judgment. The Board itself did not consider its findings as final, because in its letter of September 30 it leaves the door open for the State to comply with its findings before the end of October 1938. In its letter to the honorable chairman of the Judiciary Committee of the House of Representatives, the Chairman of the Board states:

> Subsequent to the Board's finding every possible attempt was made to persuade the State to take action in effecting the necessary improvements so that it would not be necessary to withhold the grant for the month of October.

Seventh. The action of the Board in attempting to withhold or to forfeit this large sum of money is without precedent. There is precedent for the payment of this money as asked for in this bill. I refer to the Oklahoma case. The dereliction of the authorities in that State are much worse than those of the Ohio Governor.

I repeat that the equities are with the State of Ohio. Every Congressman from Ohio, regardless of politics, and the two Senators have favored this legislation. It is the universal sentiment of the newspapers in Ohio and the people

generally that payment should be made in order that justice shall prevail and equity be done. I shall press the matter vigorously just as soon as Congress convenes again in January.

Who Benefits by "Suppressing" the Bondholders' Committee Report?

EXTENSION OF REMARKS

OF

HON. ADOLPH J. SABATH

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Saturday, August 5, 1939

Mr. SABATH. Mr. Speaker, the conspicuous efforts of a few Members to prevent the official refiling of the final report of the Select Committee to Investigate Bondholders' Reorganization has aroused the interest of the press and the public throughout the Nation. I wish to assure all those interested in the work of the committee, of which I had the honor to be chairman, that only parliamentary technicalities raised by some gentlemen have delayed this final report from becoming a public document before this time. Personally, I have never seen so much activity on the part of a few gentlemen to keep a committee report suppressed than I have observed since I announced to the House that the report was printed and ready for distribution. I am amazed especially since there is certainly nothing in the report about the gentleman from Illinois [Mr. CHURCH] or the gentleman from Missouri [Mr. COCHRAN], either directly or indirectly. Their solicitousness for the feelings or desires of persons whom our committee was compelled to investigate in the course of its duties is therefore most surprising to me.

I believe, however, that these gentlemen whose parliamentary tactics have succeeded in temporarily suppressing the report should be fair with the country and the House. Who or what is mentioned in the report that they desire should not be made public? Which banker, lawyer, judge, bond broker, real-estate promoter, insurance company, bondholders' protective committee, or other interest is mentioned that they desire stricken from the pages of our final report? What activity or conduct of the many persons or concerns we questioned and exposed during the course of our investigation into the defaulted real-estate-bond racket do they desire deleted from this document before they will withdraw their objections and permit the public to read the committee's findings? And what recommendations made by our committee in this report for legislation to prevent future misconduct with other people's money do they desire to keep secret by preventing the publication of this important and revealing document compiled out of the nearly 3 years' work of our investigating committee?

Mr. Speaker, right here and now I wish to state to both the gentleman from Illinois [Mr. CHURCH] and the gentleman from Missouri [Mr. COCHRAN] that I have no personal reason for publishing this voluminous report. I have no personal feeling in connection with the persons mentioned in the report. It cannot be possible, I am certain, that the two gentlemen whose parliamentary activity has delayed the filing of the report, object to the disclosures it contains about the Chicago Title & Trust Co.? Or do they desire me to strike out all references to the operations of the Amoskeag Co., of Manchester, N. H.? Or the Philadelphia company for guaranteeing mortgages, where the findings of our committee resulted in 12 persons being indicted by a Federal grand jury? Or the Missouri State Life Insurance Co.? Or the American Bond & Mortgage Co., the S. W. Straus Co., the Harley-Stuart Co.? Or do they want all references to certain receivers, Federal judges, and others stricken from the report? In all fairness, Mr. Speaker, and in the interest of the public, particularly the hundreds of thousands of people who lost their entire life savings invested in real-estate bonds through the manipulations of "protective committee" racketeers, the gentlemen should take a copy of this final report and advise me what part they desire eliminated so the public will at least get those portions of the truth which the gentlemen will agree to in order to withdraw their objections to the filing of the report in the House. The country and the Congress, as well as our committee, is entitled to know what parts of this report these gentlemen are objecting to, or what part they desire to suppress.

The only real objection, Mr. Speaker, I have ever heard from the gentleman from Missouri [Mr. COCHRAN] during the committee's investigation and since the printing of the final report, was that some persons connected with the Missouri State Life Insurance Co. were supposedly "libeled" or "slandered" in the committee reports references to them. Personally, I never knew anything about the financial racketeering in the field of insurance companies until our committee started investigating insurance receiverships. I did not know the chief investigator of our committee in this phase of our work. He was recommended to me by my fellow member of the committee [Mr. DIRKSEN], of Illinois, and I hired him because he impressed me as knowing his business. He hired as his collaborator a Mr. Sullivan, now deceased, whose reports showed a vital need for a thorough investigation into the affairs of insurance companies, licensed and operating under the laws of the State of Missouri at that time. When the investigation required the subpenaing of Walter D. Head, David Milton, R. Emmett O'Malley, and others, I refused to call off the hearings and stop the investigation although asked to do so by the gentleman from Missouri [Mr. COCHRAN]. The best evidence that our committee was on the right track in exposing the insurance racketeering by certain persons and companies in Missouri is the recent result of the activities of the Department of Justice in that State. If any investigator of our committee knew what was wrong with the insurance companies, I am confident it was Mr. Crume and Mr. Sullivan. Although only a committee of Congress, we exposed conditions long before any Government department knew anything about them, or if they did, proceeded to act on their information. I want to emphasize here, especially for the benefit of the House that every one of our chief investigators outside of Chicago was appointed upon the recommendations of Members of Congress, which is the principal reason why we got so many fine men to work for the meager salaries we were able to pay and why the committee did such excellent work.

Perhaps the attention of the Attorney General of the United States should be called to St. Louis. He has done such an excellent job that perhaps he can also straighten out the insurance tangle in Missouri, exposing the frauds perpetrated on the policyholders. Yes; in the interests of millions of policyholders in many other States. As a starter he might go further into the income-tax situation of Walter W. Head, whom the Government recently claimed failed to report income of $144,000 in 1936, derived from manipulation of Southwestern Life funds and his shares in General American Life stock received from the Equity Corporation interests when General American Life stock control was "sold down the river" by a "downstream sale," as the utility and investment trust manipulators phrase it, to Southwestern Life, a subsidiary-controlled company of General American Life.

The Attorney General might also investigate the question of the use of the mails in the mulcting of the interests of the policyholders in the consummation of these deals and in the sending of false and misleading information and financial statements through the mails to induce policyholders to accept the "deal" and also buy new policies. These are just a few suggestions that our committee report indicates I should make to the Attorney General in view of the fine work he has already done in starting on the Missouri insurance scandals.

Our select committee was directed by Congress to investigate. It did just that without fear or favor to anyone. It was directed to recommend legislation to remedy the evils

our investigation disclosed and prevent them if possible in the future. The many important sections of both the Chandler bill amending the bankruptcy statutes and the Lea bill to regulate trust indentures are outstanding proof of the recommendations and suggestions of our committee. Other recommendations were made and are made in the final report which I am confident the Congress in its wisdom will eventually enact into law to protect American investors from the greed, dishonesty, and manipulations of certain types of financiers still at large in our country.

I may say, Mr. Speaker, to the two gentlemen whose objections have resulted in the suppression of this report for this session of Congress that only the evidence adduced at our hearings and conclusions based on that evidence is contained in the final report, which sums up the record of the hearings contained in 21 previous volumes. If the conclusions of the able lawyers and the committee from the evidence produced and the answers to questions are wrong, then the persons who were investigated either did not tell us the truth or they willfully withheld facts our committee should have received. For that type of conduct on the part of witnesses certainly the committee is not responsible.

The members of our committee had page proofs of the final report for more than a year and until the report was printed and ready for distribution I heard no objection except from one Member. His objection consisted mainly to the form, language, and general make-up and assembly of the report. I therefore edited and reedited the report, spending weeks on end to get it into final shape for printing.

The objections of the two gentlemen in the House are not new. They objected 2 years ago and even during the life of the committee the gentleman from Illinois objected to the continuance of our investigation and sought to block us from receiving further funds from the House to continue our work. Perhaps even then we were too hot, as some would term it. Thus his objections at this time are neither surprising nor unusual to me.

Through parliamentary maneuvers, Mr. Speaker, this report is temporarily suppressed. But I remind the gentlemen whose objections have kept the public from getting the facts, of the old adages that "truth hurts" and that "murder will out," even including financial murder. All the truth, all the facts that our committee brought to light will eventually reach the American people, for which I will be amply satisfied.

In conclusion, Mr. Speaker, let me reiterate what I said I would do when the gentleman from Texas [Mr. RAYBURN] presented his resolution to grant unanimous consent, with certain restrictions, to the Members to extend their remarks. I then stated that—

> I will not quote from the report but will, from time to time, quote from the 21 volumes of evidence, some of which pertains to various cities.

I feel that Members interested in the report will obtain real, valuable information from these volumes and might ascertain why the two gentlemen who raised parliamentary objections to the refiling of the report made such extraordinary efforts against having the report made public. The enclosed letter from Mr. John A. Carroll, gives some of the reactions of persons who have followed the committee's work as to reasons why attempts were made to obstruct the filing of the report:

SOUTH SIDE SAVINGS BANK & TRUST CO. (In Receivership)
Chicago, July 24, 1939.

ADOLPH J. SABATH, Esq.,
Congressman from Illinois,
United States Congress, Washington, D. C.

SIR: In my opinion, you do well to ignore the remarks of Congressman COCHRAN and the newspapers, who seem to take some technical objections to the filing of your report on the congressional committee's investigation of the bond and mortgage racket in the country. There must be a reason, and there is a good reason why special interests and their ever-present minions don't want the results of this searching investigation revealed, either in the Congress, which authorized the committee and appropriated the inadequate amount for the investigation, or the more or less controlled press, which, by and large, served the interests they seek to protect. But the results of these revelations are in the public records, and poor thanks, even criticism for the public servants who labored so long and, in my opinion, effectively in the face of terrific opposition, even a conspiracy of silence on the part of the exposed culprits and those who serve them, some Congressmen, and the newspapers.

It comes with particularly poor grace, it seems to me, for Milton and Head to release a double-column newspaper slam at convicts Prendergast and O'Malley, seeking to unload all the responsibility for the defaults of the Missouri Insurance Co., which was a public scandal, probably one of the worst cases of grave robbing in the country. Of course, under the able leadership of Attorney General Murphy, these public servants have been brought to justice, but, after all, as is well known, it takes two to do a job of this kind—those who furnish the money and those who accept it. And we find Mr. Milton retiring from the mess with almost a million dollars, much more than either Prendergast or O'Malley are alleged to have misappropriated. Other big shots who were very effectively exposed by the late Sullivan in his masterful presentation of the facts, also shared in the loot from the distressed and helpless policyholders, and thus far have gone scot free while public officials are sent to jail.

My opinion is that informed people here generally understand the great service you rendered, and that you may safely rest on the record. I am writing this for no other purpose except to give you the reaction of one who was present at all the hearings here and did his small part with full cooperation from you and the other members of the committee.

Yours truly,

JOHN A. CARROLL.

The Social Security Act Amendments of 1939

EXTENSION OF REMARKS
OF
HON. ROBERT L. DOUGHTON
OF NORTH CAROLINA
IN THE HOUSE OF REPRESENTATIVES
Saturday, August 5, 1939

Mr. DOUGHTON. Mr. Speaker, in my opinion, the most far reaching and significant piece of legislation enacted at this session of the Congress was the bill containing the amendments to the Social Security Act. These amendments broaden and liberalize practically all parts of the act; they offer more generous insurance protection to the aged and to the survivors of deceased wage earners; they increase purchasing power and provide for substantial tax savings to workers and employers, thus providing greater security for the people of this country.

The Social Security Act Amendments of 1939 (H. R. 6635) were prepared by the Ways and Means Committee only after long and careful deliberation. The committee held extended public hearings, lasting from February 1 to April 7, during which period the committee sat 48 days and took 2,500 pages of testimony. All witnesses who requested to be heard were allowed to appear in public hearings. The committee gave serious and lengthy consideration to the recommendations of the Social Security Board which the President transmitted with a message on January 16, 1939. Detailed study was also given to the suggestions made by the Advisory Council on Social Security, which was composed of outstanding citizens representing employers, employees, and the public.

After the public hearings ended the Ways and Means Committee spent over 6 weeks in executive session in the preparation of the bill, during which time the committee was fortunate in having the benefit of the wide experience, knowledge, and counsel of Dr. Arthur J. Altmeyer, chairman of the Social Security Board.

The bill, as reported by the Ways and Means Committee, was passed in the House by the overwhelming vote of 361 to 2.

The bill subsequently passed the Senate with 182 amendments by the decisive vote of 57 to 8. Many of the 182 amendments put in the bill by the Senate were clerical changes. Nevertheless, there were several important amendments which necessitated lengthy discussion by the conference committee. After 3 weeks the conferees came to an

agreement and the conference report was passed in the House on August 4, and in the Senate on August 5.

Before I discuss the amendments in detail I want to briefly summarize the most important provisions of the bill.

TAXES

1. The old-age insurance tax has been frozen at 1 percent on the worker and 1 percent on the employer for the 3 years 1940, 1941, and 1942 as against the 1½ percent rates on each under the present act. This will save employers and workers about $275,000,000 in 1940, or a total of $825,000,000 in the 3 years.

2. Only the first $3,000 an employer pays an employee for a year is taxed under the unemployment compensation provisions. This is already the case in old-age insurance. This will save employers about $65,000,000 a year.

3. Provision is made for refunds and abatements to employers who paid their 1936, 1937, and 1938 unemployment compensation contributions late to the States. This will save employers about $15,000,000.

4. Thus the savings above-mentioned, through 1940, may aggregate some $355,000,000. In addition, such savings for the ensuing 2 years may amount to approximately $550,000,000. This represents total savings of approximately $905,000,000.

BENEFITS

5. The old-age insurance benefits have been liberalized, benefits provided for aged wives and for widows, children, and aged dependent parents, and the date for beginning monthly benefit payments has been advanced to January 1, 1940. About $2,093,000,000 in benefits is estimated to be disbursed during 1940–44, or about $1,538,000,000 above what it is estimated would be spent under existing law during these 5 years. The total cost of these benefits over the next 45 years will be about the same as the cost of the present benefits would be during that period of time. Of course, the cost in the early years will be more but the cost in the later years will be less.

COVERAGE

6. Certain services are exempted from old-age insurance and unemployment compensation in order to eliminate the nuisance cases of inconsequential tax payments.

7. The term "agricultural labor" is defined so as to clarify its meaning and to extend the exemption to certain types of service which, although not at present exempt, are an integral part of farming activities.

8. About 1,100,000 additional persons—seamen, bank employees, and employed persons aged 65 and over—are brought under the old-age insurance system and about 200,000 under unemployment insurance—chiefly bank employees.

FEDERAL GRANTS TO STATES

9. Federal matching for aid to dependent children is increased from one-third to one-half and the age limit raised from 16 to 18.

10. The maximum Federal matching per individual for old-age assistance and aid to the blind is increased from $30 per month to $40.

MATERNAL AND CHILD WELFARE, VOCATIONAL REHABILITATION, AND PUBLIC-HEALTH WORK

11. Provision is made for a $2,020,000 increase in the authorization for Federal grants to the States for maternal and child-health services. This will increase the present Federal authorization from $3,800,000 to $5,820,000.

12. Provision is made for a $1,020,000 increase in the authorization for Federal grants to the States for crippled children. This will increase the present Federal authorization from $2,850,000 to $3,870,000.

13. Provision is made for a $1,562,000 increase in the authorization for Federal grants to the States for vocational rehabilitation work. This will increase the present Federal authorization from $1,938,000 to $3,500,000.

14. Provision is made for a $3,000,000 increase in the authorization for Federal grants to the States for public-health work. This will increase the present Federal authorization from $8,000,000 to $11,000,000.

ADMINISTRATION

15. A Federal old-age and survivor insurance trust fund is created for safeguarding the insurance-benefit funds. The Secretary of the Treasury, the Secretary of Labor, and the Chairman of the Social Security Board are made trustees of this fund.

16. Provision is made to restrict the use of information concerning recipients of State old-age assistance—particularly their names and addresses—to purposes directly connected with the administration of old-age assistance. This is designed to prevent the use of such information for political and commercial purposes.

17. There has now been included among the conditions for the receipt of a Federal grant that a State shall establish and maintain a system of personnel standards on a merit basis.

18. Other amendments simplify and clarify administration of the law.

OLD-AGE AND SURVIVORS INSURANCE

Most of the changes were made in that part of the act which provides a system of old-age insurance covering wage earners in business and industry who, with their employers, pay taxes to support the system. We have liberalized the old-age benefit payments, we have extended them to over a million people who were not included before, and we have at the same time held down the old-age insurance tax rate, which under the old law would have increased during the next 3 years, for workers and employers alike, to 1½ percent of wages instead of the present 1 percent. This means a saving of $275,000,000 of taxes in 1940, or a total saving of $825,000,000 over the next 3 years.

We have liberalized the insurance benefits in three ways:

(1) The new law provides that monthly benefits will be paid beginning in 1940, instead of 1942. We have also made it possible for people who become 65 before 1940, and could have received only lump-sum payments before, to become eligible in 1940 or after for monthly payments as long as they live. Even though they have received a lump-sum payment they may now be able to qualify for a monthly benefit.

(2) Monthly payments will be calculated by a new method which provides for a percentage of the worker's average monthly pay, instead of his total accumulated earnings. This results in a much larger monthly payment for those retiring in the early years than they would have received under the old law.

(3) We have provided additional monthly benefits for the insured worker's wife if or when she is 65; for his minor children; for his widow and orphans; and if no widow or minor children survive, for his dependent father or mother.

In other words, we have increased benefits for the workers now old and for workers who have dependent families. For example: Tom Smith, who is now 65, may begin to receive monthly benefits in 1940 if he has earned as much as $50 in each of any six calendar quarters since 1936, on a job that is covered by the law. If he has been working all 3 years up to 1940 at an average of $100 a month, he can draw $25.75 a month for the rest of his life if he is single. If he is married, and if or when his wife is 65, the two of them can draw $38.63 a month. At the death of her husband the widow's benefit would be three-fourths of his monthly payment of $25.75, or $19.31 each month as long as she lives.

A younger man can build up a larger income for his old age; meanwhile his family is protected in case of his death. Suppose Paul Brown was 25 years old on January 1, 1937, when the law went into effect; and suppose he makes about $25 a week or $100 a month on an average. At that rate, by the time he is 65, if he is single, his old-age benefit payment will be $35 every month as long as he lives. If he is married, and if or when his wife is 65, they will have an additional $17.50, making a total of $52.50 for the couple as long as they both live.

Should the husband die before he is 65, leaving a widow and children, the widow would receive three-fourths and each child would receive one-half of the amount of the monthly benefit he had earned up to that time. In other words, with average pay of $100 a month, should he die only 3 years after he begins work on a job that is covered by the law, his monthly benefit rate would be $25.75, his widow would receive $19.31 a month, and each minor child $12.88 a month. Thus, a widow with two children would have $45.07 a month until the children reach 16, or 18 if attending school.

If there are no children, the widow would receive a lump sum equal to six times her husband's monthly benefit—in this case $154.50. In either case, after she is 65, if she has not married again, she would receive $19.31 a month for the rest of her life.

In the new law we provide that a worker qualifies for retirement benefits after age 65 if he has earned at least $50 a quarter in one-half the calendar quarters elapsing between December 31, 1936, and the date he became 65 years of age, with a minimum of at least 6 quarters of coverage. When he has 40 quarters of coverage—that is, any 40 quarters during which he has earned as much as $50 on a job that is covered by the law, he will be entitled to benefits at age 65 or after, regardless of the length of time elapsing since December 31, 1936.

In the act of 1935, as I have said, the benefits were calculated as a certain percent of the accumulated total wages of the worker. We have changed that provision so that benefits are now to be calculated on the basis of average monthly pay. The amount of the monthly benefit payment is 40 percent of the first $50 of his average monthly pay, plus 10 percent of the average above $50, up to an average of $250 a month. In addition, there is an increase of 1 percent in the benefit for each year of coverage—that is, each year in which he earned at least $200 on a job covered by the law.

Examples of benefit payments, after given years of coverage, with average monthly earnings of $50, $100, $150, and $250, respectively, are shown in table I below, in comparison with payments provided under the old law.

TABLE I.—*Illustrative monthly old-age insurance benefits under present plan and under revised plan* [1]

Years of coverage	Present plan	Revised plan		Present plan	Revised plan	
		Single	Married		Single	Married [2]
	Average monthly wage of $50			Average monthly wage of $100		
3	([3])	$20.60	$30.90	([3])	$25.75	$38.63
5	$15.00	21.00	31.50	$17.50	26.25	39.38
10	17.50	22.00	33.00	22.50	27.50	41.25
20	22.50	24.00	36.00	32.50	30.00	45.00
30	27.50	26.00	39.00	42.50	32.50	48.75
40	32.50	28.00	40.00	51.25	35.00	52.50
	Average monthly wage of $150			Average monthly wage of $250		
3	([3])	$30.90	$46.35	([3])	$41.20	$61.80
5	$20.00	31.50	47.25	$25.00	42.00	63.00
10	27.50	33.00	49.50	37.50	44.00	66.00
20	42.50	36.00	54.00	56.25	48.00	72.00
30	53.75	39.00	58.50	68.75	52.00	78.00
40	61.25	42.00	63.00	81.25	56.00	84.00

[1] It is assumed, with respect to the revised plan, that an individual earns at least $200 in each year of coverage in order to be eligible to receive the 1-percent increment. If this were not the case, the benefit would be somewhat lower.

[2] Benefits for a married couple without children where wife is eligible for a supplement.

[3] Benefits not paid until after 5 years of coverage.

One of the most important changes made in the insurance system is the addition of monthly survivors' benefits. In short, the original Federal old-age insurance system has now been converted into a system of old-age and survivors' insurance, providing lifetime family security instead of only individual security to aged workers in covered occupations. Table II shows illustrative monthly benefits paid to survivors.

TABLE II.—*Illustrative monthly survivor benefits* [1]

Years of coverage	1 child or parent, 65 or over	Widow, 65 or over	Widow and 1 child	1 child or parent, 65 or over	Widow, 65 or over	Widow and 1 child
	Average monthly wage of deceased, $50			Average monthly wage of deceased, $100		
3	$10.30	$15.45	$25.75	$12.88	$19.31	$32.19
5	10.50	15.75	26.25	13.13	19.69	32.81
10	11.00	16.50	27.50	13.75	20.63	34.38
20	12.00	18.00	30.00	15.00	22.50	37.50
30	13.00	19.50	32.50	16.25	24.38	40.63
40	14.00	21.00	35.00	17.50	26.25	43.75
	Average monthly wage of deceased, $150			Average monthly wage of deceased, $250		
3	$15.45	$23.18	$38.63	$20.60	$30.90	$51.50
5	15.75	23.63	39.38	21.00	31.50	52.50
10	16.50	24.75	41.25	22.00	33.00	55.00
20	18.00	27.00	45.00	24.00	36.00	60.00
30	19.50	29.25	48.75	26.00	39.00	65.00
40	21.00	31.50	52.50	28.00	42.00	70.00

[1] It is assumed that an individual earns at least $200 in each year of coverage. If this were not the case, the benefit would be somewhat lower.

The Social Security Board estimates that $114,000,000 will be paid out in old-age insurance benefits in 1940. As time goes on that amount will increase manyfold. It will go into the hands of people who will spend it and thus put it back in the channels of business. Old-age and survivor insurance benefits represent purchasing power for millions of our people who would otherwise be poor customers in our markets. Moreover, it means more adequate protection to the individual and to the family.

In the bill just passed we have extended these insurance benefits to some new classes of workers, including employees of national and many State banks and building and loan associations. By some redefinitions we have excluded a few other groups. Some other changes have been made to clarify the administrative provisions of this part of the Social Security Act.

PUBLIC-ASSISTANCE PROGRAMS

Next in importance to the changes we have made in the old-age insurance system are liberalizations of the public-assistance programs, particularly the new provision for aid to dependent children. These are children in families that have lost their breadwinner. To enable the widowed parent or other responsible relative to care for the child at home, the State pays a cash allowance monthly. Under the old law the Federal Government paid one-third of this allowance, up to $18 a month for the first child and $12 for each other child in the same family. We have now provided that the Federal contribution shall hereafter be one-half of the allowance.

We have also increased the possible allowances for aid to needy old people. This old-age-assistance program, which is an entirely different thing from old-age insurance for wage earners, is a State-administered plan for enabling needly old people to live at home. Through the local welfare agency they may receive monthly cash payments fixed according to their need. The Federal Government contributes to these monthly payments. Under the old law this contribution would match the State's contribution up to a total of $30 a month. We have provided that the Federal Government shall match the State's contribution up to a total of $40 a month; that is, $20 from the Federal Government if the State provides $20.

In the provisions for aid to the blind we authorized a similar increase in the Federal contribution to the monthly cash allowance.

UNEMPLOYMENT COMPENSATION

We have not materially changed the unemployment-insurance provisions of the Social Security Act, but we have provided that employers shall not be taxed upon any part of an

employee's wages or salarly over $3,000 a year. This will be a saving to employers of about $65,000,000 a year. We have also provided for refunds and adjustments of taxes of employers who were late in paying their 1936, 1937, and 1938 contributions to State unemployment funds. This will be a saving to employers of some $15,000,000.

Every State now has an unemployment-insurance law which is administered by the State, and all are paying benefits. So long as the State program conforms to the Social Security Act the Federal Government pays the cost of administration. Out-of-work benefits, however, are paid entirely from a State fund to which employers—and in a few States employees also—contribute.

As in the case of old-age and survivors' insurance, we have extended the benefits to some new classes of workers, including employees of national and many State banks and building and loan associations. By some redefinitions we have excluded a few other groups.

HEALTH AND WELFARE SERVICES

The other programs established in the original Social Security Act provide for public-health and welfare services. The States administer them, with Federal aid in the form of grants of money. We have increased the Federal funds available for such grants for the coming year, as follows:

	Authorization under 1935 act	Additional funds authorized	Total authorization under amended act
Maternal and child health	$3,800,000	$2,020,000	$5,820,000
Crippled children	2,850,000	1,020,000	3,870,000
Vocational rehabilitation	1,938,000	1,562,000	3,500,000
Public health	8,000,000	3,000,000	11,000,000

These added funds should mean that under the public-health and welfare programs we shall be able to reach more of the mothers and children who are in need of those services, more of the disabled workers, more of the people everywhere who need such aid.

It has been my responsibility and privilege, as chairman of the House Committee on Ways and Means, to initiate the bill which became the Social Security Act, and to initiate the amendments we have just adopted. I know we have not yet achieved a perfect law nor a final program. But I do believe that the Social Security Act with its amendments is the greatest piece of social legislation in our time, and I am proud to have had a part in its enactment.

We have, then, a new Social Security Act—built upon our first national program for social security, enacted in 1935. We have tried to build wisely upon that foundation, and in my judgment we have succeeded. We have provided larger benefits for more people and we have made a better distribution of costs. There can be no question that we now have a more adequate, yet safer and sounder program.

Dangerous Inequities of the New Deal

EXTENSION OF REMARKS

OF

HON. J. ROLAND KINZER

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Saturday, August 5, 1939

Mr. KINZER. Mr. Speaker, for more than 6 years this Nation has been ruled by an administration that has had but one solution to offer for the problems of a Nation-wide depression. The administration's solution has been to tax and tax, spend and spend, elect and elect. In other words, in defiance of the American way of government, the present administration has pursued a policy of regimentation, limitation, and concentration of control under the Federal Government at Washington. In defiance of the thrift, personal initiative, individual confidence, and independence which have made this Nation great, the policy of the administration has been to take from those who have to give to those who have not, without regard to justice, equity, wisdom, or economic common sense.

As a result of that policy, which is now being extended also into international affairs, we have the greatest Federal debt in all history. Since 1933 we have had deficit after deficit, and we face the future with a continually mounting Federal debt and continually mounting annual deficits.

That mounting Federal debt and those mounting deficits mean higher taxes, greater penalties on the thrift and industry of our citizens, and greater encouragement for those who are willing to give up all efforts of self-support and look to their Government and their fellow citizens for a living.

I want to be understood clearly, Mr. Speaker. I would not permit a single man, woman, or child in this country to suffer or starve. But I do believe that dangerous inequities are being fostered and encouraged, that those inequities are taking root in our whole governmental system, and that they penalize thrift and encourage extravagance.

My State of Pennsylvania has become one of the greatest States in the Union. Why? Because its people were courageous; because they were honest; because they were industrious; because they were ambitious; because they were thrifty; because they were not afraid to deny themselves luxuries in order that they might save for a rainy day, accumulate a competence for their old age, and leave their children enough to give them a start in life. Let no one tell you, Mr. Speaker, that getting ahead in Pennsylvania was any easier in those pioneer days, or is any easier today, than it was, or is, in Louisiana, or Texas, or Arkansas, or Arizona, or North or South Dakota. In Pennsylvania the secret of getting ahead in the world has been to toil, sweat, and save; and it has been by that formula that my constituents have become a prosperous agricultural people.

Now, what has happened in the last 6 years of the New Deal administration? Let me give you some figures to indicate what has happened—some figures, Mr. Speaker, which are illuminating to me, and I believe will be illuminating to you.

To begin with, based on the census of 1930, the amount of taxes paid and benefits received by States from March 4, 1933, through July 1, 1938, shows that Pennsylvania paid over that period $1,667,663,000 and received in benefits $1,229,639,000. In other words, the total of all benefits received from the Federal Government amounted to $121 per capita, while my State paid out in taxes to the Federal Government $164 per capita.

Let me note that the State of Alabama paid in that period $21 per capita taxes and received $124 per capita benefits. The State of Arkansas paid $12 per capita taxes and received $141 per capita benefits. The State of Florida paid $83 per capita taxes and received $133 per capita benefits. The State of Mississippi paid $9 per capita taxes and received $132 per capita benefits.

Up in the great Northwest, North Dakota paid $11 per capita taxes and received $309 per capita benefits, while South Dakota paid $12 per capita taxes and received $335 per capita benefits.

Turning to the Southwest, Arizona in that same period paid $32 per capita taxes and received $459 per capita benefits.

I could go on indefinitely showing how most of the other States in the Union have received more money, per capita, than they paid in Federal taxes, while my State of Pennsylvania received much less per capita benefits than it paid in taxes.

Now, we have heard the New Deal administration tell us what it has done for the farmers. I want to show here, Mr. Speaker, what the New Deal has not done for the farmers of my district.

Agricultural relief payments made for crop reductions, rental and benefit checks, payments for conservation of soil resources from 1933 to 1938, together with Farm Security Administration expenditures, show that in 1930, out of a total farm population of 856,694, Pennsylvania had 116,589 farm families, or 520,514 farm individuals, on relief.

Keeping this in mind, we find that up to June 30, 1938, the total payments for crop reductions, rentals, benefit checks, conservation payments, and Farm Security Administration expenditures amounted to $10,706,301.99.

Now we find that figures showing farm relief distributed by States for the period from May 1933 to June 30, 1938, disclose that Pennsylvania reduced her farm families on relief from 116,589 in 1933 to 255 in 1939. The proportional payments for that period, based on the 1933 figure, would fall at around $91.82, whereas Nebraska, for instance, increased her farm families on relief from 4,412 in 1933 to 7,640 in 1939, and the proportional payments per farm family over that period was $19,960, resulting in total payments of $88,063,490.40.

What I am trying to show here, Mr. Speaker, is that Pennsylvania, although up among the first rank of taxpaying States, was forty-seventh down the list in receipt of farm relief.

Viewing the situation from yet another angle—that of farm acreage—we find the following illuminating figures:

Pennsylvania, with 15,855,000 acres, had during the period under discussion an average of 67 cents per acre relief money, while Louisiana averaged $4.28 relief per acre, Iowa $4.11, Alabama $2.52, and Arkansas $3.30.

Pennsylvania, from the standpoint of acreage relief, was thirty-eighth down the list.

Now, Mr. Speaker, figures are susceptible of manipulation, and statisticians can do strange things with them. That is why I have given figures from the standpoint of per capita taxes paid and per capita relief received, per farm family benefits received, and the benefits received per acre—in order to show from these various viewpoints that the figures all disclose the same picture. In other words, all of these figures cannot be wrong, because they all show the same general trend.

Now, Mr. Speaker, not only has the New Deal policy of distributing money resulted in these gross inequities for the people of Pennsylvania and the people of my district. My people have for several years past been subjected to still another injustice, which is continuing to this day.

Under the internationalistic policy of the administration, we have entered into trade agreements with various countries of the world, with the result that the Pennsylvania farmers' market is being turned over to foreign producers with whom the Pennsylvania farmer cannot hope to compete.

It is not too much to say that the reciprocal-trade program of the Roosevelt administration is ruining American agriculture and Pennsylvania agriculture. Not only has the administration's reciprocal-trade program failed to stimulate foreign markets for our farm products, but it is working the other way to the detriment of the farmers of my district and my State and, indeed, to the farmers of America.

As my esteemed colleague, the Honorable DANIEL A. REED of New York, pointed out in this House on July 22, our agricultural exports for the 5 months ending May 1939 were valued at $237,998,000, compared with $362,936,000 for the same period in 1938—a decrease of $124,938,000, or 34.2 percent.

In that period unmanufactured tobacco exports decreased over $9,000,000 and corn exports decreased over $45,000,000. On the other hand, our imports of agricultural products increased during the 5 months cited. Imports of cattle, meat products, canned beef, ham, shoulders, and bacon, hides and skins, wool, flax and hemp, tobacco, and a great variety of other agricultural products increased tremendously.

Now, Mr. Speaker, the people of my district are willing to bear their fair share of the depression's difficulties and responsibilities. We are willing to be good neighbors. We are willing to help feed the hungry and clothe the ragged and shelter the homeless. But we do not believe that thrift ought to be penalized, that the people of Pennsylvania ought to be brought down to a common lower level of living. What we believe is that the people of other sections of the United States must be helped up to a higher level of living without impoverishing the people of Pennsylvania and other States who have the energy, the initiative, and the courage to go ahead in spite of handicaps and difficulties brought on by the depression.

There is no reason, Mr. Speaker, why my people should be thus penalized; there is no reason why these inequities should continue to exist; and there is no reason why this extravagant and wasteful and dangerous spending should continue to be paid for by the taxpayers over a long period of years, a continuing burden that will bear down upon the backs of our people long after the present occupant of the White House and his group of "brain trusters" have disappeared from the earthly scene.

Therefore, Mr. Speaker, we must strive for a constructive program of recovery. We must abandon this policy of taking from those who have to give to those who have not. We must make greater efforts to get those who have not back into private work where they can maintain themselves and their dependents in honor and self-respect.

Farmers Demand the Truth

EXTENSION OF REMARKS

OF

HON. BEVERLY M. VINCENT

OF KENTUCKY

IN THE HOUSE OF REPRESENTATIVES

Saturday, August 5, 1939

Mr. VINCENT of Kentucky. Mr. Speaker, recently a variety of efforts have been made by a small group of political opportunists, in utter disregard for the truth, to provoke universal indignation among our farmers against the reciprocal trade agreements program. The way in which these political opportunists attempt to support their biased, inaccurate charges is an affront to ordinary intelligence. They assume—erroneously, to be sure—that our farmers can be easily deceived.

Calm rationalization, logic, and consistency have no part in their campaign of vilification. If in a particular case it serves their purpose to show one set of statistical comparisons, they hasten to do so. On the other hand, if in another case the same basis of comparison does not lend itself to a distortion of the picture, motivated solely with a consuming desire to discredit the accomplishments of the trade-agreements program, these self-styled "zealots" of the farmers' welfare quickly select a basis that can be manipulated to show an adverse picture. Such connivance justly merits public denunciation.

It is not my present intention to enter into a detailed discussion of the scope and purpose of the trade-agreements program. I simply desire to acquaint the American farmer with the nature of the attacks made upon it.

BEWARE THE WOLF IN SHEEP'S CLOTHING

Glib-tongued tariff lobbyists having special interests to serve persuaded the farmers that enactment of the Hawley-Smoot Tariff Act in 1930 would bring a greater measure of farm prosperity. Tariffs were raised to unprecedented heights. Foreign nations finding they could no longer sell their customary products in America, quickly retaliated with equally severe trade restrictions against our products. Instead of the promised prosperity our farmers were plunged

into the most severe economic disaster that this country has ever experienced.

Discredited by the total collapse of farm prices following enactment of the uneconomic trade barriers established under Hawley-Smootism, these embargo tariff devotees now strenuously strive to direct attention away from the sorry mess resulting from their ruinous commercial foreign policy. Their comparisons are always with farm prices prevailing today contrasted with farm prices prevailing in the 1920's. In fact, tables of this type are from time to time inserted in the CONGRESSIONAL RECORD; farm prices prevailing under Hawley-Smootism are completely ignored. Is it not a fair presumption that those who indulge in such manipulations seek rather to mislead the farmer than to inform him accurately?

In an article placed in the CONGRESSIONAL RECORD of August 10, Representative KARL E. MUNDT, of South Dakota, raises his voice in tender solicitude for the American farmers, charging that the reciprocal-trade agreements program has destroyed the American market for the American farmer. To support his charge he compares the average price of eggs for the 12 Republican years against the 6½ Democratic years, completely ignoring the total collapse of farm prices that followed enactment of the embargo tariffs of Hawley-Smootism. What reasonable person would disagree that in order to make a valid measurement of the effects of trade agreements comparisons should be made between those years in which trade agreements were in effect against the period in which the Hawley-Smoot embargo tariff rates were in effect?

The following table shows just such a comparison:

Prices received by farmers for eggs (cents per dozen)

HAWLEY-SMOOT PERIOD

1930	23.7
1931	17.6
1932	14.2
1933	13.8
Average	17.3

TRADE-AGREEMENT PERIOD

1935	23.4
1936	21.8
1937	21.3
1938	20.3
Average	21.7

The above table reveals that farmers received an average price of 4½ cents more per dozen for their eggs during the 4 years of more liberal commercial relations with foreign nations under trade agreements than during the 4 years of restricted trade under the Hawley-Smoot Tariff Act. Calculated on the basis of eggs sold, farmers of the United States received $428,973,750 less during the Hawley-Smoot tariff period than they would have if they had received the same average price during that period which prevailed during the trade-agreements period.

HAWLEY-SMOOTISM COST SOUTH DAKOTA FARMERS $8,287,500 IN EGGS ALONE

The following table shows that South Dakota farmers received an average price of 5 cents more per dozen for their eggs during the 4 years of Secretary Hull's reciprocal-trade agreements program than during the 4 years of uneconomic tariff duties under Hawley-Smootism. Calculations made on the basis of eggs sold indicate that South Dakota farmers lost $8,287,500 due to the lower average price prevailing under the Hawley-Smoot period than under trade agreements.

Some day, perhaps, these embargo tariff devotees will be willing to admit the abysmal failure of their commercial foreign policy.

Prices received by South Dakota farmers for eggs (cents per dozen)

HAWLEY-SMOOT PERIOD

1930	18.2
1931	13.0
1932	10.7
1933	10.0
Average	12.9

Prices received by South Dakota farmers for eggs (cents per dozen)—Continued

TRADE-AGREEMENT PERIOD

1935	20.5
1936	17.5
1937	17.6
1938	16.1
Average	17.9

The Muddling of the Meddlers

EXTENSION OF REMARKS

OF

HON. J. WILLIAM DITTER

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Saturday, August 5, 1939

Mr. DITTER. Mr. Speaker, the failure of the Commodity Credit Corporation to fulfill its promised functions, and the national calamity predicted by Secretary Wallace unless it was a second time rejuvenated by new funds, challenge Nation-wide attention. From the agricultural districts and also from the industrial centers protests are heard against the continuation of a program which at its inception was held out as the way of salvation for the farmers, but which has turned out to be a road to ruin.

As we recall the promises that were made, each one more glowing, each one more vividly painted, each one holding out brighter prospects—all of them New Deal panaceas—as we recall the bountiful promises that were made by those who claimed that they could plan all things for all men, the results today are not only startling but shocking. Someone has aptly said, "These promises have gone the way of all flesh."

The planning specialists directed their attention particularly to three major crops—cotton, corn, and wheat. The results in all three are the same—dismal disappointment, flat failure. Measured in terms of real results it is doubtful if any governmental program has cost so much, done so little, and caused such widespread disastrous consequences as the administration's agricultural program has produced.

Cotton, of course, looms large on the horizon when we consider the agricultural problem. No one can question the responsibility of the Federal Government to the South, and therefore to cotton.

The administration approached the cotton question along two lines, one inconsistent with the other and both at variance with and antagonistic to the best interests of the cotton planter. On the one hand, a crop-restriction program was inaugurated and with this a Government loan policy. Cotton was placed in warehouses; loans were made to the planters; the American price was pegged above the world price, all of which resulted in the smallest export of cotton in half a century.

A decline in world consumption of cotton cannot be advanced as the cause for the decline in our exports. On the contrary, world consumption has increased rather than declined, but the facts are that the administration's agricultural program has taken the American cotton planter out of world competition, and the markets which we thereby abandoned have been seized by other countries. How the present program can ever meet world conditions, how storing millions of bales of cotton and lending millions of dollars on the crop, how a crop-restriction program such as the administration pursues can ever hope to bring any real results to the cotton planter is difficult to imagine.

Yes; we will store more bales and lend more money and peg the price higher and make every effort to persuade the farmer that cotton has a certain value, whereas in truth every sensible man knows that such fictitious factors will never fix real values.

According to all reports, we should have a bumper corn crop this year. It may be a bumper crop, but it certainly will not bring a bumper price. Corn is selling today at as low a level as it has since the New Deal first assumed the responsibility of bringing a more abundant life for the forgotten man, including all the forgotten farmers of America. There has been a strange silence recently both as to an "abundant life" and as to "forgotten men."

The corn plan was pretty much the same as the cotton plan—faked prices and fictitious prosperity. The lending program was made so appealing to the corn farmers that it encouraged them to build extra cribs to store the corn which it was urged they should keep off the market in order to keep the price up. Certainly it has come to a sorry pass when a Government program offers inducements of this kind. More than 250,000,000 bushels of corn were stored by the farmers in their own cribs, against which the Government loaned them money. Had the plan worked, or had there been any reasonable hope that such a plan could work, some excuse might be found for the insistence with which the administration played upon the corn farmer to hoard his crop.

Try as the planners would, however, their fantastic ideas have come to naught. Loans have a habit of maturing, even though they be loans from a Federal Government, and even though the loans be made on corn. Actual maturities and the fear of oncoming maturities have resulted in a drop in the market, and all the while a new corn crop is in the offing. We have heard much of Secretary Wallace's ever-normal granary. Are we to understand that an ever-normal granary contemplates the accumulation year by year of millions of bushels of corn stored in warehouses, against which loans have been made, and with no prospect of any real income by which the farmer can hope to repay such advances? Are we to understand that an ever-normal granary means the building of more and more corncribs and the involvement of the farmer in more and more debts and the granting by the Federal Government of bigger and bigger loans?

Would it be amiss for someone to call to the attention of the Secretary of Agriculture the fact that corn is not an isolated or distinctly separate crop but that it is related to and has a very definite part in our whole agricultural program? Have we any reason to believe that the professional planners will be any more successful with next year's crop than they have been with this year's or with those that have gone before? Were this the end of the first year of experimentation and failure, were there some extenuating circumstances by which the collapse in prices and the bursting corncribs could be explained, we might find some excuse for this planner's paradise. But this is the end of the sixth year of Mr. Wallace's wonders. And the sixth year is worse than the first year. Instead of stepping the farmer forward, the agricultural program of the administration has pulled him backward; instead of pushing him up, it has dragged him down.

What has been said of cotton and corn applies with equal force to wheat. The wheat farmer is no better off than the cotton planter or the corn planter. Wheat prices have tobogganed until they stand today at the lowest level that any of us can recall. The administration's program has been to curtail production, to attempt to maintain a world price, and then to try to hold an export market by subsidizing wheat.

The subsidy program alone has cost the taxpayers of the country approximately $25,000,000 during the past 12 months. And the end is not yet in sight. Small wonder that the Secretary of Agriculture is alarmed—small wonder for his recent threat of a national calamity. But a few very pertinent questions are in the minds of Americans today—questions that the farmers of America and the taxpayers of America have a right to have answered by the Secretary of Agriculture. Who has sponsored this marvelous planning? Who has engineered this program? Who has given assurances that it would be a pathway to prosperity? Who is it that seeks to satisfy the American farmer with city slickers' gold-bricks? Who has brought on this national calamity? Who is responsible?

These are questions the American farmer is asking as the Secretary gives out his solemn pronouncement of a national calamity.

W. P. A. Employment—Prevailing Rate of Pay Should Be Reestablished; Provision Relating to Compulsory Removal Should Be Repealed

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EXTENSION OF REMARKS

OF

HON. CHARLES A. BUCKLEY

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Saturday, August 5, 1939

Mr. BUCKLEY of New York. Mr. Speaker, when the relief appropriation bill for the fiscal year 1939 was pending, I voted and fought against cuts in the prevailing rate of wages. I also supported the Casey bill, which this House saw fit to defeat. I had no alternative but to vote for the present act, because without it there would be no provision for continuing the W. P. A.

The act itself not only lengthened the hours that the employees were compelled to work on W. P. A., but it also cut most of the wages that had previously been paid and, moreover, reduced the employment of people by about one-third. In addition to this, last year Congress appropriated $965,000,000 for Public Works Administration loans and grants, whereas this year Congress failed to make any appropriation for the said Public Works Administration.

Although Congress thought it necessary to vote sufficient moneys for national defense, farm appropriations, flood control, all of which are very essential and necessary, it thought that the poor, unfortunate people who could not find employment in private industry could get along with less money and do the best they could. It is just as necessary for the city dweller to eat, clothe himself, and live with a roof over his head as it is for people who come from less-populated areas. I am wondering how the relief act is going to work out. I hope that business makes rapid strides as to make it unnecessary for Congress to make additional appropriations for W. P. A. But I have doubts in that direction.

A few days after the relief bill was passed, organized labor protested the rescission of the principle of the prevailing rate of pay. This principle was established about 8 years ago by the United States Government. Included in all governmental contracts are provisions to pay the prevailing rate of wages. It was included in all former relief appropriation measures passed by Congress. To have abrogated that principle that labor has fought for for many years is to lend encouragement to those who would gladly bring back the days of low wages and long hours. We all know that this country was always prosperous when we had a high standard of living rather than a low one based on exploitation of the great masses for the benefit of a few selfish individuals.

On July 12 I introduced H. R. 7164, a bill to amend the Emergency Relief Appropriation Act of 1939 to provide for the reestablishment of the prevailing rate of pay for persons employed upon work projects. The bill also contained a provision to repeal section 16 (b) of the Relief Act which relates to compulsory removal of persons who have been on the W. P. A. rolls for 18 months or longer. The bill was referred to the Committee on Appropriations, which did not see fit to take any action on it. Since the W. P. A. has commenced its policy of dismissing those persons who have been on the rolls for 18 months or longer, many communications have reached me with regard to the hardships that these people will now have to undergo. The law made no provision as to age, dependencies, or particular condition of the persons on the rolls, but states that these people will have to wait 30

days before they are eligible to be certified for W. P. A. employment. With the great amount of work that the relief agencies will now have and the routine to which these applicants are necessarily subject, it would be bold optimism to say that these persons will be reinstated to W. P. A. after 30 days off the rolls. Months will elapse, and in most cases I am afraid these people will never be restored to their former positions on W. P. A.

The hardship and suffering that the dismissal provision will cause is something that we should try to remedy. I think it was a mistake to enact such a provision in the first place, but Congress owes it as a duty to the many men, women, and children who now suffer as a result of this provision to remedy it and show the unfortunate and underprivileged that they are concerned with their welfare.

In fairness to labor we must also reestablish the prevailing rate of pay on W. P. A. projects.

The United States believes in a square deal for labor and for the poor and needy dependent upon relief and the W. P. A. This Congress will do its part to help them.

Majority Leader Sam Rayburn

EXTENSION OF REMARKS

OF

HON. JOHN J. COCHRAN

OF MISSOURI

IN THE HOUSE OF REPRESENTATIVES

Saturday, August 5, 1939

Mr. COCHRAN. Mr. Speaker, the Washington journalist is hard put for news when Congress adjourns. During the closing days of a session he welcomes the fall of the gavel, having been on the job for 6 months or more, his hours of labor being based upon the happenings of the day. Within a fortnight, however, he wants action, and he knows, especially those assigned to politics and the Capital, that it will not come until Congress is back on the job and he looks forward to that day. News he must get, and when it is not in the making, he visions a lay-off, not with pay like the Government employee, but at his own expense. Good men, however, are never displaced.

Something of a minor character can develop during the slow-up period that through imagination could be stretched to a column, which would not be worth more than a paragraph when there is real news to be had.

To my mind it was more or less imagination that prompted the scribes to send forth in large headlines a possible split in the Democratic House organization due to the endorsement of his lifelong friend and political ally, Vice President GARNER, by House Majority Leader SAM RAYBURN. What could be more natural than such an utterance from Mr. RAYBURN? Has he not always been closely associated with Mr. GARNER since he came to Washington over a quarter of a century ago? Was he not one of Mr. GARNER's strongest supporters for the Speakership? Was he not Mr. GARNER's campaign manager when the present Vice President was favorably mentioned for a seat in the White House? Was he not Mr. GARNER's floor manager at the convention? Has anyone ever heard of any enmity between them? Are they not both residents of the Lone Star State? True, they undoubtedly have argued on the merits of legislation that has been proposed, but both had their respective duties to perform.

Anyone who is acquainted with my record since the inception of the Roosevelt administration knows my feelings toward the President and so-called New Deal legislation. You cannot find a Member of the House who has been more loyal to Roosevelt and to the leaders of the House than I have. Therefore, as a so-called new dealer, I say that there is not the remotest possibility that Mr. SAM RAYBURN will be deposed as Democratic leader in the next session of Congress. I cannot conceive of one Member on the Democratic side who would want to supplant Mr. RAYBURN because he has done, as I said before, the natural thing, and endorsed his friend and fellow Texan, Mr. GARNER, for the Presidency.

Since my long service in Congress there has never been a more beloved group in charge of the Democratic organization in the House than Speaker BANKHEAD, Leader RAYBURN, and Mr. PAT BOLAND, the Democratic whip.

Immediately following Mr. RAYBURN's endorsement of Mr. GARNER, the scribes, needing something to make a story, went into dreamland and saw visions of Mr. JOHN MCCORMACK, of Boston, Mr. CARL VINSON, of Georgia, Mr. PAT BOLAND, of Pennsylvania, or Mr. CLARENCE LEA, of California, being advanced to Mr. RAYBURN'S post.

It so happens that every man mentioned is a most sincere friend of Mr. RAYBURN and would fight to the bitter end any movement to replace him.

Who was it that saw in Mr. MCCORMACK when he first came to Washington the making of an outstanding Representative? It was Mr. RAYBURN, and he never missed his guess. Who was it that advanced Mr. MCCORMACK to the powerful Ways and Means Committee and, with the aid of the solid Texas delegation, elected him to that important assignment? Who was it that suggested Mr. MCCORMACK to head the Democratic caucus? Ask Mr. MCCORMACK. He will tell you it was his friend Mr. SAM RAYBURN. If any attempt was made to displace Mr. RAYBURN I can see Mr. JOHN MCCORMACK leaving the chair in the caucus and making one of the speeches for which he is famous in support of his friend Mr. SAM RAYBURN. The same applies to Mr. PAT BOLAND who Mr. SAM RAYBURN appointed as whip, and to his friends of over 25 years' standing, Mr. VINSON of Georgia, and Mr. LEA, of California, all outstanding men.

Mr. SAM RAYBURN has been my friend for over 25 years. It was a great pleasure for me to do what little I could to place him in his present post, and it will be equally a great pleasure for this supporter of the New Deal to keep him there.

Speaker BANKHEAD and Leader RAYBURN were elected by the Democratic caucus to head our organization, not for the first session of the Seventy-sixth Congress, but for the Congress.

I say to my friends in the press gallery now, the question of changing our Speaker and leader will not even be discussed when the Democrats meet in Congress next January. Mr. BANKHEAD will continue as Speaker, Mr. RAYBURN as leader, and Mr. BOLAND as whip, and no Democrat in our caucus will even suggest replacing them. When that caucus meets every Democrat will rise in his seat and applaud Mr. SAM RAYBURN, which will be their answer at the outset of the session of their loyalty to him.

The Poll Tax: Sapper of Democracy

EXTENSION OF REMARKS

OF

HON. LEE E. GEYER

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Saturday, August 5, 1939

Mr. GEYER of California. Mr. Speaker, at the request of the civil rights committee of the Southern Conference for Human Welfare, I have introduced the following bill, H. R. 7534, to amend an act to prevent pernicious political activities:

Be it enacted, etc., That the aforementioned act be, and is hereby, amended by the insertion, after section 1 and before section 2, of the following sections:

"SECTION 1A. The requirements in many places under the jurisdiction of the United States that a poll tax be paid as a prerequisite for voting at elections for the office of President, Vice President, Presidential elector, Member of the Senate, and Member of the House of Representatives has resulted in pernicious political activities, in that frequently such taxes are paid for voters by other

persons as an inducement for voting for certain candidates. Experience proves that existing legislation prohibiting the making of expenditures to any person to induce persons to vote for certain candidates has failed to prevent this practice. It is therefore necessary, in order to insure the honesty of such elections, that the Congress forbid the requirement that poll taxes be paid as a prerequisite for voting at such elections.

"SEC. 1B. It is unlawful for any person, whether or not acting under the authority of the laws of a State or subdivision thereof, to require the payment of a poll tax as a prerequisite for voting or registering to vote at any election for a President or Vice President or Presidential elector or Senator or Member of the House of Representatives of the United States.

Under leave to extend my remarks, I desire to give some of my reasons for the introduction of this bill; but before doing so, I wish to insert here a letter from the committee of the southern conference, which explains the interest of that organization in this measure:

P. O. Box 1016,
BIRMINGHAM, ALA., *August 5, 1939.*

Hon. LEE E. GEYER,
Member of the House of Representatives,
Washington, D. C.

DEAR SIR: At the Southern Conference for Human Welfare, which met in Birmingham, Ala., last November, resolutions were adopted urging State and Federal action to end the practice of requiring the payment of poll taxes as a prerequisite for voting. The enclosed bill, drafted by the civil-rights committee of the conference, is designed to carry out these resolutions as far as they apply to Federal elections.

During the last few weeks we have discussed the subject matter of this legislation with several representatives from the 13 States participating in the conference. As you will readily understand, this is a matter of great importance, since it deals with a problem of fundamental significance to democracy. The representatives most concerned naturally desire to make a thorough study of the proposed legislation, the text of which has been but recently available, as well as to learn the attitude of their constituents before committing themselves with regard to it, an attitude both admirable and proper in a representative form of government.

It appears to us necessary, nevertheless, that the text of the bill be made available for the study and consideration of all the Members of Congress; the 1,200 delegates to the conference; the hundreds of thousands of citizens, members of various organizations, represented through their delegates at that conference; the millions of persons in Southern States who cannot vote because of the requirement which this legislation deals with; and interested persons everywhere in the United States.

Knowing of your firm belief in the principles of democracy and free discussion, we take the liberty of asking that you use your good offices to introduce this bill at our request, so that its text may be made available and that it may be made the basis of further study of this problem during the interim before the next session of Congress.

Accept our heartiest wishes for a long and useful career in the interest of the Nation.

Respectfully yours,

CIVIL RIGHTS COMMITTEE OF THE
SOUTHERN CONFERENCE FOR HUMAN WELFARE.

Mr. Speaker, I think it is unnecessary for me to say that the evils that this bill seeks to rectify, or at least to ameliorate, are evils that concern every citizen of this country. In my home State of California I see with growing concern a daily, almost hourly, increase in unhappiness and unrest, a tide that rises just as rapidly as does the tide of economic distress that always follows when democracy becomes politically top-heavy. In my home State I see the great masses of farm laborers, who have long since lost hope of becoming farm owners, the throngs of migrants who were forced from their homes and turned in vain to a West that always before had welcomed newcomers. And I see that the citizen's loss of his dignity as a citizen is a result and a cause of economic distress that in some ways is more frightening than the distress itself. As a recent writer has said, "The American citizen must not become lost in the crowd." The vigor of our Nation depends upon the self-respect of its individual citizens.

OF NATIONAL CONCERN

Thus I say that whatever touches this matter touches me as an American, regardless of State or region. The poll tax is not a new evil. In the words of Mr. Barry Bingham, the publisher of the Louisville (Ky.) Courier-Journal, "Its history is a long and turbulent one." We need not go back to the days when Roman emperors levied the tax on conquered peoples and made it the badge of servility, nor to note with Mr. Bingham that the tax "was clapped on the American colonists by their English masters in the days before our own Revolution." Let us follow Mr. Bingham briefly on the more recent history of this iniquitous levy:

Despite its shady history the poll tax hangs on today in 34 of our American States, but it is slight in amount and very sketchily collected in most of those States. Only in 8 States, all in the South, is the payment of the poll tax made a requirement for voting, and there lies the core of viciousness that is capable of producing another Wat Tyler among the submerged classes of our region.

The laws requiring payment of a poll tax as a prerequisite to voting stem from the 1890's and the early 1900's. * * * The nineties * * * were marked by the rise of the Populist movement that once loomed rather large on our political horizon. In 1892, it will be remembered, the Populist candidate for President carried five States and gave the Democratic Party a run for its life in Georgia and Alabama. William Jennings Bryan also emerged in that era as a leader of the underprivileged classes. Isn't it possible that certain members of the entrenched ruling class of the South became apprehensive of the growth of a people's party in the South which might unite the interests of the poor whites and the Negroes? Wasn't it a fear of "radicalism" among the sharecroppers and lower-class whites that may at least be partly responsible for poll-tax legislation at the turn of the century, riding into Troy in the wooden horse of protection for white supremacy?

Let us look, too, with Mr. Bingham at some of the results of this disfranchisement that he has found:

It is estimated that as many as 64 percent of the white adult voters have been disfranchised in the poll-tax States, and in every one of those States more whites than Negroes are barred from the ballot box by the tax. Let me give you the figures for the percentage of adult citizens who voted in each of the poll-tax-suffrage States in 1936, the year of a Presidential election: Alabama, 20.4 percent; Arkansas, 18.5; Florida, 37.8; Georgia, 19.6; Mississippi, 16.2; South Carolina, 14.1; Tennessee, 33.5; Texas, 26.2; and Virginia, 25.7. That works out to an average of 24.1, the worst voting record shown anywhere in the world under even a pretense of a democratic system of suffrage. Even in Mexico twice as many people cast their ballots as the 24 percent who vote in our poll-tax-ridden group of States.

Discussing the same point, Mr. Virginius Dabney, the editor of the Richmond (Va.) Times-Dispatch, says—

This is partly to be accounted for, of course, by the fact that there is a comparative lack of competition from the Republicans of the South—

But that the poll tax—

bears a large share of the responsibility.

Evidence is obtainable—

He continues—

through a comparison of the number of voters in Virginia, which has a poll tax, with the number in North Carolina, which repealed its tax 18 years ago. In 1936 the number of Virginians who voted for the various Presidential candidates was 334,000, whereas no fewer than 839,000 North Carolinians participated in the same election. The population of the Old North State is not much larger than that of the Old Dominion, and conditions in the two Commonwealths are similar. But the number of voters is always vastly greater in the former State than in the latter.

The terrible consequences upon civic virtue, upon the dignity of the citizen, and upon our economy that flow from this tax are well known. There are few citizens who will deny them. Even in the pages of our popular magazines can be found testimonials of these evils. To illustrate: An article in a recent issue of Liberty magazine, entitled "Crime in Hot Springs," describes some of the specific evils that flow from the conditions I have just related:

POLL TAX AND PROTECTED CRIME

In the resort city of Hot Springs * * * men of evil found a new use for this discredited institution. They used the poll tax not to decrease the number of voters but to increase it—provided, of course, that the voters who had their poll taxes paid for them would vote the right way. * * *

This brazen state of things, set forth in shocking detail in the transcript of the proceedings of the legislative investigating committee which probed into Hot Springs affairs in February, 1937, exemplifies the almost insuperable difficulties which confronted J. Edgar Hoover and his men in their fight to make Hot Springs, Ark., a safe place for an honest man to live in and an unsafe place for a dishonest man to hide in.

The testimony disclosed the manner in which votes were cast through the purchase of poll-tax receipts by certain high public officials, and the pressure which Mayor Leo McLaughlin brought to bear on city employees to compel them to vote for the incumbent officials.

For example, a certain citizen of Hot Springs testified that he had been present at a political meeting attended by Hot Springs

police officers, firemen, and a selected group of citizens friendly to the machine, and that after Judge Ledgerwood of the municipal court opened the meeting Mayor McLaughlin stated that he expected 10 votes from every person present and advised them to get out and get poll taxes for 10 voters, but that if they could not do this themselves, then perhaps arrangements could be made to get the poll taxes.

This man also testified that one of the employees was asked if he had his poll taxes, and he answered, "No. I will get my own poll tax and vote for who I please." To this Mayor McLaughlin replied:

"Now there is a man who can vote for whom he pleases, but after this election we are going to know how he voted and there will be some man to take his place. Now that applies to the drug stores and other business. The man that don't cooperate with the administration and vote right—that is, don't vote right for his boss—he will be boycotted in business. Get those poll taxes—down at the office you will find a slip there authorizing poll taxes for you. And I want those filled out. * * * I want you to bring them up so I can turn to them at any time and see just what we need.

"They had those pink slips and were handing them out on every corner," concluded the witness.

Now, what is the justification for my belief that the particular bill I have introduced will help to break the grip of this tax upon the people of the South? In the first place, State action alone cannot be relied upon, although it is safe to say that the great majority of the people in every poll-tax State would be glad to rid themselves of that incubus. The reason, of course, that they are unable to throw it off themselves, is that those who profit from continuance of the tax will continue to deny these voteless citizens the ballot which alone could right their wrongs.

The poll-tax constitutions of many of these States were imposed upon an unwilling populace. The corrupt and fraudulent means used in adoption of these constitutions is notorious. In Mississippi and Virginia, the constitutions were adopted by proclamation and were never submitted to the voters for ratification. Is there reason to believe that the disfranchised now would be successful in nullifying what they were unable to prevent?

Vigorous battle for repeal of the poll-tax enactments by State action has gone on for many years. Recently, Florida and Louisiana have been able, through legislative action, to rid themselves of the yoke. An effort to amend the Arkansas constitution failed, and the Alabama Legislature refused to submit an amendment to the people of that State. There appears little hope for great additional progress through State action.

The obstacles in many States are virtually insuperable. Oligarchic rule, self-perpetuating because of the poll tax, will block change in most States. In Virginia and Tennessee amendment of the State constitutions requires passage of a submission resolution by two consecutive regular sessions of the State legislature and ratification by a majority of the qualified electors.

If it be granted then that Federal action in these premises is necessary, what is the reason for this special kind of action? A principal argument is that this bill has the wholehearted support of great masses of the southern people, many of whom would rebel at more drastic Federal intervention. The difficulty of enactment of such bills as the antilynching bill of last year illustrates the perennial obstacle to attempts to deal too generally with such problems.

Such a bill as this that I have offered constitutes a much less drastic approach because its operation is limited to Federal elections only. I feel sure that this will render the bill the most acceptable, the measure that offers the best prospect of early relief from this tax, that has yet been seriously proposed. It offers no real basis for attack from devotees of States' rights nor does it lay itself open to serious attack by partisans who seek to raise extraneous issues.

A BLOW FOR DEMOCRACY

Mr. Speaker, I have introduced this bill at this time in order that the fullest possible discussion of its objectives and form may be had prior to the convening of the next session of this Congress. This subject is too important to be passed upon without such discussion. Involved here is every man's conception of democracy and the nature of representative government. We have just witnessed the workings of half-representative government in the closing hours of this session of Congress. It is not a record of which we can be proud; it is a record that has been adequately summed up by a southerner, the Honorable CLAUDE PEPPER, Member of the United States Senate from Florida:

I am unwilling to let this session of the Congress end without lifting my voice to decry the unrighteous partnership of those who have been willing to scuttle the American Government and the American people and jeopardize the peace of the world because they hate Roosevelt and what Roosevelt stands for. * * *

I accuse that designing alliance of a deliberate attempt to sabotage the first real effort ever made in this Nation to secure for the workers of America industrial democracy and economic emancipation.

I accuse them of having prostituted their power to serve the United States Chamber of Commerce, the Manufacturers' Association, and the beneficiaries of special privilege, who hate in their hearts the man who has tried to lighten the burden of toil on the back of labor.

I accuse this premeditated alliance of crucifying the lending program. * * *

I accuse this pharisaical alliance of hypocritical lip service to the cause of constitutional government. * * *

I shall fight the spirit of that combination because I am a southerner, and because what they stand for hurts the South I love. I charge that they would rather turn the efforts of the Government to the aid of the organized money power of the Nation than to make it possible for the people of my State and the South, where I was born, to get an education, to be healthy, and to make a living like honorable men.

Mr. Speaker, if we are to block such alliances as this, if we are to escape in the future such disasters as those that have overtaken efforts of government to meet the people's needs as we witnessed in this session of Congress, then we must act at once. We must see to it that the seats of power in our Government are not the property of an oligarchy; we must see to it that the people rule, not in the spoutings of Fourth of July orators but in fact. I believe this bill forbidding the imposition of the poll tax in Federal elections is a long step toward that end.

Weekly News Comments on General Legislation, Seventy-sixth Congress, First Session

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EXTENSION OF REMARKS

OF

HON. FRANK B. KEEFE

OF WISCONSIN

IN THE HOUSE OF REPRESENTATIVES

Saturday, August 5, 1939

Mr. KEEFE. Mr. Speaker, each week during the recent session of Congress I expressed my views on current matters of legislation and mailed the same to each newspaper in my district for publication. Most of the newspapers published these weekly letters, and as a result a large proportion of the people whom I represent were apprised of my views. Because one section of my district was denied this opportunity I feel compelled to make this report in order that those people may know of the attitude of their Representative in Congress. Space will not permit a full and comprehensive statement, and for that reason I am restricting the same to a few subjects discussed in my weekly news letters. It will be kept in mind that these letters were written each week for 28 weeks.

AGRICULTURE

I am in receipt of many letters from farmers throughout the district asking for assistance and relief from the intolerable conditions that the Wisconsin dairy farmer is confronted with today. Numerous farmers representing organizations in Wisconsin have been in Washington for some time trying to work out a program in the interests of the dairy farmer. I am fearful that an attempt is being made to make political capital out of this question, when, as a matter of fact, it should be viewed as a highly nonpartisan question to be solved in the interests of all dairy farmers regardless of any party politics. A great deal of misinformation seems to be circulating in reference to this situation. Under the present A. A. A. cotton, wheat, corn, tobacco, and rice are specifically named as basic commodities; and under the provisions of the law those

farmers who agreed to conform to the restrictions, rules, and regulations of the Department of Agriculture are entitled to share in so-called parity payments to be paid directly out of the United States Treasury, and under an appropriation made last year some $212,000,000 will be paid this year to the farmers who came under the A. A. A. plan in the production of cotton, wheat, corn, tobacco, and rice. Milk is not named in the present law as a basic commodity, consequently there is not a single dollar of this $212,000,000 appropriated by the last Congress that will go for the benefit of any dairy farmer. Realizing the apparent injustice to the dairy farmer in this situation certain groups have been urging upon Congress that milk be included in the A. A. A. as a basic commodity and that the milk producers share in parity payments. Bills proposing this amendment to the A. A. A. will be presented to the Congress at this session, but whether the same will pass I am unable at this time to prophesy. At least I think it is safe to say that the Wisconsin dairy farmer can expect no relief as a result of parity payments in the present fiscal year due to the fact that any appropriations for this purpose which might be made will only be effective in the next fiscal year. A further proposal has been presented as an amendment to the agricultural appropriation bill in the Senate calling for an additional appropriation of $150,000,000 for the Surplus Commodities Corporation to use in the purchase of surplus agricultural commodities. This amount was reduced by action of the Senate yesterday to $103,000,000. Not more than 25 percent of this sum can be used for the purchase of surplus commodities of any one product, so that the dairy industry throughout the country could not expect to receive benefits through the purchase of surplus dairy products in excess of over $25,000,000. In view of the fact that Wisconsin produces about 10 percent of all the dairy products of the Nation, Wisconsin therefore could expect to see approximately two and one-half million dollars expended in the purchase of surplus dairy products from Wisconsin. It should be perfectly obvious to every farmer that this sum of money will not be sufficient to give any great substantial aid to the farmer, because he will be selling dairy products to the Surplus Commodities Corporation at a price less than cost of production.

The Senate bill, as passed yesterday, provides $225,000,000 for parity payments for next year, but unless the Congress amends the A. A. A. so as to designate milk as a basic commodity, the dairy farmer won't share in this distribution. It should be perfectly obvious to any thinking person that such a program does not permanently solve the agricultural problem of this country and, if continued along with all the other governmental subsidies, will constitute such a drain upon the Public Treasury that no nation can expect to survive it. All of the farmers that I have talked with agree that at best the present proposals are a mere temporary palliative and hold out nothing that even approaches a permanent solution of the farmers' problem. But they insist, and I believe quite properly so, that if the Government is to continue to subsidize the cotton, wheat, corn, tobacco, and rice farmers by making direct payments to them out of the Federal Treasury, that the Wisconsin dairy farmer is certainly entitled to receive his share. Like almost every other problem here at Washington, the agricultural problem appears to be further away from solution than when the present heads of the Department of Agriculture started to regiment the American farmer under the A. A. A. Over $2,000,000,000 have been spent to help the farmer through the guise of soil-conservation checks, subsidy and parity payments of one kind or another, with the apparent net result that the farmers generally are worse off today than they ever were. I am convinced that the farmer is entitled to cost of production for the products which he raises or he will ultimately go bankrupt and be compelled to exist as a result of doles in the form of subsidies or parity payments or soil-conservation checks out of the Public Treasury. It is perfectly obvious that the latter program cannot go on indefinitely. We are continuing our fight to try to get legislation through the Congress that will insure cost of production to the farmer for his products without the necessity of continual regimentation under the A. A. A. and without the necessity of doles out of the Public Treasury. The principal objection to the cost-of-production program which passed the Senate Agricultural Committee unanimously comes from the Department of State and the President, who feel that if such a program were to be enacted into law it would interfere with the reciprocal trade agreement program of the State Department, because under the cost-of-production plan foreign importations of competitive agricultural commodities would have to cease and the American market for competitive agricultural commodities would be given exclusively to the American farmer. This administration does not want this and has successfully blocked the cost-of-production bill in the House Agricultural Committee. I want the people of the Sixth Congressional District to know that every Member of the Wisconsin delegation in both Houses of Congress is working diligently to try to insure a program for agriculture that will restore prosperity to the farmer, but in the present Congress the so-called cotton bloc as represented by the Democratic South is still so powerful that it is able to block our efforts and yet continue to receive huge sums out of the Public Treasury for their relief to the exclusion of the dairy farmer.

One of the questions which is being asked more frequently than any other is, What is the Congress and the administration going to do to relieve the intolerable condition of the farmer? As I have repeatedly stated in this column and in public addresses devoted to the subject, I can see no relief in sight for the Wisconsin dairy farmers under the present New Deal agricultural program. As I have repeatedly stated also, the Democratic majority in Congress still is able to control and direct all legislation, and it seems committed to a continuation of the program inaugurated 6 years ago, under which the agricultural population of America have gradually seen their markets destroyed and prices reduced to a point where the purchasing power of the farmer is practically destroyed. Let us briefly analyze what has taken place. The present administration concluded that the low prices of 1932, when the country was at the very depth of the world depression, were occasioned by an overproduction, and so they began a program designed to take land out of production, plowing under cotton and killing off pigs, in the hope that by reducing production, commodity prices would rise. This was the program designated as "economic scarcity." Huge appropriations of money were made to pay the farmers for taking land out of production and at the same time various departments of the Department of Agriculture were attempting to aid the farmer in instructing him how to grow more and bigger crops of less acreage. Being unable to control the elements, Nature responded bountifully and, despite the efforts to reduce production, so-called surpluses continued to mount; and instead of getting better, conditions began to get worse. After taking thousands of thousands of acres of good land out of production, the Government spent hundreds of millions in developing irrigation projects to put arid land into production and to produce more. After curtailing the production of the American farmer, the reciprocal trade agreement program was inaugurated, which had the effect of throwing open the ports of America to the importation of agricultural products from abroad, thus further clogging an already glutted market with agricultural products. All this time one experiment after another was set in motion, all involving the appropriation of huge sums of money out of the Public Treasury, but none of the programs seemed to take cognizance of the fact that with 12,000,000 or more people out of work, and living on short pay checks, the real reason for the accumulation of the so-called surplus was because the consuming people of America hadn't any money to buy products of the farm. It seems, therefore, fair to appraise the results. The Federal Bureau of Agricultural Economics definitely reports that during the 6-year period from 1933 to 1938, inclusive, the average annual gross farm income was $8,278,000,000, exclusive of Government subsidies. The comparable figure for the previous 6-year period from 1927 to 1932 indicates that the average annual gross farm income was $10,223,000,000. These figures, released by the Department of Agriculture, clearly disclose that the farm population of America received $1,945,000,000 less each year in the years from 1933 to 1938, inclusive, than they did in the 6-year period from 1927 to 1932, inclusive.

Assuming that there are substantially 7,000,000 farm families in the United States this means that, on the average, each American farm family, even after receiving its proportionate share of $2,287,000,000 of farm subsidies, received approximately $223 less gross income each year, than they received in the years from 1927 to 1933, without farm subsidies. Viewing the situation as a whole, the statistics of the Department of Agriculture indicate that they received $9,384,000,000 less in gross farm income from 1933 to 1938, inclusive, than they did in the previous 6-year period. To me, the proof of the pudding is in the eating, and these simple, cold statistics tell the story. After all the experimentation, all the alleged planning, all the efforts at regimentation, after all the payment of subsidies, and all the honeyed promises, the record conclusively shows that the American farmer has suffered a tremendous loss of income that is gradually paralyzing the industry and still, not one single acknowledgment of mistake has come from the Department of Agriculture. The present agricultural bill again proposes to carry on the same program, and while it may afford some little relief temporary in character, the amount received by the American farmer through so-called soil-conservation checks, or so-called parity payments, will in no way counterbalance the loss of the farmers' gross annual income. I am asked: "What do you intend to do about it?" We Republicans and many Democrats, realizing the futility of continuing the present program, as a long-range attempt to help agriculture, have demanded the enactment of legislation that would insure at least cost of production to the farmer. We have demanded the curtailment of the iniquitous reciprocal-trade agreements that have subjected the American farmer to competition of cheap foreign-produced competitive agricultural products. We have insisted upon the stimulation of the farm chemurgic program which is designed to aid in the new uses of farm commodities in industrial pursuits. We have insisted upon giving to the American farmer the domestic market. We have insisted that milk be designated as a basic commodity, and that legislation be enacted to protect the price. We have demanded legislation to curtail the monopolistic influences that control the market for cheese and butter and milk products. Suitable legislation involving these plans are pending before the committees of Congress, but due to the control of the administration over the Congress and its committees, none of them have been reported out of the committees to the House for consideration. I confess to my constituents that the whole agricultural program is so involved that even the best thought in Congress seems to be unable to prophesy what the future of agriculture is going to be. One thing is certain, however, that there will never be any sustained prosperity until labor and agriculture are assured of an income that will enable them to purchase the goods and products produced by each other, and when the worker in the city is out of a

job, or working for small pay, farm prices drop, alleged surpluses accumulate, and our whole economy gets out of joint. I would be very happy to hear from my constituents with suggestions that would be helpful in the solution of this very vital and important question.

BUSINESS

The President in a recent communication to the Monopoly Investigating Committee of the Senate expresses his concern over the fact that idle capital still continues to pile up in the banks of the Nation, and he suggested to the committee that it undertake further investigation as to the cause of this apparent unwillingness of people to invest their funds. It would seem, in view of the almost unanimous opinion of businessmen in all parts of the country, repeatedly expressed in the press and in communications to the Congress, that the major answer to this question ought to be known without any very great, extended investigation. The answer lies in the fact that the great majority of the people of this country are afraid to make investments because they do not know from day to day what the next attack of the Government is going to be on business of all kinds. People who have money to invest in large or small amounts are hesitant about investing and seem to be satisfied to deposit their money in the banks for safekeeping rather than to loan it out or invest in new or even established enterprises. The constantly mounting tax burden that threatens to practically confiscate the earnings of business is an absolute deterrent to new investment. People who have funds to invest seem unwilling to gamble against the constant experiments of the Government and are content to put their investments into low-interest paying Government bonds or leave it in banks where it receives but a small interest return. The investing public in America apparently are unwilling to tie up their money in new factories, extensions of old factories, improvements and equipment when they have no definite knowledge from day to day but that any investment so made will either be lost in the operations of business or be swallowed up by the tax collector. The whole problem seems to involve a lack of confidence which cannot be restored by glib promises and smooth talk. The confidence of the people of America can only be returned when the Government demonstrates definitely and positively that it intends to give business a fair chance to survive and to make a just and reasonable return on invested capital. Hundreds of businessmen have written me, showing concrete evidences of the tremendous difficulties with which they are confronted in trying to carry on a legitimate business and meet an honest pay roll. In almost any business it takes the time of one or more skilled men to be able to keep up with the maze and mass of governmental reports, regulations, and orders that are being issued from day to day by various departments here at Washington, and because the conduct and operation of business is so precarious in this day and age new capital is loath to come out of hiding and take a chance in what appears to be an unequal and uneven battle. Take, for example, the canning industry in Wisconsin, which directly affects the welfare of the farmer.

Canning factories are located throughout the entire State, taking care of the products of the farm, and rules and regulations have been issued by the Government that have so adversely affected this business that many of the plants have closed up, and I am advised that many more are on the verge of going out of business entirely, due to their inability to operate without constantly mounting losses being incurred from year to year. Under present regulations as issued by the wage and hour administration, a canning factory located in a town of not more than 2,500 population is not subject to the Wage and Hour Act for a period, all told, of 14 weeks during the year, provided their products are derived from an area not exceeding 10 miles from the plant. An exactly similar canning factory located in a city of over 2,500 population is subject to the wages and hours law. It does not take a skilled economist under such circumstances to determine that the factory which is compelled to comply with the wages and hours law, cannot sell its product, due to the increased cost in competition with the factory that is not subject to the act. Efforts are being made to try to wipe out this and other very apparent injustices in the administration of the law, but the administration seems to find it exceedingly difficult to recognize such inequalities and to justify amendments that will clear up such injustices. Dozens of such very rank inequalities may be found in the administration of this law as they affect many businesses, and with it all, the net result is that the farmer who wants to sell his cash crop to the canning factory, will suffer along with the owners of the plant as a result of cessation of operations. Other situations might be pointed out to show the injustices that are rampant in the New Deal attitude toward all business. Take the fur farmer for an example: This business has grown to large proportions in the State of Wisconsin and millions of dollars have been invested in fur farms, principally in the production of fox fur. Before the enactment of the recent reciprocal-trade agreements the fur farmer enjoyed a reasonable protection from the unreasonable competition of cheaply produced furs imported from foreign countries. Under the recent Canadian reciprocal-trade agreement this protection was reduced with the net result that this industry is threatened with destruction due to their inability to pay American wages to their employees and to maintain American standards in the conduct of their business, and be able to sell their product at a price that will net any return to the owners. We have tried to impress upon the State Department the necessity for correcting this situation, but have been met with a very cool response and a refusal to do anything about it. To me, the situation sums itself up simply to this: The present New Deal administration is definitely and positively international minded, and under its "good neighbor" policy is thinking in terms of Nicaragua, Argentina, Brazil, and other foreign countries more than it is in terms of Wisconsin, Minnesota, Illinois, Michigan, and other States of these United States. I am unable to see how it can be expected that the millions unemployed can be put back to work, how agriculture can be restored to prosperity, and how American industry can be revived, when the administration constantly places a tremendous premium on thrift and industry, and constantly encourages the importation of foreign goods and competitive agricultural products, to take the place of those produced here at home.

OLD-AGE PENSIONS

For 5 years the Nation has been intensively discussing the problems of old age and the necessity for making adequate provisions for the payment of old-age pensions. Out of this welter of discussion there has crystallized an overwhelming sentiment throughout the Nation which clearly recognizes the existence of the problem and the necessity of legislation to aid in its solution. It is exceedingly difficult to find a person today who does not admit and concede that it is a fundamental duty of the Government to make provision for the care of the aged in such a manner as will tend to relieve them from the constant specter of want and despair in their declining years. Two schools of thought have developed. One school adheres to the so-called social-security plan, involving the matching of State funds by Federal grants and supported by a system of pay-roll taxes. The other school demands an outright Federal old-age pension plan, under which livable annuities will be paid to the aged direct from the Federal Government, the cost to be financed by the imposition of taxes on a pay-as-you-go basis. Many plans involving the latter consideration have been advocated, the most prominent among them being the so-called Townsend plan, which has crystallized in a bill submitted to the Congress by the Ways and Means Committee of the House. Nearly 5 months of hearings were held by this committee on this subject in response to the demands of the millions of thoughtful citizens of America, and while the Townsend plan has been heralded as pretending to pay annunities of $200 per month, the sober judgment of Members of Congress and the men and women of America dictates the utter impossibility of such a program ever being enacted into law. What the proponents of this plan really demand is an adequate, decent, old-age pension plan to be financed on a pay-as-you-go basis. and the hope of millions of citizens of America was and is that out of the hearings on the Townsend plan such a program would be evolved and be submitted in the form of legislation to the Congress. Instead of doing this, however, the Ways and Means Committee, apparently determined to make the issue a political football and instead of responding to the petitions of the citizens of America, who asked for the passage of a Federal old-age pension plan based on soundness and common sense, they saw fit to report to the House a bill without recommendation, sponsored by the Townsend groups, which bill is admittedly imperfect and which does not in all of its particulars, measure up to what the members of the Townsend organization themselves expect or want. The bill was brought to the House under a rule which prohibited any amendments or any change, with the one hope and expectation on the part of the committee that it would be voted down and be temporarily forgotten. Those of us in Congress who are desirous of seeing a Federal old-age pension plan written into law have demanded of this committee that it prepare and submit to Congress a bill embodying sound and sane provisions that will provide adequate annuities for the aged of America.

Because the Ways and Means Committee has refused to perform its function and its duty in this regard, in the preparation and presentation of an alternative bill, I have felt constrained to vote for the proposal submitted in the hope that when this bill reaches the Senate of the United States that further discussion and clarification and amendment could be had, so that out of all the discussion there would come a sane, sensible, decent, and livable old-age pension plan that would meet the demands and desires of the great mass of the people of America who have petitioned the Congress for relief on this subject. I, as one Member of Congress, refuse to permit the misery of the aged to become a political football to be used for partisan advantage; and because of the manner in which this bill was submitted to the House, and because of the refusal of the Ways and Means Committee to make any recommendation, and because of their refusal to even try to write a sound piece of legislation on this subject, I will vote for the present bill, with full knowledge that while it is imperfect, and is not the bill that I would like to see enacted into law, I know that before it leaves the Senate, if it is passed in the House, it will be reconstructed so as to meet the demands of sensible, thoughtful people throughout the land. There is no other plan that will be submitted to this Congress, and if the issue is to be kept alive and any opportunity afforded for an ultimate vote on a sound program, sound judgment dictates that the bill be passed in the House and messaged to the Senate, where an opportunity will be afforded to reconstruct the program and wipe out the imperfections which even the Townsend supporters admit are contained in the present bill. The Ways and Means Committee have

indicated that they propose to offer some amendments to the Social Security Act enlarging its scope and providing some slight additional benefits to the aged. It is my judgment that the old people of this country will receive no adequate relief under this proposed program, and that the burdens placed upon industry under it will continue as in the past, and instead of solving the problem and meeting it head-on in this Congress we will only be temporarily sidetracking the issue and intensifying the demand which will surely come in succeeding Congresses until the representatives of the people finally write a Federal old-age law that will be responsive to the needs of the aged people of this country. I have always advocated, and still maintain, that the aged people are entitled to relief now, and that the issue should not be stalled along, year after year, because it cannot be stifled by ridicule or silenced. The present Congress, dominated and controlled by New Deal spokesmen, committed to the continuation of the social-security pay-roll-tax plan, does not intend to write an adequate Federal old-age pension law, and I cast my vote in protest against this attitude, in the hope that sometime a Congress will come into being that has the courage to deal with and to solve this great national problem.

NEUTRALITY

One of the most important questions confronting the present Congress involves the attitude that this Government will maintain in the matter of neutrality. There appears to be a very definite propaganda agency at work which has for its purpose the involvement of the United States into foreign commitments and alliances that may ultimately lead us, as we were led in 1916 and 1917, into a world war. The tremendous amount of anti-Hitler propaganda that is being heaped upon the Members of Congress and citizens of this country generally has for its purpose the definite involvement of this Government in the purely domestic affairs of European countries. The sponsors of this propaganda are seeking to extend the discretionary powers of the President to involve us in foreign entanglements, and I am fearful, if this power is extended and our position of neutrality is broken down, that we will be called upon to defend that position just as we were in the World War, and the hysteria developed will definitely lead us to take sides and send munitions and troops abroad again under the plea that we must again "make the world safe for democracy." I want the people of my district to know that I am definitely opposed to granting any further discretionary powers to the President, and am definitely opposed to the abandonment of our position of strict neutrality. I believe that the safest and best position for this Nation to assume is one of strict isolation from the domestic affairs of the nations of Europe or the Orient. I am opposed to any secret or other entanglements or commitments that will force us to call our best young men to the colors again and to cause the immeasurable loss of life and property incident to our involvement in European wars. I believe that the Monroe Doctrine should continue to be the keystone of our international policy and that we should defend, with all of our power and might, the integrity of the Western Hemisphere and our own territorial possessions, but that we should keep our fingers out of the purely domestic affairs that are involving European nations.

I have voted already for huge appropriations for national defense, but in so doing I had no thought or expectation that either the military, naval, or aeronautical branches of the service should ever be used imperialistically in either Asiatic or European wars. I am further of the opinion that the greatest threat to our democracy lies in our failure to give relief to the farmer, to the unemployed, and to the aged; and I am further of the opinion that the present Congress has utterly failed, up to date, to take the necessary steps and enact the necessary legislation looking toward the solution of these problems. Not a single bill of substantive character has been permitted to come before the Congress, and all of the proposed legislation in aid of agriculture, old-age assistance, labor relations, etc., still lies locked up in the committees. The only thing that the present Congress has done to date is to appropriate huge sums of money to carry on the monumental departments of government and to continue the system of subsidies and doles that have brought our Nation to the brink of national bankruptcy and inflation. Congress is considering today the agricultural appropriation bill involving $1,155,000,000—an incomprehensible sum. In this bill there is not one single item that benefits the dairy farmer of Wisconsin, except the appropriation for soil-conservation projects. Two hundred and fifty million dollars in this bill are designed for the relief of cotton, corn, wheat, rice, and tobacco farmers through alleged parity payments; and the cotton bloc in Congress, representing the Southern States, who are very powerful, are proposing $500,000,000 for this purpose. The attitude seems to be to keep on spending money, with no program that will solve the cause of the plight that the farmer in America finds himself in; and, protest as we will, our position is voted down constantly by the so-called cotton bloc in this Congress. No one can foresee or prophesy where the money is to come from to pay these huge expenditures, as the Congress does not have courage to levy taxes sufficient to meet any small part of these appropriations, but the Government continues to borrow and borrow with a continuation of the increase in our already undreamed-of national debt. Despite all signs to the contrary, any thought of economy in Government has been cast to the winds. I will be very happy to hear from my constituents as to their attitude on these very important questions.

WORKS PROGRESS ADMINISTRATION

Petitions continue to come from W. P. A. workers demanding repeal or modification of the wage and hour provisions of the new W. P. A. law.

Immediately following the wave of protest, Congressman SABATH, of Illinois, Senator MURRAY, and some other Senators introduced bills responsive to the demands of the Workers Alliance. They introduced these bills under pressure and on the assumption that the wage and hour provisions of the W. P. A. Act were written by so-called "reactionary" Republicans and "reactionary" Democrats. It has been a great source of chagrin and embarrassment, however, for these ardent administration supporters to find that the President himself is standing squarely by the law, which, it is now conceded, was not written by "reactionary" Republicans and "reactionary" Democrats, but was in effect the wish of the President and his Administrator, Colonel Harrington. As a result the proponents of the proposed legislation have used a variety of excuses and reasons why they are not pressing for enactment of same at this session of the Congress.

As I have repeatedly stated, the Congress accepted the recommendation of the President and Colonel Harrington as to the amount of money necessary to carry on W. P. A. activities and to provide work relief, and the appropriation bill as passed gave to W. P. A. every dollar that was requested. The charge, therefore, that "reactionary" Republicans and "reactionary" Democrats are responsible for the protests of the Workers Alliance has been completely wiped out. The W. P. A. law, as written by Congress, is elastic enough in its provisions to permit the Administrator by regulations to provide for an adequate security wage, and I have maintained that to arbitrarily fix a wage applicable to all workers without regard to necessity or dependence is absolutely wrong. I have further contended that in the determination of the security wage the Administrator should take into consideration the circumstances and family conditions of the worker. This I believe to be a sound proposal, because the whole theory of W. P. A. is to provide relief, and it is assumed that it is temporary in character. It is hoped by all people, regardless of party affiliation, that encouragement can be given to private industry, that has been "hamstrung" for so long, so that jobs may be provided in private industry for a large portion of those now compelled to seek work relief on W. P. A.

I am advised that the Administrator and his advisors are attempting to work out a program that will give some consideration to need in fixing the new schedule of W. P. A. wages.

The Congress very definitely served notice upon the administration, through the overwhelming vote given the Hatch bill, that it will no longer tolerate politics in relief, and, despite the fact that administration forces in the House sought to defeat the purpose of the Hatch bill, the final vote was overwhelmingly in favor of this legislation, which has for its purpose making it a felony for any public officer except those exempt from its provisions to engage in political activities and to use his official capacity to threaten or coerce W. P. A. workers or others into voting against their honest convictions.

The House of Representatives, in the last 2 weeks, has evidenced a remarkable independence of thought and action, and there is a growing sentiment that the time is here for Congress to assert its constitutional rights and prerogatives and to legislate in accordance with its judgment, free from the lash and whip of the President. To me this is a hopeful sign, and it will result in much better legislation.

RECOVERY

It becomes increasingly clear as a result of many contacts with Members of the House and Senate that conditions throughout the country are showing very little, if any, improvement. Unemployment still continues, farm prices are going down, businessmen are shackled and worried, capital continues to be locked up, afraid of investment, and the "more abundant life" that we have been promised repeatedly still appears to be "just around the corner." It is indeed a peculiar situation in America that we appear to have surpluses of everything except a surplus of common sense in dealing with our domestic problems. It is no doubt a fact that we have surpluses of agricultural products and tremendous surpluses of labor available for productive work in the creation of new wealth. We have a tremendous surplus of capital awaiting investment and in a country peopled by ambitious and creative men and women we certainly have a tremendous reservoir of creative enterprise that has been locked up as a result of the constant interference of the Government under its various plans of regimentation and the continued uncertainties that exist in the minds of all classes of people as to what the next experiment of Government is to be. Nature has provided us with unlimited resources and we have a tremendous demand for the utilization and distribution of these resources into the hands of the people, and yet we are apparently so stupid that we appear to be unable to utilize the marvelous potentialities of wealth, labor, and money that we have in the interests of all the people. The longer I am here in Washington the more I am convinced that the powers that be are either purposely and stubbornly or ignorantly refusing to deal with the fundamental problems that have given rise to the terrific maladjustment of our economic system that has resulted in want and misery in the midst of plenty.

The mouthpieces of the New Deal administration continue to heckle the Republican minority by repeatedly stating that we have no program. The fact of the matter is that legislation has been written and presented to the Congress by the Republican minority that we believe would tend to solve the fundamental problems affecting our national economy, such measures being bills to provide cost of production for the farmer, repeal of certain reciprocal-trade agreements, repeal of undistributed-profits taxes, amendments to the Wage and Hour Act, provisions for old-age pensions, amendments to the National Labor Relations Act, and a host of other fundamental laws that we believe would reestablish confidence throughout the land and put idle men and idle capital back to work. We believe that the enactment of legislation proposed by the Republican minority would result in the destruction of the monopolistic influences that have grown up under the New Deal that have permitted monopoly to strangle distribution of wealth throughout the land. What has become of this proposed legislation? The answer is that these bills still lie locked up in the committees that are controlled by the New Deal organization and no legislation affecting the substantive law of the land has been permitted to come before the House from the New Deal controlled committees.

The administration, in complete control of the Congress, still continues to borrow and borrow, and spend, at a rate that indicates that the present Congress will be the greatest spending group that has ever convened, and all we Republican Members of Congress can do is to voice our protest and to offer constructive suggestions whenever possible in the hope and expectation that the people of the land will ultimately realize that we cannot continue the course adopted by the New Deal. The recent pronouncement of the President demanding that the Navy Department purchase Argentine beef instead of an American-produced product, because it is cheaper, and as he said "infinitely better" indicates the present international-mindedness of the New Deal, and we certainly can never expect to have prosperity for the workers and farmers in America when they are ruthlessly subjected to the competition of cheap foreign labor through the constant extension of the so-called "good neighbor" reciprocal-trade agreements. If we are to maintain wages and hours and living standards for Americans, such as we have been accustomed to, and want, we can only do it by buying and using and consuming the products of the American farm and the American factory, instead of constantly catering to foreigners. These are indeed times that call for the sober and collected thought of all of the American people and the welfare of the industrial and farm population of this country is very definitely at stake. I shall continue, as I have in the past, to support these measures that I honestly conceive to be in the interests of the people of America, and I shall oppose, as vigorously as possible, making this country the dumping ground of cheap foreign-produced competitive products, or breaking down the present immigration laws so as to permit the entrance into America of cheap labor from abroad. The attitude of the present New Deal Congress toward continuing to spend public money in the face of an ever-mounting deficit, was exemplified yesterday in the Congress when, without record vote, legislation was passed providing $1,500,000 per year additional clerk hire for Members of Congress. To me, this is another evidence of the complete and utter disregard of the present New Deal controlled Congress to reduce public expenditures, and in the face of millions out of work, agriculture paralyzed, and business in the country depressed, the present New Deal Congress, despite all opposition, and unmindful apparently that a day of reckoning is going to come, continues to add to the tax burden of an already over-burdened people. I intend to vote to stop this profligate spending as I know of no way that taxes can be reduced and the confidence of the public in their Government reestablished unless we, as the people's representatives, indicate a desire to cut taxes and translate that attitude into a reality by actually stopping wasteful, extravagant, and unnecessary appropriations of public money.

Recovery? Every year, for the 6 years the New Deal has been at the head of the Government, recovery has been the main topic. It has always been just around the corner. Despite "recovery" we have 11,000,000 unemployed, a record peak in relief expenditures. In 1933 the cost of Government was $3,000,000,000—now it is $9,000,000,000, yet taxes have jumped from $2,000,000,000 in 1933 to $5,000,000,000 in 1939. To top it all off we have a public debt of $40,000,000,000 and 20,000,000 people on relief. Maybe this is some people's ideas of recovery, but it is not mine.

LENDING AND SPENDING

The appropriating and spending record of the present Congress will put it down in history as the most reckless, profligate Congress in history. Despite all suggestion to the contrary, the only solution offered by the administration for the economic ills of the day is to continue to borrow and spend, with no apparent thought being given as to where the money will ever come from to retire our inconceivable public debt. Our expenditures last year exceeded receipts by $5,600,000,000, and the total increase in the direct debt of the Government plus that of Government corporations was $7,680,000,000. This constitutes the greatest spending spree of all time. However, the next fiscal year promises to be even worse.

In the face of all the huge spending programs already provided for, the Congress is now confronted with the President's new "lend and spend" program, which originally involved $3,800,000,000 more, but which has been reduced by Senate committees to $2,490,000,000. This huge sum is to be added to an already contemplated deficit in the next fiscal year of approximately $6,000,000,000, and will make next year's deficit the greatest of any in the history of the country.

The amount asked by the President in his new proposal is more than three times the entire annual expenditures of the Federal Government in the fiscal year 1916. It amounts to practically half of the entire Government revenues in the fiscal year just closed.

The public have been led to believe that the "lending-spending" program is to be self-liquidating, but I desire to call attention to the fact that while the bill contains language expressing the pious hope that loans to be made under this program shall be self-liquidating, there is absolutely nothing in the law that compels any such safeguard. The proposal, reduced to simple language, would write a blank check out of the Treasury of the United States for the President to spend at liberty and at will as he pleased. Despite all of the legal contraptions attached to the bill, by which the administration tries to make it appear that it does not add to the public debt, the fact remains that all of the bonds proposed to be sold through the Reconstruction Finance Corporation in order to raise this huge sum are guaranteed by the United States Government. In the old days such a proposal would have been designated as a "pork-barrel grab." Although the administration endeavors to justify this bill on the ground that it is a "lending" program, the testimony of Mr. Jesse H. Jones, Federal Loan Administrator, indicates that huge losses will be experienced in its administration. He very definitely conceded and admitted that the Reconstruction Finance Corporation has a tremendous volume of unsound loans and that the Government will experience a terrific loss in the liquidation of loans made under the present careful administration of the Reconstruction Finance Corporation. In his statement to the Senate committee he openly stated that he was ashamed to state how high the percentage of losses would be.

Senator BYRD, of Virginia, claims that if we are to believe the statements of the President that this new spending scheme will neither increase the Federal debt nor increase the Federal tax burden, we are just deluding ourselves. He definitely points out that when the Government borrows money and makes huge loans for untried and impractical projects that will not likely be repaid, the burden will eventually fall on the taxpayer. He and many other Democratic leaders have designated the President's scheme as a "spending orgy, miscalculated as a 'lending program,'" and further states that creating Government corporations to make loans outside the Budget does not evade the public debt, but is a vehicle set-up intended to conceal it.

I have given serious thought and consideration to this program and have concluded that it is just another "pump priming venture" that will afford some temporary stimulation of business activity, but when the money is spent, our debt burden will have been tremendously increased, taxes will be raised, and we will be worse off than we were before. The bill is meeting strenuous opposition both in the Senate and in the House, and I want the people of the Sixth Congressional District to know that I shall oppose this program. It has been repeatedly charged that the whole program, tied with other proposals, is another brazen attempt to buy the voters in the 1940 election.

Numerous small bills, apparently, have the same purpose in mind. I desire to call attention to the proposal adopted by the Senate to pay 8 cents per mile mileage to secretaries traveling on official business to and from Washington. To me this is just another of the administration's proposals to tap the Treasury of the United States and aid in furnishing campaign funds. I am vigorously and definitely opposed to such legislation. I have contended that there is only one way to reduce taxes and Government debt, and that is to stop appropriating and spending the taxpayers' money. I want the people of the Sixth Congressional District to know, however, that despite all the efforts that we may make looking toward economy in government, the administration control over the Congress is still such that the spending spree goes merrily on, and many Members of Congress, apparently, have given up any hope of being able to stop uncontrolled and unnecessary expenditures of public funds until there is a complete change in the personnel of the Congress. The attitude of the taxpayer on this question, I believe, was clearly manifested in a recent poll, conducted by an organization of experts, and where a larger number of interviews than usual were made. The opinion of the majority of those interviewed showed that the American public is more interested in ending Government spending than lowering taxes. Those behind the poll say that it might be assumed that more people would be for lower taxes than for decreased spending, for taxes affect more individuals personally and directly. But, as a matter of fact, the contrary is true, showing evidence that people realize that spending makes taxes and that you must cut spending before you can cut taxes. If the public had direct control, realistic Budget balancing would start right away. Fifty-eight percent said that Government spending should be decreased to increase prosperity, while only 6 percent said that Government spending should be increased. An analysis of the responses to this question revealed a trend showing that as the questioners went down the income scale the percentage wanting an increase in spending went up. Of the 6 percent wanting an increase in spending, the average increased to 9.6 percent among

wage earners and 17.1 percent among the unemployed. Yet, despite this increase, even among those in the lowest income levels, including those on relief, there was a 4-to-1 vote against increased spending; and in the case of the great lower middle class, with incomes between $1,200 and $5,500, the vote was 15 to 1 in opposition. Farmers voted heavily for less spending, with only 1.4 percent saying spend more.

The Record of Congress

EXTENSION OF REMARKS

OF

HON. JOSEPH W. MARTIN, JR.

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Saturday, August 5, 1939

RADIO ADDRESS BY HON. JOSEPH W. MARTIN, JR., OF MASSACHUSETTS

Mr. MARTIN of Massachusetts. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following radio address which I made over the Columbia Broadcasting System on Monday evening, August 14, 1939:

I have been asked to review the record of the first session of the Seventy-sixth Congress, which has just ended, and to discuss the constructive contribution of the Republican Party to that record.

In perspective and from a broad viewpoint it seems to me that the outstanding and significant thing about this session is that it marked the reassertion by the Congress of its time-honored independence in the field of legislation and the reclamation of inherent constitutional rights which were being assumed by bureaucrats.

From this new spirit of independence important consequences flowed. An era of rash and reckless experimentation was definitely ended. A new order was instituted in which legislation no longer was rushed through Congress at the crack of the whip, but was completely considered and determined upon its merits. The Congress made a conscious effort to reflect what it believed was the will of the people and in so doing stiffened its resistance to what it regarded as arbitrary Executive attempts to infringe upon its constitutional rights. The result was the restoration of congressional government by the orderly processes of law.

That was the broad objective of the Republican Party in Congress. That aim has been achieved. Under our form of government, Republicans in Congress vigorously asserted their rights and lived up to their obligations as the minority party. Yet, if there is one thing unmistakably clear in the record, it is that the Republican Party, although the minority party, was never a mere obstructionist party.

In the 1938 campaign the Republican Party promised to check one-man government, stop rubber-stamp legislation, and restore constitutional processes in national administration. When the session got under way it presented a concrete plan for recovery and called upon all Members of the House and Senate, regardless of party, to join in a sincere and earnest effort to guide the country back to economic recovery and to restore our millions of unemployed to jobs in private industry at decent wages.

This constructive program was not formulated out of the thin air, but was rooted in bitter experience and an increasing flow of mail to Congress from all parts of the country complaining of conditions. Factory and shop workers wrote that they were weary and footsore seeking employment. Farmers told how desperate was their plight. Young men and women, unable to get jobs, begged for a chance to make a new start in life.

Such letters as these after 6½ years of costly experimentation by the New Deal served to deepen the conviction of the Republican Party that this Nation could not hope to get out of debt by going more deeply into debt.

The Republican Party also acted on the conviction that democracy could not be saved by giving all of its powers to a chief executive.

It acted on the conviction that we could not preserve our essential liberties by handing them over to a little self-appointed board of bureaucrats over whom as a people we have no control, because they never submit themselves to the verdict of a popular election.

We acted on the conviction that we could not help the poor by raising the price of everything they have to buy, nor protect the farmer by reducing his farm operations so drastically that food he should be supplying has to be imported in mounting quantity. And we knew that we could not help the small-business man by taxing him to death.

We knew, too, that we could not serve the American workingman by using the prestige of the Federal Government to split organized labor wide open and embroil it in civil war. We knew that we could not cultivate even elementary thrift in a people if government insisted upon parading before them as a prodigal spendthrift.

We realized, moreover, that we could never have that close cooperation between business and government which is so vital to the national welfare so long as government asked business to do something this week and then censured business next week for doing the very thing government had asked it to do. And we knew that no government could pat private enterprise on the back with one hand and stab it in the back with the other and expect any real degree of substantial recovery.

Such considerations as these were the foundation stones of the Republican recovery program, the basis of Republican action in the Seventy-sixth Congress. And since it was our sincere conviction that most all of the difficulties which beset the Nation were in large measure a projection of the basic problem of unemployment, the Republican measuring rod for every piece of legislation brought forward in this Congress was, Will it help put our unemployed back to work?

Such, briefly, were the Republican philosophy and the Republican objectives. Now, let me attempt to appraise the practical application of that philosophy in term of objectives attained. This appraisal results, I believe, in a list of 14 specific accomplishments under the banner of honest liberalism which testify to sincere Republican cooperation with real Democrats in the fight to save America from the New Deal; to help labor, agriculture, business, and industry; and to put our jobless back to work. I list these accomplishments, as follows:

(1) Against the spendthrift leadership of the administration, Congress forced at least a beginning toward economy and common sense in Federal finances.

(2) Under Republican leadership, Congress turned back a New Deal proposal to raise the national debt limit above the existing statutory ceiling of $45,000,000,000 and later rejected emphatically the $3,800,000,000 spend-lend program, which sought to evade the limitation upon the national debt. As a part of this broad economy movement, Congress once more forbade additional expenditures on the crackpot Florida ship canal.

(3) Under aggressive Republican leadership, in both the Senate and the House, Congress turned back the administration's attempts to pledge American involvement in European power politics. We supported adequate American national defense by land, sea, and air forces.

(4) In the face of determined administration opposition, Congress forced a measure of tax revision to relieve business of crippling, punitive levies, and established a special recess investigation to recommend general tax codification to the next session.

(5) After more than 2 years of study, Congress forced careful revision of the social-security program to eliminate the fraudulent full-reserve plan in favor of a pay-as-you-go scheme as consistently demanded by the Republicans. The new schedule of benefits eventually will stop diversion of the pay-roll tax receipts to general Government spending. By freezing the pay-roll taxes at the prevailing 1-percent level, hundreds of millions of dollars in future taxes have been saved to both labor and industry.

(6) Congress limited in some degree subsidized Government competition with private enterprise in electric utilities, and has instituted honest systems of audit and accounting to keep taxpayers informed of real costs in the future.

(7) We exposed and partially reformed the vicious political manipulation of W. P. A. work relief by the New Deal patronage racketeers.

(8) Against militant opposition, we aided materially in passing the Hatch bill, reinforcing the merit principle in civil service, and prohibiting electioneering by all Federal pay rollers.

(9) We enacted legislation to curb the spread of hateful alien communism and fascism, strengthening the mandatory deportation laws, and removing much discretionary power in this field from the coddling authority of the Labor Department.

(10) In the Government reorganization bill we sustained the time-tested constitutional principle of checks and balances, eliminating many proposals for dangerous powers of dictatorship.

(11) In the face of persistent evasion of administrative responsibility the House insisted upon a thorough investigation of the National Labor Relations Board.

(12) House Republicans urged a formal congressional inquiry into the damage caused to American industry and agriculture by the so-called reciprocal trade treaty program. The Roosevelt-Hull policies of free trade, as now linked to the mutually exclusive policies of export subsidies, dumping, barter, and discriminatory import quotas are contributing largely to the utter demoralization of international trade.

(13) Congress fought hard to reestablish the fundamental Republican principle of sound money by a return of all monetary powers to Congress, where under the Constitution they properly belong.

(14) A special committee of House Republicans surveyed the so-called emergency powers of the President and charted in detail the course forward to a resumption of balanced representative government.

Time does not permit the detailed discussion of each of these accomplishments which their importance warrants. So it becomes necessary to deal with them sketchily and in somewhat general terms. It is, however, a matter of great significance that in proportion as Congress reasserted its legislative independence along these broad lines business confidence began to show some signs of revival. Today the administrative failures and confusion of the New Deal are the only obstacles in the path of solid and sustained business recovery.

Pump priming is a demonstrated illusion. Consequently the defeat of the $3,800,000,000 spending bill and the housing bill with

its $2,700,000,000 subsidy has been received by the country as a hopeful sign. It means that the Congress is beginning seriously to consider the threat of national bankruptcy and financial collapse unless some order is brought in Government spending.

The seriousness of this situation is not to be minimized. Now, in the seventh year of Federal spending, we still have approximately 10,000,000 unemployed, farm prices are at bankruptcy levels, our export market for farm products is still diminishing, and our rich home market is being flooded by an increasing tide of low-cost industrial and agricultural products from abroad. Under the New Deal's misguided policies of internationalism and free trade the vaunted American standard of living is being lowered steadly for all our people.

Because of the dangers inherent in such conditions the Republican minority fought consistently to check expenditures which could be delayed without harm to anyone in the firm conviction that lavish spending means burdensome taxes and that burdensome taxes blight business and deprive workers of jobs. The blame for the spending and authorizing of expenses in excess of $13,000,000,000 rests solely upon the Democratic membership, which, for the most part, favored every appropriation which was presented.

A Republican resolution to require a saving of 10 percent on all departmental appropriations for the current fiscal year was received by administration spokesmen with only a jeer. The seventh New Deal deficit on July 1 carried the national debt above $40,000,000,000, or double the 1933 total. New appropriations for the fiscal year 1940 aggregate almost $13,000,000,000, or approximately three times the annual Republican average of the previous decade.

Every congressional effort to amend existing trouble-making laws in the interest of order and stability in our labor relations have been blocked by the administration. On the other hand, in the face of the most bitter opposition and the hardest kind of pressure, the Hatch bill to curb pernicious political activity was enacted. For this enactment, the Republican Party fought vigorously.

This is the bill which freed the W. P. A. workers and the Government workers from being obliged to jeopardize their jobs by interfering in political campaigns. It freed them from being held up for campaign donations and being obliged to contribute from their none-too-large pay. It freed the country from absolute domination by a bureaucracy. It was unquestionably the most progressive political reform in a decade and it was brought about chiefly because the Republicans in the House unanimously supported the bill.

At the beginning of the session, I pledged the Republican minority to work constructively and not be simply a party of criticism.

We have kept that pledge. We have fought for economy and sanity in Government; to keep the country out of involvements which would lead to war; for sound money and to restore to the Congress powers given to it under the Constitution. Yet we have not hesitated to support sound measures brought forward by Democrats. We had a definite and specific program. In our efforts to accomplish any part of it we subordinated partisanship to patriotism.

In order that you may better evaluate the degree of success attained in this Congress in carrying out this program as measured by the accomplishments which I have enumerated, it is perhaps well at this point to summarize briefly the program itself. It has 12 major objectives:

1. Keep the United States out of war.
2. Move immediately to curb unnecessary, wasteful, and reckless spending.
3. Repeal the repressive tax on undistributed corporate earnings, which has proved so harassing and dangerous to business, large and small.
4. Revise the remainder of the Federal tax structure to eliminate or modify provisions retarding business recovery.
5. Repeal the dangerous discretionary authority which the President now has over the Nation's monetary system.
6. Amend the National Labor Relations Act by clarifying the mutual obligations of worker and employer and the duties of both toward the public in order to end present paralyzing discord.
7. Define specifically the area of Government competition with private enterprise so that business may be able to create jobs with some certainty as to the future.
8. Restore American markets to the American farmer and wage earner and develop new markets for agricultural products.
9. Adopt immediate legislation to rehabilitate the railroads to make secure the jobs of many hundreds of thousands of workers and the investments of savings banks and life-insurance companies.
10. Create a special committee of Congress to inquire into the effect of the reciprocal trade agreement policy on American industry and agriculture.
11. Clarify Federal rules and regulations so industry and business may know what to expect.
12. Reject all experimental legislation not clearly helpful in promoting recovery, or which would subject agriculture, labor, or industry to compulsory decrees of a Federal bureaucracy.

The mere restatement of these highlights of the Republican program carries in itself conclusive and heartening evidence of how far along the road to accomplishment we were able to travel in the session just ended. Encouraged by growing popular support for these constructive policies, Republicans in Congress pledge a continuation of this fight for fundamental Americanism. We are convinced that real progress in restoring this country to a sound and permanent prosperity depends upon the carrying out of this program, and we are convinced that when it is adopted in its entirety by the Congress and accepted by the President our country will immediately take on new life and vigor and will begin again to enjoy economic stability and a higher standard of living.

To Republicans it appears almost axiomatic that recovery cannot begin until all Americans may again face the future with confidence in the security and stability of constitutional government and the safety of our bountiful American system of private enterprise.

The grave dangers to our constitutional form of government and to our American system of free enterprise were strikingly illustrated by the $3,800,000,000 spending-lending bill against which House Republicans stood as a unit and succeeded, with the aid of straight-thinking Democrats, in defeating.

The New Deal leadership carefully set the stage for the introduction of this bill through testimony presented at the hearings held by the Temporary National Economic Committee. The gist of the testimony of New Deal spokesmen before this committee was that we had reached a point where our old economic frontiers had vanished; that our traditional system of free economy no longer was capable of functioning under new conditions; and that government must step in and take over the functions of private industry which once so well performed.

One of the outstanding New Deal spokesmen after giving expression to this view frankly conceded that if government undertakes to create wealth by using its own credit at the rate of four billions or so a year the Government will be acquiring direct productive mechanisms at the rate of four billions' worth a year, or thereabouts. Over a period of years, he concluded, the Government would gradually come to own most of the productive plants in the United States.

Strange as it may seem to Americans, that was exactly what was proposed when the spending-lending program was first suggested to the Congress. The recommendation was made that this type of lending-spending be made a permanent policy of the Government. The first draft of the bill itself provided for a revolving fund to carry out this purpose. Thanks to determined congressional opposition it was eliminated before the measure was finally killed by the House. It is important, however, as showing the direction in which vast and reckless spending was taking us. The end of that road is state capitalism or socialism. From that danger the first session of the Seventy-sixth Congress saved the Nation. It was the greatest blow struck for the democratic ideal and for the preservation of our American heritage of political and economic freedom since the defeat of the subversive court-packing bill.

Defeat of the lending-spending program, which carried with it repudiation of the discredited philosophy of pump priming, also was a blow against the evils of cheap money which have resulted from the Government's ever-increasing borrowings.

Widows and children find themselves in sore straits as a result of the drastic reduction in interest and dividend rates made inevitable by huge Government deficit spending. Many business enterprises remain unable to get away from the edge of bankruptcy. Every savings-bank depositor has had his or her income frightfully cut down because normal interest rates can no longer be earned or paid. Gasping for financial breath are many endowed hospitals, colleges, museums, and worthy institutions. Indeed, the plight of the hospitals was one of the reasons advanced by the sponsors of the $3,800,000,000 spend-lend bill in supporting its enactment.

The plight of the hospitals obviously makes a strong appeal to the sympathies of all of us. But we would indeed be blinded by emotionalism if we did not recognize that the aid proposed was only another palliative, and that the real remedy was to move to end the cheap-money evil and to make secure a reasonable return on fixed investment. This consideration powerfully motivated the successful Republican opposition to the bill.

We realized that fixed incomes in most cases were not large but very small. We knew that there were 40,000,000 Americans who had accumulated a total of $23,000,000,000 in savings deposits which the banks had invested almost entirely in fixed-income securities.

We knew that there were 60,000,000 policyholders in life-insurance companies which had total assets of about $29,500,000,000, of which approximately 85 percent was invested in fixed-income securities.

We knew that before the New Deal adopted its reckless spending policy that savings banks generally paid 4 percent interest on deposits, and that this rate has progressively declined until now it is almost to the vanishing point.

We knew roughly what this had cost those 40,000,000 depositors in savings banks; what it had cost those 60,000,000 holders of life-insurance policies in reduced dividends and increased premiums.

That was one of the reasons why the Republicans determined to call a halt on the spending which had brought these distressing consequences without promoting a vestige of recovery. We recognized that cheap money can be as great a curse to a country as low wages and cheap labor. We recognized that for governments to spend unnecessarily is to increase taxes; that to increase taxes is to decrease business earnings; to reduce earnings is to curtail investment in and by industry; to limit investment is to destroy wealth and to swell the ranks of the unemployed. This is the vicious circle which Republicans in the Seventy-sixth Congress sought to break. The degree of success attained should be heartening to every American.

One of the advances along this line was the repeal of the last remnant of the punitive and deterrent undistributed-profits tax. Another was the tax-law amendment which permits corporations, partnerships, and individuals in business to carry over net operating losses for a period of 2 years. Thus a taxpayer who may suffer a loss in 1939 will be permitted to carry over the loss in reduction of his income for 1940. Should this loss exceed his 1940 income, he is permitted to carry over the excess in reduction of his income for 1941.

Another business handicap was removed when the old-age-security taxes were "frozen"—that is, fixed by law, at the old rate of 1 percent on employer and 1 percent on employee for the next 3 years. Had the law not been amended to make this change, the rate automatically would have been increased to 1½ percent at the beginning of 1940. In addition, unemployment-compensation taxes were limited to the first $3,000 of an employee's wages, in conformity with the old-age-insurance tax provisions. It is estimated that the annual savings will amount to approximately $65,000,000. Besides this, provision was made for refunds and abatements, which will result in an additional estimated savings to taxpayers of about $15,000,000.

Viewed solely from the social angle, liberalization of the old-age-insurance provisions was another noteworthy achievement. The date for the beginning of monthly benefit payments was brought forward to 1940 from 1942, benefit provisions for retired workers were liberalized, and eligibility requirements were made easier for those who retired in the early years.

Moreover, auxiliary benefits were provided for the retired worker with an aged wife or children under 18 years of age. And then there are the survivor's benefits, which will be payable to a young widow with children, to aged widows, and to dependent parents, should there be no widow or children, on the death of a covered worker.

Perhaps any discussion of Republican objectives and Republican accomplishments in this Congress would be incomplete without a word as to the procedure adopted by the Republicans to translate aims into achievements. That procedure may be summarized in a single word—cooperation.

Our policy was to appeal to reason and to avoid personalities and name calling. Confident in the soundness of our position and the reasonableness of our logic, our aim was to win support for our cause by dispassionate discussion and impartial analysis. If at times some warmth may have developed in the argument, this was merely heat engendered by flaming conviction and was not motivated by malice or vindictiveness. The number of Democrats who joined us in our stand and helped make possible the achievements for which this Congress will be remembered is full justification for the course that we pursued.

To us it seemed an obvious course to a worthy objective. And there was nothing vague or confusing in the objective itself. In last analysis what we were seeking was not Utopia but a sane revival of old-fashioned Americanism. We were seeking to rededicate ourselves to fundamentals; to cling to the virtues which made America the greatest country in the world; the land of hope and opportunity for all.

We tried at all times to act in a spirit of unselfishness, to put the welfare of the country above self and party and to shun the temptation and to resist the pressure which might result in benefits for the few at the expense of the many. For 6 years we had seen most of the recipes in the economic cookbook tried at least once except the homely, old-fashioned American recipe of which the ingredients are economy, thrift, and initiative. These three ingredients, we believed, if properly mixed, could be stirred into a rich sauce of recovery. So we set about the mixing.

The course ahead is now clear and straight. Encouraged by the growing popular support for our constructive policies, Republicans in Congress pledge a continuation of their fight for fundamental Americanism. In session and out, we will battle New Deal socialism at every step of the road.

We are convinced that the people of the United States are tired of hit-and-miss government. We are convinced that the country wants to get out of the red and back to work. And we are convinced that it wants above all else to try honest bookkeeping, honest politics, and honest Americanism for a change.

Allard Henry Gasque

MEMORIAL ADDRESS

OF

HON. JAMES P. RICHARDS

OF SOUTH CAROLINA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 30, 1939

On the life, character, and public service of Hon. ALLARD HENRY GASQUE, late a Representative from the State of South Carolina

Mr. RICHARDS. Mr. Speaker, it was my privilege to serve with our late colleague, ALLARD HENRY GASQUE, of South Carolina, during the last three Congresses. When I became a Member of the House in 1932, Mr. GASQUE demonstrated one of the great virtues of his life in offering to give me the value of his experience and observation in legislative work and in expediting the work incident to a new Congressman. I shall always remember this thoughtful interest at that time. He was unselfish and ready to render a service of any kind to his fellow man.

After graduating from the University of South Carolina he was elected superintendent of education for Florence County, which office he held until he was elected to Congress in 1924. He served in public office for nearly 40 years.

In 1931 he was made chairman of the Committee on Pensions, and served as chairman until his death on June 17, 1938. He rendered able and distinguished services in which he served and was beloved by the veterans of our wars, whose true and loyal friend he ever proved himself to be.

The most severe test which can be applied to a man in high position is whether the people in humble walks of life have access to his ear and heart and trust him with their deepest troubles. It was inevitable that Mr. GASQUE's counsel and service should be outstanding in every year of his active life to the people of every station. Whenever a cause, which seemed just and true to him, needed a champion, he never counted the cost and gave himself freely to what seemed to him to be the highest and best.

Of our departed friend it may truthfully be said he served his State and his district with ability and high purpose.

Mr. GASQUE loved his fellow men. His actions showed it all through life. For them he wanted greater happiness. To that he dedicated himself, and in that effort for their happiness he found his own—a happiness that he valued above riches or praise or material reward.

I shall miss ALLARD GASQUE personally; we shall miss him as a colleague; a host of those he befriended will miss him as a sympathetic and helpful counselor—a humble servant of man.

To his family I extend my deep-felt sympathy, for we who knew him are conscious of their great loss. I am sure that the memory of our late colleague will linger with us for many, many years.

New Deal Appropriations

EXTENSION OF REMARKS

OF

HON. CHESTER C. BOLTON

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Saturday, August 5, 1939

Mr. BOLTON. Mr. Speaker, I recall just a few years ago at the close of the first session of the Seventy-fourth Congress I inserted in the RECORD some rather extensive tables showing how appropriations had increased.

At the time, attacks were made upon my remarks by several members of Congress and some well-known columnists. The chief criticism was levied against my statement that there was danger of the national public debt running as high as $40,000,000,000. Some complained also because I included a table showing $9,400,000,000 of contingent liabilities guaranteed by the Government. I have not forgotten the circumstances because at the time there were some rather prolonged controversies, particularly dealing with the two items just mentioned.

Today we find that I was understating the facts. We have a national debt which is growing close to the statutory limit of $45,000,000,000 and we find the Treasury Department including in its daily official statement as contingent obligations the very items to which I referred a few years back. In other words, the criticisms referred to are answered by official action and records today.

Almost without exception appropriations have increased from year to year ever since the advent of the New Deal. The session just closing tops them all in the amount of appropriations. Table No. 1 which follows shows the appro-

priations since 1933, session by session, and it demonstrates the dangerousness of the spending spree through which we have been moving.

The present administration is like the little boy with his appetite for candy. The more he gets the more he wants; the more they spend the more they want to spend. Appropriations for the session have totaled about thirteen and one-half billion dollars. This is all the more appalling when we realize that Congress defeated the lend-to-spend measures which would have added another three and one-half billion.

No one can expect business, particularly what we call small business, to stand up under such a strain, not to mention the increase in employment which we all so much desire.

The contingent obligations of the Government have reached an estimated total of about $13,000,000,000. Strictly speaking these are a part of the national debt because they are guaranteed by the Government and a certain percentage is bound to represent eventual losses. We have the testimony of Chairman Jesse Jones of the Reconstruction Finance Corporation, who recently took over management of the Federal Loan Administration, that the R. F. C. is suffering substantial losses and it is one of the better managed loaning agencies. Suffice it to say that the taxpayers always foot the bill. From all accounts they are beginning to realize this.

Another significant fact is the tremendous increase in permanent and indefinite appropriations from less than one and one-half billion dollars for the year 1934 to more than three and one-half billion for 1940. These figures include such fixed charges as the interest on the national debt, amounting to over $1,000,000,000, and payments into trust funds for unemployment insurance, old-age pensions, and railroad-retirement pensions totaling more than one and one-half billions. We may look for these permanent appropriations, which are not included in the totals of the so-called regular appropriation acts, to increase materially so long as the present spending policies continue.

It is no longer necessary today to compare promises with performances. The comparisons in the following table show definitely that promises as to businesslike administration, balancing budgets, and stopping deficits have only been kept in the reverse by undreamed of expenditures. We find total appropriations for 7 years amounting to over $75,000,000-000—and we shuddered back in 1932 when appropriations amounted to five and one-half billion dollars.

	Appropriations (2d sess. 72d Cong., and 1st sess. 73d Cong.) for year 1934	Appropriations (2d sess. 73d Cong.) for year 1935	Appropriations (1st sess. 74th Cong.) for year 1936	Appropriations (2d sess. 74th Cong.) for year 1937	Appropriations (1st sess. 75th Cong.) for year 1938	Appropriations (2d sess. 75th Cong.) for year 1939	Appropriations (1st sess. 76th Cong.) for year 1940
General:							
Agriculture	[1]$100,209,091	$62,621,673	$125,157,983	[2]$613,565,606	$630,381,208	$745,790,279	$1,194,498,633
Independent offices	631,802,546	588,574,714	777,501,956	2,957,026,905	957,738,963	1,423,098,240	1,668,218,340
District of Columbia	30,375,834	35,411,178	40,547,115	43,573,910	45,915,641	47,255,155	48,002,347
Interior	[1]43,753,936	31,474,319	61,220,928	114,579,357	132,732,500	129,678,461	172,679,765
Legislative	[1]16,689,285	25,075,995	20,746,760	23,314,428	24,085,737	21,663,783	21,851,779
Navy	[1]308,669,562	284,658,799	458,684,379	526,546,532	516,258,808	546,866,494	773,049,151
Treasury	[1]244,383,219	150,092,430	175,786,109	211,940,303	[1]719,182,390	610,912,627	909,627,810
Post Office	[1]713,033,378	669,628,940	727,849,569	780,584,589	784,259,553	792,770,899	790,987,244
State	[1]12,196,519	13,885,618	14,013,895	17,829,550	18,584,080	16,638,750	18,518,700
Justice	[1]41,154,050	28,700,778	34,556,500	41,223,925	40,882,565	42,337,155	50,907,520
Commerce	[1]36,588,465	32,267,321	34,631,500	35,257,220	43,032,242	47,280,940	52,751,000
Labor	[1]12,677,365	14,030,805	15,360,000	21,784,700	23,628,500	24,332,950	30,536,170
War	[1]349,840,749	316,228,991	401,998,170	572,446,844	609,799,217	656,364,121	813,978,338
Total, regular annual	2,541,373,999	2,252,651,561	2,888,054,864	5,959,673,869	4,546,481,404	5,104,989,854	6,545,606,797
Independent offices, indefinite		190,000,000					
Third deficiency, 1933	[4]994,598						
Fourth deficiency, 1933	[1]3,082,630						
Deficiency resolution, legislative (Public Res. 12, 73d Cong.)		213,500					
Deficiency resolution, District of Columbia (Public Res. 13, 73d Cong.)		26,667					
Urgent deficiency resolution (Public Res. 23, 73d Cong.)		335,000					
Deficiency and supplemental (Public, No. 412, 73d Cong.)		15,642,698					
Deficiency resolution (Public Res. 3, 74th Cong.)			1,771,750				
First deficiency, 1935			112,633,830				
Second deficiency, 1935			272,901,517				
Supplemental, 1936				368,232,463			
First deficiency and supplemental, 1936 and 1937				950,417,777			
First deficiency, 1937					948,975,869		
Second deficiency, 1937					81,737,540		
Deficiency resolution (Public Res. 28, 75th Cong.)					1,496,360		
Supplemental 1938 (Public Res. 50, 75th Cong.)					450,441,656		
Third deficiency, 1937					87,622,701		
First deficiency, 1938						28,089,097	
Second deficiency, 1938						275,403,369	
First deficiency, 1939							23,765,042
Second deficiency, 1939							157,619,060
Third deficiency, 1939 and 1940							185,168,066
Urgent deficiency (Public, No. 160, 76th Cong.)							3,099,377
Additional Military (Public, No. 164, 76th Cong.)							223,398,047
Ninth Pan American Conference (Public Res. 42, 73d Cong.)		3,000					
Fort Niagara celebration (Public Res. 50, 73d Cong.)		6,000					
Miscellaneous resolution (Public Res. 51, 73d Cong.)		121,000					
Chinch-bug control (Public Res. 30, 73d Cong.)		1,000,000					
Interior, Duchesne County, Utah, School (Indians) (Public, No. 265, 74th Cong.)			50,000				
Agricultural Adjustment Administration, eliminate diseased cattle (sec. 37), $10,000,000; relief, 30 percent of customs duties (sec. 32), $92,111,741 (Public, No. 320, 74th Cong.)			102,111,741				
George Washington Bicentennial Commission (Public Res. 6, 74th Cong.)			35,000				
Federal Communications Commission, American Telephone & Telegraph investigation (Public Res. 8, 74th Cong.)			750,000				
District of Columbia, shrine convention (Public Res. 17, 74th Cong.)			54,000				

[1] Passed last session 72d Cong. for fiscal year 1934.
[2] Agricultural Appropriation Act, $173,565,606, plus $440,000,000 for Soil Conservation and Domestic Allotment Act carried in Independent Offices Act.
[3] Includes $500,000,000 for social-security reserves.
[4] In later tables $972,323 apportioned in 1933; $22,275 in 1934.
[5] In later tables $755,720 apportioned in 1933; $2,326,910 in 1934.

	Appropriations (2d sess. 72d Cong., and 1st sess. 73d Cong.) for year 1934	Appropriations (2d sess. 73d Cong.) for year 1935	Appropriations (1st sess. 74th Cong.) for year 1936	Appropriations (2d sess. 74th Cong.) for year 1937	Appropriations (1st sess. 75th Cong.) for year 1938	Appropriations (2d sess. 75th Cong.) for year 1939	Appropriations (1st sess. 76th Cong.) for year 1940
House of Representatives, pages (Public Res. 39, 74th Cong.)			$9,348				
District of Columbia, Grand Army of Republic Encampment (Public Res. 40, 74th Cong.)			15,000				
Justice, United States courts fees (Public Res. 82, 74th Cong.)				$900,000			
House of Representatives, special committees (Public Res. 89, 74th Cong.)				75,000			
Senate, folding room (Public Res. 90, 74th Cong.)				4,000			
District of Columbia, inauguration (Public Res. 118, 74th Cong.)				25,000			
House of Representatives, election contest (Public Res. 122, 74th Cong.)				3,740			
Interior, Territories and island possessions (Public Res. 126, 74th Cong.)				35,000			
Agriculture, grasshopper control (Public Res. 127, 74th Cong.)				250,000			
State, Paris International Exposition (Public Res. 8, 75th Cong.)					$150,000		
Labor, textile conference (Public Res. 13, 75th Cong.)					15,000		
Agriculture, insect pests (Public Res. 26, 75th Cong.)					1,000,000		
Independent offices, Social Security Board (Public Res. 36, 75th Cong.)					18,000,000		
Navy, Marine Band (Public Res. 39, 75th Cong.)					5,300		
Independent offices, American Battle Monuments Commission (Public Res. 45, 75th Cong.)					175,000		
Agriculture, insect pests (Public Res. 55, 75th Cong.)					1,000,000		
Railroad Retirement Board (Public, No. 722, 75th Cong.)						$2,000,000	
Interior, Shoshone Indians (Public, No. 674, 75th Cong.)						2,700	
Interior, Fergus County, Wyo. (Public, No. 752, 75th Cong.)						1,167	
Legislative, salaries of pages (Public Res. 76, 75th Cong.)						12,784	
Legislative, Senate expenses (Public Res. 78, 75th Cong.)						190,000	
Social Security Board (Public Res. 99, 75th Cong.)						3,500,000	
United States Constitutional Sesquicentennial (Public Res. 92, 75th Cong.)						50,000	
Sugar Act of 1937 (Public Res. 78, 75th Cong.)						39,750,000	
Insect pest control (Public Res. 81, 75th Cong.)						2,000,000	
War Department, Gettysburg celebration (Public Res. 103, 75th Cong.)						900,000	
Employees' Compensation Commission (Public Res. 7, 76th Cong.)							$2,000,000
Treasury, Supplemental (Public Res. 13, 76th Cong.)							276,400
Agriculture, insect pests (Public Res. 22, 76th Cong.)							1,750,000
Interior, Petroleum Conservation Division (Public Res. 25, 76th Cong.)							20,000
Total, general	$2,545,451,227	$2,459,999,426	3,378,387,050	7,279,616,849	—6,137,100,830	5,456,888,971	7,142,702,789
Emergency:							
Public Works Administration (Public, No. 77, 73d Cong.)	3,300,000,000						
Emergency Bank Act (Public, No. 1, 73d Cong.)	2,000,000						
Agricultural Adjustment Administration (Public, No. 10, 73d Cong.)	100,000,000						
Federal savings and loan associations (Public, No. 77, 73d Cong.)	50,000,000						
Federal land banks (Public, No. 77, 73d Cong.)	65,000,000						
Farm Credit Administration (Public, No. 77, 73d Cong.)	42,000,000						
Federal Deposit Insurance Corporation (Public, No. 77, 73d Cong.)	150,000,000						
Gold Reserve Act (Public, No. 87, 73d Cong.)		2,000,000,000					
Federal Relief and Civil Works Administration (Public, No. 93, 73d Cong.)		950,000,000					
Crop-production loans (Public Res. 16, 73d Cong.)		40,000,000					
Agricultural Adjustment Administration, cattle (Public Res. 27, 73d Cong.)		150,000,000					
Deficiency and supplemental (Public, No. 412, 73d Cong.)		1,808,270,000					
Federal Reserve banks, loans to industry (Public, No. 417, 73d Cong.)		139,299,557					
Work relief (Public Res. 11, 74th Cong.)			[6] 4,000,000,000				
Relief and work relief (Public, No. 739, 74th Cong.)				1,425,000,000			
District of Columbia, relief (Public Res. 79, 74th Cong.)				350,000			
Relief, 1937 (Public Res. 47, 75th Cong.)					[7] 1,500,000,000		
Civilian Conservation Corps (Public Res. 88, 75th Cong.)						22,000,000	
Work relief and relief, deficiency (1938) (Public Res. 80, 75th Cong.)						250,000,000	
Work relief and Public Works Appropriation Act of 1938 (Public Res. 122, 75th Cong.)						2,915,605,000	
Work relief and relief, deficiency (1939) (Public Res. 1)							725,000,000
Work relief and relief, deficiency (1939) (Public Res. 10)							100,000,000
Work relief and relief (1940) (Public Res. 24)							1,755,600,000
Total emergency	3,709,000,000	5,087,569,557	4,000,000,000	1,425,350,000	1,500,000,000	3,187,605,000	2,580,600,000
Grand total general and emergency	6,254,451,227	7,547,568,983	7,378,387,050	8,704,966,849	7,637,100,830	8,644,493,971	9,723,302,789
Reconstruction Finance Corporation (see following table)	1,105,075,000	1,910,000,000	625,000,000	447,000,000			
Permanent and indefinite, including trust funds	1,397,977,695	2,308,382,652	2,200,101,127	1,630,489,970	[8] 2,633,624,969	[8] 3,472,367,832	[8] 3,624,812,775
Total appropriations	8,757,503,992	11,765,951,635	10,203,488,177	10,782,456,819	10,270,725,799	12,116,861,803	13,348,115,564

[6] Plus $500,000,000 from Reconstruction Finance Corporation and $380,000,000 reappropriated.
[7] Plus added authority for R. F. C. to purchase $150,000,000 of P. W. A. securities; and increasing P. W. A. authority to use R. F. C. moneys for grants by $59,000,000.
[8] As shown in 1940 Budget message.

I would call your attention to the fact that the above table does not include moneys reappropriated nor does it take into account contractual authorizations. This session has probably set an all time high record for contractual obligations as it has authorized nearly $500,000,000 worth of contracts to be entered into which will be paid for out of appropriations to be made available in the future. Reappropriations during the session amounted to about $230,000,000.

The more one studies appropriations made during the past 7 years the more important becomes the defeat of the lend-to-spend bills. Designed for the purpose of getting around the $45,000,000,000 debt limitation, which Congress refused to increase, these proposals would have authorized the issuance of additional government guaranteed bonds for purposes which, regardless of claims of proponents, would not have been self-liquidating. The entire program was planned for the effect it would have on the 1940 elections and there was no denial of charges that this was the case. I predict that as time goes on the action of Congress in defeating these measures will be more and more appreciated. It was the first time since 1933 that the New Deal spending orgy has been effectively checked. This action is only exceeded in importance by the general attitude of Congress, indicating that the legislative branch of the Government again proposes to take care of its own responsibilities by refusing to delegate more and more powers to a Chief Executive already clothed with authority which takes him far toward dictatorship.

Bureaucracy has reached its zenith for all time. Whether business executives or ordinary citizens we cannot escape regulation and control from Washington.

But chief among the effects of the New Deal on the average citizen is the cost of government. Cost of government is just another phrase for taxes. Someone has figured that the average cost of a meal for each member of a family of five is 22 cents. In other words, on the basis of an average family and average food, meals cost 22 cents per head, not including cost of preparation. On a wage of 40 cents per hour indirect taxes on food, shelter, clothing, fuel, light, insurance, recreation, and other items which go to make up the budget of average working people amount to 5½ cents per hour. To put it another way, hidden taxes take enough every 4 hours to buy a meal for one person. If this is carried further we find that the cost of 10 meals per week per wage earner is given to the Government in the form of indirect taxes. This is another way of emphasizing that Mr. Average Man bears his full share of the tax burden.

In the following table I have summarized the regular, deficiency, and special appropriations by departments, showing public-works and work-relief appropriations in separate columns for each year.

In spite of all that has been said about reducing appropriations for the regular departments only increases are shown by available tabulations. A number of activities covered by appropriations for highways, public buildings, reclamation projects, and so forth, were taken out of the regular appropriation measure and put into the emergency items under the dual bookkeeping system. I want to call attention to the fact that whether these appropriations are left out entirely or included, the amounts carried for regular Government activities have not been reduced. On the contrary they have on the whole been constantly increasing.

It is difficult to get a true picture and one which is readily understood by the public because of the fact that there have been constant changes in the bookkeeping methods and many transfers of Government agencies. Whether this was done for the purpose of confusing those trying to make dependable comparisons or not, it accomplishes that purpose. Even those of us who serve on the Appropriations Committee find it difficult to fathom the intricacies of the ever-changing budget on which all appropriations are based.

I do feel, however, that the preceding table and the one which follows will give a fair picture from the standpoint of appropriation funds made available by Congress to be spent by the various agencies of the Federal Government.

Appropriations mean expenditures and Government expenditures mean taxes.

Summary of regular, deficiency, and special appropriations

	Fiscal year 1933 appropriations	Fiscal year 1934		Fiscal year 1935		Fiscal year 1936	
		Appropriations	Public Works allotments	Appropriations	Supplemental appropriations	Appropriations	Work-relief appropriations
Agriculture	$306,673,811	$142,209,091	$566,040,887	$154,102,711	$644,500,000	$136,632,756	$800,000,000
Independent offices	1,022,876,324	1,237,542,546	3,376,594	1,931,240,155		926,868,312	
New agencies		[1] 600,000,000	997,286,900	1,810,000,000	999,675,000	738,120,251	2,850,000,000
District of Columbia	41,257,564	30,375,834	1,759,500	35,790,685		41,411,439	
Interior	69,387,945	43,753,936	202,341,012	35,795,167	1,500,000	77,970,430	213,306,831
Legislative	19,227,747	16,839,920	2,800,000	19,291,015		23,918,755	
Navy	327,724,856	308,669,562	277,098,924	285,292,667		484,609,344	
Treasury	378,598,015	511,383,219	94,740,653	2,289,581,728	162,595,000	301,425,480	
Post Office	805,970,571	713,033,378	532,600	609,678,256		734,682,386	
State	14,164,731	12,232,219	4,761,000	22,993,882		17,526,111	
Justice	46,198,970	41,154,050	785,512	31,162,886		36,641,565	
Commerce	45,510,045	36,588,465	15,652,600	32,804,746		34,738,659	
Labor	13,576,010	14,177,365	2,268,980	14,058,385		15,732,648	
War	458,067,930	349,840,749	362,352,928	317,506,700		433,108,914	136,693,169
Total, regular, deficiency, and special	3,549,234,519	4,057,800,334	2,531,798,090	7,649,298,983	1,808,270,000	4,003,387,050	4,000,000,000
Non-Federal and other allotments not carried in departmental tables			768,201,910				
Total, Public Works			[2] 3,300,000,000				
Permanent and indefinite	1,285,191,028	1,397,977,695		2,308,382,652		2,200,101,127	
Add Public Works, supplemental, and relief		3,300,000,000		1,808,270,000		4,000,000,000	
Grand total	4,834,425,547	[3] 8,755,778,029		11,765,951,635		10,203,488,177	

	Fiscal year 1937		Fiscal year 1938		Fiscal year 1939		Fiscal year 1940	
	Appropriations	Relief and work relief appropriations	Appropriations	Relief appropriations	Appropriations	Work relief and P. W. A. appropriations	Appropriations	Work relief and relief
Agriculture	[4] $181,501,330	$413,250,000	$654,889,013	$415,000,000	$790,780,321	$387,000,000	$1,212,516,646	$143,000,000
Independent offices	[4] 3,242,511,078		879,721,279		1,459,774,965	9,980,000	1,719,605,361	12,325,000
New agencies	[4] 1,482,989,873	726,750,000	1,531,840,687	1,085,000,000	250,000,000	2,465,000,000	31,822	2,402,000,000
District of Columbia	45,009,674		46,457,003		48,375,118		48,443,995	

[1] Does not include $3,300,000,000 Public Works appropriation covered in next column.
[2] This total could be shown under Public Works Administration in new agencies, but is broken down by departmental allocations instead.
[3] Includes $2,150 (second deficiency, 1933), not shown in previous table; does not include items (third deficiency, 1933; and fourth deficiency, 1933), apportioned to 1933. (See footnotes 2 and 3, previous table.)
[4] Appropriation of $440,000,000 carried in Independent Offices Act for Soil Conservation and Domestic Allotment Act. In this and following tables it is omitted in independent offices and included in Agricultural Adjustment Administration under "New agencies."

Summary of regular, deficiency, and special appropriations—Continued

	Fiscal year 1937		Fiscal year 1938		Fiscal year 1939		Fiscal year 1940	
	Appropriations	Relief and work relief appropriations	Appropriations	Relief appropriations	Appropriations	Work relief and P. W. A. appropriations	Appropriations	Work relief and relief
Interior	$125,323,177		$135,390,356		$150,591,694	$5,000,000	$183,211,859	$8,350,000
Legislative	24,154,760		26,466,170		23,117,274		23,275,482	
Navy	529,181,193		517,553,875		590,034,371		816,780,744	
Treasury	565,992,227	$156,750,000	802,016,269		826,732,163	43,050,000	1,062,104,357	14,925,000
Post Office	821,242,447		800,895,500		793,441,605		794,285,206	
State	19,310,139		19,813,522		17,253,788		20,938,956	
Justice	44,309,442		41,447,068		43,624,552	1,250,000	52,572,395	
Commerce	38,195,409		44,233,372		47,403,636	325,000	54,172,010	
Labor	25,547,544		24,112,535		26,697,585	3,000,000	34,708,219	
War	583,698,556	128,250,000	612,264,181		661,061,899		1,120,055,737	
Total regular, deficiency, and special	[1] 7,726,966,849	1,425,000,000	6,137,100,830	$1,500,000,000	5,728,888,971	2,915,605,000	7,142,702,789	2,580,600,000
Non-Federal and other allotments not carried in departmental tables								
Total, Public Works								
Permanent and indefinite	1,630,489,970		[2] 2,633,624,969		[2] 3,472,367,832		[2] 3,624,812,775	
Add Public Works, supplemental, and relief	1,425,000,000		1,500,000,000		2,915,605,000		2,580,600,000	
Grand total	[1] 10,782,456,819		10,270,725,799		12,116,861,803		13,348,115,564	

[1] In addition to this sum there are reappropriations totaling $73,792,786.
[2] As shown in 1940 Budget message.

Additional Benefits Under Social Security Law

EXTENSION OF REMARKS
OF
HON. JOHN J. COCHRAN
OF MISSOURI
IN THE HOUSE OF REPRESENTATIVES

Saturday, August 5, 1939

Mr. COCHRAN. Mr. Speaker, while it would take columns to list the beneficial legislation enacted during the session of Congress just closed, in my opinion, the outstanding achievement to the credit of the administration and the Congress was the amendments to the Social Security Act.

Social-security legislation originated during the Roosevelt administration. Naturally, the original enactment of such a far-reaching law would not be perfect. As time passes, the Congress will amend this legislation, but the day will never arrive when it will be repealed, no matter what political party is in control.

Not only did the Congress at this session increase the benefits under the social-security law, but it reduced the cost to the employer and the employee as well. Under the provisions of the original law the contribution from both employer and employee would have increased January 1 next, but now the old-age benefit tax remains at 1 percent and will stay at that figure until January 1, 1943. The amendments likewise discontinue the old-age reserve and provide for a trust fund, which will be small in comparison with the reserve fund set up under the original act, but sufficient to carry out its provisions.

When President Roosevelt signed the bill amending the law, the employees and employers were assured of a savings of $335,000,000 in pay-roll taxes in 1940 and $905,000,000 during the next 3 years which means an increase in their purchasing power.

This social security legislation now directly affects the welfare of 45,000,000 workers in this country as well as advanced lifetime benefits for their families.

Under the provisions of this law, the worker is not a pensioner of the Government but due to his monthly participation, he is purchasing for himself and for his dependents, benefits that will accrue to them in future years. The Federal Government alone is responsible for payments under the insurance feature of the law. In other words, the State in no way participates and the worker, no matter in what section of the country he resides, receives the same benefits.

There is a vast difference between this insurance feature and voluntary assistance on the part of the Government and the State. Under the old-age assistance plan, the law now provides that the Government will contribute up to $20 a month for all those 65 years and over, provided the State contributes a like amount. In other words, if the State only contributes a portion of the $20 for old-age assistance, then the Government's contribution is only equal to that of the State. There are States in the Union today where the average contribution for old-age assistance amounts to a little over $3 and in such cases the Government's contribution is but a like amount. Under the provisions of the law as it stands today a State can pay to every citizen in need over 65 years of age $40 a month old-age assistance by advancing $20 of its own funds to which the Federal Government will add a like amount.

Matching dollar for dollar with the States likewise applies for aid to dependent widows and their children. Increases were provided under the amendments to the law to the extent of $110,000,000 for the aged, widows, and children, and this increase for the next 5 years amounts to $1,200,000,000 over and above that provided for in the original act.

Increased contributions on the part of the Government to the States not only include old-age assistance but also dependent children, the blind, and the crippled, as well as for maternal aid and vocational education. In cases of dependent children, nearly 1,000,000 of which are now receiving assistance from the Government, the new law provides that the Federal Government will contribute one-half of the cost rather than one-third, as in the past, the States assuming the responsibility to do its share by meeting the Federal contribution. Public-health service for the needy receive a very liberal increase, $11,000,000 being provided for next year in place of $3,000,000 for the current year.

Over 25,000,000 employees in the country at the present time are covered by the unemployment-insurance feature of the law, which provides for compensation for the worker when he loses his position through no fault of his own.

In no other country in the world can such a humanitarian law be found. It is true that this law does not cover all workers at the present time, but in years to come no doubt its provisions will be enlarged. Prior to the enactment of the amendments those employed as seamen and in banks were not recognized, but under the new law they will participate.

In this new group will be found over 1,000,000 citizens of our country.

If such a social-security law as we have today would have been in existence 25 years ago there would be no need for old-age assistance, except for those who during their younger days, due to some disability, were unemployable. In time direct old-age assistance will leave the picture and in its place will come this new form of social security, not an outright grant from a generous Government or State, but a legal claim the beneficiary will have due to his or her monthly participation.

It is the Roosevelt administration and its supporters that nearly 50,000,000 citizens can thank for making this possible.

House Resolution 258

EXTENSION OF REMARKS

OF

HON. GUY L. MOSER

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Saturday, August 5, 1939

Mr. MOSER. Mr. Speaker, it is my intention to vote for the pending resolution. This, I assure you, is not prompted by prejudice from any source. I have no doubt that any board, bureau, or commission created by act of Congress, based on a table of experiences, could stand investigation periodically, and any opposition to the contrary should be regarded with sufficient suspicion to establish that an investigation is due and should be undertaken. For many years it was my duty to conduct investigations, and experience has taught me that they are surely in order where good service is desired and essential. We all know that regardless of how we legislate and sincerely believe we have provided for a certain functioning of an agency or bureau and commission of government, the amazing entanglement of regulations such agency, bureau, or commission sets up really constitutes the law, since they rather than the law tell a citizen what he may or may not do and frequently what he must do, which has been held by no less authority than the Chief Justice, "that any regulation telling a citizen what he may or may not do, since it does exactly that, has the effect of law." After we, the constituted legislative authority, have enacted a law, it remains for a bureaucratic agency to tell the citizens how much further than their representatives ever intended the law should extend it actually does extend. I know that I need cite no instances. Each and all of you, my colleagues, have had both examples and experiences.

I hold it essential, therefore, that where Congress has not provided its own agency—the General Accounting Office—with authority and investigators to do the investigating, as provided for so many separate departments of the Federal Government, among which most prominently are identified the Post Office inspectors, Federal Bureau of Investigation, and United States Secret Service. Where Congress has thus neglected to provide an obstruction against the arrogated unnatural power, never intended to be conveyed under the legislation creating an agency of Government, it does become the obligation of Congress to conduct its own investigation as contemplated under the pending resolution.

I was not a Member of Congress when the National Labor Relations Act was passed but know that had I been I would have voted for it with my colleagues, many of whom charge the arrogation of unnatural powers, never intended to be conveyed, not provided for specifically in the act, yet assumed, set up, and imposed without being delegated; entirely under the regulations the Board was empowered to set up in order to make it operative. I was present more than 2 years ago when in the Committee of the Whole we undertook and effected a substantial increase in the appropriation provided for the Board. Notwithstanding the argument adduced by a distinguished member of the Committee on Appropriations, that Mr. Fahy pointed out in his seat in the gallery of the House, had appeared before the committee and frankly admitted that he did not know to what use he would put the requested appropriation which substantially exceeded the approval of the Budget. Later when I reminisced with Mr. Fahy on the incident he expressed his embarrassment at the public exposure but admitted the correctness and truth of the statement. There is not one among my colleagues who does not know that this method of appropriations of blank checks for no specified purpose is a most dangerous practice and nullifies the efficient functioning of our own agency, the General Accounting Office. The fact that the Board received the extra appropriation that Mr. Fahy did not know what he would use it for, is sufficient ground for this Congress to investigate that laxity of its predecessor.

In the Commonwealth of Pennsylvania there was no such thing as a poll tax during my lifetime of experience; there was, however, a requirement of having a tax receipt for having paid a county tax within 2 years. To citizens without realty and low assessment for their occupation the tax was nominal but effective. A Socialist member of the General Assembly of Pennsylvania sponsored and battled for the enactment of a law providing for 1-penny poll tax. He held his, and those whose favor he sought, in such low esteem as to citizenship that "1 penny" was, in his judgment, esteemed a sufficient premium on rightful citizenship of the Keystone State. Governor Pinchot, not to be outdemagoged by a Socialist, simply put the force of his influence behind the proposal and effected the enactment of a law removing any tax qualification for voting in the Commonwealth.

Since I have been a Member of Congress I have received only a nominal amount of appeals from constituents insisting that I vote for increasing appropriations for the National Labor Relations Board, but, coincidently, a check-up of those so contacting me has established a preponderant majority of possible citizens not registered and qualified to vote at all—a lesser number, of course, whose names are on the tax duplicates of their respective assessors. It has evolved itself into the situation that those loudest in advocacy of increased appropriations contribute nothing to the support of the Government they would thus unthinkingly despoil. It so happens that while I have received some hundreds of postal cards praying that the National Labor Relations Act shall not be amended, I have not received a single petition or request against its investigation. I am, therefore, unhampered in my determination to support the resolution to investigate, and who can tell, perhaps our colleagues will learn something that may interest even those who have expressed themselves against any amendments.

Mr. Speaker, I have been unimpressed by the argument advanced that the Committee on Labor has been proceeding along the line of investigation and should be let go unhampered to bring in legislative amendments. If I would be influenced by my constituency, I could not with freedom vote for amendments to the act, while I am unrestrained as to voting to investigate. Surely an investigation will not hurt anyone, except, perchance, someone who is guilty of some concealment in one cause or another, all of which will naturally tend to bureaucracy. In my experience of contacts with the Board—while these contacts have always been received with courtesy and consideration—there was constant delay in action. I have contacted the Board in the interest of labor on all occasions. No employer has at any time suggested or requested a contact. My labor constituents have been confronted with delay and disappointment regardless of the cause or the leanings of the cause in the case at issue.

Without having a single cause at issue before the Board where any action or decision has evoked controversy of a nature sufficiently at issue to enlist my active services, I am rather free to observe other issues where the Board's position has been unstable and uncertain, rather straddling and endeavoring to be on both sides of the fence. In fact, there have been evidences where the Board has been on both sides

of the fence, which is an extremely critical position for any board exercising quasi judicial power. The criticism it has brought on its own head has been of its own creation and not of Congress of any individual Member of this body. We have the example of the former head, due to be reappointed by the President and confirmed by the Senate, against whom and whose services there was that amount of protest his name was not risked for rejection at the hands of another body rather than approval and confirmation. This had the effect to cause the nomination and confirmation of a successor, who now, to all outward appearances, looks on the proposal of an investigation smilingly in the complacency of knowing any disclosure will not be of his responsibility and in the light of experience at the decision of the Supreme Court reversing the quasi-judicial finding and decision of the Board, arrogating power never intended and calculated by Congress enacting the law, as gleaned from our participating colleagues. This eminent successor has been enabled to proceed on a safer course than to follow the trail blazed by his predecessor.

Mr. Speaker, keeping aloof from personalities, it is my fortune to be able to deal with and treat on this issue solely in generalities coming under a wide scope of observation, always readily discernible to the eye of a trained investigator, establishing the opinion there is really something to investigate and likely to be discovered, which is far safer than a continued do-nothing course of hearings on proposed amendments to the act. There has been much agitation for amendments. The issue will be open to far more intelligent approach after an investigation, when amendments deemed necessary will have the well-considered benefit of deliberative investigation, rather than biased and prejudiced testimony so frequent in open hearings. Believing an investigation timely and more desirable than ill-considered, biased, and possibly prejudiced amendments to the National Labor Relations Act, I shall vote for the passage of House Resolution 258 this 20th day of July A. D. 1939.

Will Rogers

EXTENSION OF REMARKS
OF
HON. CLAUDE V. PARSONS
OF ILLINOIS
IN THE HOUSE OF REPRESENTATIVES
Saturday, August 5, 1939

Mr. PARSONS. Mr. Speaker, under leave to extend my remarks, I wish to include the following poem written by me on Oklahoma's illustrious son, Will Rogers:

WILL ROGERS

There's something that we miss so much
On radio and screen,
They just don't seem the same to us
Since you have left the scene.

Your plain homespun philosophy,
Your wit and kindly smile,
Magnetic in rendition and
Original in style.

Time marches on, new stars appear,
Amuse and entertain,
But somehow they don't fill the place
Your heights cannot attain.

We loved you, Bill, for you were filled
With love for all mankind;
You cheered us on, you made us glad,
With your bright supermind.

You're still remembered here below,
And though time gives us change,
A vacancy can ne'er be filled
You caused upon the range.

Your memory is near and dear
In every home and town;
We hope you still can carry on
Beneath your starry crown.

You made the world much better,
And though your lips are still,
We'll cherish your sweet memory;
We'll ne'er forget you, Bill.

Appropriations of the Seventy-sixth Congress

EXTENSION OF REMARKS
OF
HON. ROBERT F. RICH
OF PENNSYLVANIA
IN THE HOUSE OF REPRESENTATIVES
Saturday, August 5, 1939

Mr. RICH. Mr. Speaker, my attention is called to the remarks of the gentleman from Colorado, Hon. EDWARD T. TAYLOR, chairman of the Appropriations Committee of the House of Representatives, as inserted in the Appendix of the RECORD, to which reference for my figures as given herewith can be substantiated as coming directly from the chairman of the committee. And my remarks are based entirely on his figures, knowing them to have been made out by the clerks of the Appropriations Committee, and are no doubt quite accurate.

In this connection I want to call the attention of the people of America to the exorbitant, unsound, and unethical appropriations of the committee of the House, of which the gentleman from Colorado is chairman—and, by the way, I want to say this, that I have known him for many years. He is an honest, honorable, conscientious citizen of this country. He has certainly represented the people of Colorado well, but, because of his health and his age, 80 years, he was not able to give the time and close attention to the Appropriations Committee that to me would seem necessary in the face of the trying conditions under which the last Congress labored. It requires a sound body and plenty of hard work to be able to do such a strenuous job.

The Appropriations Committee of the House of Representatives is a committee of 35 members chosen for the purpose of trying to appropriate the moneys necessary for the operation of the Federal Government, and they should give due consideration, it seems to me, to the amount of money that the Federal Government receives from every source of taxation that we have in order to determine what they have to appropriate. And then the Appropriations Committee for the past several years has been so lavish in its expenditures, I question very much if the members have given due consideration to our Federal income, because we went in the "red" during the year closing June 30 over $3,600,000,000—the greatest deficit this country has ever had in peacetime, and the annual deficits of this administration since March 1933 have been the greatest deficits that our Nation has ever known. It is appalling when they are recapitulated and we find that we have squandered the funds of the taxpayers of this country in the ruthless manner we have, showing that in that space of time we have gone in the "red" over $20,000,000,000. It was a sum undreamed of before 1933. It is a staggering sum today. It is a sum that, if it is not curbed, will break down our economic system and surely bring us to a bankrupt nation.

Now, I would not say that a lot of this money has not done much good but when we recall that we had 11,000,000 people out of work when this administration came into power and we have over 11,000,000 people today who are unemployed, and our agricultural program is not what any of us would have it be. After spending billions of dollars on a farm program in order to stimulate prices, we find that they are lower today than they have been—excepting in 1932, I guess, and probably in all the history of our Nation. Wheat 58 cents a bushel, corn 55 cents a bushel, lard 5¼ cents a pound, cotton 8½ cents per pound, and other commodities in proportion. There is something "rotten in Denmark" when an administration has had all this money to spend and we find ourselves in the position we are today.

The thing that causes me to write this article as a member of the Appropriations Committee is the fact that the chairman of the committee criticized the gentleman from New York [Mr. TABER], the minority Member, who is one of the hardest working Members of the House of Representa-

tives—a man who has tried to look after the finances of this country and a man who is interested in trying to make the outgo equal the income of the Federal Treasury and, if the gentleman from Colorado [Mr. TAYLOR] would only take a page out of the book of Mr. TABER in trying to do this, we would not have had the greatest spending spree that we have had during this session of Congress and that is the principal issue I want to make here.

The chairman of the committee, Mr. TAYLOR of Colorado, and the majority members of this committee have not sincerely worked to cut down Government expenditures or we could have held them down by hundreds of millions of dollars without any hindrance to the working of the various departments of the Government and to the best interest of the taxpayers and the country at large.

It is not my object to criticize but I believe that the Appropriations Committee, if it had functioned properly, would have rendered this country a greater service than it has. The old saying, "Any fool can spend money but it takes brains to make it," is just as true today as it ever was and it requires a lot of common sense, hard work, and brain power to make the outgo compare with the income of a federal government, of a business, of a home, or of an individual.

Now, I herewith give you a list of the expenditures as tabulated in the Appendix of the RECORD by the gentleman from Colorado [Mr. TAYLOR], chairman of the Appropriations Committee, on page 3991, showing that the regular annual appropriations amounted to $6,769,004,844.23, the deficiency and supplemental acts as appropriated amounted to $2,950,251,545.16, the miscellaneous acts to $5,046,400, and permanent appropriations $3,624,717,775, making a grand total of appropriations for the Seventy-sixth Congress, according to the figures submitted by the gentleman from Colorado [Mr. TAYLOR], of $13,349,020,564.39; and a reappropriation, according to Mr. TAYLOR's figures, of $131,195,436; making a grand total of appropriations for the Seventy-sixth Congress, first session, of $13,480,216,000.39.

These are the figures as submitted by the gentleman from Colorado [Mr. TAYLOR], chairman of the committee:

Regular acts:	
Agricultural and Farm Credit Administration	$1,194,498,633.00
District of Columbia	48,002,347.00
Independent offices	1,668,218,340.00
Interior	172,679,765.23
Labor	30,536,170.00
Legislative	21,851,779.00
Military:	
Regular	508,789,824.00
Supplemental	223,398,047.00
Navy	773,049,151.00
State	18,518,700.00
Justice	50,907,520.00
Commerce	52,751,000.00
Treasury and Post Office	1,700,615,054.00
War, civil	305,188,514.00
Total, regular acts	6,769,004,844.23
Deficiency and supplemental acts:	
First deficiency	23,765,041.89
Second deficiency	157,619,059.89
Third deficiency	185,168,066.38
Urgent deficiency	3,099,377.00
Additional appropriation for work relief and relief, 1939	725,000,000.00
Appropriation for work relief and relief, 1939	100,000,000.00
Appropriation for work relief and relief, 1940	1,755,600,000.00
Total, deficiency and supplemental acts	2,950,251,545.16
Miscellaneous acts:	
Sundry public acts and public resolutions	4,046,400.00
Miscellaneous private relief acts (estimated)	1,000,000.00
Grand total, exclusive of permanents	9,724,302,789.39
Permanent appropriations:	
Permanent annual appropriations	3,624,717,775.00
Grand total, including permanents	13,349,020,564.39

WHERE ARE YOU GOING TO GET THE MONEY?

Now, the estimated receipts for the year 1940, as was estimated by the Bureau of the Budget, the Treasurer of the United States, and the President of the United States in his message to the Congress in January 1939 was $5,669,000,000, so you can see that the estimated receipts less the above appropriations that were made by the Seventy-sixth Congress will be short $7,811,216,000.39.

In other words, if all the moneys are spent that were appropriated by the Treasury of the United States we will show up the greatest amount of red in 1 year that this Nation has ever known. It is deplorable. It is a pitiable condition, and whose responsibility is it?

If we followed the advice of the gentleman from New York [Mr. TABER] more and the gentleman from Colorado [Mr. TAYLOR] less we would be better off as a nation.

To me it seems the Appropriations Committee should have followed out the advice and counsel of Mr. TABER, of New York, the minority member, and I can assure you had that been the case the difference between our receipts and expenditures would have been very, very much smaller, and had the President of the United States tried to do the things that he promised he would do when he took office—cutting down Government expenditures—he could have been of wonderful service to the House of Representatives, the Appropriations Committee, and the country at large.

The Democratic platform of 1932 promised the people of this country that they would cut down Government expenditures by 25 percent and that they would consolidate bureaus and offices. This has not been done. In fact, they have increased the Government employees to the extent that today we have more Government employees working for Uncle Sam than we had during the great World War. We have established more bureaus and more departments of government than was ever known to be established in any five administrations previous to Mr. Roosevelt assuming office.

And let me quote you from Mr. Roosevelt about trying to have your income and outgo balance, and I quote you from his speech delivered at Pittsburgh on October 19, 1932:

> The credit of the family depends chiefly upon whether that family is living within its income. And that is equally true of the Nation. If the Nation is living within its income, its credit is good. If, in some crises, it lives beyond its income for a year or two, it can usually borrow temporarily at reasonable rates. But if, like a spendthrift, it throws discretion to the winds and is willing to make no sacrifice at all in spending; if it extends its taxing to the limit of the people's power to pay and continues to pile up deficits, then it is on the road to bankruptcy.

No truer words were ever spoken, and they are just as important today as they were when he uttered them. And when you think of the cost of government now being practically twice what it was at the time he made his speech, and growing with leaps and bounds, unless we have men of ability sent to Congress to try to straighten out this condition, I am afraid that America will lose its form of government, because of the fact that it will repudiate its debts, and that means not only its financial obligations but all other forms of obligations it has to its people.

Democracy is worth saving. Let us so work that it shall be done, and let the people of this Nation wake up to the conditions in which we find ourselves and try to get back to sound, fundamental principles of government and government operation. Let the people realize that we must support the Government and not the Government support the people. That it is the duty of the Government to give us all equal opportunities and to give us the liberty which we inherited when the country was founded by our forefathers; and let the principles of Washington, Jefferson, Jackson, and Lincoln and Coolidge be our motto today, for no truer words were ever spoken than were uttered to the American people by these great statesmen. We can and must maintain this form of government; and it can only be done by the voters of America asserting themselves to the legislators that we need to carry out the utterances that were made by these great men and not the theory that is being practiced by the new dealers, for it will break down our structure and our principles and create a dictatorship which the American people, I feel confident, do not want. For under a dictatorship we lose our form of government, our independence, and our liberty.

If the price the new dealers and theorists want you and your children and your children's children to pay to experiment any further with unsound, untried, and unbusinesslike methods of the New Deal, I say they are not and may realize what we as a Nation are doing and get back to the sound fundamentals of government practiced by our fathers. God save America. God bless our people.

Business Improvement Facts Refute False Propaganda

EXTENSION OF REMARKS

OF

HON. ADOLPH J. SABATH

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Saturday, August 5, 1939

Mr. SABATH. Mr. Speaker, ever since the New Deal came into power through overwhelming support of the voters of the Nation, the reactionary Republican-controlled newspapers of the country have developed a new type of journalism. This new departure in the practice of an old and honored profession consists in printing false and misleading propaganda as to business conditions on the front pages and editorial pages while printing the true facts about business conditions on the financial pages.

As evidence of this tricky journalistic innovation designed to fool the people but keep their financial readers properly informed, I find that this morning's edition of the Chicago Tribune, while castigating the administration and attempting to belittle its efforts on behalf of business, also carries stories which show Chrysler net earnings way over year ago; one-half year's profits over $25,000,000; Montgomery-Ward reports greatest business in history; Sears Roebuck volume of business and profits tremendously increasing; Westinghouse Electric's last 3 months' profits over three million five hundred thousand; Eastman Kodak reports profits of $8,000,000 in 24 weeks; steel makes great gains; many corporations declaring increased dividends and paying back dividends; car loadings increasing.

These fact stories of business improvement and prosperity, Mr. Speaker, give the lie to the fiction stories appearing in many of the reactionary newspapers to the effect that the New Deal has done nothing for business. Truth is stranger than fiction, and if you want the truth about how much the New Deal and President Roosevelt's policies have done for that same big business that persists in condemning him, you will find it not on the front pages or controlled editorial pages but on the financial pages, the pages that the "wise men" of big business read.

Collect the Foreign Debt—International Honesty Is the Best Policy

EXTENSION OF REMARKS

OF

HON. WILLIAM LEMKE

OF NORTH DAKOTA

IN THE HOUSE OF REPRESENTATIVES

Saturday, August 5, 1939

Mr. LEMKE. Mr. Speaker, our Government entered the World War not to save democracy but to save the European financial structure—to save the international bankers. That is the ugly truth as it has come to light. In secret sessions and star-chamber proceedings America's sons were sold on foreign battlefields. The American people were handed a gold brick. Foreign diplomats were too clever for our diplomats. On every battle front our Ambassadors were outmaneuvered, out-witted, and out-generaled.

In place of representing the American people, our Ambassadors became the tools of European intrigue. In place of representing our ideals, they became embroiled in European racial and religious hatreds, in European politics. They suffered from an inferior foreign complex. Undoubtedly President Wilson would have kept us out of that conflict if he had not been misinformed.

Our Ambassador to Great Britain, Walter Hines Page, apparently forgot that he was an American citizen and from London urged President Wilson to declare war. This, he urged, was necessary in order to get our people to make large loans to Great Britain and the Allied Governments—loans with which Great Britain could pay its overdraft of $400,000,000 to J. P. Morgan & Co. After we entered the war this $400,000,000 was paid to J. P. Morgan & Co. out of the first Liberty Loan.

Apparently Ambassador Page was more interested in saving the financial structure of Great Britain—more interested in war profits for the war lords and international bankers—than he was in the lives of the sons of American fathers and mothers. He was more interested in the success of the patrioteers and racketeers, who made billions out of the mass slaughter of mankind, than in the future of our own Nation.

After we entered the war we loaned billions to Great Britain and France—to the allied governments. Not only did we loan them billions, but in their behalf we sent our sons onto foreign battlefields. We paid our own expenses in that war. In addition, hundreds of millions were spent by our Government and soldiers in Europe. Some of these soldiers told us that they were held up on every occasion by the very people whose battles they came to fight. This was the thanks we received for deserting our time-honored position of "no foreign entanglements."

Since the war these same nations have brazenly refused to pay back the money they borrowed. These nations have no legitimate excuse for not paying. They may not be able to pay it all at one time, but ordinary honesty would dictate that they start making some payments. This would come with better grace than using smiling kings and gracious queens as international pawns with which to lull us asleep—lure us into another European conflict.

Surely the nations who grabbed everything in sight after we won the war for them are able to pay their just obligations—the money they borrowed from us. They know that a large amount of this money was gotten from our farmers and laboring people, who are in need of it. These were compelled to buy the so-called "liberty" bonds that they could ill afford. They bought the bonds but to lose them at 80 cents on a dollar.

In order to correct the injustice done to the American people by defaulting governments whom we befriended in their hour of need, and in order to let these governments know that we insist upon international integrity, international honesty, I have introduced a bill to create a commission directed to collect or refund all debts or obligations now due the United States Government from foreign nations.

These nations owe us about $13,224,000,000. This $13,224,000,000 is no part of the money that we spent in winning the war for the Allied Governments. It is money that they borrowed and gave their solemn promise to pay back.

A large part of this money was borrowed after the World War was over, so that these nations could again build up their industrial life. Ordinary decency would suggest that they pay or refund these obligations. President Coolidge said, "They hired the money, didn't they?"

We expect our people to pay what they owe our Government. The Farm Credit Administration has taken over 60,000 farms from our farmers during the last 7 years because they could not pay their mortgages. These farmers were reduced to poverty because we went to war "to end wars" and because we loaned billions to aggressor nations who now refuse to pay.

The Home Owners' Loan Corporation has taken away hundreds and thousands of homes from men and women who could not pay because of the consequence of our entering into the World War to end all wars. We have shown these men and women no mercy. We have evicted innocent men, women, and children from their homes because they could not pay the Government.

However, we have shamefully neglected our duty to collect from these defaulting nations. The articles now appearing in the Saturday Evening Post, by Professor Moley, show some of the cunning schemes devised by these foreign nations to avoid payment.

Charity begins at home. If our Government is so hard up that it must collect, it should collect from foreigners first. If a preference is to be given, then it should be given to our own people. The men and women whose farms and homes we have taken away were less able to pay than the foreign nations that owe us.

I am confident that the people of Great Britain, on whose far-flung possessions the sun never sets, would feel insulted if they were told that their Government was unable to pay the sum of $240,000,000 a year. I am sure that the Government of Great Britain does not represent the will of its people on this subject. The British people have always taken a just pride in the prompt fulfillment of their financial obligations.

The excuse that these nations are unable to pay merely adds insult to injury. The facts are that they have made loans to other nations. They have spent millions and billions in the preparation for more war—in preparation for their own destruction and other nations' destruction. They have spent hundreds of millions in building up their own industries. They have been able to do everything except to pay us what they owe us.

Not only did our Army and Navy spend millions of dollars in Europe during the war, but, in addition, our people spend millions of dollars each year in traveling in the very countries that owe us billions but refuse to pay. If these defaulting nations would pay back to us this money it would not be so very long before the foreign debt would be completely paid. This without any hardship on any of them. Honesty is still the best policy—internationally as well as personally.

These nations are again talking of token payments. These payments should be promptly refused. The time has come when our officials should represent the people of this Nation and not foreign nations. The only reason they now wish to make token payments is because they want to borrow more.

The bill provides that if any foreign government deliberately refuses to pay or refund the money it borrowed from this Government, that then the Commission is directed and authorized to report to Congress methods by which such payments may be enforced. It provides that the Commission shall, among other things, report our trade relations and trade agreements with such nations, the amount of money or property that such nation has within this Nation, and its ability to pay.

We have been altogether too patient with these defaulting nations. We know that they are able to pay. The time for action has arrived. There are plenty of ways in which these debts can be collected. We now demand that they be paid voluntarily, and we do not mean maybe. If our demands are refused we shall consider it an unfriendly act and shall act accordingly.

I name the members of the Commission in the bill because I feel that that is the business of Congress. We have been unable to get any action at the executive end of the Government during this or the previous administration. Congress represents the people who furnished the money which was loaned to these nations.

A Republican Scheme That Will Not Work

EXTENSION OF REMARKS

OF

HON. ADOLPH J. SABATH

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Saturday, August 5, 1939

Mr. SABATH. Mr. Speaker, reactionary Republican newspapers and Republican political leaders aided by a few tory Democrats who for personal reasons have been antagonistic toward the President and the New Deal are working overtime behind the scenes to try and mislead the Democrats of the Nation into nominating a reactionary candidate for President. They would like to unload upon us such a reactionary candidate as to insure the election of a Republican, but in any event assuring a 4-year reign of Wall Street in the White House whichever candidate was elected. Regardless of their ingenuity and practice at political conniving their scheme will not succeed because they will not fool the real Democrats in our party.

The Democrats, who are actually Democrats, and the rank and file of American people who support and vote the Democratic Party ticket will not be misled into repeating the mistakes of 1904, 1920, and 1924.

In 1904 the reactionaries secured control of the Democratic convention and after being assured of the support of the big interests they nominated Parker, unloading him upon our party, the result, of course, was that he did not receive enough votes to justify their being counted. In 1920 Mr. Cox, after his nomination, permitted himself to be influenced by the reactionaries and the same disastrous results were suffered by our party.

In 1924, at the celebrated New York convention, through manipulation again by the reactionary forces within the Democratic Party, John W. Davis was nominated. Although personally a very able gentleman, his services as an attorney for J. P. Morgan and other large interests definitely alined him with the reactionary forces in the minds of the American people. Misguided leaders within the Democratic Party honestly believe that because of the unsatisfactory conditions under the Republican administration big business would support Mr. Davis. However, the very reactionary forces who succeeded in manipulating Mr. Davis' nomination deserted him in the election, and he did not receive enough votes to wad a shotgun.

These three very sad experiences should be a warning to Democrats throughout the Nation that no reactionary, nominated by the Democratic Party, can ever be elected as a President.

The rank and file of Democratic voters and the voters at large will not support any reactionary Democratic nominee. The Democratic Party is the party of the people and not of the vested interests. Special privilege knows and fully realizes the satisfactory services they received from the Republican Party, which they have owned and controlled for years. They are likewise fully aware that no Democratic administration could serve them as well as the Republican Party. I am therefore satisfied that the Democratic convention will not be misled by any reactionary propaganda that this or that candidate is a liberal or progressive when the object of such propaganda is to force upon the Democratic Party a reactionary nominee temporarily disguised. I am confident Democrats will judge candidates for their support in the convention by the company they keep, knowing full well you cannot teach an old dog new tricks nor that a leopard can change its spots.

I concede that the Wall Street directors of hundreds of corporations, the Steel Trust magnates, the public-utility moguls, the railroad presidents, the Morgans, Rockefellers, du Ponts, Fords, Weirs, Goulds, Vanderbilts, Sloanes, Girdlers, or any or all of those whose incomes are over a hundred thousand dollars annually are opposed to the New Deal. They would be opposed to any party that has the interests of the American people at heart, that advocates improving the conditions of the wage earner, the farmer, and the small-business men of the country. They do not ever intend to support a Democrat for election to the Presidency even though they may give lip service to a reactionary Democratic nominee until the votes are counted.

As I stated, the Democratic Party should be and must continue to be a party of the people. It cannot and must not permit itself to be used, influenced, or bossed by the "60 families" who presently control a great portion of the Nation's wealth and their few hundred special agents, manipulators, lawyers, brokers, and kept politicians. The Democratic

Party must carry on the fight for the underprivileged Americans, for the rank and file of our citizens. These citizens, the backbone of our Nation, will demand and insist that President Franklin D. Roosevelt be nominated again by our party, so he may continue and perfect the splendid and constructive work he has started.

Neutrality

EXTENSION OF REMARKS

OF

HON. LEE E. GEYER

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Saturday, August 5, 1939

LETTER FROM D. F. MYERS

Mr. GEYER of California. Mr. Speaker, under leave to extend my remarks, I wish to insert in the RECORD a letter written by Mr. D. F. Myers, post-office box 302, Hong Kong, China, to Mrs. William Hiatt, rural route 1, box 459–A, Torrance, Calif. Mrs. Hiatt is a constituent of mine.

This letter describes the horrors of modern warfare in language that is vivid and to the point. There is no mistaking the accusation in the following letter that this Congress has failed its duty to its people and democracy by refusing to enact a neutrality law that would help end this mass slaughter of civilians in China.

The letter follows:

CHUNGKING, *May 14, 1939.*

* * * When I first came up to Chungking, which is a long distance up the Yangtze River from Shanghai, and equally as far from Hong Kong, there was a heavy blanket of clouds all over the city and the Japanese planes could not find the place. But with the coming of May the clouds began to clear and on the 3d of May we had our first air raid. Since then we have had three regular raids and a few air-raid alarms which did not result in bombing.

On the 3d of May we had several false alarms and we all stayed near our dugouts so that we could dive into them if the planes really came. And sure enough, just after noon, they came. For a time the air was filled with the roar of Chinese planes as they came from the air field to climb high above the city to meet the invaders. Then, out of the silence which followed, we heard the drone of the bombers as they came in from the south. There was a sharp crackle of the antiaircraft guns as we rushed to the dugout under the house where I am staying. There we could hear the thud of the exploding bombs as they were dropped closer and closer until one fell a few hundred yards away and exploded with such terrific force that we were almost knocked down by the concussion. Then they were gone. We ran to the open in time to see one of the planes fall in flames and the two aviators dropping down in their parachutes. We had not seen the bombs fall, but we could see the effects of their falling. Great clouds of dust were rising off to our left along the street above us. Smoke and flames were beginning to rise from the several fires which had been set. As soon as we could we left the house and went up to the street where we saw the wreckage of the buildings which were hit and later saw the fires which were set by the incendiary bombs. In this raid a lot of damage was done, both by the explosive bombs and by the incendiary bombs. In all some 20 bombs were dropped.

All the next day we were in a constant state of alarm. But, since no planes came, we were just beginning to draw our breath freely at about 6:30 p. m. when there came an urgent alarm. Again the Chinese planes came over and prepared to meet the bombers. Again came the dull roar of the heavy American-made bombers. Then, in the dusk to the northeast, we saw the long lane of planes. Twenty-seven of them in close formation of nine sets of threes. It was a terrible and a terrifying sight to see them as they came on as relentless as fate. They were well to the left of us this time and we stayed out of our dugout to watch them. The air was filled with the crackle of the antiaircraft guns and the little puffs of smoke made by the bursting of the antiaircraft shells wove a pattern about the planes, but none were hit. On and on they came. It was getting too dark to see the bombs fall and they moved over the rocky hill on which Chungking is located before dropping them. This time, however, we did not hear the bombs explode, and as the planes passed out of sight we marveled to each other that they had come all this way and had not bombed the place. But as we looked the sky to the northwest was filled with smoke and flames. The whole sky was soon lighted up and we hastened to make our way up the many steps which lead from the Canadian Mission Home, where I am staying, to the streets above. By this time it was dark and the electric lights of the city, which had been shut off with the approach of the raiders, did not come on again. As we proceeded, guided by the light of the flames and lighting our way by means of flashlights and by the moon, which was by this time arising, we reached the scene of the bombing. It was fully a mile from our place and over the rocky hill.

As we came near we met people, loaded with their few belongings, rushing to the river where they could get boats to the south bank. Weeping children and women, frightened men. All with but one object in mind—to get as far from the scene of death and destruction as was possible.

We reached the Canadian Hospital, and there saw our first sight of the horror which had been wrought. In the doorway stood the big, gentle Dr. Stuart Allen, directing the long lines of stretcher bearers as they came in with the loads of misery. Far up the street, in the light of the burning buildings, we could see them come. Already more than 200 had been brought in, and they were still coming. The little hospital, built to care for the ordinary sick, was being worked to the limit by a wartime disaster. As the wounded came in they were laid on the ground in rows (the first batch had filled the few rooms to overflowing), and the doctors and nurses moved quickly from stretcher to stretcher, doing what they could for the wounded. There was no time for more than first aid. The doctors and nurses worked from patient to patient, without time to wash the blood from their hands. Then the patients were rushed to the river, where they were transported to the larger hospital on the south bank. It was a sickening sight, but we were to see and hear worse.

From the hospital (which was one of five to which more than 1,000 of the wounded were taken), we went along the street another hundred yards and there saw where the bombs had fallen at the curb line and had demolished several buildings. A hole 30 feet in diameter and 15 feet deep had been made in the street, and the buildings on both sides of the street had been wrecked. Water was still running from the 4-inch main which had been uprooted and broken by the bomb. This was spouting water all over those who were undertaking the rescue work. But at this place little rescue was possible. Anyone within a hundred feet of this bomb was killed, and the dead were lying as they had fallen. We hurried on, attracted by the flames and screams of the trapped victims. The fire department was out in full force, trying to stop the flames. It was a hopeless task. The broken water mains had little pressure. Long lines of bucket carriers were bringing water from wells and hydrants too far for the hoses to reach, and were filling big tubs with water for the fire engines to suck up and throw on the flames. But it was not until late the next evening, after many buildings had been torn down in the path of the flames and a light rain had come to dampen them, that the fires were finally checked. Seven huge fires were started, which together burned over an area as large as the whole of Vicennes.

We hastened on to lend a hand to the Friends' Mission, which had been in the center of the bombing and which was threatened by another fire. Arriving there through a dark alley in which a dozen bombs had been dropped, we could hear the calls and the groans of those who were buried deep under the wreckage. But, without a steam shovel we could never have reached them (some of them are still there and may not be gotten out for some time yet).

At the Friends' Mission we found that everything had been destroyed except the home of the missionary who, with the help of a couple of his friends, was removing his goods from the house to the debris-strewn courtyard. They were alternating these labors with that of putting out the fires which constantly caught at the eaves of the house.

It seemed that the house was doomed and that it might go before the goods could be safely removed, but the two of us fell to and helped to remove the goods and to put out the fires. This last was an almost hopeless job for the flames were leaping high in the air on two sides of the place with only the courtyard wall between. Time after time the eaves of the house caught and time after time we put them out. We had but little water and the only equipment we had was the kitchen utensils, but it is amazing how much good a cup of cold water will do if placed by desperate hands on the right spot. We dared not use too much water for we had so little, and so, with tin cups and teakettles we held the fires away until the buildings over the wall should burn out. Hours later we stood, black and grimy, but triumphant, and looked at the building which we had saved, the only one left standing in all that area. Only red coals and bleak plaster walls stood about us as we finally felt free to stop and drink the water from the cold water in the ice box. There was a time when we even thought of using this water to quench the flames but had been spared this extremity. The bright moonlight filtered down upon us as we stood there, mighty tired, and compared notes. The one thing that stood out in our minds was the fact that the place was mighty lucky to have escaped. I still don't see how we did it.

In our work of removing the furniture from the house and of putting out the fire, we became conscious of being tripped by some object in the passageway on the second floor of the house. When it occurred to one of us to remove the obstacle, we thought it was a wet calfskin. Bringing a flashlight, we discovered that it was all that remained of a Chinese woman who had been blown into the passage from one of the bombed houses.

To say that it was all that remained of her body is not saying much. There was little left except the heavy coal-black hair and

less than half of the torso. Arms, legs, the front of the face and neck, and the whole of the front of the body had been blown away. She must have been standing almost on the spot the bomb hit.

As gently as possible we moved her aside to await the arrival of those who were to remove the dead, but our gentleness could not atone for the brutal mind which conceived the idea of bombing helpless civilians. Our eyes were dry and our hearts hardened as we worked on for the living, although not forgetting the dead. The next day the remains of two more bodies were discovered in the courtyard. One was only a head, blown cleanly from the body, and the other was just a part of the trunk of a man.

How the gods of war must have rejoiced at the ease with which these innocent humans were destroyed! How proud must be the "brave" Japanese who dropped the bombs!

And, I bow in shame as I say it, how proud must be the Americans who sold the scrap iron, the cotton, the gasoline, and the airplanes to the Japanese to use in making the bombs, the explosives, and the flight which resulted in such dreadful wholesale murder. For besides the more than 1,000 persons who were injured in the raid, more than 2,000 were killed, many of whom have not yet been dug out of the ruins.

The result of the raid on May 4 was that about one-tenth of the city was destroyed and burned. The burned section comprised a greater portion of the business area. Two hundred thousand people were rendered homeless and even more were forced to seek refuge outside the city. All the cars and trucks in the city were placed in the service of evacuating the people who wished to leave. The roads were crowded for 3 days following. On foot, in carrying chairs, in rickshas, and in motor vehicles, they left. Not in panic, however, but under orderly control. Every policeman stayed on the job long after he should have been relieved. Two days afterward some of them were still at work, ready to drop but carrying on. Then came the women to the rescue. Hundreds of trimly dressed women took their stand along the roads and did their share in directing the traffic and preventing panic. Even when on Saturday at noon, we again had an alarm, those brave women stood to their places and by their examples prevented what might have been a terror-stricken riot. I was passing along in a ricksha at this time and saw them quieting the crowds. Only when the last of the refugees had finally been safely placed in dugouts did these women join ranks and march to places of safety. But when I came back, an hour later, they were again on the job. Respect for such bravery caused me to remove my hat and ride along bareheaded as I passed them. I thought of all the "Mollie Pitchers" and others I had read of in American history. I thought of the "Spirit of '76" and all it meant to the discouraged Americans of the Revolutionary War. I had never before known just what it meant. But as I looked upon those brave women I knew at once what the "Spirit of '39" means to them. It means that China will go on fighting and fighting and that there can never be a peace which curtails the independence of China's progressive men and women.

Then, again, on Friday the 12th, the Japs came again. This time they had less success than before. With 27 planes they came, this time from the west. But, being a little later in the day than before, they did not hit the main part of the city. Again they dropped 100 bombs and set fire to 7 buildings, but the places they hit were not so large and the fires soon burned out. Many people were killed and injured, but not nearly so many as before.

Antiaircraft guns and the Chinese planes broke up their formation and brought down several of their planes. This time we were again in the dugout under our building and felt and heard the explosions, which, although farther away, were not deadened by the rocks. Aside from the burning of a large warehouse and a school, little real damage was done. The suffering of the people, of course, is just as bad, even though there is less of it. Many of the refugees from the bombings of May 3 and 4 were living in the section which was bombed on the 12th, but, because of the scattered nature of the buildings, few were killed or injured.

I know that you will want to know how long this war will go on. I wish I could tell you. I can only say that it will go on just so long as America, with her so-called neutrality, lets Japan sell her silk in America and use the proceeds to buy oil, cotton, scrap iron, and airplanes, for, without these, Japan cannot carry on. As we sat at the radio and heard the news announcer from San Francisco tell the world that America was going to await the departure of the British King and Queen from America before deciding about the future of the Neutrality Act, our hearts were heavy, for only the day before we had sent a cable message to Congress from here, we Americans, in which we had asked Congress in the name of God to consider the effects of a neutrality which permits an aggressor nation to purchase the raw materials of war and prevents the invaded nation from buying the arms needed for protection.

* * * * * * *

I must close now. It is Sunday and I have spent most of the morning writing this letter. I wanted you to know what an air raid was actually like. There is only one word for it—terrifying. Don't believe anyone when they say they were not afraid during an air raid. But it is not the fear one has of any other thing. It is a hopeless fear. The fear that comes of having an unseen but horrible thing after you and no place in which you can hide from it. But once the raid is over, the fear gives way to a kind of determined hatred. Determination to do all in one's power to remove such an evil thing, as the bombing of open cities, from the world. And you come out and set to work again. Not as though nothing had happened, but as though what had happened had made you all the more determined to carry on.

That is what the Japanese are facing with this policy of killing civilians. One and all, the Chinese are more determined today than they were when the war began. Determined that they will continue the war as long as there is a man or a woman to fight. How, then, can Japan hope to conquer China? How, then, can one look for a permanent peace here in the Orient (or in the world) until the more powerful democratic nations decide to boycott Japan and help China. The future peace of the world for 100 years to come depends upon the action of the American Congress during this session. If they continue the idiotic policy of selling to such aggressors as Japan because she has the ships in which to transport the goods and refuses to sell arms and ammunition to China, this war can go on until all the Chinese are exterminated. If America takes the lead in boycotting aggressors, the war can be ended permanently in 6 months.

But I must close and get this letter in the mail. It will come to you by air and should reach you within the next 10 days. If you care to let Mrs. Emison have the letter, she can do some good by publishing it to show America's part in this war against the Chinese and democracy. Perhaps, if enough good Americans will demand action, something may yet be done to stop the most horrible mass murder that the world has ever known.

* * * * * * *

Very sincerely,

DAN.

Puerto Rico Before Congress

EXTENSION OF REMARKS

OF

HON. SANTIAGO IGLESIAS

RESIDENT COMMISSIONER FROM PUERTO RICO

IN THE HOUSE OF REPRESENTATIVES

Monday, July 31, 1939

Mr. IGLESIAS. Mr. Speaker, I believe it opportune to insert in the RECORD a summary of the valuable work performed in behalf of Puerto Rico and its people during the first session of the Seventy-sixth Congress.

The office of the Resident Commissioner of Puerto Rico has been treated with kindness and justice by many Representatives and Senators, and especially by the officers of the administration that have given great help and support for the success of many social and economic measures that will continue to uplift the people of the island. The Department of the Interior, directed by the Honorable Harold L. Ickes and the Division that has been created in said Department for the Territories, headed by Dr. Gruening, were inspired continually by the reports and personal activities of Governor Blanton Winship who, assisted by many other representatives and commissions from Puerto Rico, obtained many favorable actions and projects intended to benefit permanently the general situation of Puerto Rico.

President Roosevelt was continually demonstrating his sympathies and willingness to give help to the people of the island, and gave all the help he could. He is directly responsible for the success in the extension of the Social Security Act to the island for the first time. He recently gave approval to several economic plans and has also authorized Admiral Leahy, newly appointed Governor of Puerto Rico, to spend $10,000,000 for the relief of the people over there in a manner which he may deem most beneficial.

In order that the public be informed of the efforts and accomplishments in behalf of Puerto Rico, the following account of activities is appended herewith. All this has been worked out in different ways and in many ways by the office of the Resident Commissioner of Puerto Rico, who has given attention to the hundreds of requests from many sections of the island on matters of education, sanitation, and also all matters of veterans and candidates for various positions. I have also given my best assistance to all the representatives of the agriculture and the workers of Puerto Rico. Likewise, I have attended the various committees of the House and the Senate in behalf of these representatives and the bills pending and considered, always in the interest of the welfare of Puerto Rico and its people in general.

Loans, grants, and liquidated projects which will benefit the people of Puerto Rico—Seventy-sixth Congress

Federal social-security laws will grant eventually	$500,000
Federal agricultural extension laws will give	400,000
Federal roads and bridges appropriation acts will reach	1,000,000
New Deal program and reconstruction for the island	1,000,000
Federal relief (for the use of the P. R. R. A)	7,000,000
The Federal Housing National Administration has earmarked:	
For Puerto Rico	12,000,000
For San Juan, first installment, approved by the President	780,000
For Ponce, first installment, approved by the President	1,250,000
Federal educational extension	400,000
Probable expenses for harbors: San Juan, Fajardo, Mayaguez, Arecibo, Punta Santiago, Guayanes	2,500,000
For the Construction of the drydock of San Juan	1,300,000
War division in the island and expenses for construction of buildings, personnel, are calculated to reach	16,000,000
An air base, construction of building, accessories, fixed by law	9,300,000
To be used by Governor Leahy for relief purposes as authorized by President Roosevelt	10,000,000
The Department of Interior has set aside for the ultimate control of the electrification of all Puerto Rico about	3,000,000

Several other Federal laws have included Puerto Rico in various sections, stressing help and cooperation.

BILLS INTRODUCED BY THE RESIDENT COMMISSIONER OF PUERTO RICO, HON. SANTIAGO IGLESIAS, IN THE SEVENTY-SIXTH CONGRESS

H. R. 146, to amend the act of August 14, 1935, entitled "Social Security Act," to extend titles V and VI to Puerto Rico. January 3, 1939 (Committee on Insular Affairs). Extension of remarks (Mr. IGLESIAS), Extension to Puerto Rico of the Benefits of the Social Security and the Bankhead-Jones Acts, page 415 of the Appendix of the CONGRESSIONAL RECORD.

H. R. 147, to make Puerto Rico an incorporated Territory of the United States. January 3, 1939 (Committee on Insular Affairs). Extension of remarks, Puerto Rico Wants to Become an Integral Part of the United States, Appendix of the CONGRESSIONAL RECORD, page 684. Progress and Unemployment in Puerto Rico, Appendix of the CONGRESSIONAL RECORD, page 815. On January 6, 1939, letters were sent to leaders of the Legislature of Puerto Rico asking them to give their best consideration to the bill.

H. R. 148, to amend section 40 of the act of March 2, 1917, entitled "An act to provide a civil government for Porto Rico, and for other purposes." January 3, 1939 (Committee on Insular Affairs).

H. R. 149, to amend section 38 of the act of March 2, 1917, entitled "An act to provide a civil government for Porto Rico, and for other purposes." January 3, 1939 (Committee on Insular Affairs).

H. R. 150, to extend the provisions of the act entitled "An act to provide that the United States shall aid the States in wildlife-restoration projects, and for other purposes," approved September 2, 1937, to the District of Columbia or any Territory or possession of the United States. (Committee on Agriculture.)

H. R. 151, authorizing the Secretary of War to transfer to the Grand Lodge of Free and Accepted Masons of Puerto Rico certain real estate in the city of San Juan, P. R. (Committee on Military Affairs.)

H. R. 152, to authorize and direct the United States Commissioner of Fisheries to undertake fish-cultural and related activities in Puerto Rico, making appropriations therefor, and for other purposes. (Committee on Merchant Marine and Fisheries.)

H. R. 2925, for the relief of Julia Santiago. (Committee on Claims.)

H. R. 4068, for the relief of Mary Rose Williams, minor child of the deceased seaman Otis A. Williams. Compensation, $5,000. (Committee on Claims.)

H. R. 4082, to amend the act of August 14, 1935, entitled "Social Security Act," to extend titles I, V, VI, and X to Puerto Rico. (Committee on Ways and Means) February 14, 1939. Extension of remarks, page 415, Appendix of the CONGRESSIONAL RECORD. Not only the benefits of these titles have been extended to the island, but also Puerto Rico has been included in other measures, like the vocational rehabilitation for the blind, etc. CONGRESSIONAL RECORD, conference report, pages 11088, 11089, and 11090.

H. R. 4175, to authorize the Secretary of War to build an American Army monument in Mayaguez, P. R. February 13, 1939. (Committee on Military Affairs.)

H. R. 4176, for a survey and examination of Punta Santiago Harbor, Humacao, P. R. (Committee on Rivers and Harbors, Doc. No. 280.)

H. R. 4532, to make effective in the District Court of the United States for Puerto Rico rules promulgated by the Supreme Court of the United States governing pleading practice and procedure in the district courts of the United States February 27, 1939. (Committee on the Judiciary; referred to Subcommittee No. 11; passed House May 1, 1939.)

H. R. 5179, to extend the provisions of the act entitled "An act to provide that the United States shall aid the States in wildlife-restoration projects, and for other purposes," approved September 2, 1937. March 21, 1939. (Committee on Agriculture.)

H. R. 6067, to authorize a preliminary examination and survey of certain rivers and other tributaries on the island of Puerto Rico for flood control, for run-off and water-flow retardation, and for soil-erosion prevention. May 1, 1939. (Committee on Flood Control.)

H. R. 6117, to amend the Merchant Marine Act, 1936, as amended, to further promote the merchant-marine policy therein declared, and for other purposes. May 2, 1939. (Committee on Merchant Marine and Fisheries.) Extension of remarks, Proposed Amendment of the Merchant Marine Act Regarding Ship Construction. (Appendix of the CONGRESSIONAL RECORD, p. 1922.)

H. R. 6118, to amend the Merchant Marine Act, 1936, as amended, and to remove discrimination in such act against Puerto Rico in connection with ship subsidies, and for other purposes. May 2, 1939. (Committee on Merchant Marine and Fisheries.) Extension of remarks, Proposed Amendment of the Merchant Marine Act Regarding Ship Construction. (Appendix of the CONGRESSIONAL RECORD, p. 1922.)

H. R. 6133, to compensate certain Puerto Rican citizens of the United States in the World War. May 3, 1939. (Committee on War Claims.) Extension of remarks, Puerto Rican Industrial Soldiers. (Appendix of the CONGRESSIONAL RECORD, p. 1577.)

H. R. 6986, to enable the people of Puerto Rico to form a constitution and state government and be admitted into the Union on an equal footing with the States. June 26, 1939. (Committee on the Territories.) Extension of remarks. In the Caribbean Sea. (Appendix of the CONGRESSIONAL RECORD, p. 2704.) Progress in Puerto Rico. (Appendix of the CONGRESSIONAL RECORD, p. 3617.)

H. R. 7117, to amend an act entitled "An act to provide a civil government for Porto Rico, and for other purposes," approved March 2, 1917. July 10, 1939. (Committee on Insular Affairs.)

H. 7118, to amend the Organic Act of Puerto Rico, approved March 2, 1917. July 10, 1939. (Committee on Insular Affairs.)

H. R. 7502, to authorize a preliminary examination and survey of certain rivers and their tributaries on the island of Puerto Rico for flood control, for run-off and water-flow retardation, and for soil-erosion prevention. August 4, 1939 (Committee on Flood Control).

DEBATES IN THE HOUSE OF REPRESENTATIVES IN WHICH THE RESIDENT COMMISSIONER OF PUERTO RICO, HON. SANTIAGO IGLESIAS, PARTICIPATED

Deficiency bill, requesting $3,000,000 for Puerto Rico, March 22, 1939 (CONGRESSIONAL RECORD, p. 3123).

Additional Federal funds appropriated by Public Act No. 407 for the support of extension in agriculture and home economics in Puerto Rico, March 23, 1939 (CONGRESSIONAL RECORD, p. 3209).

Asking the Chairman of the House to amend H. R. 5375, a bill promoting nautical education, so that it will cover Puerto Rico, April 17, 1939 (CONGRESSIONAL RECORD, p. 4376).

Answer to MARCANTONIO's speech against Governor Winship, in which the wage and hour law was mentioned, May 15, 1939 (CONGRESSIONAL RECORD, p. 5528). (Both Mr. IGLESIAS and Mr. MARCANTONIO were allowed to extend their remarks in the RECORD.)

Amendments introduced to the Hatch bill (S. 1871) regarding political favors during election time.

ADDRESSES BY RADIO

Speech delivered at the New York World's Fair on Puerto Rico Day, July 25, 1939.

Speech commenting on Senator GIBSON's bill (S. 1193) creating an executive department to be known as Department of Territories and Insular Affairs.

Report on conditions of Puerto Rico.

EXTENSIONS OF REMARKS OF HON. SANTIAGO IGLESIAS DURING THE SEVENTY-SIXTH CONGRESS IN THE HOUSE OF REPRESENTATIVES

The Government of Puerto Rico and Trade Agreements (reciprocal-trade agreements, etc. (Appendix of the CONGRESSIONAL RECORD, p. 107).

Reciprocal-Trade Agreement With Cuba (sugar quota, etc.) (Appendix of the CONGRESSIONAL RECORD, p. 234).

Puerto Rico's Activities (economic conditions, progress, etc.) (Appendix of the CONGRESSIONAL RECORD, p. 298).

Extension to Puerto Rico of the Benefits of the Social Security and the Bankhead-Jones Acts (memorandums commissioner of health and agriculture in connection with said acts, etc.) (Appendix of the CONGRESSIONAL RECORD, p. 415).

Five Years of Governor Blanton Winship in Puerto Rico (address by Hon. Bolizar Pagan) (Appendix of the CONGRESSIONAL RECORD, p. 540.)

Puerto Rico Wants to Become an Integral Part of the United States (covers economic conditions, bill H. R. 147, etc.) (Appendix of the CONGRESSIONAL RECORD, p. 684).

Progress and Unemployment in Puerto Rico (Territorial form of government, etc.) (Appendix of the CONGRESSIONAL RECORD, p. 815).

Unemployed, Low Wages, and Business in Puerto Rico (wage-hour law, conditions in the island, inclusion of reports from San Juan in the New York Times, and other reports of the government) (Appendix of the CONGRESSIONAL RECORD, p. 930).

Fair Labor Standards Act in Puerto Rico (relief, unemployment, P. W. A., Free Federation of Workingmen resolution, etc.) (Appendix of the CONGRESSIONAL RECORD, p. 1129).

Rivers and Harbors Congress (address by Blanton Winship before the National Rivers and Harbors Congress) (Appendix of the CONGRESSIONAL RECORD, p. 1152).

A Report From Puerto Rico (address by Maj. Gen. Blanton Winship on the Columbia Broadcasting System Saturday, March 25, 1939, from the studios of WJSV, Columbia studios for the Nation's Capital, covers different aspects of the island) (Appendix of the CONGRESSIONAL RECORD, p. 1259).

Social and Economic Problems of Puerto Rico (Reurtel-Ellender Act (S. 69), cables on the matter, conditions as reported, social and economic problems, etc.) (Appendix of the CONGRESSIONAL RECORD, p. 1326).

Status of Puerto Rico (address by Hon. Martinez Nadal in the Senate of Puerto Rico on March 24, 1939) (Appendix of the CONGRESSIONAL RECORD, p. 1376).

Puerto Rican Industrial Soldiers (resolution of the House of Representatives of Puerto Rico; letters, Secretary of Labor, Secretary of War, Dr. Gruening) (Appendix of the CONGRESSIONAL RECORD, p. 1577).

Paramount Problems of Puerto Rico (living conditions, how the Federal Government has been helpful, etc.) (Appendix of the CONGRESSIONAL RECORD, p. 1685).

Proposed Amendment of the Merchant Marine Act Regarding Ship Construction (reports on bills H. R. 6118 and H. R. 6117) (Appendix of the CONGRESSIONAL RECORD, p. 1803).

Conditions of Labor in Puerto Rico (regarding wage and hour law, economic situation, insertion of report of the Governor of Puerto Rico at the public hearings before the Wages and Hours Division of the Department of Labor) (Appendix of the CONGRESSIONAL RECORD, p. 1922).

Federal Aid to Education in Puerto Rico (resolution of the San Juan Teacher's Union, Local No. 582, American Federation of Teachers, H. R. 3517) (Appendix of the CONGRESSIONAL RECORD, p. 2179).

Social Security Act (covering report before the Ways and Means Committee) (Appendix of the CONGRESSIONAL RECORD, p. 2345).

Puerto Rico (concurrent resolution, Puerto Rican Legislature), June 8, 1939 (Appendix of the CONGRESSIONAL RECORD, p. 2485).

Progress in Puerto Rico (the desire of Puerto Rico to become a State of the Union; mentioned bills, civil government for Puerto Rico, conditions in the island, etc.) (Appendix of the CONGRESSIONAL RECORD, p. 3388).

In the Caribbean Sea (final political status for the island, liberalization of the organic act, memorandum of the joint committee of the Puerto Rican Senate, etc.) (Appendix of the CONGRESSIONAL RECORD, p. 2704).

Puerto Rico's Day at the New York World's Fair, Friday, July 28, 1938 (Appendix of the CONGRESSIONAL RECORD, p. 3617).

Gov. Blanton Winship (resolutions, editorials, etc., attesting high esteem of Governor Winship by Puerto Ricans), Saturday, August 5, 1939 (Appendix of the CONGRESSIONAL RECORD, p. 4152).

Progress in Puerto Rico (statehood bill to enable the people of Puerto Rico to form a constitution, etc.) (Appendix of the CONGRESSIONAL RECORD, p. 3617).

PETITIONS, SEVENTY-SIXTH CONGRESS

No. 978. Petition of Maria Gonzalez and others, of Lares, P. R., asking consideration of their petition with reference to neutrality (Committee on Foreign Affairs). CONGRESSIONAL RECORD, February 7, 1939, page 1227.

No. 979. Petition of the Associated Puerto Rican Press, Puerto Rico, petitioning consideration of their resolution with reference to propaganda (Committee on Foreign Affairs). CONGRESSIONAL RECORD, February 7, 1939, page 1228.

No. 1003. Petition of Generosa Hernandez, Caguas, P. R., and others, urging consideration of their petitions with reference to neutrality (Committee on Foreign Affairs). CONGRESSIONAL RECORD, February 8, 1939, page 1267.

Many other petitions from hundreds of citizens of the island were received from Puerto Rico and the mainland. To all of them careful consideration was given by the Resident Commissioner and were referred to the proper authorities. Most of the petitions were sent officially by the Resident Commissioner to the Speaker of the House, Hon. WILLIAM B. BANKHEAD, and to the various departments and their corresponding officials in bureaus and divisions. The Secretary of State, Hon. Cordell Hull; the Secretary of the Interior, Hon. Harold L. Ickes; the Secretary of Agriculture, Henry A. Wallace; the Secretary of Commerce, Harry L. Hopkins; the Secretary of Labor, Mme. Frances Perkins; the late Secretary of the Navy, Hon. Claude A. Swanson; the Secretary of War, Hon. Harry H. Woodring; the Secretary of the Treasury, Henry Morgenthau, Jr.; Attorney General Frank Murphy; the Postmaster General, James A. Farley; Bureau of Immigration; Veterans' Bureau; and other officials of the aforesaid departments, have given to our requests and petitions the best and most sympathetic interest and cooperation, helping to solve many difficulties and situations.

BILLS INTRODUCED IN THE SENATE AFFECTING PUERTO RICANS OR THE ISLAND IN GENERAL, SEVENTY-SIXTH CONGRESS

S. 69. Senator ALLEN J. ELLENDER: Regulation of sugar production and stipulation of quotas. Mr. IGLESIAS' extension of remarks, Social and Economic Problems of Puerto Rico, Appendix of the CONGRESSIONAL RECORD, page 1326. Comparative table, Sugar Act of 1937 and S. 69, showing quota for each area and increase or decrease therein, Appendix of the CONGRESSIONAL RECORD, page 1440. Debate of Representative Lord, in regard to Cuban and Puerto Rican sugar quota, March 23, CONGRESSIONAL RECORD, page 3209. Extension of remarks by Representative REED of New York, in reference to the Cuban treaty, Appendix of the CONGRESSIONAL RECORD, page 122. Debate, Mr. CUMMINGS, January 13, 1939, CONGRESSIONAL RECORD, pages 446–449. Mr. REED's remarks, Cuban Reciprocity (?), Appendix of the CONGRESSIONAL RECORD, page 122. Senator KING debate, March 23, 1939, CONGRESSIONAL RECORD, pages 3173, 3174.

S. Res. 82. Senator ARTHUR CAPPER: Against regulation of contracts of indigenous workers, which would impose a lower standard of working conditions on many American workers, and in particular upon many American women workers. Senator CAPPER requests in his resolution that the United States delegation to the June conference of the International Labor Organization should be instructed in said respect. The Puerto Rican Legislature approved a resolution in favor of said bill.

S. 191. Senator HENRY F. ASHURST: To extend the privilege of retirement to the judges of the Territories and Puerto Rico.

S. 201. Senator WILLIAM H. KING: To provide for allocation of funds for relief and work relief applicable to the States, Territories, and Puerto Rico.

S. 282. Senator MATTHEW M. NEELY: To provide that State employees employed in connection with programs carried on with the assistance of the Federal Government be selected in accordance with a nonpolitical civil-service plan.

S. 518. Senator JOHN H. BANKHEAD: To provide for the further development of cooperative agricultural extension work.

S. 1193. Senator ERNEST W. GIBSON: To create an executive department of the Government to be known as the Department of Territories and Insular Affairs.

S. 1343. Senator W. WARREN BARBOUR: To increase the number of National Guard aviation units in State and Territory, including Puerto Rico.

S. 1305. Senators ELBERT D. THOMAS and PAT HARRISON: To promote the general welfare through the appropriation of funds to assist the States and Territories in providing more effective programs of public education. This bill includes Puerto Rico also. (This is similar to H. R. 1813.) If the bill is approved, $140,000,000 will be dedicated for the expansion of education for the years 1939–45.

S. 1395. Senator ARTHUR H. VANDENBERG: To give relief to the States and Territories. This measure includes Puerto Rico outside of other Territories.

S. 1871. Senator CARL A. HATCH: To prevent pernicious political activities. Puerto Rico is included in this bill, which was approved (Public, No. 252).

S. 2202. Senator JAMES F. BYRNES: Proposing the creation of a Department of Public Works, combining in it the Public Works Administration, Works Progress Administration, Civilian Conservation Corps, National Youth Administration, Bureau of Public Work, and the public-building branch at the Treasury Department. The new department would be expected to plan projects ahead and have them ready to take up the slack when the wheels of industry begin slowing down. Senator BYRNES stated "that the workers who are not eligible to job insurance, or other social-security benefits, would be given relief through appropriate jobs. If one thing is certain, it is that job insurance must be our first line of defense." This policy will be good for Puerto Rico if the bill becomes a law.

S. 2780. Senator EDWARD R. BURKE: Statehood for Puerto Rico. (Same as H. R. 6986.) (Committee on Territories.)

S. 2475 (same as H. R. 6197). Senator WILLIAM H. KING: Creating the Puerto Rico Water Resources Authority. After hearing the Resident Commissioner, the committee decided to let the bill go over until the House acts upon it.

BILLS INTRODUCED IN THE HOUSE OF REPRESENTATIVES AFFECTING PUERTO RICANS OR THE ISLAND IN GENERAL—SEVENTY-SIXTH CONGRESS

H. J. Res. 326. Representative CLIFTON A. WOODRUM: Appropriation for the relief of unemployment and for direct relief, authorizing grants to the State, Territories, and Puerto Rico, for the amount of $1,120,000,000, to be administered by the W. P. A. in the fiscal year 1939–40.

H. R. 1640. Representative WILLIAM B. BARRY: To liberalize the Home Owners' Loan Act by reducing the rate of interest on obligations of home owners.

H. R. 1674. Representative J. HARDIN PETERSON: To provide for the recognition of the services of the civilian officials and employees, citizens of the United States, engaged in and about the construction of the Panama Canal; January 4, 1939. (Committee on Merchant Marine and Fisheries.)

H. R. 1813. Representative PATRICK J. BOLAND: To provide education for all types of physically handicapped children, asking for an appropriation of $11,580,000, is also extended to the States, Territories, and Puerto Rico. (Extension of remarks, Mr. IGLESIAS, Federal Aid to Education in Puerto Rico, Appendix of the CONGRESSIONAL RECORD, p. 2179.)

H. R. 2371. Representative SAM C. MASSINGALE: To regulate interstate and foreign commerce in agricultural products; to prevent unfair competition; to provide for the orderly marketing of such products; to promote the general welfare by assuring an abundant and permanent supply of such products by securing to the producers a minimum price of not less than cost of production; and for other purposes; January 12, 1939. (Committee on Agriculture.) If this measure is favorably reported and finally approved by Congress, it would certainly settle forever the economic conflicts in which thousands of little farmers are involved all over the States, Territories, and prominently Puerto Rico.

H. R. 2372. Representative WILLIAM LEMKE: To regulate interstate and foreign commerce in agricultural products; to prevent unfair competition; to provide for the orderly marketing of such products; to promote the general welfare by assuring an abundant and permanent supply of such products by securing to the producers a minimum price of not less than cost of production; and for other purposes, January 12, 1939. (Committee on Agriculture.)

H. R. 2386. Representative ROBERT RAMSPECK: To amend the act entitled "An act to provide for the establishment of a national employment system and for cooperation with the States in the promotion of such system, and for other purposes," as amended, by

extending the scope of services thereunder, and for other purposes. (Committee on Labor.)

H. R. 2422. Representative MARVIN JONES: To provide for the further development of cooperative agricultural extension work; January 12, 1939. (Committee on Agriculture.)

H. R. 2990. Representative MARY T. NORTON: To amend the act entitled "An act to establish a Civilian Conservation Corps, and for other purposes," approved June 28, 1937, as amended; August 1, 1939, passed the Senate. In accordance with declarations of Mr. Fechner, Director of the C. C. C. camps, there will be employed over 300,000 workers. The House appropriated $295,000,000 for said purpose.

H. R. 3232. Representative HENRY B. STEAGALL: To amend the National Housing Act clarifying the right to insure any mortgage providing that the amount of the principal and obligations of all mortgages shall not exceed $6,000,000,000 at any one time. To conduct its business in any State, District of Columbia, Alaska, Hawaii, or Puerto Rico, with one or more offices, one of which shall be designated as the principal office (Committee on Banking and Currency).

H. R. 3517. Representative WILLIAM H. LARRABEE: To promote a general welfare through appropriation of funds to assist the States and Territories in providing more effective programs of public education (in which bill Puerto Rico is included). The work will start with an appropriation beginning with $40,000,000 until 1945, which will reach the sum of $140,000,000, to be distributed among the States. (The term "States" includes Alaska, Hawaii, and Puerto Rico.)

H. R. 3800. Representative MARVIN JONES: To amend section 8 (e) of the Soil Conservation and Domestic Allotment Act, as amended (Committee on Agriculture and Forestry).

H. R. 4278. Representative BEVERLY M. VINCENT: To authorize the Secretary of the Navy to proceed with the construction of certain public works, and for other purposes. (This bill passed in the Senate and was finally approved.) Maj. Gen. H. H. Arnold, Chief of the Air Corps, in his statement before the Committee on Military Affairs said that the construction of the new bases will require a new base in Puerto Rico, two new bases in the United States, and additional bases in Hawaii and Alaska. "With the completion of these bases we will have those air-force units so located that they can carry out their mission of the air defense of the continental limits of the United States and Panama." Maj. Gen. R. Beck, Jr., Assistant Chief of Staff, stated that, "Briefly expressed in terms of manpower, this plan provides for the expansion of our forces in the continental United States, including Alaska and Puerto Rico, into a force of approximately 1,000,000 enlisted men and the necessary complement of commissioned officers." For the construction of buildings, purchase of accessories, etc., Puerto Rico will receive $9,300,000.

H. R. 5219. Representative EDWARD T. TAYLOR: Second Deficiency Act for 1939. This bill was approved. Originally, the bill had a grant of $3,000,000 for Puerto Rico (debate, Mar. 22, 1939, CONGRESSIONAL RECORD, p. 3123), but only $1,000,000 was granted.

H. R. 6406. Representative MARY T. NORTON: Amendments to Fair Labor Standards Act of 1939 (Committee on Labor). Mr. IGLESIAS' remarks, Unemployed, Low Wages, and Business in Puerto Rico, Appendix of the CONGRESSIONAL RECORD, page 930. Fair Labor Standards Act in Puerto Rico, Appendix of the CONGRESSIONAL RECORD, page 1129. Conditions of Labor in Puerto Rico, Appendix of the CONGRESSIONAL RECORD, page 1922.

H. R. 6470. Representative JOSEPH E. CASEY: To provide a planned program for the relief of unemployment by affording opportunities for employment upon a public-works program to persons unable to secure private employment, May 23, 1939 (Committee on Appropriations).

H. R. 6635. Representative ROBERT L. DOUGHTON: On Social Security Act. Puerto Rico has been included in titles I, V, VI, and X and in other measures like the vocational rehabilitation for the blind. Conference report, CONGRESSIONAL RECORD, pages 11088, 11089, and 11090.

H. R. 7234. Representative FRANK CARLSON: To provide a civil government for Puerto Rico. (By request.) July 14, 1939. (Committee on Insular Affairs.)

H. J. Res. 326. Representative EDWARD T. TAYLOR: Relief and Work Relief and Public Appropriation Act, 1939. (Public, No. 24.) In this law there is a grant of $7,000,000 for the use of the Puerto Rico reconstruction administration.

H. R. 6197. Representative LEO KOCIALKOWSKI: Creating the Puerto Rico Water Resources Authority, and for other purposes. (Committee on Insular Affairs.) In the session of the committee where this bill was discussed it was decided to allow the measure to go over until the next session.

MISCELLANEOUS MENTION OF PUERTO RICO IN THE CONGRESSIONAL RECORD, SEVENTY-SIXTH CONGRESS

Nomination of the Resident Commissioner of Puerto Rico to the Committees on Insular Affairs, Labor, and Agriculture. CONGRESSIONAL RECORD, January 18, 1939, pages 440–441.

Extension of remarks by Representative REED of New York, Cuban Reciprocity (?) Appendix of the CONGRESSIONAL RECORD, page 122.

Senator KING's debate, in reference to sugar quota, March 23, 1939, CONGRESSIONAL RECORD, pages 3173 and 3174.

Debate of Representative Lord in regard to Cuban and Puerto Rican sugar quota, March 23, 1939, CONGRESSIONAL RECORD, page 3209.

Comparative table, Sugar Act of 1937 and S. 69, showing quota for each area and increase or decrease therein. Appendix of the CONGRESSIONAL RECORD, page 1440.

Debate of Mr. CUMMINGS in reference to sugar quota, January 18, 1939. CONGRESSIONAL RECORD, pages 446–449.

Conference report on Social Security Act, August 4, 1939. CONGRESSIONAL RECORD, August 4, 1939, pages 11088, 11089, and 11090.

And other reports and bills mentioning Puerto Rico to help the people of the island.

BILLS WHICH WERE INTRODUCED IN PAST CONGRESSES AND WERE REINTRODUCED IN THE SEVENTY-SIXTH CONGRESS

H. R. 1480, to amend sections 13 and 19 of the act of March 2, 1917, entitled "An act to provide a civil government for Puerto Rico, and for other purposes," January 5, 1937 (Committee on Insular Affairs).

H. R. 11003, to amend section 13 of the act of March 2, 1917, entitled "An act to provide a civil government for Puerto Rico, and for other purposes," February 7, 1936 (Committee on Insular Affairs).

H. R. 5899, to extend the Irrigation Act, approved June 17, 1902, to Puerto Rico, March 24, 1937 (Committee on Irrigation).

H. R. 10786, creating the Puerto Rico Water Resources Authority, and for other purposes, May 31, 1938 (Committee on Insular Affairs).

H. R. 6524, to amend the act of August 14, 1935, entitled "Social Security Act," to extend titles V and VI to Puerto Rico, April 20, 1937 (Ways and Means Committee).

The Commissioner was requested by many natives of the island to clarify the American citizenship law so that it may include all Puerto Ricans born on the island of alien parentage, in order that they may be considered as citizens of the United States.

Answer of Federal Home Loan Bank Board and Nugent Fallon, of Federal Savings and Loan Insurance Corporation, That Government Funds Were Used for Private Transportation

EXTENSION OF REMARKS

OF

HON. JOHN J. COCHRAN

OF MISSOURI

IN THE HOUSE OF REPRESENTATIVES

Saturday, July 22, 1939

Mr. COCHRAN. Mr. Speaker, on June 19 the gentleman from Illinois [Mr. CHURCH] charged in a speech that Mr. Nugent Fallon, of the Federal Savings & Loan Insurance Corporation, used funds of the Government for week-end trips to his home. The following day, acting as chairman of the Committee on Expenditures, I called upon the Chairman of the Federal Home Loan Bank Board, Hon. John H. Fahey, for a statement concerning the charges of Mr. CHURCH.

Under the permission granted by the House I will include Mr. Fahey's reply as well as a memorandum to the Board signed by Mr. Fallon.

The communication was accompanied by a detailed statement of 44 trips referred to by the gentleman from Illinois [Mr. CHURCH] in his remarks, explaining the purpose of each trip. I do not feel justified, in view of the letter of Mr. Fahey and Mr. Fallon's memorandum, to burden the RECORD with the detailed statement referred to.

The letter of Mr. Fahey and the memorandum of Mr. Fallon follow:

FEDERAL HOME LOAN BANK BOARD,
Washington, July 20, 1939.

Hon. JOHN J. COCHRAN,
Chairman, Committee on Expenditures in the Executive Departments, House of Representatives.

MY DEAR MR. COCHRAN: In response to your recent request for information relative to charges made by Congressman CHURCH, of Illinois, that Nugent Fallon, general manager of the Federal Savings and Loan Insurance Corporation, used funds of the United States for week-end trips home, I beg to forward to you herewith a detailed report of the trips taken by Mr. Fallon to which Congressman CHURCH referred in the remarks printed on page 10510 of the CONGRESSIONAL RECORD of June 19, 1939.

Mr. Fallon has been general manager of the Federal Savings and Loan Insurance Corporation since 1935. For a long period he was the only executive official directing the work of this Corporation, and in that connection he was called upon to travel extensively in response to the demands of institutions wishing to be informed as to what the insurance by Federal Savings and Loan Insurance Corporation represented and what steps they should take to qualify.

It should also be explained that in many of the States legislation was necessary in connection with the granting of insurance for the protection of the Corporation and also to provide proper eligibility for institutions operating under State laws. Because of the demands upon his time in Washington, which necessitated his being here regularly a considerable part of each week, it was necessary in most cases for Mr. Fallon to make his trips to the field at week ends. In meeting the requests of the institutions interested in the insurance program it was necessary for members of the Board and others of the organization to assist Mr. Fallon from time to time, and this work also involved the presidents and other officials of the 12 regional banks of the Federal Home Loan Bank System. In developing the work of the Federal Home Loan Bank Board, night and Sunday meetings have been common with all those in the organization of the Federal Savings and Loan Insurance Corporation, as well as the Home Owners' Loan Corporation, the Federal Home Loan Bank System, and the Federal Savings and Loan Association.

In addition to the detailed memoranda with reference to trips made by Mr. Fallon, I also enclose a statement from him filed with the Board which refers to the suggestions made by Mr. CHURCH that these trips made by Mr. Fallon were really for the purpose of being at a home owned by him in New York in Forest Hills, Long Island, and one which he rented for his family during the summer at Swampscott, Mass.

The questions raised by Congressman CHURCH in his statement on the floor of the House were taken up with the Federal Home Loan Bank Board last year by the General Accounting Office. At that time they were looked into and a statement relative to them filed with the General Accounting Office. Following this, none of these travel expenditures were disallowed by the Acting Comptroller General of the United States, nor was any further inquiry made of the Federal Home Loan Bank Board concerning the matter.

I regret that this material is so voluminous, but you will, I am sure, appreciate that it covers a period of considerable length. If you desire anything more, or there are any points which you feel need further explanation, we will be glad to supply the additional information as promptly as possible.

Sincerely yours,

JOHN H. FAHEY, *Chairman.*

MEMORANDUM

FEDERAL SAVINGS & LOAN INSURANCE CORPORATION

July 19, 1939.

To the Members of the Board.
From Nugent Fallon.

Complying with your request, I herewith submit a detailed reply to the charges made against me, as general manager of the Federal Savings and Loan Insurance Corporation, by Representative CHURCH, of Illinois, June 19, 1939, as reported in the CONGRESSIONAL RECORD, No. 122, volume 84.

To substantiate his charges, Mr. CHURCH sets forth in the RECORD a list of 44 items of travel performed by me during the period from December 11, 1935, to September 6, 1938.

I am submitting a full explanation of each item so recorded, and at the same time wish to register a complete and emphatic denial to Mr. CHURCH's accusations that I at any time applied Government travel funds or devoted Government time to personal pleasure or convenience or to personal business.

Mr. CHURCH asserts that I have defrauded the Government and that an excessive amount of my official travel was made on week ends to New York and Boston. He alleges that I own homes in New York City and Swampscott, Mass., and concludes, without ever attempting to verify his conclusions or even attempting to consult me or my office, that these trips were for pleasure or private profit at Government expense.

Before proceeding to give the facts about each official trip taken by me since I became the general manager of our Insurance Corporation, let me, for your convenience, give a brief general summary.

I became general manager of the Federal Savings and Loan Insurance Corporation December 1, 1935.

At that time I maintained my residence at an apartment hotel here in Washington on a yearly rental. I also paid for the maintenance of a home for my family at 74 Greenway Terrace, Forest Hills, Long Island, N. Y.

Except for the winter period 1935-36 the Forest Hills house has either been closed or rented, and is now rented. Since October 1, 1936, my family, with me, has maintained permanent residence in Washington, D. C.

I have never owned a house in Swampscott, Mass., as alleged, but each year during the short summer season I have rented a house there.

Because of the volume of work in the northeastern area, I made many official trips both to New York and Boston. If at or near either place while on business, it was only natural that I should spend my nights there when these houses were open. But every hour spent at either place or devoted to private pleasure or personal business during a Government workday was on annual leave, for which appropriate leave slips were signed and recorded. Forty-three days of such leave is noted on records covering the period to which Mr. CHURCH refers.

Many of my trips were made on week ends because there was no other time I could spare from my duties at Washington. Rather than being guilty of defrauding the Government, I was sacrificing my own rest period and convenience in its behalf. Wherever a Sunday or holiday was involved and my own convenience alone was served, no per diem was claimed.

Mr. CHURCH did not explain that I made 73 trips in the period from 1935 to 1938, and that 29 of them were to other parts of the country than the Northeast. Many of these and some of those listed as Boston and New York trips were long and arduous journeys touching several States.

There is no mystery, however, as to why the majority of my trips were to the eight Northeastern States. Two of the twelve regional banks are located in New York and Boston. Twenty percent of the population of the country, with 30 percent of the Nation's savings and loan activities, carried on by institutions with assets of $1,696,000,000, rests in the eight States covered on my New York and Boston trips; 90 percent of the mutual savings bank assets, totaling more than $11,500,000,000, are in that territory; in Massachusetts it was necessary to convert cooperative banks to Federal savings and loan associations before they could be insured by the Federal Savings and Loan Insurance Corporation; the complex building and loan situation in New Jersey is too well known to need elaboration. The New York area and the New England States demanded all the personal attention which I, as general manager of the Insurance Corporation, could devote to them and still do.

Massachusetts maintains the only State insurance similar to ours, and New York has seriously considered a State plan of savings and loan insurance.

This was the region in which I had spent most of my business life, where I had the best contacts, and where I was of most value to the Corporation. I succeeded in pressing into service other officials of the Bank Board and its agencies to help solve problems in other sections, where they qualified better than I, while giving my special attention to the eight Northeastern States.

From the day I became General Manager of the Federal Savings and Loan Insurance Corporation to the present time, the Corporation has grown in capital and reserves from a figure of $100,350,000 to $118,054,000; our membership during that same period grew from approximately 1,050 insured institutions, with assets of approximately $610,000,000, to 2,165 insured institutions, with assets of $2,300,000,000, safeguarding the savings of 2,350,000 investors.

The business in the territory where Mr. CHURCH questions my travel grew during the same period from 63 insured institutions, with assets of $97,234,000, to 205 insured institutions, with assets of $348,020,000, and is still expanding.

My personal efforts certainly had something to do with this progress in an area where problems were more demanding than in any other section of the United States.

In fairness, we must remember that for 2 years of the period referred to by Mr. CHURCH I was the sole executive officer of the Corporation.

Following is a tabulation by years of the time spent in official travel on my part:

Number of months	Year	Trips	Days
1	1935	2	8
12	1936	32	102
12	1937	24	99
12	1938	19	69
6	1939	8	15

Now, fortunately, I have some assistance, and with the growing problem of liquidations, I am able, as the record shows, to steadily reduce my travel, although total travel on the Corporation's business continues to grow substantially. I list below the official trips made by my assistants since their appointments:

Oscar R. Kreutz, deputy general manager:

Number of months	Year	Trips	Days
12	1938	22	103
6	1939	10	67

Charles E. Tilton, assistant general manager:

Number of months	Year	Trips	Days
6	1938	6	39
6	1939	9	31

With no such assistance in the difficult days of early education, introduction, and expansion by and of the Insurance Corporation, it must be remembered that extensive travel represented a hardship, overtime, and expense for me. With only voluntary executive assistance for field work, it must be apparent both why I devoted most of my time and personal effort to nearby territory, close to my office and my superiors, and why I was forced to do much of my travel at night and over week ends.

A detailed record and explanation of each of my trips during the period dealt with by Mr. CHURCH and a summary is appended. May I respectfully direct special attention to the large number of trips on which I was accompanied.

NUGENT FALLON.

SUMMARY PREPARED BY MR. FALLON

Regarding the charges that I own a home at 74 Greenway Terrace, Forest Hills, New York City, and a summer home at 135 Beach Bluff Avenue, Swampscott, Mass., I wish to state that my family has made its home in Washington, D. C., since October 1936. The home in New York referred to has been rented or closed since the first of June 1936. I own no home in Swampscott, Mass., and never have. I rent for a short period each year the house referred to at 135 Beach Bluff Avenue, Swampscott, Mass., while I maintain my domicile in Washington.

My reference to the Champlain meeting and golf playing in the telegram mentioned in connection with voucher No. 525 is merely the evidence of my feeling that the meeting was not as serious in purpose as it might have been. I do not play golf.

I note from the CONGRESSIONAL RECORD there is listed a part of a telegram sent to me as follows: "* * * Mr. Kreutz hopes you can discuss field work and kid with Larogue." This telegram actually was sent reading, "Mr. Kreutz hopes you can discuss field work and Kidd with LaRoque." Mr. Kidd was a prospective field employee whom we were considering at that time. Mr. LaRoque is the president of the Federal Home Loan Bank of Winston-Salem.

Mr. CHURCH quotes a telegram sent by Mr. Kreutz to Mr. Hawkinson July 11, 1936, reserving a room at the Kansas City Club for me and infers that the trip was in connection with a meeting of representatives of various savings and loan associations. The meeting in question was ordered by the Board and was attended by Mr. B. H. Wooten, deputy governor, and me, with the management of one association and our own examiners on a matter of supervision. This trip was fully reported.

I note a search by the General Accounting Office of various hotel registers, based probably on the fact that I took a taxi to the hotel in question. It is my understanding that I am permitted, on arrival in a city, to take a taxi to a hotel or to a Federal home loan bank, or to an association with which I am doing business. I am entitled to a taxi to the railroad station. It is my practice to utilize this privilege whenever I have to go to a hotel to lodge or to meet people or for breakfast or for any other purpose and I do not always stop at the hotel to which I take a taxi. I seek reasonable lodgings, for which I pay, and which I reach by walking or by transportation other than at Government expense. At no time have I ever used Government money for my own pleasure, business, or convenience.

During the period under discussion 73 trips were made and where there was the slightest doubt of conflict of private convenience and Government business, leave was taken for the full period in question and to a total of 43 days. In addition, where a holiday or Sunday was involved and my own convenience alone was served, no per diem was claimed.

The purposes, generally for travel in connection with the work of the Corporation are:

1. To develop and look after the business of the Insurance Corporation.

2. To effect personal contact with State banking departments, building and loan league leaders, leaders of the building and loan industry and allied industries, and officers and directors of individual associations.

3. To supervise the conduct of insured associations and to scrutinize associations contemplating insurance and to attend meetings and discussions of insurance problems in various areas.

4. To deal with liquidations and the prevention of defaults which would lead to liquidations.

Tommy Corcoran

EXTENSION OF REMARKS

OF

HON. GUY L. MOSER

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Saturday, August 5, 1939

ARTICLE FROM THE WASHINGTON STAR AND THE WASHINGTON HERALD

Mr. MOSER. Mr. Speaker, under leave to extend my remarks in the RECORD, I insert the following news item appearing in the Washington Herald, June 11, 1938, and the Washington Star, issue of Sunday, June 12, 1938, as written by William M. Pinkerton, Associated Press staff writer:

"TOMMY THE CORK" TRIES TO DO JOB OF 10 MEN, ENDS UP WITH 8—PRESIDENT'S AIDE KEEPS FIT, THOUGH, AND PLAYS AS HARD AS HE WORKS—NEW SKIING MANEUVER HIS GREATEST FEAT OF YEAR

(By William M. Pinkerton, Associated Press Staff Writer)

When Thomas G. Corcoran, "Tommy the Cork," pauses in his long days of labor for President Roosevelt, he muses on five jobs he'd like to have.

None of these jobs is political in the "running for office" sense. He disclaims political ambition. Instead, he expects some day to return to the Wall Street law firm from which he came.

The man who rose from an unnoticed legal job in Herbert Hoover's R. F. C. to White House handy man—speech writer, legal adviser, political strategist, and ear-to-the-ground informant—would like most, at 37, to become:

Forest warden on top Mount Carrigan in New Hampshire.

Head of the civil service, with authority to set up a career service of trained personnel like the British have.

Leader of the Boy Scouts of America.

Chief of Federal conservation work.

A coordinator to fit youth coming out of college into its first jobs; to gear educated manpower into the kind of work each individual is suited to do.

The one job he's really intent on is the last.

Already he has done much work in fitting young lawyers out of Harvard into their first jobs. In New York he ran the law school's placement bureau, bringing brilliant graduates and prosperous alumni together. In Washington he found Government work for many other promising legal minds.

He believes the average college graduate flounders for 5 years before he finds his place in the modern world.

His own example: Mr. Corcoran didn't "find himself" in the legal world until he was nearly 30. His grandfather was a sea captain at 19.

For years Mr. Corcoran served the administration in some of its hardest fights with the "passion for anonymity" which President Roosevelt has asked of his confidential assistants.

Lately he has become the center of a political argument. Senator WHEELER (Democrat), of Montana, named Mr. Corcoran among "a little group of men" whom he charged with marking antiadministration Democrats for "oblivion."

Mr. Corcoran's associates in the administration say his work is not different from that of the regular White House secretariat. One said the President used Mr. Corcoran as any corporation head would use a trusted aide.

Mr. Roosevelt himself laughed loudly at the furore, and said administration opponents were trying to set up Mr. Corcoran as a bogeyman.

Meanwhile this graying, youngish man, with twinkling eyes, tanned countenance, and a small mouth that breaks into a smile much like the President's own, works on at a pace that amazes Washington.

Assured of a job, when he wants one, in the New York law firm where he started, Mr. Corcoran plunges into battles which others might sidestep. He will stay, he has indicated, as long as he can be of service to the President.

Mr. Corcoran, the son of a Pawtucket, R. I., lawyer, gained his knowledge of the law and public life from close association with a succession of outstanding men. The names of the men under whom he served sum up his career:

Felix Frankfurter, the Harvard law professor.

The late Justice Oliver Wendell Holmes, of the Supreme Court.

Joseph Cotton, "the best strategist in New York."

George Franklin, a prominent corporation lawyer on Wall Street.

Eugene Meyer, chairman of the Reconstruction Finance Corporation under President Hoover.

Jesse Jones, present Chairman of the R. F. C.

Dean Acheson, a former Under Secretary of the Treasury.

Raymond Moley, New Deal adviser.

Franklin D. Roosevelt.

He gets into his office at 10:30 or 11 a. m. in the morning and goes immediately into a round of interviews, phone calls, appointments, and study that often ends far after midnight.

"He tries to do the work of 10 men," said an associate, "and does the work of 8."

Once he could work through one job at a time, centering his energies on the task at hand. Thus he collaborated with Benjamin Cohen in writing the Securities and Exchange Act, bucked opposition to the bill, both from Wall Street and from within the administration, helped win enough votes to put it through Congress, and then defended it from litigation.

Now he works on several fronts at once. When a fight is hot, friends say, Mr. Corcoran gets the signal.

He is the President's "outside" man, a roving trouble shooter, legal source book, and weather vane of political winds. He's in and out of the White House during the day, but has no office there.

His headquarters are in an office on the tenth floor of the R. F. C. Building. But he also has a resting place in the suite assigned to his legal partner, Mr. Cohen, at the Interior Department.

Friends say Mr. Corcoran declares he "practices law by ear" these days. Pressed by his many duties, he sometimes phones his friends

among Government lawyers for quick opinions on legal points. He knows what man is expert in each field of the law.

Much as he drives himself at his job, Mr. Corcoran keeps himself in trim physical condition.

"Look at this," he exclaimed to a friend recently. He tugged at his sagging, empty vest; then flapped his baggy pants back and forth with his hands.

"A year ago I weighed 220 pounds, now I'm down to 174. I just made up my mind I was putting on too much weight."

When the pressure of Government chores becomes too great, Mr. Corcoran hurries off to the mountains or to the woods. He once was a guide in the Canadian wilds and he scorns beach-lolling vacations.

He plays as hard as he works and counts this year's great achievement the mastery of a difficult skiing maneuver. This is his ski history:

The first year he broke his face so badly an insurance company paid him $600. The second year he broke his knee. The third year he broke his ankle, and this year he learned the Christiana.

Mr. Corcoran avoids the formal round of cocktail parties, dinners, and balls that Washington officialdom dotes on.

No hostess can pin him down for an evening. When he goes at all, he arrives when he can and leaves when he will. If he finds a serious discussion that interests him, he may stay late.

But he prefers occasional informal gatherings where he can bring his accordion and sing out sailor chanties and Irish folk songs. The President is one of his chanty fans.

He's a fine musician at the piano, too, but can't understand swing music.

He dresses in grays and browns, but doesn't bother much about clothes. He buys five or six suits at a time—all the same model—to avoid the bother of trips to the tailor.

Mr. Speaker, as a member of the House Committee on the Civil Service, certain articles on subjects concerning the civil service have been heretofore placed in the RECORD. These with my own remarks uttered from the floor of the House in debate on the reorganization bill when it was recommitted on April 8, 1938, prompt the inclusion of the foregoing news comment among those assembled for future use and reference.

We Spend for Defense

EXTENSION OF REMARKS

OF

HON. MIKE MONRONEY

OF OKLAHOMA

IN THE HOUSE OF REPRESENTATIVES

Saturday, August 5, 1939

Mr. MONRONEY. Mr. Speaker, under leave to extend my own remarks in the RECORD, I would like to call attention to figures just compiled by the Appropriations Committee of the House. These figures indicate that this year's appropriations will exceed those of last year's regular appropriations by approximately $1,078,600,000.

In analyzing this year's appropriations and the increases made by the Seventy-sixth Congress, one significant fact looms largest. This is that this Congress has endeavored to put our national-defense machine in proper order for any upset in world affairs.

A close check of the appropriation increases reveals that more than that total amount was increased in the appropriations for agriculture and national defense. The appropriations for these two branches totaled $1,174,800,000, or almost $100,000,000 more alone than the total increase of all regular appropriations for the entire Government.

For simple figuring note these following increases:

[Millions of dollars]

Agriculture and farm security	448.7
Commodity Credit Corporation for crop loans	119.0
Army-Navy defense program	498.9
Army engineers for river-harbor and flood control	108.2
Total	1,174.8

There will be those who complain strongly of excessive expenditures, yet I feel that world conditions completely justify the above increases over last year's expenditures. If we are to have our house in proper order for a crisis, we cannot wait until war may engulf all of the Old World. if such a war should come, and in the light of present events it might begin any day, our safety would demand that we protect America with a real program of preparedness. I feel that it is good business now to prepare for any eventuality and put not only our military-defense machine in order but to protect also our farm economy.

Our preparation is made necessary because of uncertainty abroad and world trade conditions that are the most perilous of more than a half century. No one can deny that our farm economy is the basis of national security, both in times of peace and of war; and so Congress, this session, through parity payments and through restoring the capital stock of the Commodity Credit Corporation for crop loans, has protected this basic industry in a way and at a cost that in the era of free-flowing trade would not have been necessary.

The farm appropriations, totaling $1,194,500,000 for agriculture and parity payments, and the $119,000,000 appropriated for protection of farm prices through the Commodity Credit Corporation, should insure our farmers against disaster, even in the event of a European war that would further disturb world trade.

Neither can one criticize the large amount that this Congress appropriated for rearmament, which totaled $1,505,200,000. This, too, was made necessary by world conditions that force us to be ready for any eventuality. Much of this money so appropriated will not be spent in the coming 12 months, yet a carefully planned program executed over a period of years in peacetime will result in a much greater efficiency and economy than if entered upon if and when a European war should start.

Thus I doubt that even the most economically minded will question the $489,900,000 increase granted by this Congress for national defense.

The splendid work being done by the Corps of Army Engineers on our rivers and harbors and in flood-control work, too, is not open to question. True the appropriation of $305,200,000 for this work is an increase of $108,200,000 above last year's figures, yet the devastation wrought by floods over a short period of years destroys property worth far more than this amount.

While I would have desired many of the other appropriations in the regular departments to have been far lower than the final appropriation figure, I feel that this Congress was justified in its preparedness program and that the money appropriated for national defense—for the Army and Navy, the farms of America, and on our rivers and harbors—was wisely spent. And I feel that their expenditure will protect and insulate us against the ravages that a European war would cause.

Aviation's Thirtieth Anniversary—America's First Airplane Purchase 30 Years Ago

EXTENSION OF REMARKS

OF

HON. ERNEST LUNDEEN

OF MINNESOTA

IN THE SENATE OF THE UNITED STATES

Wednesday, August 2, 1939

VARIOUS NEWSPAPER ARTICLES

Mr. LUNDEEN. Mr. President, the press today is filled with thousands of articles commemorating aviation's thirtieth anniversary. I am placing a few of these articles, with the Senate's permission, in the permanent RECORD:

AVIATION'S ANNIVERSARY

[From the Washington Star of August 1, 1939]

ARMY TO SHOW PUBLIC RADIO-CONTROLLED PLANE TOMORROW—DAYTON CELEBRATION OF AIR CORPS' THIRTIETH BIRTHDAY TO FEATURE "UNVEILING"

The first public demonstration of the Army Air Corps' new radio-controlled airplane, a revolutionary development in the training

of air and ground troops, will be a feature of the celebration at Wright Field, Dayton, Ohio, tomorrow of the thirtieth anniversary of the purchase of the first Army airplane and the birth of military aviation.

Development of the radio-controlled airplane, which can be taken off, put through various flight maneuvers, flown back to its home airdrome, and landed through operation from the ground of radio-actuated controls, without the presence of personnel in the plane, is a long step toward the solution of several vital problems of air defense and the training of air and ground personnel, particularly in defense against air attack.

The development of the radio-controlled airplane was begun several years ago by the United States Navy and has been carried to completion jointly by the Navy and the Army Air Corps Material Division at Wright Field. Parallel developments have been carried on in England and the British military and naval services recently began extensive target work with a small radio-controlled airplane which they call the Queen Bee.

The radio-controlled airplane is of particular value in the training of infantry, cavalry, field artillery, and coast artillery in the use of small arms against low-flying aircraft and in the training of pursuit pilots in aerial machine gun fire.

ONE-THIRD NORMAL SIZE

The radio-controlled airplane as developed for the Air Corps is about one-third the size of the normal Army pursuit airplane. It has a wing span of 12 feet, this small size increasing its value for target purposes. Many of the gasoline-powered model airplanes built and operated by American boys are of 7-foot span, a few running as large as 9-foot span.

For aerial target work, the Army hitherto has used a fabric cone or sleeve towed on a long line behind an airplane. This has proved unsatisfactory because it cannot be maneuvered, and for other reasons.

During the Wright Field demonstration Army Air Corps posts throughout the United States will hold open house, and squadrons of the general headquarters air force will make flights over cities and towns in many parts of the country, taking off simultaneously from nine air stations at 11 a m. on signal from President Roosevelt.

The National Capital will be visited by a formation of pursuit airplanes from the second wing, Langley Field, Va.

EXERCISES AT SMITHSONIAN

The local celebration also will include exercises at 10 a. m. beneath the wings of the first Army airplane in the aircraft collection of the Smithsonian Institution. Col. H. H. C. Richards, Army Air Corps, will describe the history of this famous airplane, formally purchased by the War Department August 2, 1909, from the Wright brothers. The original plane completed its acceptance trials with a 14-mile round-trip flight from Fort Myer, Va., to Alexandria, Va., at an average speed of 42 miles per hour, earning the Wrights a $5,000 bonus above the $25,000 contract price. On this flight the plane was flown by Orville Wright and carried Lt. Benjamin D. Foulois as a passenger on his first flight. Lieutenant Foulois, who later became chief of the Air Corps, with the rank of major general, now is retired and makes his home at Ventnor, N. J. He is to participate in the Wright Field ceremonies.

Following the exercises at the Museum, which will be under the auspices of the Early Birds, headed by Mrs. Alys McKey Bryant, early Wright airplane pilot, those attending the exercises will go to the parade ground at Fort Myer for a reenactment of the Fort Myer-Alexandria flight by a modern Army airplane from Bolling Field. The plane will dip a wing over the parade ground in salute before retracing the 14-mile course of the flight of 30 years ago.

The local exercises will close with a luncheon at the home of Mrs. Bryant, 2306 Massachusetts Avenue NW., to be attended by members of the Early Birds and Air Corps representatives.

Descriptions of the exercises at Wright Field, which will include performance trials of standard Army combat airplanes, flights by tactical squadrons, and a reunion of pioneer military and commercial pilots, will be broadcast by ground and air observers over the Columbia Broadcasting System from 3:30 to 4 o'clock.

Maj. Gen. Henry H. Arnold, Chief of Air Corps, will make an anniversary radio talk from Chicago at 6:45 o'clock today over the National Broadcasting Co. system.

[From the New York Times of August 1, 1939]

ARMY FLIERS READY FOR NATIONAL SHOW—CRAFT WILL SOAR FROM MITCHEL AND OTHER FIELDS TOMORROW FOR FORMATION TOURS—RADIO FLIGHT AT DAYTON—PACIFIC COAST WILL DEFEND AIR ATTACK, OBSERVING THIRTIETH YEAR OF MILITARY AVIATION

WASHINGTON, July 31.—On a signal from President Roosevelt at noon, daylight time, Wednesday, 15 bombers will take off from Mitchel Field, N. Y., on a route that will take them over twenty-odd New York, New Jersey, Pennsylvania, and New England cities and back, in observance of the thirtieth anniversary of the Army's first purchase of a military airplane, it was announced today by the War Department.

Points to be covered by the Army bombers include Albany, Schenectady, Utica, Syracuse, and Binghamton, as well as New York City; Bridgeport, New Haven, and Hartford, Conn.; and Camden, Trenton, and New Brunswick, N. J.

The Mitchel Field formation will be part of a national celebration which will include other formation flights and events in other parts of the country. A formation of 15 pursuit planes from Selfridge Field, Mich., will visit Wheeling, W. Va.; Washington, Pittsburgh, Franklin, and Oil City, Pa.; Jamestown, Buffalo and Dunkirk, N. Y.; Erie, Pa.; Youngstown, Akron, Cleveland, and Fremont, Ohio, and Detroit, Mich.

RADIO PLANE TO BE DEMONSTRATED

At Wright Field, Dayton, a thousand leaders and pioneers in the aviation industry will be gathered to witness the first public demonstration of the Army Air Corps' new radio-controlled airplane, as well as performance trials of standard combat equipment and flights by tactical squadrons.

In announcing the program for the day the War Department said Maj. Gen. Henry H. Arnold, Chief of the Army Air Corps, and himself a pioneer in military aviation, had issued invitations to all pilots who were flying prior to 1912 to join in the Wright Field reunion as guests of the Air Corps.

Descriptions of the exercises by observers on the ground and in the air will be broadcast from Dayton by the Columbia Broadcasting System over its Nation-wide network.

Development of the radio-controlled airplane, which can be taken off, put through various flight maneuvers, flown back to its home airdrome, and landed through the operation from the ground of radio-actuated controls without the presence of Army personnel in the plane is a long step toward the solution of several vital problems of air defense and the training of air and ground personnel. No program has yet been announced for employment of this radio-controlled airplane.

RECORDS MADE IN TRIALS

Combat aircraft performance trials conducted during the past 10 days, in accordance with requirements of the Fédération Aeronoutique Internationale, have resulted in the establishment of a number of new national aircraft records. Although results of the calibration by the National Bureau of Standards of barographs carried during the flights have not yet been announced by the National Aeronautic Association, the unofficial readings indicate graphically the tremendous strides which have been made in development of the military airplane since August 2, 1909.

During its acceptance trials the Army's first airplane exceeded all expectations by making a round-trip flight over a 7-mile course from Fort Myer to Alexandria, Va., at an average speed of 42 miles per hour, carrying one passenger but no other pay load. During the progress of the trials of the past few days a standard Boeing flying fortress bombardment airplane carried a pay load of 11,023 pounds over a 1,242.7-mile course at an average speed of 200.12 miles per hour. A similar load was carried to an indicated altitude of 23,800 feet.

GREAT SPEED ATTAINED TODAY

During a recent transcontinental flight an Air Corps experimental pursuit airplane at times attained a speed of more than 420 miles per hour—10 times that of the plane of 1909.

In the Wednesday celebration high ranking officers of the Army Air Corps and members of the General Staff will watch with great interest a series of maneuvers on the Pacific coast involving the solution of a war problem calling for the defense of 1,500 miles of seacoast and thousands of square miles of coastal frontier from an enemy attack by air.

The test will be both practical and novel, with the civilian population joining with pursuit, attack, and bombardment squadrons of the G. H. Q. air force stationed at March and Hamilton Fields, Calif., in working out the problem.

Civilians will participate through operation of an aircraft-warning net and so become the eyes of the defending air force. The net will consist of civilian observation stations 8 miles apart throughout the threatened area, from the Mexican to the Canadian border.

AIR LINES TODAY

[From the New York World-Telegram of July 31, 1939]

UNITED'S GIGANTIC PLANES COULD CROSS UNITED STATES IN TWO JUMPS—THERE'LL BE FLIGHT ENGINEER ABOARD, BESIDES PILOTS, STEWARDESS, STEWARD

(By Maj. Al Williams, Scripps-Howard aviation writer)

The big planes are coming into service, all right—4-engined, 42 passengers, weighing 66,000 pounds, and costing $500,000 each.

W. A. Patterson, president of United Air Lines, so notified the executives of Eastern Air Lines, American Airlines, Pan American, and T. W. A., all of whom are parties with United Air Lines to a contract with the Douglas Aircraft Co. for construction of an experimental plane of this type, on which tests have recently been completed.

The new transport giants are the DC–4's, and the decision to purchase six of them is based upon a careful analysis of the air-traffic market. United's coast-to-coast passenger business this year is 32 percent ahead of last year's figures.

FREQUENT LANDINGS COSTLY

There's operating economy in staying aloft for long flights if you can get a profitable pay load. Frequent landings for gas and oil, with through coast-to-coast passengers on board, is too expensive. Short hauls—short for air transportation, such as between New York and Chicago—will be covered by DC–3's, 14-passenger ships. Frequency of service is still at a premium.

The reported top speed of the DC–4's is 237 miles an hour; cruising speed about 190. At 190 miles, with 42 passengers plus 3,000

pounds of baggage and mail, the DC–4's will be good for 1,425 miles—about half the air distance across the country in one jump.

CABINS 7½ FEET HIGH

From floor to ceiling the cabins of the new joms will be 7½ feet. That reminds me of a question I asked the stewardess of a Luft-Hansa transport while flying through Germany last summer. Her linguistic ambitions far exceeded my sign language. I was a bit disturbed at the low cloud ceiling—bad weather—and asked her by signs. She brightly replied, "Zwei meter," pointing to the roof of the cabin.

I have no story to fit the width of the *DC–4* cabin, which is 10 feet. The crew will consist of a captain, a first officer (copilot), a flight engineer, a stewardess, and a steward. The addition of a flight engineer is significant in that his presence is necessitated by the big job of caring for four engines.

A FULL-TIME JOB

A pilot and a copilot can take care of two engines and attend to flight control. But watching fuel-flow gages, heat control to carburetors, cutting in and cutting out of any series of the eight gas tanks, regulation of temperature control, and supervising general engine operation, plus walking out in the wings to attend to his engine charges as required, is a full-time job for a smart engineering officer.

These air giants are mighty impressive. It's easy to understand why thin-winged airplanes fly, but there is always a catch in my mental breath when I realize that the same air-flow principle to develop lift applies to wings several feet thick.

And we are only scratching the surface of what is to come. With the new 2,000-horsepower engines, we'll have a lot of giant twin-motored airplanes. When we come to the end of that string someone will hang four 2,000-horsepower engines on a lot of aircraft structure, and then that hum high in the day sky and in the depths of night will mean the passage overhead of a hundred air travelers.

The most fertile imagination can't even outline the future of this air business, much less sketch its effect upon our lives.

[From the New York Times of August 1, 1939]

ARMY AIR CORPS SETS WORLD PAYLOAD MARK, TAKING 15½ TONS UP 8,200 FEET AT DAYTON

WASHINGTON, July 31.—The Army Air Corps yesterday regained the world record for payload carrying when Maj. Caleb V. Haynes and Capt. W. D. Old flew an Army Boeing superflying fortress to an altitude of 8,200 feet with a payload of 15½ tons at Wright Field in Dayton, Ohio, the War Department announced.

The new record, confirmed by the National Aeronautic Association, was made with a payload which was more than a ton heavier than that carried by a Russian plane to 6,561 feet at Tchelkova on November 20, 1936.

William Enyart, secretary of the association, and Dr. W. G. Brombacher, of the Bureau of Standards, official observers, went to Dayton several days ago to supervise the flight and place sealed baragraphs in the plane after the load itself had been weighed and sealed.

In spite of a cross wind, the Army bomber, weighing a total of 74,000 pounds, made the flight in 47 seconds. The airplane climbed until it reached 6,500.61 feet and continued to an altitude of 8,200 feet.

The record flight was made as a part of the celebration by the Air Corps of its thirtieth birthday, which will be on Wednesday. The actual payload of the big plane, made up of water and lead, totaled 31,205 pounds, as against 28,660 pounds carried by a Russian plane of the Maxim Gorky plant.

The Boeing *XB–15* has a wing spread of 150 feet and is 90 feet long. It is powered by four twin-row Pratt & Whitney Wasp radial engines. Air Corps officials stressed the fact that both airplane and motors were of the regular service type and had not been specially groomed for the record flight.

[From the Washington Daily News of May 2, 1939]

LINDBERGH WARNS UNITED STATES TRAILS EUROPE IN PLANE RESEARCH

LANGLEY FIELD, VA., May 2.—Col. Charles Lindbergh predicted today that unless the United States begins immediate expansion of aviation research facilities it will be unable to catch up in 5 years with the European powers.

He made this statement privately to a group of Government officials and aeronautical experts with whom he dined last night aboard a Potomac River steamer en route from Washington here. He was one of a party of 400 that witnessed a demonstration here of new discoveries and devices that will make possible aircraft speeds never before attained.

Colonel Lindbergh placed Germany at the top of the list in research, Great Britain second, with Italy and France tied for third. Soviet Russia, he indicated, is not an important factor in aeronautic research.

NEW SPEEDS POSSIBLE

Among the latest developments revealed for the first time at the Army's research station today were:

1. A new type wing that greatly minimizes wind "drag" and makes possible unprecedented, but unrevealed speeds.

2. New types of wind tunnels that will eliminate much of the guesswork in the creation of larger and speedier aircraft.

3. New type cowlings, windshields, and propellers that will make possible speeds in excess of 500 miles an hour without the occurrence of "shock waves" that tend to "brake" fast-flying aircraft.

4. A glass-bottomed seaplane hull that will permit observation of water-resisting factors and thus open the way for hull design that will obviate the necessity for reserve power for take-offs.

Recently Army contract awards were accompanied by semiofficial comment that new planes would be the best in the world. In seeking a new air research center at Sunnyvale, Calif., air officials cautioned that this country's planes would be "second best" to Germany's unless impetus was given to research work for greater speed and other essential qualities in fighting planes.

Colonel Lindbergh is reported to have told officials aboard the steamer that at least two or three additional research centers were needed immediately. He currently is engaged in a survey of research facilities, both Government and private.

[From the Philadelphia Evening Bulletin of March 27, 1939]

CLIPPER AT AZORES IN 17½-HOUR TRIP—IS UNDER ESTIMATED TIME IN HOP FROM BALTIMORE WITH A CREW OF 21

HORTA, AZORES, March 27.—(AP)—The 42-ton American flying boat *Yankee Clipper*, carrying the largest number of persons ever to fly the Atlantic in a heavier-than-air machine, glided smoothly to a landing here at 11:06 a. m. (8:06 a. m., eastern standard time) today, completing the first leg of a routine flight to inspect facilities, from Baltimore.

The 74-passenger flying liner, with 21 crewmen and technicians aboard covered about 2,800 miles on the first leg of its maiden ocean flight nearly half an hour ahead of schedule, making the trip in the official time of 17 hours and 32 minutes. Pan American expects to inaugurate regular passenger service to Europe this summer.

This was at an average speed of 165 miles an hour. The ship had left Baltimore at 2:34 p. m., eastern standard time, Sunday.

Capt. Harold E. Gray, in command of the ship, said, "It was the most comfortable kind of a journey." After a stay here at which Horta's facilities as a base for such large craft will be studied, the trip will be continued to Lisbon, Portugal; Marseilles, France; Southampton, England, and Foynes, Ireland.

"I don't expect to take off for the rest of the trip for a few days," Captain Gray said, "but the exact time depends on developments and weather reports.

"It was an easy landing today, with a calm sea and summer sunshine and a fair west wind. None of us was tired after the long but pleasant trip."

The Clipper alighted in the channel, taxied into the harbor as Horta authorities and the people cheered, then tied up for refueling.

OUR FUTURE PROGRESS

[From U. S. Air Services for September 1938]

LINKING ALASKA AND THE UNITED STATES BY AIR

Headlines in the newspapers this summer have been featuring the British, German, and American trans-Atlantic flights to such an extent that a highly important and significant flight—the inauguration on August 6 of aerial service between the United States and Alaska—was relegated to the inside pages.

This flight is the result of slow and careful development. Back in September 1932 Pan American Airways began the job of coordinating the existing charter air lines, converting sections of Alaskan tundra into moderate-sized airports, installing radio and meteorological services. A corps of radio technicians, meteorologists, and airway construction and operations engineers, many of whom had been transferred from the tropic country of South America, accomplished in 2 years what was generally considered the impossible.

Early in 1934 regular air-transport service into the interior of Alaska was begun. Dog teams disappeared. Passengers and mail were carried to their destination in 3- and 4-hour flights, whereas in the old days it required 3 to 4 weeks by dog team. At first operations were limited to small aircraft. After considerable expenditure by Pan American of money and manpower, a number of airports have been enlarged to accommodate the twin-engined, high-speed Lockheed electras, and they are now in service over the main routes from Fairbanks north, southwest, and west. In May of this same year air-mail service was started over a temporary route linking Juneau and Fairbanks, via the southwestern tip of Canada.

While this development was going on, the engineering department of Pan American Airways was busy with research toward the final stage—the establishment of a feasible operating route to link the domestic air lines of the United States with the network of Alaskan air lines. The undeclared war between China and Japan and the skirmishes between Russia and Japan have increased our Government's interest in developing Alaska commercially and aeronautically in conjunction with our plans for national defense.

Realizing the importance of establishing this air link at the earliest possible moment, Pan American did not wait for development of adequate landing facilities in the Territory and the provision of four-engined transports, but began an experimental service on August 6 from Seattle to Juneau, via Ketchikan. For the time being these flights are for the purpose of training operating crews and to test weather reporting and radio control facilities.

As in all its operations over the Atlantic and Pacific, Pan American proceeds carefully and cautiously, and when passenger service is begun everything will be in tiptop shape—down to the last piece of silverware, so to speak.

For this experimental service Pan American has equipped one of its "baby clippers"—a 10-ton Sikorsky S-43 amphibian, powered by twin Pratt and Whitney Hornets. An operating crew of five: Captain, first officer, navigation officer, flight mechanic, radio operator—all of them pilots—has been assigned to the initial operation under the immediate direction of Joe Crosson, operations manager of Pacific Alaska Airways.

Harold Gray, chief pilot of Pan American's Atlantic division, who commanded the Pan American Clipper on her six trans-Atlantic crossings last year, is serving as P. A. A.'s technical adviser for the marine-operations technique to be employed on the route, and other Pan American veterans from the engineering, operations, and communications departments are serving as a technical board to aid in establishment of operations.

During the initial stage the air line will operate from the naval air base on Seattle's Lake Washington. The course will lie over water to Ketchikan, a distance of 800 miles, where a water landing will be made. From Ketchikan, 225 miles on to Juneau, the route will lie over the Alaskan islands, to the land airport at the foot of Mendenhall Glacier, just beyond Juneau. At Juneau the schedules will connect with regular service of Pacific-Alaska Airways over to Flat and Bethel, and west to Nome on the Bering Sea.

In the future P. A. A. expects to operate an all-American route direct from Seattle to Juneau, thence over the coastal Alaskan Range, over United States territory, all the way to Fairbanks and Nome. When the difficult job of providing necessary airport and airway facilities has been completed to take care of the 4-engined, high-speed, high-altitude aircraft now being built, one will be able to breakfast in Nome, dine in Seattle, and in another 12 hours arrive in Washington, D. C., or New York City. Compare this with travel by steamer which requires 3 days for the passage between Seattle and Juneau, 7 days for the journey (ocean and rail) to Fairbanks, and 10 days to Nome.

[From the Baltimore American of July 16, 1939]

AIR "FLIVVERS" PREDICTED—GARAGE-SIZE HELICOPTERS—THAT CAN LAND ON ROOFS

(By Igor I. Sikorsky, pioneer airplane designer and engineering manager of the Vought-Sikorsky Aircraft Division of United Aircraft Corporation)

Twenty years ago skepticism greeted my prediction that trans-oceanic air travel, not merely as a stunt but as a means of regular scheduled transportation, lay not very far in the future.

Since events have borne me out, today I am less hesitant about making another prophecy—that 10 to 20 years from now will see an immense development in the small, privately owned aircraft for individual and family use.

Certainly the vast development of transport and military flying since the war has been in line with our most optimistic expectations; so much so indeed that today military aviation is a factor powerful enough to shift major political issues.

Only in this one branch, the simple privately owned air flivver, has progress lagged. In the United States there is only one privately owned airplane today for every 2,500 privately owned automobiles, and no other country even approaches this number.

SAFETY AND SERVICE ARE FIRST ESSENTIALS

What are our expectations in this field? How can we open the road to the great expansion in private flying that is sure to come? What is technically possible today?—and tomorrow? In my opinion these questions can best be answered by discussing improvements along the lines of safety and service.

Modern aircraft are, in general, sufficiently fast. My own belief is that greater speed is not needed for private ships. No further development is necessary along that line, at least for the present. And the cost of a small two- or three-seater plane is remarkably reasonable, taking into account the small number manufactured; undoubtedly, with a larger market, the price will be lower.

This great potential market, however, awaits development of a craft that can be used more conveniently by the average individual and that will offer greater safety in bad weather.

SLOW-SPEED LANDINGS IN SMALL SPACE VISIONED

Undoubtedly, the characteristic that will go furthest toward filling these needs will be the ability of a small plane to take off and land easily, at a slow speed and in as little space as possible. This will bring the flying machine closer to us; no longer will it be necessary for a person wishing to travel by air to make first a long trip by land to reach the airport.

We should keep in mind what Roger Babson once pointed out, that the automobile most surely would not have had the great development it did if it were necessary for the passenger to travel a long distance, usually several miles, to reach it.

With the scientific and engineering data available to us now, we could at this moment make great strides toward producing a small, inexpensive two- or four-seater amphibian with a cruising speed of about 100 miles an hour but capable of landing at only 25 miles an hour.

It could easily take off or land within 100 or 150 feet, as compared to the 500 to 800 feet required for the take-off of the average plane at present. Designed to have a steep climb, it would readily clear obstacles near the point of departure, and likewise would have a very steep angle of descent if needed. This means a machine with well-developed high lift features and also some form of air brakes.

I venture to state that if the money now devoted to developing any one new type of bomber, pursuit plane, or transport ship could be made available to give a competent engineering staff ample time to experiment, much could be done at this very moment toward achieving the kind of plane I have outlined.

SEES AMPHIBIANS MOST PRACTICABLE

I suggest an amphibian because, although it is slightly heavier and more expensive than a land plane of similar size, in many parts of the world and particularly in the eastern section of the United States there are more water landing spaces available than land airports. To permit operation from water as well as from land would, for the individual owner, have many obvious advantages.

As to the elimination of danger, any reasonably well built and maintained modern craft is fairly safe today except in the case of blind weather. Even this hazard is being overcome for the large transport ships by the use of radio navigation and blind-flying devices, as well as by an increasingly competent professional personnel.

This equipment and professional training are, however, usually beyond the means of the average man who may buy and run a plane as he now does a car. So we must base our efforts in this direction on a much simpler foundation, on making it possible for these air flivvers to come down safely almost anywhere, at so low a speed and with so short a run that a forced landing would have no element of danger for the occupants and very little for the ship itself.

SIMPLER OPERATION SYSTEM SUGGESTED

All of this I believe we could now do if our existing scientific and engineering information were made to serve this end instead of constantly seeking more and more speed.

There is much also that we could do toward simplifying the operation of small planes, probably on the basis of a two-control system.

Planes now employ a three-control method—pedals for direction, wheel for lateral, and push-pull for elevation. Tests with two-control operation, eliminating the pedals and combining directional and lateral control in the wheel, have shown it to be feasible. It eliminates the possibility of exceptional stunting, which is necessary for military ships but which may well be omitted for private flying.

While ships based on the airplane principle and approaching well enough the characteristics I have discussed can be built now, the best and most complete development of private flying will come, in my opinion, through perfection of the so-called direct-lift aircraft—helicopters. Machines of this type have been studied for as long as airplanes; I personally built two helicopters some 30 years ago.

TAKE-OFF FROM YARD OF ONE'S HOME LIKELY

Only recently, however, have there been practical results, the most successful in Germany, where a helicopter has been able to attain an altitude of 11,000 feet and a speed of 80 miles an hour. In experiments in an enclosed hall its operation was so steady that a person standing on the ground could shake hands with the pilot of a ship in flight.

This is only the beginning, only a hint of the possibilities that lie ahead for this type of machine. Able to take to the air with no run at all, it can start from a person's own back yard, and, with wings that fold, can be kept in an ordinary garage.

Its ability to hover in the air over one spot will enable it to wait its turn to come down on the flat roofs of the city office buildings of the future and, in bad weather, to ascertain the proper spot for coming to earth.

So, again, I venture to predict that within the next two decades helicopters will be in common use, giving our citizens an exhilarating new method of daily transportation and our country a great new industry, which, with its vast auxiliary services, will stimulate our entire economic structure.

Gov. Blanton Winship

EXTENSION OF REMARKS

OF

HON. SANTIAGO IGLESIAS

RESIDENT COMMISSIONER FROM PUERTO RICO

Saturday, August 5, 1939

Mr. IGLESIAS. Mr. Speaker, while I do not wish to comment at this time upon the factual value of the statement made by the gentleman from New York, the Honorable VITO MARCANTONIO, in the CONGRESSIONAL RECORD, entitled "Five Years of Tyranny in Puerto Rico," I would like to include, under leave to extend my remarks, some correspondence, editorials, and resolutions which attest to the high regard, esteem, respect, admiration, love, and affection in which Gov. Blanton Winship is held not only by the President of the

United States but by all the law-abiding and loyal American citizens of Puerto Rico:

THE WHITE HOUSE, *Washington, June 5, 1939.*

Hon. BLANTON WINSHIP,
Governor, San Juan, P. R.

MY DEAR GOVERNOR WINSHIP: I have received your resignation of June 3, 1939, which I accept, knowing of your desire to be relieved as soon as convenient. As I have already indicated to you, Admiral Leahy will be able to assume the governorship on September 1 of this year, subject, of course, to his confirmation by the Senate. Therefore, the arrangement of your time as outlined in your letter will fit in satisfactorily.

I am sure that you already know of my high regard for you personally and officially, but I cannot refrain at this time from expressing my appreciation of your long and distinguished career in the service of your Government. This applies not only to your work in Puerto Rico but to other special and difficult assignments that you have had previously, and which so remarkably equipped you for the governorship of Puerto Rico. You took office there at a most difficult moment in the history of the island; you inherited problems of unique and unprecedented gravity. I am proud of the way in which you carried through this most arduous task in the interest of the people of Puerto Rico.

May I thank you for your loyal support during the years we have known each other and express my best wishes for the future.

Very sincerely,

FRANKLIN D. ROOSEVELT.

[From the New York Times, of June 27, 1939]

GOVERNOR WINSHIP

When Governor Winship flew from Puerto Rico the plaudits of the people, who were gathered at the airport to wave their farewell to him, followed him—an "unparalleled demonstration" in the 40 years since the American soldiers landed in the island. There are several reasons named for the fervor of their appreciation. He is credited with doing many things for the welfare of the islanders. Universal suffrage has been granted, and the foundation has been laid for "creating a Latin America cultural center with the University of Puerto Rico as its nucleus." Yet none of the achievements of his administration can explain the popularity of this proconsul facing in the years of his administration, as President Roosevelt said, "problems of unique and unprecedented gravity."

It is rather his personal qualities that account for the esteem in which he is held despite the violence of the opposition at times. Uppermost is his courage, which has commanded the admiration of the people at large, his cool-headedness in an emergency, his dignity, his calm firmness, and his kindliness withal. That the people of this island are more favorably disposed to continental America (to which they are brought closer by ship and plane) is due in good measure to the general respect for the character of Blanton Winship, and the instinctive appreciation of his intrepidity.

Senate Concurrent Resolution 2

To express the gratitude and appreciation that the people of Puerto Rico feel toward its executive, the Honorable Blanton Winship, and to declare him an adopted son of this island of Puerto Rico, and for other purposes

Whereas the Honorable Blanton Winship, a retired general of the United States Army, was appointed Governor of Puerto Rico by His Excellency Franklin D. Roosevelt in the year 1934;

Whereas during his incumbency as chief executive of the island Governor Winship has distinguished himself by his active interest in assisting the people of Puerto Rico in the search for suitable solutions of the many grave problems that affect its happiness and welfare, problems with which he identified himself to the extent of championing them earnestly and zealously during his frequent appearances before the authorities of the metropolis;

Whereas in his character as Governor he cooperated with this legislature in the solution of many of the problems already mentioned and, as a result of this cooperation, the following legislation was approved: An act establishing universal suffrage; an act establishing the 8-hour workday; an election law which guarantees free and conscientious suffrage; an act to intensify industrial rehabilitation; the Hospital Charities Act creating four district hospitals; the Workmen's Compensation Act; an act for the protection and development of the agricultural wealth; an act to stimulate sports in the island; the Housing Authority Act; an act establishing the insular lottery to combat tuberculosis; an act creating the Arecibo Harbor Authority; an act creating the Labor Relations Board; an act to promote the welfare of the aged; an act creating agricultural farms; laws on eugenics; an act to create the Emergency Measures Advisory Board; an act to establish a plan of municipal roads and insular roads and bridges; an act for the dredging of the bay of San Juan; an act for the establishment of a graving dock; an act for the elimination of grade crossings; an act for the construction, with combined insular and Federal funds, of roads, bridges, and public buildings; an act regulating home work; acts for the enforcement of constitutional provisions for the holding of lands; an act for the protection of new industries; and numerous transcendental labor, social, and economic laws of vital importance to the country;

Whereas Gen. Blanton Winship, a fervent admirer of the landscapes and the climate of Puerto Rico, of the irresistible lure of its shores, and of the strategic position of the island in the heart of the two continents was a persistent propagandist of the natural advantages of Puerto Rico as a winter resort, and brought to the attention of the War Department the advisability of locating one of their bases at San Juan, P. R., and did the same with the Navy Department, and as a consequence of his work the Federal Congress passed the appropriations to construct the naval and air bases at Isla Grande in the port of San Juan;

Whereas the Institute of Tourism, the exclusive creation of Governor Winship, has served to establish bonds between the island and the continental States through the ever-increasing number of visitors who are surprised by the charming beauty of our land;

Whereas Gov. Blanton Winship took advantage of his excellent connections in the official world of Washington so as to procure for Puerto Rico participation in like proportion as the other States and Territories in the benefits of the Federal New Deal legislation directed at solving the economic depression of these last years, and succeeded in having many of those laws made extensive to the island;

Whereas Gov. Blanton Winship has devoted the last 5 years entirely to the defense of the rights and of the best interests of the people of Puerto Rico, and in his love and loyalty for the island was one with those of us who have had the privilege of being born in it;

Whereas the Legislature of Puerto Rico has learned that Gov. Blanton Winship will soon leave the island after having rendered to it 5 years of brilliant service;

Whereas it is the duty of this legislature, in behalf of the people it represents, to state solemnly its appreciation of the fruitful work done by Gov. Blanton Winship during the time he has occupied the old palace of La Fortaleza: Now, therefore, be it

Resolved by the Senate of Puerto Rico (the house of representatives concurring)—

1. To acknowledge, as by this resolution is acknowledged, that His Excellency Gen. Blanton Winship, Governor of Puerto Rico, is entitled to the fervent gratitude of the Puerto Rican people for his faithful work and his earnest resolve to secure for our island the benefits of Federal New Deal legislation and to bring about that the island and its problems be better known in official circles of Washington.

2. To declare the Honorable Blanton Winship, as he is hereby declared, an adoptive son of the island of Puerto Rico.

3. That a certified copy of this resolution be transmitted to His Excellency Franklin D. Roosevelt, President of the United States of America; to the Honorable Harold Ickes, Secretary of the Interior; to the Honorable the Secretary of Agriculture and the heads of the bureaus of said Department; to the chairman and the members of the permanent committees of both Houses of Congress; to the press of the country; and to the chief newspapers of the United States.

4. That a certified copy of this resolution, when translated, be delivered to the Honorable Blanton Winship by a joint committee designated by the president of the senate and the speaker of the house of representatives.

We, Enrique González Mena and Antonio Arroyo, secretaries of the Senate and the House of Representatives of Puerto Rico, respectively, do hereby certify:

That the foregoing Senate Concurrent Resolution No. 2 was approved by the Senate and the House of Representatives of Puerto Rico on May 17 and 18, respectively, 1939.

In witness whereof we have hereunto set our hands and caused to be affixed the seals of the Senate and the House of Representatives of Puerto Rico on this the 20th day of May, A. D. 1939.

(Sgd.) ENRIQUE GONZÁLEZ MENA,
Secretary, Senate of Puerto Rico.
(Sgd.) ANTONIO ARROYO,
Secretary, House of Representatives of Puerto Rico.

IN THE EXECUTIVE COUNCIL OF PUERTO RICO

A RESOLUTION

Whereas the Honorable Blanton Winship, who was appointed Governor of Puerto Rico on February 5, 1934, has tendered his resignation of this high office; and

Whereas at the time he took office Puerto Rico was suffering from an economic crisis as a result of the depression, further aggravated by recent hurricanes which had swept the island, there being much unemployment and general unrest; and

Whereas by his unremitting efforts he has sponsored and contributed toward securing the passage of legislation of great benefit to the people of Puerto Rico and through his personal efforts has secured large appropriations of Federal funds for Puerto Rico, thus alleviating unemployment and suffering; and

Whereas in his dealings with all classes of people he has shown the greatest tact and courtesy and has won the love and gratitude of the people of this island for his zeal and devotion to their welfare and his splendid achievements in the face of distressing economic conditions: Now, therefore, be it

Resolved by the Executive Council of Puerto Rico, To express to the Honorable Blanton Winship the gratitude and appreciation of the members of the executive council for the distinguished services rendered by him to the said body and through it to the people of Puerto Rico; to express the deep affection and high esteem in which we hold him; to convey to him our regret for the

severance of his official relations with this council, and to wish him long life and happiness in his future career; and be it further

Resolved, That this resolution be spread at length upon the minutes of the Executive Council of Puerto Rico, and that an engrossed copy hereof, signed by all the members of the council, be delivered to the Honorable Blanton Winship.

Done in open session of the Executive Council of Puerto Rico at San Juan, P. R., this 27th day of June 1939.

Attest:

Geo. W. Roberts, secretary of the Executive Council of Puerto Rico; B. Fernandez Garcia, attorney general; J. A. Lopez, acting auditor of Puerto Rico; H. A. Martin, acting commissioner of education; Roberto Castellon, acting commissioner of agriculture and commerce; J. E. Colom, acting president of the Executive Council of Puerto Rico; R. Sancho Bonet, treasurer of Puerto Rico; R. Gonzalez Requena, acting commissioner of the interior; E. Garrido Morales, commissioner of health; P. Rivera Martinez, commissioner of labor.

Resolution No. 385, to declare Hon. Blanton Winship, Governor of Puerto Rico, adoptive and predilect son of the city of San Juan, capital of Puerto Rico; and for other purposes

Whereas the Hon. Blanton Winship, Governor of Puerto Rico, during the last 5 years has distinguished himself as a benefactor of this island, tending with his ability, intelligence, and brilliant administrative capacity to develop and foment the agricultural, industrial, and commercial pursuits of Puerto Rico;

Whereas in order to remedy the present and future economical conditions of Puerto Rico, he has taken energetic steps to foment the tourist trade, seeking to convert the island, particularly its capital city and port into a modern Rhodes, endeavoring to embellish the city of San Juan, capital of this island, preserving all of the existing historical monuments, so as to attract the tourist trade, diffusing orally and in writing the beauty of the island, its civilization, culture, and well-known hospitality;

Whereas it is fitting and proper that this board, in response to a communication addressed to it by the Honorable Fernando J. Geigel, city manager, renders a tribute of admiration to the refined gentleman and exacting chief executive of Puerto Rico for the last 5 years: Therefore, be it

Resolved by the Board of Commissioners of San Juan, That Hon. Blanton Winship, Governor of Puerto Rico, be and is hereby declared adoptive and predilect son of the city of San Juan.

SEC. 2. That this resolution be delivered to Hon. Blanton Winship at a public and solemn session of the Board of Commissioners of San Juan, on the 7th day of June 1939, which is the last day of the regular session of the board for the month of June, and that the people of San Juan be publicly invited to this ceremony.

SEC. 3. That this resolution be duly signed by the president and secretary of the board of commissioners, and that the official seal of the capital of Puerto Rico be affixed thereto.

SEC. 4. This resolution, being of an urgent nature, shall become effective immediately after its approval.

San Juan, Puerto Rico, May 18, 1939.

[s] RAFAEL LANDRON Y LANDRON, *President.*

[s] LUIS CASTRO, *Secretary.*

Resolution adopted by members of the Puerto Rican press and presented to Gov. Blanton Winship at a reception in his honor at La Mallorquina, San Juan, P. R., May 19, 1939

Whereas throughout his 5½ years as Governor of Puerto Rico the Honorable Blanton Winship has impressed us with his courtesy, fairness, and devotion to the best interests of our island; and

Whereas we, the members of the Puerto Rican press, assigned to report the daily events of the Governor's office, have met always with uniform consideration and cooperation at his hands; and

Whereas the pending termination of the Governor's service as chief magistrate of Puerto Rico is deeply regretted by the public in general and by us who have been associated with him in particular:

Therefore, we the undersigned members of the press, hereby declare our respect and admiration for Governor Winship and express our best wishes to him for many more years of health and happiness.

(Signed) E. Ramírez Brau, El Día; Juan Maldonado, El País; Rafael Gil de Lamadrid, La Correspondencia; Harwood Hull, Associated Press; Basil Gallagher, Puerto Rico News Bureau; E. Combas Guerra, El Mundo; Nathaniel Soltero, El Mundo; C. Leigh Stevenson, El País; William O'Reilly, United Press; Luis de Casenave, photographer of El Mundo.

MUNICIPALITY OF RIO PIEDRAS,
OFFICE OF THE SECRETARY.

Resolution 115

Resolution of the Municipal Assembly of Rio Piedras, P. R., expressing the gratitude of the city of Rio Piedras to Hon. Blanton Winship, Governor of Puerto Rico, for his meritorious work in behalf of the people of Puerto Rico during his governorship of the island

Whereas Governor Winship will shortly leave the island, having resigned his post;

The efforts made by him in behalf of Puerto Rico during his governorship of the island make him deserving of acknowledgment and gratitude;

His activities for the promotion of tourist trade have contributed to make Puerto Rico better known to United States;

He has convinced the Federal Government of the strategic position of Puerto Rico in the Caribbean for national defense, securing a large appropriation of funds for the establishment of an air base in San Juan and airports in different points of the island, and in this way he has caused the United States to recognize the value of Puerto Rico and the duty of the National Government to care for the welfare of the people of Puerto Rico;

He has done everything in his power to reduce unemployment;

During his term of office he has proposed and approved laws beneficial to the forgotten working classes;

He has contributed to embellish our roads, having trees and flowers planted by their sides;

He has contributed to the promotion of fish culture, increasing the supply of fish in the rivers and lagoons of Puerto Rico; and

The interest that the national authorities are showing at present for Puerto Rico is owed to a large extent to the efforts made by Governor Winship near them: Therefore be it

Resolved by the Municipal Assembly of Rio Piedras, P. R., To express to the Honorable Blanton Winship, Governor of Puerto Rico, the acknowledgment and gratitude that the city of Rio Piedras owes him for his arduous work in behalf of all the island of Puerto Rico during his governorship; be it

Resolved further, That copies of this resolution shall be sent to the Honorable Blanton Winship; to the Honorable Franklin D. Roosevelt, President of the United States of America; to the Honorable Harold L. Ickes; and to the Honorable Ernest Gruening.

Adopted May 23, 1939. Approved by the mayor June 20, 1939.

Certified to by Margarita Peroza, municipal secretary-auditor, June 21, 1939.

Resolution adopted by the Rotary Club of Mayaguez, P. R.

Whereas His Excellency Gen. Blanton Winship, Governor of Puerto Rico, has worked arduously and effectively in Washington as a representative of the Puerto Rican people; and

Whereas Governor Winship, with the prestige of his personality, has developed many friends in the continental United States for our people in Puerto Rico; and

Whereas Governor Winship has conceived many new possibilities for developing new industries in our island; and

Whereas Governor Winship has shown the possibilities of a great income from tourist visitors to our island and has interested steamship companies and other social and industrial leaders to aid in the development of this industry; and

Whereas Governor Winship, more than any man in this generation, has accomplished much for our island and our people; and

Whereas the Governor has always been interested in Mayaguez and visited us frequently:

Therefore, we, the members of the Mayaguez Rotary Club, unanimously and by standing vote wish to welcome Governor Winship home again to Puerto Rico.

And we wish to place on record our deep appreciation for the great services which he has rendered to Puerto Rico and our people.

And we wish that he will remain with us as Governor for many years to come, making his home with us.

And we wish to state our humble but sincere and most profound thanks for all which he has done for us.

And we desire that copies of this resolution, with translation into English, be sent to His Excellency the President of the United States and the honorable the Secretary of the Interior in Washington.

Certified to be correct copy of a resolution passed by the Mayaguez Rotary Club at its regular meeting Tuesday evening, January 10, 1939.

CARLOS SUÁREZ, *Secretary.*

MAYAGUEZ, P. R., *January 13, 1939.*

HONORARY DEGREE OF DOCTOR OF LAWS CONFERRED UPON GOV. BLANTON WINSHIP BY THE UNIVERSITY OF PUERTO RICO, ON MAY 24, 1939

CURATORES

UNIVERSITATIS PORTORICENSIS

OMNIBUS HAS LITERAS PERLECTURIS SALUTEM IN DOMINO

Notum sit quod Blanton Winship ornare placuit et pro meritis titulo graduque Legum Doctoris condecorare eique donavimus potestatem amplissimam privilegiis omnibus et immunitatibus et honoribus fruendi quae ubique gentium ad gradum eundem pertinent cujus rei sigillum universitatis nominaque nostra testimonio sint datum ex aedibus academicis Rio Piedras, Puerto Rico die XXIV Mensis Maii Annoque Salutis Humanae MDCCCCXXXIX.

Juan B. Soto, Praeses; Miguel A. Garcia Mendez, Carlos Esteva, Jr., F. L. Tarratoro, Dr. F. J. Capo, Jr., Jose M. Gallardo, Celestino Iriarte, Roberto Castellon, Jaime Annexy, Jr., Curatores.

ADDRESS BY MR. R. RIVERA SANTIAGO OF THE PUERTO RICO STATEHOOD ASSOCIATION

Mr. Chairman, Governor Winship, fellow members of the Puerto Rico Statehood Association, ladies, and gentlemen, when we start talking about Governor Winship's 5½ years as our chief

executive, it is hard to avoid following the Puerto Rican fashion in public address: Unleashing all the adjectives in the language. The Governor has been a man of few words, and in making brief reference to some of the highlights of his excellent record as a Governor, I want to follow the American style and shoot direct at the target.

I could say, "Winship is the best Governor the island ever had," and sit down. But I do want to take just a minute or two to say why I feel—as everyone else here tonight feels—that he has been outstanding as the island's chief executive.

Five years ago, when he first landed here, we were a disillusioned people. We were fighting among ourselves over political issues. Island economy was badly scrambled. Neither the government nor the individual had money enough with which to pay running expenses.

It was a tough job for anyone to tackle and it was especially tough because of a strident opposition that was intent upon proving to our fellow citizens on the American Continent that no one could long survive the ordeal of being Governor of Puerto Rico.

There was no harmony. Today Puerto Rico enjoys greater internal harmony than in many, many years. The strident opponents of statehood and Americanism have been silenced. But conquering that noisy segment of the population is not, however, the factor in the personality of Governor Winship that impresses us most strongly.

I wish to acknowledge the quality in Governor Winship that has enabled him to win the admiration and cooperation of the several groups of political thought standing to the right of the extremists. He is the first Governor we have ever had who excites the same terms of admiration from the leaders of the minority political party as from the majority party, and that, my fellow Puerto Ricans, is an achievement. Even we ourselves are not always able to get along so well with one another.

It was no glad-handing campaign that has brought to Winship the approval of virtually all Puerto Ricans—Puerto Ricans in politics, in business, and in the schools; and let me pause for just a minute to remind you that the children of Puerto Rico are as one in acclaiming Governor Winship. He is venerated, admired, and respected by our children and they overlook no opportunity of expressing their loyalty to him.

Business people have found that his efforts here in Puerto Rico and in Washington have been a potent factor in staving off disaster during the depression and holding promise for the future when his plans for Puerto Rico bear full fruit. He has been an outstanding advocate of statehood, and that spells prosperity for business and jobs for workers that could be achieved by no other approach to a destiny for Puerto Rico that is brighter and more encouraging because of the work and leadership of Blanton Winship.

He has worked for and with Puerto Ricans; and if there is a reward for a service well performed, we have it in our hands to offer that reward. We are gathered here this evening to extend the reward that it is within our power as individuals to extend. We are here to acknowledge that Winship is the best Governor Puerto Rico has ever had. We are here to pledge him our undying gratitude for doing a hard job well. We are here to tell him that he is "muy simpatico," and, I hope, to assure him that his successor is going to have the same cooperation and support that has been ungrudgingly extended to him.

We can say this evening, "Blanton Winship, you are the best Governor Puerto Rico ever had." And we can add the hope—a hope I am sure he will approve—we can express the hope that he will not always stand as the best Governor the island ever had. I believe that he would have altered my manuscript, had it been submitted to him, to make me say, "We expect Admiral Leahy to break the Winship record." Nothing, I feel, would please Governor Winship more than to read a few years hence that there had been a duplication of this evening's event to emphasize then that "Leahy is the best Governor Puerto Rico ever had."

Admiral Leahy has an unexcelled opportunity to achieve that distinction. His foundations have been well and firmly built by the man we honor this evening. He installed those foundations for another to build upon. Winship has established his record and it is up to every one of us do our level best to help his successor in the office of Governor to equal and then surpass Winship in attaining new highs for civic consciousness, executive leadership, and island-wide popularity. It is a difficult goal that has been set, and the man who keeps insisting that Leahy will make the grade is our true and tried friend, Gov. Blanton Winship.

R. RIVERA SANTIAGO.

GOVERNMENT OF PUERTO RICO,
DEPARTMENT OF LABOR,
MEDIATION AND CONCILIATION COMMISSION.

The Mediation and Conciliation Commission of the government of Puerto Rico in its session held today, June 23, 1939, adopted the following resolution:

Whereas Gov. Blanton Winship has worked strenuously for 5½ years for the social and economic interests of this island, obtaining fruitful results in an unprecedented way in the career of any Governor we have had;

Whereas Governor Winship by personal articles and speeches, by numerous trips to the continent, and by his indefatigable administrative activity has made Puerto Rico known to the Nation, establishing a link of affection between the island and the continent;

Whereas Governor Winship has been a noble and great friend of this Commission, cooperating with it in every occasion in the most effective way;

Whereas Governor Winship will cease as Governor soon and will leave the island the 25th of this month with the deepest regret of the whole population of the island, who feel grateful for his strenuous, magnificent, and fruitful efforts to serve it:

Therefore the Mediation and Conciliation Commission of the government of Puerto Rico resolves to express to Gov. Blanton Winship its respect and admiration for his high personality and its gratitude and its heartfelt regret at his departure, and assures him that he will always be remembered by the members of this Commission and the people of this island.

SAN JUAN, P R., *June 23, 1939.*

LUIS VILLARONGA,
Chairman, Mediation and Conciliation Commission.

Robert Low Bacon

MEMORIAL ADDRESS
OF
HON. FRANCIS H. CASE
OF SOUTH DAKOTA
IN THE HOUSE OF REPRESENTATIVES
Tuesday, May 30, 1939

On the life, character, and public service of Hon. ROBERT LOW BACON, late a Representative from the State of New York

Mr. CASE of South Dakota. Mr. Speaker, I was a freshman Congressman during the only term I served with ROBERT LOW BACON, yet he was so constructive in his attitude toward all questions that it made a deep impression upon me.

He took time to show a personal interest in those of us who were just beginning, and he took a position on many public questions which would seem to some people to be against his own personal interests. He had, however, that farseeing statesmanship which recognized that the good to the greatest number is the good to each member of society. He had the patriotism and courage to do that which he thought was for the good of the greatest number, regardless of how it might affect him personally. No country has too many men of that quality. We all miss him.